

THE BERROW COTTAGE HOMES

England & Wales · Charity number 1175027

Details

Status Registered

Legal form CIO

Registered 2017-10-09

Register [View on the Charity Commission register](#)

Contact

Address 2 Kenilworth Road
Knowle
Solihull
B93 0JA

Phone 01564778337

Email berrow.homes@btinternet.com

Website www.berrowhomes.org.uk

Activities

Objects: TO ASSIST THOSE IN FINANCIAL NEED THROUGH THE PROVISION OF AFFORDABLE HOUSING BY WAY OF ALMSHOUSES

Activities: Provision of social housing by way of almshouses

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities

Geography

- Solihull

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£222,788	£158,336	-	-
2023-12-31	£208,581	£154,409	-	-
2022-12-31	£204,039	£170,226	-	-
2021-12-31	£185,023	£160,546	-	-
2020-12-31	£176,659	£148,794	-	-

Trustees

Name	Role	Appointed
CHARLES EDWARD PONTIFEX	Chair	2018-12-31
Claire Lewthwaite		2021-02-24
DAVID WHITING		2018-12-31
Dr JENNIFER ANN HAGON		2018-12-31
ELISABETH MARY WILKIN		2018-12-31
NEIL JOHN CAMERON		2018-12-31
ROBERT WILLIAM PITT		2018-12-31
Rev Geoffrey Lanham		2019-10-30
TERENCE JOHN CORNS		2018-12-31

Linked charities

- CHARITY OF MISS SARAH LETTICIA BERROW (1175027-1)

Accounts

REGISTERED CHARITY NUMBER: 1175027

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2024
for
THE BERROW COTTAGE HOMES**

THE BERROW COTTAGE HOMES

Contents of the Financial Statements for the Year Ended 31 December 2024

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 21
Detailed Statement of Financial Activities	22 to 23

THE BERROW COTTAGE HOMES

**Reference and Administrative Details
for the Year Ended 31 December 2024**

TRUSTEES

N J Cameron Chairman
T J Corns
Dr J A Hagon Vice Chairman
Mrs J Hogg (resigned 28.2.25)
Mrs C Lewthwaite
R W Pitt
C E Pontifex A.C.A Treasurer
Mrs E M Wilkin
D Whiting
Rev G Lanham Ex-Officio Trustee

PRINCIPAL ADDRESS

Mary Galloway House
2 Kenilworth Road
Knowle
Solihull
West Midlands
B93 0JA

REGISTERED CHARITY NUMBER 1175027

INDEPENDENT EXAMINER

Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

SOLICITORS

Standley & Co
1612-1618 High Street
Knowle
Solihull
West Midlands
B93 0JU

BANKERS

Barclays Bank plc
19-21 Mell Square
Mill Lane
Solihull
West Midlands
B91 3AR

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2024

The trustees present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity exists to maintain and manage 30 almshouses (including 1 occupied by the warden) in its ownership for the benefit and welfare of people in need of housing provision, principally in the village of Knowle and the surrounding areas, in accordance with the original Trust deed.

Significant activities

The trustees have the objectives of keeping all the properties and gardens in good condition, thereby providing a comfortable and safe environment for each resident; complying with the Decent Homes Standards and ensuring that the properties are in demand. To achieve this stated objective, plans were devised to further upgrade the Victorian Cottages, and in so doing improve their EPC ratings. Other aims for the year were to continue reviewing and updating the policies of the Trust to ensure that they reflect best practice; to review the risk assessments for the Trust; to continue to monitor the wellbeing of the residents and to mitigate against the effects of Bank Base Rate fluctuations and other cost of living pressures on the finances of the charity.

Public benefit

The charity provides public benefit by providing social housing by way of Almshouses to those who are unable to afford commercial rents. By being in close contact with these individuals the charity can ensure their health and wellbeing is protected.

Grantmaking

It is not the policy of the Trustees to make grants.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the bay windows of the listed Victorian Cottages were replaced to increase the levels of insulation in the properties, thereby improving their energy efficiency. The process of reviewing the trust's policies and its risks was continued. The Trust's bank loans were repaid on their repayment date, resulting in more efficient use of the Trust's resources, which together with very high levels of property occupancy led to improved cash generation. A tenant's satisfaction survey was undertaken, as required by the Regulator of Social Housing, the results of which showed high levels of tenant satisfaction.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2024

FINANCIAL REVIEW

Financial position

Turnover from Social Housing lettings rose by £18,443 to £195,306 compared to last year (2023: £176,863). This increase is primarily due to higher Weekly Maintenance Charges and a reduction in voids throughout the year.

Operating expenditure has been effectively monitored in the year, despite a slight increase compared to last year, as detailed below:

Charitable Activity Costs increased by £14,673 to £132,631 (2023: £117,958), driven by a) £4,306 in higher losses on the sale of tangible assets; b) £8,594 in additional property repairs and maintenance expenses. Support Costs have increased slightly by £737, totalling £18,886 (2023: £18,149).

The net income from charitable activities is reported at £73,746, which includes gains on investments of £9,294, compared to £10,288 in 2023. Interest payable on loans amounted to £4,251, significantly lower than the £15,848 in 2023, due to the repayment of the Barclays Bank Loan in March 2024.

Investment income declined by £2,945 to £18,057 (2023: £21,002) as a result of investment disposals during 2024.

As a result, the Balance Sheet shows an increase in reserves of £73,746, representing the net income for the year. This figure consists of a surplus of £89,425 on unrestricted funds and a deficit of £15,679 on restricted funds, which reflects the depreciation charge released against the social housing grant.

Investment policy and objectives

The investments are managed by the Trustees who have opted to invest in Accumulation shares of the M&G Charity Multi Asset Fund.

Reserves policy

The National Association of Almshouses requires that sufficient sums to be set aside as investments to generate necessary funds mainly for the maintenance and repairs of the Almshouses; this is achieved by setting aside annually the amount advised by them. Accumulation Fund dividends are allowed to accumulate in the reserves unless required for exceptional expenditure.

Total Unrestricted Reserves of the Charity amount to £1,981,740 of which £1,388,754 have been designated, £100,634 relates to the Investment Revaluation Reserve and £492,352 comprises the Income and Expenditure Account.

Restricted Reserves amount to £738,003 and represent social housing grants received net of the depreciation element of the housing properties funded by the grants.

Details of these reserves are set out in Note 18 to the Financial Statements.

FUTURE PLANS

These will be to ensure that the Almshouses continue to be well maintained and in so doing provide comfortable accommodation for the residents. Plans are being drawn up for further improvements to the Victorian Properties, which will further enhance their energy efficiency. The trustees intend to continue to maintain an enhanced level of tenant involvement, by continuing to adopt the National Regulator of Social Housing Tenant Satisfaction Surveys.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a Charitable Incorporated Organisation (CIO) and is controlled by its governing document, the foundation registered on 9th October 2017, and as amended on 1st February 2018 and 4th June 2018. The CIO's Registered Number is 1175027 and it is also regulated by the Regulator of Social Housing (5051).

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees are recruited as required with the aim of having a Board of Trustees with a range of relevant skills and experience. New Trustees are inducted by the Board and are able to attend courses run by the Almshouse Association and others.

Organisational structure

The Board of Trustees met four times in 2024 to determine strategy and policy and they employ a Warden and Clerk to ensure that residents' needs are met and that the income and expenditure of the Charity is managed efficiently. Trustees serve on sub committees including Health and Safety, Finance, Buildings, Residents' Selection, Residents' Welfare and Fundraising in order to facilitate day-to-day management and residents' welfare issues. The Warden is available to offer reasonable non nursing assistance to frail residents and liaise with Social Services to ensure that residents are able to maintain independent residence until they require full time residential care.

The Clerk to the Trustees prepares monthly cumulative cash accounts and cumulative statements of contributions due from residents together with a reconciliation to the bank balances. These are scrutinised by the Treasurer who prepares an annual budget and provides performance reports for each meeting of the Trustees. The bank mandate requires two authorised persons for all payments. Insurance and Risks are reviewed annually.

The Trustees also confirm that they have had regard for the Charity Commission guidance in respect of public benefit when reviewing the charity's aims and objectives and planning future activities.

Code of Governance

The code of governance adopted by the Trustees is the Charity Governance Code for Smaller Charities, as this best fits with the aims and objectives of The Berrow Cottage Homes as an Almshouse Charity and represents a standard of good governance practice to which all charities should aspire.

The Board of Trustees confirms compliance with the Governance and Financial Viability Standard. In doing so, the Board confirms that it has an appropriate, robust and prudent business planning, risk and control framework in place.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have given consideration to the major risks to which the charity is exposed and have reviewed the established systems and procedures to manage these risks and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board's focus in the year was on the below principal risks:

Maintaining Properties to Decent Homes Standards

Reports are made to the Board and each meeting to ensure all properties and inspections are up to date. A programme of works is in place for component replacements.

Maintaining good service levels to residents

The Berrow Cottage Homes adopts an open forum of communication between residents and key management personnel. During the year residents continued to be more involved with the operations of the Charity and the welfare of fellow residents, by providing key feedback to the Trustees at their regular visits and through a Regulator of Housing residents' satisfaction survey.

Effective management of the Charity's resources

The Board continue to monitor the Charity's resources and particularly its finances given the economic uncertainties currently impacting the cost of living for the residents and the charity in maintaining the properties. Given the investments held by the charity, the Trustees are confident that the charity is able to continue delivering its objectives.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2024

VALUE FOR MONEY (VFM)

Each year the Charity uses a range of data to measure VFM progress against the housing sector. The results help influence investment decisions and provide the regulators and other stakeholders with information on the progress of the Charity, whilst also ensuring compliance with the regulatory VFM standard. The metrics have been compared to the Acuity smaller providers 2023/24 results.

Metric	2024	2023	Acuity Scorecard	Commentary
New supply delivered	0%	0%	0%	The Charity has 30 Almshouses in management. This remains as per the previous year, with no new supply of social or non-social housing.
Gearing	(3.93%)	7.17%	16%	The Charity's has much lower borrowings and therefore lower interest in the year.
EBITDA MRI	1,814.44%	699.48%	218%	EBITDA margin comparing to 2023 has increased, exceeding industry average. The increase can be attributed to a higher operating surpluses and effective cost management.
Social Housing Cost Per Unit	£5,024	£3,072	£5,720	Lower voids compared to 2023, but higher capitalised costs reflect the increase in Social Housing Costs per unit during the year.
Operating Margin Overall	31.16%	26.29%	16.06%	The operating margin increase indicates that The Berrow Cottage Homes became more profitable relative to its revenue in 2024 compared to 2023, outperforming the industry Benchmark.
Social Housing Lettings only	21.11%	21.66%	18.82%	The operating Social Housing Lettings is 0.55% lower than in 2023, however remains above industry average, continuing to achieve superior returns on its social housing lettings relative to industry peers.
ROCE	2.35%	2.02%	2.64%	The increase in ROCE indicates that the Charity generated higher profits relative to the capital employed in its operations during 2024. However, the reported ROCE is slightly below the industry average, implying that its capital efficiency and profitability are just below those of its industry peers.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2024

Reinvestment	1.77%	0.02%	2.63%	The reported increase in reinvestment can be attributed to the increase in capital expenditure during the year due to the replacement of four bay windows at Kenilworth Road.
--------------	-------	-------	-------	---

Overall, these key performance indicators reflect the results for the year ended 31st December 2024 in comparison to the industry sector scorecard, demonstrating financial strength and robust asset management.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT EXAMINER

The Independent Examiner has expressed his willingness to continue in office and a proposal for his reappointment will be put before the Trustees at their meeting.

Approved by order of the board of trustees on 20 May 2025 and signed on its behalf by:


N J Cameron - Trustee

Independent examiner's report to the trustees of The Berrow Cottage Homes

I report to the charity trustees on my examination of the accounts of The Berrow Cottage Homes (the Trust) for the year ended 31 December 2024.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our work or for this report.

Responsibilities and basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Section 136(3) of the Housing and Regeneration Act 2008, an independent examination has been carried out.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or section 135(2)(a) of the Housing and Regeneration Act 2008; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Holland-Leader FCA

Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

20 May 2025

THE BERROW COTTAGE HOMES

**Statement of Financial Activities
for the Year Ended 31 December 2024**

	Notes	Unrestricted funds £	Restricted fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		9,400	-	9,400	10,676
Charitable activities	4				
Housing Activities		195,306	-	195,306	176,863
Other trading activities	2	25	-	25	40
Investment income	3	18,057	-	18,057	21,002
Total		<u>222,788</u>	<u>-</u>	<u>222,788</u>	<u>208,581</u>
EXPENDITURE ON					
Charitable activities					
Housing Activities		<u>142,657</u>	<u>15,679</u>	<u>158,336</u>	<u>154,409</u>
Net gains on investments		<u>9,294</u>	<u>-</u>	<u>9,294</u>	<u>10,288</u>
NET INCOME/(EXPENDITURE)		89,425	(15,679)	73,746	64,460
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,892,315</u>	<u>753,682</u>	<u>2,645,997</u>	<u>2,581,537</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,981,740</u>	<u>738,003</u>	<u>2,719,743</u>	<u>2,645,997</u>

The notes form part of these financial statements

THE BERROW COTTAGE HOMES

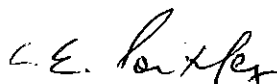
Balance Sheet
31 December 2024

	Notes	Unrestricted funds £	Restricted fund £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	11	1,477,760	738,003	2,215,763	2,219,757
Investments	12	<u>424,932</u>	<u>-</u>	<u>424,932</u>	<u>507,156</u>
		1,902,692	738,003	2,640,695	2,726,913
CURRENT ASSETS					
Debtors	13	1,615	-	1,615	14,306
Cash at bank and in hand		<u>138,177</u>	<u>-</u>	<u>138,177</u>	<u>169,462</u>
		139,792	-	139,792	183,768
CREDITORS					
Amounts falling due within one year	14	(32,656)	-	(32,656)	(229,596)
NET CURRENT ASSETS		<u>107,136</u>	<u>-</u>	<u>107,136</u>	<u>(45,828)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,009,828	738,003	2,747,831	2,681,085
CREDITORS					
Amounts falling due after more than one year	15	<u>(28,088)</u>	<u>-</u>	<u>(28,088)</u>	<u>(35,088)</u>
NET ASSETS		<u>1,981,740</u>	<u>738,003</u>	<u>2,719,743</u>	<u>2,645,997</u>
FUNDS	18				
Unrestricted funds				1,981,740	1,892,315
Restricted funds				<u>738,003</u>	<u>753,682</u>
TOTAL FUNDS				<u>2,719,743</u>	<u>2,645,997</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 20 May 2025 and were signed on its behalf by:



N J Cameron - Trustee



C E Pontifex A.C.A - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The accounts 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 2022.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

Income from housing represents housing contributions from weekly maintenance charges from residents.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

1. ACCOUNTING POLICIES - continued

Income

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed and where the amount of the grant has been determined. Grants are reflected in the restricted Housing Property Fund with depreciation on grant funded assets reducing this fund.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Housing properties

The original Berrow Cottage Homes Almshouses were constructed in the late Nineteenth Century. There is no record of the original cost, but they are valued at 1st January 1926 at £2,000, with additions since at cost being funded by Homes England and its predecessor bodies Grants, Mortgage Loans, Charitable Donations, and from the Berrow Cottage Homes' own resources.

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified, and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30
Heating, Ventilation, Plumbing	30
Kitchens	20
Boilers	15
Other enhancements	10

Housing properties in the course of construction are disclosed at cost within work in progress and not depreciated until the scheme is completed and the assets brought into use.

The Charity capitalises expenditure on housing properties which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Furniture, Fittings and Equipment

Depreciation on Furniture, Fittings and Equipment has been provided in order to write off the cost over its expected useful life on a reducing balance basis. The rate used for this purpose is 10%.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

2. OTHER TRADING ACTIVITIES

	2024 £	2023 £
Other income	<u>25</u>	<u>40</u>

3. INVESTMENT INCOME

	2024 £	2023 £
Investment income	15,743	19,358
Deposit account interest	<u>2,314</u>	<u>1,644</u>
	<u>18,057</u>	<u>21,002</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2024 £	2023 £
Gross maintenance contributions from residents	195,681	179,375
Gross maintenance contributions from Supporting People	-	-
Losses from voids	<u>(375)</u>	<u>(2,512)</u>
	<u>195,306</u>	<u>176,863</u>

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Housing Activities	<u>18,886</u>	<u>4,251</u>	<u>2,568</u>	<u>25,705</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2024 £	2023 £
Sundry expenses	100	375
Grounds maintenance	61	13
Repairs	412	713
Administration	-	-
Outreach	489	-
Travel	-	46
	<u>£1,062</u>	<u>£1,147</u>

Expenses were reimbursed to 5 Trustees in the year (2023: 5).

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

7. STAFF COSTS

	2024 £	2023 £
Wages	37,034	35,263
Social security	468	390
Pension	2,371	2,224
Other employee benefits	<u>722</u>	<u>652</u>
	<u>40,595</u>	<u>38,529</u>

No employees received emoluments in excess of £60,000.

The average monthly number of employees during the year was as follows:

	2024	2023
Warden	1	1
Clerk	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	10,676	-	10,676
Charitable activities			
Housing Activities	176,863	-	176,863
Other trading activities	40	-	40
Investment income	<u>21,002</u>	<u>-</u>	<u>21,002</u>
Total	<u>208,581</u>	<u>-</u>	<u>208,581</u>
EXPENDITURE ON			
Charitable activities			
Housing Activities	<u>137,808</u>	<u>16,601</u>	<u>154,409</u>
Net gains on investments	10,288	-	10,288
NET INCOME/(EXPENDITURE)	81,061	(16,601)	64,460
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,811,254</u>	<u>770,283</u>	<u>2,581,537</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,892,315</u>	<u>753,682</u>	<u>2,645,997</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

9. SOCIAL HOUSING ACTIVITIES

	2024	2023
	£	£
Turnover from Social Housing	195,306	176,863
Operating costs of Social Housing	<u>(158,336)</u>	<u>(154,409)</u>
Operating deficit and deficit on Social Housing activities	<u><u>36,970</u></u>	<u><u>22,454</u></u>

10. SOCIAL HOUSING GRANT

The total Social Housing Grant received for The Berrow Cottage Homes as at 31st December 2024 amounted to £931,084 (2023: £931,084).

The full Capital Grant would only become repayable if the Almshouses were disposed of and the grant was not recycled.

	£
Aggregate amount received At 31st December 2024	<u><u>931,084</u></u>
Released to Statement of Financial Activities At 31st December 2024	<u><u>(931,084)</u></u>
Social Housing Grant Carried forward	<u><u>-</u></u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

11. TANGIBLE FIXED ASSETS

	Housing properties £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2024	2,623,199	22,634	5,977	2,651,810
Additions	51,527	358	-	51,885
Disposals	(7,239)	-	-	(7,239)
At 31 December 2024	<u>2,667,487</u>	<u>22,992</u>	<u>5,977</u>	<u>2,696,456</u>
DEPRECIATION				
At 1 January 2024	407,654	19,804	4,595	432,053
Charge for year	49,941	819	153	50,913
Eliminated on disposal	(2,273)	-	-	(2,273)
At 31 December 2024	<u>455,322</u>	<u>20,623</u>	<u>4,748</u>	<u>480,693</u>
NET BOOK VALUE				
At 31 December 2024	<u>2,212,165</u>	<u>2,369</u>	<u>1,229</u>	<u>2,215,763</u>
At 31 December 2023	<u>2,215,545</u>	<u>2,830</u>	<u>1,382</u>	<u>2,219,757</u>

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	507,156
Additions	42,739
Disposals	(150,000)
Revaluations	9,294
Accumulated dividends	<u>15,743</u>
At 31 December 2024	<u>424,932</u>
NET BOOK VALUE	
At 31 December 2024	<u>424,932</u>
At 31 December 2023	<u>507,156</u>

There were no investment assets outside the UK.

THE BERROW COTTAGE HOMES

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Arrears of Maintenance contributions	706	639
Other debtors	46	-
Prepayments and accrued income	863	13,667
	<u>1,615</u>	<u>14,306</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 16)	-	195,204
Taxation and social security	1,293	2,507
Other creditors	31,363	31,885
	<u>32,656</u>	<u>229,596</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Other creditors	<u>28,088</u>	<u>35,088</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loans	-	195,204
National Association of Almshouses Loan	7,000	7,000
	<u>7,000</u>	<u>202,204</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>7,000</u>	<u>7,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>21,088</u>	<u>28,088</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

17. SECURED DEBTS

The Barclays Bank loan that was secured by a legal charge over Mary Galloway House, 2 Kenilworth Road, Knowle, Solihull, was fully paid in March 2024 (2023: £195,204). As a result, the charge over the Trust's asset was released.

The National Almshouse loan is unsecured and interest free for 10 years. (Loan received October 2019; £3,675 six monthly equal instalments, final repayment October 2029).

18. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	401,577	71,131	19,644	492,352
Investment Revaluation	124,138	9,294	(32,798)	100,634
Cyclical Repairs	164,458	-	16,333	180,791
Extraordinary Repairs	167,192	-	18,687	185,879
Charitable Property	<u>1,034,950</u>	<u>9,000</u>	<u>(21,866)</u>	<u>1,022,084</u>
	1,892,315	89,425	-	1,981,740
Restricted funds				
Housing	<u>753,682</u>	<u>(15,679)</u>	<u>-</u>	<u>738,003</u>
TOTAL FUNDS	<u>2,645,997</u>	<u>73,746</u>	<u>-</u>	<u>2,719,743</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	213,788	(142,657)	-	71,131
Investment Revaluation	-	-	9,294	9,294
Charitable Property	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
	222,788	(142,657)	9,294	89,425
Restricted funds				
Housing	<u>-</u>	<u>(15,679)</u>	<u>-</u>	<u>(15,679)</u>
TOTAL FUNDS	<u>222,788</u>	<u>(158,336)</u>	<u>9,294</u>	<u>73,746</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	368,363	60,773	(27,559)	401,577
Investment Revaluation	113,850	10,288	-	124,138
Cyclical Repairs	141,226	-	23,232	164,458
Extraordinary Repairs	149,232	-	17,960	167,192
Charitable Property	<u>1,038,583</u>	<u>10,000</u>	<u>(13,633)</u>	<u>1,034,950</u>
	1,811,254	81,061	-	1,892,315
Restricted funds				
Housing	<u>770,283</u>	<u>(16,601)</u>	<u>-</u>	<u>753,682</u>
TOTAL FUNDS	<u>2,581,537</u>	<u>64,460</u>	<u>-</u>	<u>2,645,997</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	198,581	(137,808)	-	60,773
Investment Revaluation	-	-	10,288	10,288
Charitable Property	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	208,581	(137,808)	10,288	81,061
Restricted funds				
Housing	-	(16,601)	-	(16,601)
TOTAL FUNDS	<u>208,581</u>	<u>(154,409)</u>	<u>10,288</u>	<u>64,460</u>

Cyclical Repairs and Maintenance Fund

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

Extraordinary Repairs Fund

This Revenue Reserve represents amounts set aside to carry out major repairs on Housing Properties

Charitable Fund Property Fund

This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources. In the year capitalised expenditure on housing properties and loan interest has been transferred to this fund and depreciation except for that relating to the social housing grant for housing properties have been transferred from this fund.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

18. MOVEMENT IN FUNDS - continued

Housing Property Fund

This represents the social housing grant received from the Housing Corporation for property improvements to the Almshouses. Depreciation on housing properties is charged to this fund over the life of the components of the building.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2024.

20. UNITS IN MANAGEMENT

The Charity had 30 units in Management during the year. (2023: 30). There were no acquisitions or disposals in the year.

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	9,400	10,676
Other trading activities		
Other income	25	40
Investment income		
Investment income	15,743	19,358
Deposit account interest	<u>2,314</u>	<u>1,644</u>
	18,057	21,002
Charitable activities		
Housing Activities - Residents	195,681	179,375
Losses from voids	<u>(375)</u>	<u>(2,512)</u>
	<u>195,306</u>	<u>176,863</u>
Total incoming resources	222,788	208,581
EXPENDITURE		
Charitable activities		
Warden's salary	21,322	21,569
Social security	468	390
Pensions	3,092	2,876
Rates and water	673	435
Insurance	3,732	3,527
Light and heat	3,382	3,470
Telephone	2,093	1,889
Property repairs & maintenance	27,831	19,237
Cleaning	57	615
Alarm costs	3,090	3,243
Warden's utilities	3,302	2,710
Grounds maintenance	7,710	7,608
Depreciation of housing properties	49,941	48,793
Depreciation of plant & machinery	818	782
Fixtures and fittings	154	154
Loss on sale of tangible fixed assets	<u>4,966</u>	<u>660</u>
	132,631	117,958

This page does not form part of the statutory financial statements

THE BERROW COTTAGE HOMES**Detailed Statement of Financial Activities
for the Year Ended 31 December 2024**

	2024 £	2023 £
Support costs		
Management		
Clerks' salary	15,703	13,694
Trustee indemnity insurance	358	358
Postage and stationery	331	232
Advertising	400	400
Sundries	539	564
Subscriptions	1,505	935
Donations	50	25
Professional fees	-	1,800
Training	-	141
	<u>18,886</u>	<u>18,149</u>
Finance		
Loan	4,251	15,848
Governance costs		
Independent Examination	<u>2,568</u>	<u>2,454</u>
Total resources expended	<u>158,336</u>	<u>154,409</u>
Net income before gains and losses	64,452	54,172
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(3,791)</u>	<u>-</u>
Net income	<u>60,661</u>	<u>54,172</u>

This page does not form part of the statutory financial statements

Accounts

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2023
for
THE BERROW COTTAGE HOMES**

THE BERROW COTTAGE HOMES

Contents of the Financial Statements for the Year Ended 31 December 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 21
Detailed Statement of Financial Activities	22 to 23

THE BERROW COTTAGE HOMES

Reference and Administrative Details
for the Year Ended 31 December 2023

TRUSTEES

N J Cameron Chairman (appointed 23.5.23)
T J Corns
Dr J A Hagon Vice Chairman (appointed 23.5.23)
Mrs J Hogg
Mrs C Lewthwaite
R W Pitt
C E Pontifex A.C.A Treasurer
Mrs E M Wilkin
D Whiting
Rev G Lanham Ex-Officio Trustee

PRINCIPAL ADDRESS

Mary Galloway House
2 Kenilworth Road
Knowle
Solihull
West Midlands
B93 0JA

REGISTERED CHARITY NUMBER

1175027

INDEPENDENT EXAMINER

Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

SOLICITORS

Standley & Co
1612-1618 High Street
Knowle
Solihull
West Midlands
B93 0JU

BANKERS

Barclays Bank plc
19-21 Mell Square
Mill Lane
Solihull
West Midlands
B91 3AR

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity exists to maintain and manage 30 almshouses (including 1 occupied by the warden) in its ownership for the benefit and welfare of people in need of housing provision, principally in the village of Knowle and the surrounding areas, in accordance with the original Trust deed.

Significant activities

The trustees have the objectives of keeping all the properties and gardens in good condition, thereby providing a comfortable and safe environment for each resident; complying with the Decent Homes Standards and ensuring that the properties are in demand. To achieve this stated objective, plans were devised to further upgrade the Victorian Cottages, and in so doing improve their EPC ratings. Other aims for the year were to continue reviewing and updating the policies of the trust to ensure that they reflect best practice; to review the risk assessments for the trust; to continue to monitor the wellbeing of the residents and to mitigate against the effects of the rising Bank Base Rate and other cost of living pressures on the finances of the charity.

Public benefit

The charity provides public benefit by providing social housing by way of Almshouses to those who are unable to afford commercial rents. By being in close contact with these individuals the charity can ensure their health and wellbeing is protected.

Grantmaking

It is not the policy of the Trustees to make grants.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, the planning continued on upgrading the Victorian Cottages and a contract was entered into for the replacement of their bay windows to increase the levels of insulation, and improve their energy efficiency. The process of reviewing the trust's policies and its risks was continued. Preparations were made for the repayment of the bank loans, on their repayment date, resulting in expenditure being carefully controlled, which together with high levels of property occupancy led to improved cash generation. A tenant's satisfaction survey was undertaken, as required by the Regulator of Social Housing, the results of which showed high levels of tenant satisfaction.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2023

FINANCIAL REVIEW

Financial position

Turnover from Social Housing lettings increased by £18,311 to £176,863 compared to last year (2022: £158,552) as a result of increased Weekly Maintenance Charges and the reduction in voids throughout the year.

Operating expenditure has been well monitored in the year:

Charitable Activity costs have decreased by £10,562 to £117,958 (2022: £128,520) due to: a) £3,815 decreased losses on the sale of tangible assets; b) £1,585 decreased in Lighting and heat; c) £3,844 decreased in Property repairs, and d) £1,513 decreased in Grounds Maintenance.

Support Costs have increased by £989 to £18,149 (2022: £17,160).

The net income from charitable activities, reported at £64,460, includes gains on investments amounting to £10,288, compared to the reported £25,162 losses on investments in 2022. Interest payable on loans totalled £15,848, a decrease from £22,271 in 2022. Investment income has decreased by £11,380 to £21,002 (2022: £32,382) as a result of the 2022 investment disposals.

Therefore, the Balance Sheet indicates an increase in reserves of £64,460, reflecting the net income for the year. This comprises a surplus on unrestricted funds amounting to £81,061 and a deficit on restricted funds of £16,601, which represents the depreciation charge released against the social housing grant.

Investment policy and objectives

The investments are managed by the Trustees who have opted to invest in Accumulation shares of the M&G Charity Multi Asset Fund.

Reserves policy

The National Association of Almshouses require sufficient sums to be set aside as investments to generate necessary funds mainly for the maintenance and repairs of the Almshouses; this is achieved by setting aside annually the amount advised by them. Accumulation Fund dividends are allowed to accumulate in the reserves unless required for exceptional expenditure.

Total Unrestricted Reserves of the Charity amount to £1,892,315 of which £1,366,600 have been designated, £124,138 relates to the Investment Revaluation Reserve and £401,577 comprises the Income and Expenditure Account.

Restricted Reserves amount to £753,682 and represent social housing grants received net of the depreciation element of the housing properties funded by the grants.

Details of these reserves are set out in Note 18 to the Financial Statements.

FUTURE PLANS

These will be to ensure that the Almshouses continue to be well maintained and in so doing provide comfortable accommodation for the residents. Plans are being drawn up for further improvements to the Victorian Properties, which will further enhance their energy efficiency. The trustees intend to continue to maintain an enhanced level of tenant involvement, by continuing to adopt the National Regulator of Social Housing Tenant Satisfaction Surveys.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a Charitable Incorporated Organisation (CIO) and is controlled by its governing document, the foundation registered on 9th October 2017, and as amended on 1st February 2018 and 4th June 2018. The CIO's Registered Number is 1175027 and it is also regulated by the Regulator of Social Housing (5051).

**Report of the Trustees
for the Year Ended 31 December 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees are recruited as required with the aim of having a Board of Trustees with a range of relevant skills and experience. New Trustees are inducted by the Board and are able to attend courses run by the Almshouse Association and others.

Organisational structure

The Board of Trustees met four times in 2023 to determine strategy and policy and they employ a Warden and Clerk to ensure that residents' needs are met and that the income and expenditure of the Charity is managed efficiently. Trustees serve on sub committees including Health and Safety, Finance, Buildings, Residents' Selection, Residents' Welfare and Fundraising in order to facilitate day-to-day management and residents' welfare issues. The Warden is available to offer reasonable non nursing assistance to frail residents and liaise with Social Services to ensure that residents are able to maintain independent residence until they require full time residential care.

The Clerk to the Trustees prepares monthly cumulative cash accounts and cumulative statements of contributions due from residents together with a reconciliation to the bank balances. These are scrutinised by the Treasurer who prepares an annual budget and provides performance reports for each meeting of the Trustees. The bank mandate requires two authorised persons for all payments. Insurance and Risks are reviewed annually.

The Trustees also confirm that they have had regard for the Charity Commission guidance in respect of public benefit when reviewing the charity's aims and objectives and planning future activities.

Code of Governance

The code of governance adopted by the Trustees is the Charity Governance Code for Smaller Charities, as this best fits with the aims and objectives of The Berrow Cottage Homes as an Almshouse Charity and represents a standard of good governance practice to which all charities should aspire.

The Board of Trustees confirms compliance with the Governance and Financial Viability Standard. In doing so, the Board confirms that it has an appropriate, robust and prudent business planning, risk and control framework in place.

Risk management

The Trustees have given consideration to the major risks to which the charity is exposed and have reviewed the established systems and procedures to manage these risks and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board's focus in the year was on the below principal risks:

Maintaining Properties to Decent Homes Standards

Reports are made to the Board and each meeting to ensure all properties and inspections are up to date. A programme of works is in place for component replacements.

Maintaining good service levels to residents

The Berrow Cottage Homes adopts an open forum of communication between residents and key management personnel. During the year residents continued to be more involved with the operations of the Charity and the welfare of fellow residents, by providing key feedback to the Trustees at their regular visits and through a Regulator of Housing residents' satisfaction survey.

Effective management of the Charity's resources

The Board continue to monitor the Charity's resources and particularly its finances given the economic uncertainties currently impacting the cost of living for the residents and the charity in maintaining the properties. Given the investments held by the charity, the Trustees are confident that the charity is able to continue delivering its objectives.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2023

VALUE FOR MONEY (VFM)

Each year the Charity uses a range of data to measure VFM progress against the housing sector. The results help influence investment decisions and provide the regulators and other stakeholders with information on the progress of the Charity, whilst also ensuring compliance with the regulatory VFM standard. The metrics have been compared to the Acuity smaller providers 2022/23 results.

Metric	2023	2022	Acuity Scorecard	Commentary
New supply delivered	0%	0%	0%	The Charity has 30 Almshouses in management. This remains as per the previous year, with no new supply of social or non-social housing.
Gearing	7.17%	5.12%	13.24%	The Charity's gearing is below industry median reflecting a lower reliance on external borrowings for the funding of its housing properties
EBITDA MRI	699.48%	(197.89%)	168%	The metric highlights a significant improvement in the organisation's operational performance and financial health. The decrease in capital expenditure in 2023, contrasted with the expenditure on the roof works of Victorian Cottages in 2022, has positively influenced EBITDA. Similarly, the reduction in voids throughout the year and overall improvements in cost management have also contributed positively to this outcome.
Social Housing Cost Per Unit	£3,072	£6,688	£5,395	Lower voids compared to 2022 and lower capitalised costs reflect the decrease of Social Housing Costs per unit in the year.
Operating Margin Overall	26.29%	18.76%	13.34%	The operating margin increase indicates that The Berrow Cottage Homes became more profitable relative to its revenue in 2023 compared to 2022 and has outperformed the industry Benchmark.
Social Housing Lettings only	21.66%	6.70%	13.21%	The operating Social Housing Lettings in the year is due to lower voids compared to 2022 and decrease in repair costs. This significant increase in operating margin from 2022 to 2023 indicates enhanced efficiency and cost management within the Social Housing lettings sector.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2023

ROCE	2.02%	1.20%	1.86%	ROCE's increase in the year indicates that The Berrow Cottage Homes generated more profit relative to the capital employed in its operations during 2023. Additionally, the reported 2.02% ROCE exceeds the industry average of 1.86%, suggesting that it is performing relatively well compared to its industry peers in terms of capital efficiency and profitability.
Reinvestment	0.02%	3.92%	3.7%	The reported decrease in reinvestment can be attributed to the decrease in capital expenditure during the year. In 2022, there was a significant capital expenditure associated with the finalisation of the roof works of Victorian Cottages

Overall, these key performance indicators reflect the results for the year ended 31st December 2023 in comparison to the industry sector scorecard, demonstrating financial strength and robust asset management.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2023

INDEPENDENT EXAMINER

The Independent Examiner has expressed his willingness to continue in office and a proposal for his reappointment will be put before the Trustees at their meeting.

Approved by order of the board of trustees on 21 May 2024 and signed on its behalf by:



N J Cameron Trustee

**Independent Examiner's Report to the Trustees of
The Berrow Cottage Homes**

Independent examiner's report to the trustees of The Berrow Cottage Homes

I report to the charity trustees on my examination of the accounts of The Berrow Cottage Homes (the Trust) for the year ended 31 December 2023.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our work or for this report.

Responsibilities and basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Section 136(3) of the Housing and Regeneration Act 2008, an independent examination has been carried out.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or section 135(2)(a) of the Housing and Regeneration Act 2008; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Holland-Leader FCA

Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

21 May 2024

THE BERROW COTTAGE HOMES

Statement of Financial Activities for the Year Ended 31 December 2023

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		10,676	-	10,676	13,050
Charitable activities	4				
Housing Activities		176,863	-	176,863	158,552
Other trading activities	2	40	-	40	-
Investment income	3	21,002	-	21,002	32,437
Total		<u>208,581</u>	<u>-</u>	<u>208,581</u>	<u>204,039</u>
EXPENDITURE ON					
Charitable activities					
Housing Activities		<u>137,808</u>	<u>16,601</u>	<u>154,409</u>	<u>170,226</u>
Net gains/(losses) on investments		<u>10,288</u>	<u>-</u>	<u>10,288</u>	<u>(25,162)</u>
NET INCOME/(EXPENDITURE)		81,061	(16,601)	64,460	8,651
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,811,254</u>	<u>770,283</u>	<u>2,581,537</u>	<u>2,572,886</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,892,315</u>	<u>753,682</u>	<u>2,645,997</u>	<u>2,581,537</u>

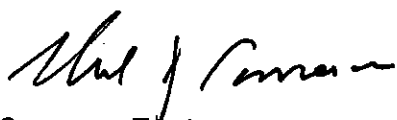
The notes form part of these financial statements

THE BERROW COTTAGE HOMES

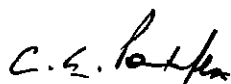
Balance Sheet 31 December 2023

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	11	1,466,075	753,682	2,219,757	2,265,550
Investments	12	<u>507,156</u>	<u>-</u>	<u>507,156</u>	<u>477,510</u>
		1,973,231	753,682	2,726,913	2,743,060
CURRENT ASSETS					
Debtors	13	14,306	-	14,306	2,973
Cash at bank and in hand		<u>169,462</u>	<u>-</u>	<u>169,462</u>	<u>112,167</u>
		183,768	-	183,768	115,140
CREDITORS					
Amounts falling due within one year	14	<u>(229,596)</u>	<u>-</u>	<u>(229,596)</u>	<u>(40,766)</u>
NET CURRENT ASSETS		<u>(45,828)</u>	<u>-</u>	<u>(45,828)</u>	<u>74,374</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,927,403	753,682	2,681,085	2,817,434
CREDITORS					
Amounts falling due after more than one year	15	<u>(35,088)</u>	<u>-</u>	<u>(35,088)</u>	<u>(235,897)</u>
NET ASSETS		<u>1,892,315</u>	<u>753,682</u>	<u>2,645,997</u>	<u>2,581,537</u>
FUNDS	18				
Unrestricted funds				1,892,315	1,811,254
Restricted funds				<u>753,682</u>	<u>770,283</u>
TOTAL FUNDS				<u>2,645,997</u>	<u>2,581,537</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 May 2024 and were signed on its behalf by:



N J Cameron - Trustee



C E Pontifex A.C.A - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The accounts 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 2022.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

Income from housing represents housing contributions from weekly maintenance charges from residents.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Income

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed and where the amount of the grant has been determined. Grants are reflected in the restricted Housing Property Fund with depreciation on grant funded assets reducing this fund.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Housing properties

The original Berrow Cottage Homes Almshouses were constructed in the late Nineteenth Century. There is no record of the original cost but they are valued at 1st January 1926 at £2,000, with additions since at cost being funded by Homes England and its predecessor bodies Grants, Mortgage Loans, Charitable Donations, and from the Berrow Cottage Homes' own resources.

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30
Heating, Ventilation, Plumbing	30
Kitchens	20
Boilers	15
Other enhancements	10

Housing properties in the course of construction are disclosed at cost within work in progress and not depreciated until the scheme is completed and the assets brought into use.

The Charity capitalises expenditure on housing properties which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property.

Furniture, Fittings and Equipment

Depreciation on Furniture, Fittings and Equipment has been provided in order to write off the cost over its expected useful life on a reducing balance basis. The rate used for this purpose is 10%.

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

2. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Other income	<u>40</u>	<u>-</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

3. INVESTMENT INCOME

	2023	2022
	£	£
Investment income	19,358	32,382
Deposit account interest	1,644	55
	<u>21,002</u>	<u>32,437</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Gross maintenance contributions from residents	179,375	167,674
Gross maintenance contributions from Supporting People	-	1,292
Losses from voids	(2,512)	(10,414)
	<u>176,863</u>	<u>158,552</u>

5. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	£	£
Housing Activities	<u>18,149</u>	<u>15,848</u>	<u>2,454</u>	<u>36,451</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2023	2022
	£	£
Sundry expenses	375	-
Upkeep of grounds	13	250
Repairs	713	-
Administration	-	31
Outreach	-	269
Travel	46	-
	<u>£1,147</u>	<u>£550</u>

Expenses were reimbursed to 5 Trustees in the year (2022: 4).

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

7. STAFF COSTS

	2023 £	2022 £
Wages	35,263	34,444
Social security	390	273
Pension	2,224	2,061
Other employee benefits	652	575
	<u>38,529</u>	<u>37,353</u>

No employees received emoluments in excess of £60,000.

The average monthly number of employees during the year was as follows:

	2023	2022
Warden	1	1
Clerk	1	1
	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	13,050	-	13,050
Charitable activities			
Housing Activities	158,552	-	158,552
Investment income	32,437	-	32,437
Total	<u>204,039</u>	<u>-</u>	<u>204,039</u>
EXPENDITURE ON			
Charitable activities			
Housing Activities	153,625	16,601	170,226
Net gains/(losses) on investments	(25,162)	-	(25,162)
NET INCOME/(EXPENDITURE)	25,252	(16,601)	8,651
RECONCILIATION OF FUNDS			
Total funds brought forward	1,786,002	786,884	2,572,886
TOTAL FUNDS CARRIED FORWARD	<u>1,811,254</u>	<u>770,283</u>	<u>2,581,537</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

9. SOCIAL HOUSING ACTIVITIES

	2023 £	2022 £
Turnover from Social Housing	176,863	158,552
Operating costs of Social Housing	(154,409)	(170,266)
Operating deficit and deficit on Social Housing activities	<u>22,454</u>	<u>(11,714)</u>

10. SOCIAL HOUSING GRANT

The total Social Housing Grant received for The Berrow Cottage Homes as at 31st December 2023 amounted to £931,084 (2022: £931,084).

The full Capital Grant would only become repayable if the Almshouses were disposed of and the grant was not recycled.

	£
Aggregate amount received At 31st December 2023	<u>931,084</u>
Released to Statement of Financial Activities At 31st December 2023	<u>(931,084)</u>
Social Housing Grant Carried forward	<u>-</u>

11. TANGIBLE FIXED ASSETS

	Housing properties £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2023	2,622,614	22,634	5,441	2,650,689
Additions	3,060	-	1,536	4,596
Disposals	(2,475)	-	(1,000)	(3,475)
At 31 December 2023	<u>2,623,199</u>	<u>22,634</u>	<u>5,977</u>	<u>2,651,810</u>
DEPRECIATION				
At 1 January 2023	360,676	19,022	5,441	385,139
Charge for year	48,793	782	154	49,729
Eliminated on disposal	(1,815)	-	(1,000)	(2,815)
At 31 December 2023	<u>407,654</u>	<u>19,804</u>	<u>4,595</u>	<u>432,053</u>
NET BOOK VALUE				
At 31 December 2023	<u>2,215,545</u>	<u>2,830</u>	<u>1,382</u>	<u>2,219,757</u>
At 31 December 2022	<u>2,261,938</u>	<u>3,612</u>	<u>-</u>	<u>2,265,550</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	477,510
Revaluations	10,288
Accumulated dividends	<u>19,358</u>
At 31 December 2023	<u>507,156</u>
NET BOOK VALUE	
At 31 December 2023	<u>507,156</u>
At 31 December 2022	<u>477,510</u>

There were no investment assets outside the UK.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Arrears of Maintenance contributions	639	397
Employers' Allowance	-	1,835
Prepayments and accrued income	<u>13,667</u>	<u>741</u>
	<u>14,306</u>	<u>2,973</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts (see note 16)	195,204	3,427
Taxation and social security	2,507	3,025
Other creditors	<u>31,885</u>	<u>34,314</u>
	<u>229,596</u>	<u>40,766</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Bank loans (see note 16)	-	193,809
Other creditors	<u>35,088</u>	<u>42,088</u>
	<u>35,088</u>	<u>235,897</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Bank loans	195,204	3,427
National Association of Almshouses Loan	<u>7,000</u>	<u>7,000</u>
	<u>202,204</u>	<u>10,427</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	-	193,809
Other loans - 1-2 years	<u>7,000</u>	<u>7,000</u>
	<u>7,000</u>	<u>200,809</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>28,088</u>	<u>35,088</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	<u>195,204</u>	<u>197,236</u>

The bank loan is due to Barclays Bank and is secured by a legal charge over Mary Galloway House, 2 Kenilworth Road, Knowle, Solihull. The mortgage is repayable by equal instalments of principal and interest (at an interest rate of 2% +BoE base rate, currently 7.25%). The early repayment of £450,000 was undertaken, to reduce impact of increasing Bank Base Rates on the finances of the Trust. The loan was fully paid March 2024.

The National Almshouse loan is unsecured and interest free for 10 years. (Loan received October 2019; £3,675 six monthly equal instalments, final repayment October 2029).

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	368,363	60,773	(27,559)	401,577
Investment Revaluation	113,850	10,288	-	124,138
Cyclical Repairs	141,226	-	23,232	164,458
Extraordinary Repairs	149,232	-	17,960	167,192
Charitable Property	<u>1,038,583</u>	<u>10,000</u>	<u>(13,633)</u>	<u>1,034,950</u>
	1,811,254	81,061	-	1,892,315
Restricted funds				
Housing	<u>770,283</u>	<u>(16,601)</u>	<u>-</u>	<u>753,682</u>
TOTAL FUNDS	<u>2,581,537</u>	<u>64,460</u>	<u>-</u>	<u>2,645,997</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	198,581	(137,808)	-	60,773
Investment Revaluation	-	-	10,288	10,288
Charitable Property	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	208,581	(137,808)	10,288	81,061
Restricted funds				
Housing	-	(16,601)	-	(16,601)
TOTAL FUNDS	<u>208,581</u>	<u>(154,409)</u>	<u>10,288</u>	<u>64,460</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	235,607	50,414	82,342	368,363
Investment Revaluation	303,850	(25,162)	(164,838)	113,850
Cyclical Repairs	120,542	-	20,684	141,226
Extraordinary Repairs	138,945	-	10,287	149,232
Charitable Property	987,058	-	51,525	1,038,583
	1,786,002	25,252	-	1,811,254
Restricted funds				
Housing	786,884	(16,601)	-	770,283
TOTAL FUNDS	<u>2,572,886</u>	<u>8,651</u>	<u>-</u>	<u>2,581,537</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	204,039	(153,625)	-	50,414
Investment Revaluation	-	-	(25,162)	(25,162)
	204,039	(153,625)	(25,162)	25,252
Restricted funds				
Housing	-	(16,601)	-	(16,601)
TOTAL FUNDS	<u>204,039</u>	<u>(170,226)</u>	<u>(25,162)</u>	<u>8,651</u>

Cyclical Repairs and Maintenance Fund

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

Extraordinary Repairs Fund

This Revenue Reserve represents amounts set aside to carry out major repairs on Housing Properties

Charitable Fund Property Fund

This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources. In the year capitalised expenditure on housing properties and loan interest has been transferred to this fund and depreciation except for that relating to the social housing grant for housing properties have been transferred from this fund.

Housing Property Fund

This represents the social housing grant received from the Housing Corporation for property improvements to the Almshouses. Depreciation on housing properties is charged to this fund over the life of the components of the building.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

20. UNITS IN MANAGEMENT

The Charity had 30 units in Management during the year. (2022: 30).

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	10,676	13,050
Other trading activities		
Other income	40	-
Investment income		
Investment income	19,358	32,382
Deposit account interest	1,644	55
	21,002	32,437
Charitable activities		
Housing Activities - Residents	179,375	167,674
Housing Activities - Supporting People	-	1,292
Losses from voids	(2,512)	(10,414)
	176,863	158,552
Total incoming resources	208,581	204,039
EXPENDITURE		
Charitable activities		
Warden's salary	21,569	20,873
Social security	390	273
Pensions	2,876	2,061
Rates and water	435	208
Insurance	3,527	3,111
Light and heat	3,470	5,055
Telephone	1,889	977
Property repairs & maintenance	19,237	23,081
Cleaning	615	716
Alarm costs	3,243	3,021
Warden's utilities	2,710	2,974
Grounds maintenance	7,608	9,121
Council tax	-	266
Depreciation of housing properties	48,793	51,526
Fixtures and fittings	936	782
Loss on sale of tangible fixed assets	660	4,475
	117,958	128,520
Support costs		
Management		
Clerks' salary	13,694	14,146
Carried forward	13,694	14,146

This page does not form part of the statutory financial statements

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2023

	2023 £	2022 £
Management		
Brought forward	13,694	14,146
Trustee indemnity insurance	358	358
Postage and stationery	232	500
Advertising	400	400
Sundries	564	772
Subscriptions	935	892
Donations	25	20
Professional fees	1,800	72
Training	141	-
	<u>18,149</u>	<u>17,160</u>
Finance		
Bank charges	-	25
Loan	15,848	22,271
	<u>15,848</u>	<u>22,296</u>
Governance costs		
Independent Examination	2,454	2,250
	<u>2,454</u>	<u>2,250</u>
Total resources expended	<u>154,409</u>	<u>170,226</u>
Net income	<u>54,172</u>	<u>33,813</u>

This page does not form part of the statutory financial statements

Accounts

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2022
for
THE BERROW COTTAGE HOMES

Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE



THE BERROW COTTAGE HOMES

Contents of the Financial Statements for the Year Ended 31 December 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 20
Detailed Statement of Financial Activities	21 to 22

THE BERROW COTTAGE HOMES

Reference and Administrative Details
for the Year Ended 31 December 2022

TRUSTEES

N J Cameron
T J Corns
Dr J A Hagon
Mrs J Hogg
Mrs C Lewthwaite
R W Pitt
C E Pontifex A.C.A
Mrs E M Wilkin
D Whiting
Rev G Lanham Ex-Officio Trustee

PRINCIPAL ADDRESS

Mary Galloway House
2 Kenilworth Road
Knowle
Solihull
West Midlands
B93 0JA

REGISTERED CHARITY NUMBER

1175027

REGULATOR OF SOCIAL HOUSING NUMBER

5051

INDEPENDENT EXAMINER

James Holland-Leader FCA
Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

SOLICITORS

Standley & Co
1612-1618 High Street
Knowle
Solihull
West Midlands B93 0JU

BANKERS

Barclays Bank plc
1 Station Road
Knowle
Solihull
West Midlands B93 0HW

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity exists to maintain and manage 30 almshouses (including 1 occupied by the warden) in its ownership for the benefit and welfare of people in need of housing provision, principally in the village of Knowle and the surrounding areas, in accordance with the original Trust deed.

Significant activities

The trustees have the objectives of keeping all the properties and gardens in good condition, thereby providing a comfortable and safe environment for each resident; complying with the Decent Homes Standards and ensuring that the properties are in demand. To achieve this stated objective, plans were devised to upgrade the Victorian Cottages, and in so doing improve their EPC ratings. Further aims for the year were to continue reviewing and updating the policies of the trust to ensure that they reflect best practice; to review the risk assessments for the trust; to monitor the wellbeing of the residents and to mitigate against the effects of the rising Bank Base Rate and other costs of living pressures on the finances of the charity.

Public benefit

The charity provides public benefit by providing social housing by way of Almshouses to those who are unable to afford commercial rents. By being in close contact with these individuals the charity can ensure their health and wellbeing is protected.

Grantmaking

It is not the policy of the Trustees to make grants.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year, work was completed on the roofs of the Victorian Cottages which encompassed re-tilling and increasing the levels of insulation, to improve their energy efficiency. A process of continuous review of the policies of and risks to the trust was implemented. The early repayment of Bank Loans was undertaken, to reduce the future impact of increasing Bank Base Rates on the finances of the Trust.

FINANCIAL REVIEW

Financial position

Turnover from Social Housing lettings increased by £3,131 to £158,552 compared to last year (2021: £155,421) as a result of increased Weekly Maintenance Charges.

Operating expenditure has been well monitored in the year:

Although, Charitable Activity costs have increased by £8,892 to £128,520 (2021: £119,628) due to: a) £1,568 increased losses on the sale of tangible assets; b) £2,124 increased in Lighting and heat and c) £2,426 increased in Property repairs, Support Costs have decreased by £4,832 to £17,160 (2021: £21,992).

The reported surplus of £8,651 on charitable activities was reduced by (£25,162) losses on investments for the period (2021: increased by £88,208 gains on investment). Interest payable on loans amounted to £22,271 (2021: £16,784), which was partially offset by investment income of £32,382 (2021: £29,393).

The Balance Sheet has therefore shown an increase in reserves of £8,651, being the net income for the year. This is represented by a surplus on unrestricted funds of £25,252, and a deficit on restricted funds (representing the depreciation charge released against the social housing grant) of £16,601.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2022

FINANCIAL REVIEW

Investment policy and objectives

The investments are managed by the Trustees who have opted to invest in Accumulation shares of the M&G Charity Multi Asset Fund.

Reserves policy

The National Association of Almshouses require sufficient sums to be set aside as investments to generate necessary funds mainly for the maintenance and repairs of the Almshouses; this is achieved by setting aside annually the amount advised by them. Accumulation Fund dividends are allowed to accumulate in the reserves unless required for exceptional expenditure.

Total Unrestricted Reserves of the Charity amount to £1,811,254 of which £1,329,041 have been designated, £113,850 relates to the Investment Revaluation Reserve and £368,363 comprises the Income and Expenditure Account.

Restricted Reserves amount to £770,283 and represent social housing grants received net of the depreciation element of the housing properties funded by the grants.

Details of these reserves are set out in Note 18 to the Financial Statements.

FUTURE PLANS

These will be to ensure that the Almshouses continue to be well maintained and in so doing provide comfortable accommodation for the residents. Plans are being drawn up for further improvements to the Victorian Cottages, which will further enhance their energy efficiency. The trustees intend to continue to maintain an enhanced level of tenant involvement, by adopting the National Regulator of Social Housing Tenant Satisfaction Surveys, to ensure regular feedback from the Residents.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a Charitable Incorporated Organisation (CIO) and is controlled by its governing document, the foundation registered on 9th October 2017, and as amended on 1st February 2018 and 4th June 2018. The CIO's Registered Number is 1175027 and it is also regulated by the Regulator of Social Housing (5051).

Recruitment and appointment of new trustees

Trustees are recruited as required with the aim of having a Board of Trustees with a range of relevant skills and experience. New Trustees are inducted by the Board and are able to attend courses run by the Almshouse Association and others.

Organisational structure

The Board of Trustees met four times in 2022 to determine strategy and policy and they employ a Warden and Clerk to ensure that residents' needs are met and that the income and expenditure of the Charity is managed efficiently. Trustees serve on sub committees including Health and Safety, Finance, Buildings, Residents' Selection, Residents' Welfare and Fundraising in order to facilitate day-to-day management and residents' welfare issues. The Warden is available to offer reasonable non nursing assistance to frail residents and liaise with Social Services to ensure that residents are able to maintain independent residence until they require full time residential care.

The Clerk to the Trustees prepares monthly cumulative cash accounts and cumulative statements of contributions due from residents together with a reconciliation to the bank balances. These are scrutinised by the Treasurer who prepares an annual budget and provides performance reports for each meeting of the Trustees. The bank mandate requires two authorised persons for all payments. Insurance and Risks are reviewed annually.

The Trustees also confirm that they have had regard for the Charity Commission guidance in respect of public benefit when reviewing the charity's aims and objectives and planning future activities.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Code of Governance

The code of governance adopted by the Trustees is the Charity Governance Code for Smaller Charities, as this best fits with the aims and objectives of The Berrow Cottage Homes as an Almshouse Charity and represents a standard of good governance practice to which all charities should aspire.

The Board of Trustees confirms compliance with the Governance and Financial Viability Standard. In doing so, the Board confirms that it has an appropriate, robust and prudent business planning, risk and control framework in place.

Risk management

The Trustees have given consideration to the major risks to which the charity is exposed and have reviewed the established systems and procedures to manage these risks and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board's focus in the year was on the below principal risks:

Maintaining Properties to Decent Homes Standards

Reports are made to the Board and each meeting to ensure all properties and inspections are up to date. A programme of works is in place for component replacements.

Maintaining good service levels to residents

The Berrow Cottage Homes adopts an open forum of communication between residents and key management personnel. During the year the residents became more involved with the operations of the Charity and the welfare of fellow residents, providing key feedback to Trustees.

Effective management of the Charity's resources

The Board continue to monitor the Charity's resources and particularly its finances given the economic uncertainties currently impacting the cost of living for the residents and the charity in maintaining the properties. Given the investments held by the charity, the Trustees are confident that the charity is able to continue delivering its objectives.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2022

VALUE FOR MONEY (VFM)

Each year the Charity uses a range of data to measure VFM progress against the housing sector. The results help influence investment decisions and provide the regulators and other stakeholders with information on the progress of the Charity, whilst also ensuring compliance with the regulatory VFM standard. The metrics have been compared to Housemark sector scorecard published by the National Housing Federation

Metric	2022	2021	Housemark Scorecard	Commentary
New supply delivered	0%	0%	1.2%	The Charity has 30 Almshouses in management. This remains as per the previous year, with no new supply of social or non-social housing.
Gearing	5.12%	27.03%	35.8%	The Charity's gearing is below industry median reflecting a lower reliance on external borrowings for the funding of its housing properties.
EBITDA MRI	(197.89)%	894.79%	181.9%	Roof works of Victorian Cottages are included in this metric.
Social Housing Cost Per Unit	£6,688	£3,542	£4,230	Higher voids compared to 2021 and higher capitalised costs reflect the refurbishment undertaken in the year.
Operating Margin Overall	18.76%	14.8%	20.2%	As a Charity, The Berrow Cottage Homes receives a significant level of income from its investments, which produced £32,437 in 2022, thus impacting the operating margin.
Social Housing Lettings only	6.70%	(3.30)%	22.2%	
ROCE	1.20%	0.75%	2.8%	This is particularly low due to the minimal liabilities of the charity, together with a low operating surplus in the year. The Charity holds investments which additionally provided net losses of (£25,162).
Reinvestment	3.92%	0.52%	5.7%	Roof works of Victorian Cottages undertaken in the year have now been completed. The trustees are satisfied that the properties have been maintained to a good standard and plans are being drawn up for further improvements to the Victorian Cottages.

Overall, these key performance indicators reflect the results for the year ended 31st December 2022 in comparison to the industry sector scorecard, demonstrating financial strength and robust asset management.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

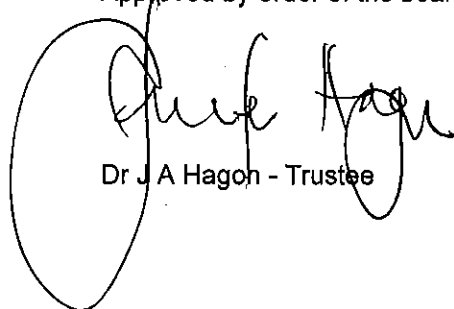
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT EXAMINER

The Independent Examiner has expressed his willingness to continue in office and a proposal for his reappointment will be put before the Trustees at their meeting.

Approved by order of the board of trustees on 23 May 2023 and signed on its behalf by:



Dr J A Hagon - Trustee

**Independent Examiner's Report to the Trustees of
The Berrow Cottage Homes**

Independent examiner's report to the trustees of The Berrow Cottage Homes

I report to the charity trustees on my examination of the accounts of The Berrow Cottage Homes (the Trust) for the year ended 31 December 2022.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our work or for this report.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Section 136(3) of the Housing and Regeneration Act 2008, an independent examination has been carried out.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or section 135(2)(a) of the Housing and Regeneration Act 2008; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Holland-Leader FCA

Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

23 May 2023

THE BERROW COTTAGE HOMES

Statement of Financial Activities for the Year Ended 31 December 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		13,050	-	13,050	200
Charitable activities	3				
Housing Activities		158,552	-	158,552	155,421
Investment income	2	32,437	-	32,437	29,402
Total		<u>204,039</u>	<u>-</u>	<u>204,039</u>	<u>185,023</u>
EXPENDITURE ON					
Charitable activities					
Housing Activities		<u>153,625</u>	<u>16,601</u>	<u>170,226</u>	<u>160,546</u>
Net (losses)/gains on investments		<u>(25,162)</u>	<u>-</u>	<u>(25,162)</u>	<u>88,208</u>
NET INCOME/(EXPENDITURE)		25,252	(16,601)	8,651	112,685
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,786,002</u>	<u>786,884</u>	<u>2,572,886</u>	<u>2,460,201</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,811,254</u>	<u>770,283</u>	<u>2,581,537</u>	<u>2,572,886</u>

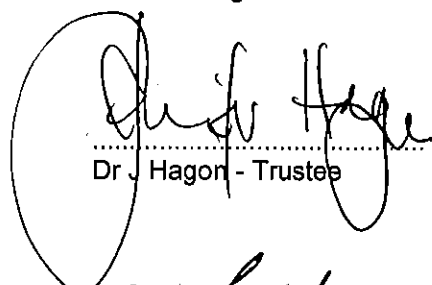
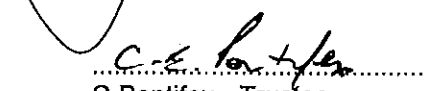
The notes form part of these financial statements

THE BERROW COTTAGE HOMES

Balance Sheet 31 December 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	1,495,267	770,283	2,265,550	2,213,612
Investments	11	<u>477,510</u>	<u>-</u>	<u>477,510</u>	<u>1,010,290</u>
		1,972,777	770,283	2,743,060	3,223,902
CURRENT ASSETS					
Debtors	12	2,973	-	2,973	3,774
Cash at bank and in hand		<u>112,167</u>	<u>-</u>	<u>112,167</u>	<u>122,838</u>
		115,140	-	115,140	126,612
CREDITORS					
Amounts falling due within one year	13	<u>(40,766)</u>	<u>-</u>	<u>(40,766)</u>	<u>(86,239)</u>
NET CURRENT ASSETS		<u>74,374</u>	<u>-</u>	<u>74,374</u>	<u>40,373</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,047,151	770,283	2,817,434	3,264,275
CREDITORS					
Amounts falling due after more than one year	14	<u>(235,897)</u>	<u>-</u>	<u>(235,897)</u>	<u>(691,389)</u>
NET ASSETS		<u>1,811,254</u>	<u>770,283</u>	<u>2,581,537</u>	<u>2,572,886</u>
FUNDS	17				
Unrestricted funds				1,811,254	1,786,002
Restricted funds				<u>770,283</u>	<u>786,884</u>
TOTAL FUNDS				<u>2,581,537</u>	<u>2,572,886</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 May 2023 and were signed on its behalf by:


 Dr J Hagon - Trustee

 C Pontifex - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The accounts 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 financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

Income from housing represents housing contributions from weekly maintenance charges from residents.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

1. ACCOUNTING POLICIES - continued

Income

Investment Income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed and where the amount of the grant has been determined. Grants are reflected in the restricted Housing Property Fund with depreciation on grant funded assets reducing this fund.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Housing properties

The original Berrow Cottage Homes Almshouses were constructed in the late Nineteenth Century. There is no record of the original cost but they are valued at 1st January 1926 at £2,000, with additions since at cost being funded by Homes England and its predecessor bodies Grants, Mortgage Loans, Charitable Donations, and from the Berrow Cottage Homes' own resources.

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30
Heating, Ventilation, Plumbing	30
Kitchens	20
Boilers	15
Other enhancements	10

Housing properties in the course of construction are disclosed at cost within work in progress and not depreciated until the scheme is completed and the assets brought into use.

The Charity capitalises expenditure on housing properties which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property.

Furniture, Fittings and Equipment

Depreciation on Furniture, Fittings and Equipment has been provided in order to write off the cost over its expected useful life on a reducing balance basis. The rate used for this purpose is 10%.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

2. INVESTMENT INCOME

	2022	2021
	£	£
Investment income	32,382	29,393
Deposit account interest	55	9
	<u>32,437</u>	<u>29,402</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

3. INCOME FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
Gross maintenance contributions from residents	167,674	159,051
Gross maintenance contributions from Supporting People	1,292	3,926
Losses from voids	(10,414)	(7,556)
	<u>158,552</u>	<u>155,421</u>

4. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Housing Activities	<u>17,160</u>	<u>22,296</u>	<u>2,250</u>	<u>41,706</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2022 £	2021 £
Sundry expenses	-	662
Upkeep of grounds	250	585
Donations	-	53
Administration	31	403
Outreach	<u>269</u>	-
	<u>£550</u>	<u>£1,703</u>

Expenses were reimbursed to 4 Trustees in the year (2021: 5).

6. STAFF COSTS

	2022 £	2021 £
Wages	34,444	32,221
Social security	273	300
Pension	2,061	1,921
Other employee benefits	<u>575</u>	<u>535</u>
	<u>37,353</u>	<u>35,977</u>

No employees received emoluments in excess of £60,000.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

6. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2022	2021
Warden	1	1
Clerk	1	1
	<u>2</u>	<u>2</u>

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	200	-	200
Charitable activities			
Housing Activities	155,421	-	155,421
Investment income	<u>29,402</u>	<u>-</u>	<u>29,402</u>
Total	<u>185,023</u>	<u>-</u>	<u>185,023</u>
EXPENDITURE ON			
Charitable activities			
Housing Activities	<u>143,945</u>	<u>16,601</u>	<u>160,546</u>
Net gains on investments	<u>88,208</u>	<u>-</u>	<u>88,208</u>
NET INCOME/(EXPENDITURE)	129,286	(16,601)	112,685
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	1,656,716	-	1,656,716
Prior year adjustment	<u>-</u>	<u>803,485</u>	<u>803,485</u>
As restated	<u>1,656,716</u>	<u>803,485</u>	<u>2,460,201</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,786,002</u>	<u>786,884</u>	<u>2,572,886</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

8. SOCIAL HOUSING ACTIVITIES

	2022 £	2021 £
Turnover from Social Housing	158,552	155,421
Operating costs of Social Housing	<u>(170,266)</u>	<u>(160,546)</u>
Operating deficit and deficit on Social Housing activities	<u>(11,714)</u>	<u>(5,125)</u>

9. SOCIAL HOUSING GRANT

The total Social Housing Grant received for The Berrow Cottage Homes as at 31st December 2022 amounted to £931,084 (2021: £931,084).

The full Capital Grant would only become repayable if the Almshouses were disposed of and the grant was not recycled.

	£
Aggregate amount received At 31st December 2022 and 31st December 2021	<u>931,084</u>
Released to Statement of Financial Activities At 31st December 2022 and 31st December 2021	<u>(931,084)</u>
Social Housing Grant Carried forward	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Housing properties £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2022	2,519,856	22,634	5,441	2,547,931
Additions	108,721	-	-	108,721
Disposals	<u>(5,963)</u>	<u>-</u>	<u>-</u>	<u>(5,963)</u>
At 31 December 2022	<u>2,622,614</u>	<u>22,634</u>	<u>5,441</u>	<u>2,650,689</u>
DEPRECIATION				
At 1 January 2022	310,638	18,240	5,441	334,319
Charge for year	51,526	782	-	52,308
Eliminated on disposal	<u>(1,488)</u>	<u>-</u>	<u>-</u>	<u>(1,488)</u>
At 31 December 2022	<u>360,676</u>	<u>19,022</u>	<u>5,441</u>	<u>385,139</u>
NET BOOK VALUE				
At 31 December 2022	<u>2,261,938</u>	<u>3,612</u>	<u>-</u>	<u>2,265,550</u>
At 31 December 2021	<u>2,209,218</u>	<u>4,394</u>	<u>-</u>	<u>2,213,612</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	1,010,290
Disposals	(536,524)
Revaluations	(28,638)
Accumulated dividends	<u>32,382</u>
At 31 December 2022	<u>477,510</u>
NET BOOK VALUE	
At 31 December 2022	<u>477,510</u>
At 31 December 2021	<u>1,010,290</u>

There were no investment assets outside the UK.

Fixed Asset Investments' disposal:	£
Proceeds	£540,000
Less disposals at 31 December 2021 Market Value	<u>(£536,524)</u>
Realised gain	<u>3,476</u>
Unrealised (loss)/gain	
Realised gain	(28,638)
	<u>3,476</u>
Net (losses)/gain on investment	<u>(25,162)</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Arrears of Maintenance contributions	397	1,308
Employers' Allowance	1,835	-
Prepayments and accrued income	<u>741</u>	<u>2,466</u>
	<u>2,973</u>	<u>3,774</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	3,427	21,696
Taxation and social security	3,025	2,416
Other creditors	<u>34,314</u>	<u>62,127</u>
	<u>40,766</u>	<u>86,239</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 15)	193,809	642,302
Other creditors	<u>42,088</u>	<u>49,087</u>
	<u>235,897</u>	<u>691,389</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	3,427	21,696
National Association of Almshouses Loan	<u>7,000</u>	<u>7,000</u>
	<u>10,427</u>	<u>28,696</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	193,809	22,283
Other loans - 1-2 years	<u>7,000</u>	<u>7,000</u>
	<u>200,809</u>	<u>29,283</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	620,019
Other loans - 2-5 years	<u>35,088</u>	<u>42,087</u>
	<u>35,088</u>	<u>662,106</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

16. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	<u>197,236</u>	<u>663,998</u>

The bank loan is due to Barclays Bank and is secured by a legal charge over Mary Galloway House, 2 Kenilworth Road, Knowle, Solihull. The mortgage is repayable by equal instalments of principal and interest (at an interest rate of 2% +BoE base rate, currently 4.5%). The early repayment of £450,000 was undertaken, to reduce impact of increasing Bank Base Rates on the finances of the Trust. The National Almshouse loan is unsecured and interest free for 10 years. (Loan received October 2019; £3,675 six monthly equal instalments, final repayment October 2029).

17. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	235,607	50,414	82,342	368,363
Investment Revaluation	303,850	(25,162)	(164,838)	113,850
Cyclical Repairs	120,542	-	20,684	141,226
Extraordinary Repairs	138,945	-	10,287	149,232
Charitable Property	987,058	-	51,525	1,038,583
	<u>1,786,002</u>	<u>25,252</u>	<u>-</u>	<u>1,811,254</u>
Restricted funds				
Housing	786,884	(16,601)	-	770,283
	<u>786,884</u>	<u>(16,601)</u>	<u>-</u>	<u>770,283</u>
TOTAL FUNDS	<u>2,572,886</u>	<u>8,651</u>	<u>-</u>	<u>2,581,537</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	204,039	(153,625)	-	50,414
Investment Revaluation	-	-	(25,162)	(25,162)
	<u>204,039</u>	<u>(153,625)</u>	<u>(25,162)</u>	<u>25,252</u>
Restricted funds				
Housing	-	(16,601)	-	(16,601)
	<u>-</u>	<u>(16,601)</u>	<u>-</u>	<u>(16,601)</u>
TOTAL FUNDS	<u>204,039</u>	<u>(170,226)</u>	<u>(25,162)</u>	<u>8,651</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds					
General fund	195,768	-	41,078	(1,239)	235,607
Investment Revaluation	215,642	-	88,208	-	303,850
Cyclical Repairs	100,598	-	-	19,944	120,542
Extraordinary Repairs	123,659	-	-	15,286	138,945
Charitable Property	<u>1,021,049</u>	<u>-</u>	<u>-</u>	<u>(33,991)</u>	<u>987,058</u>
	1,656,716	-	129,286	-	1,786,002
Restricted funds					
Housing	-	803,485	(16,601)	-	786,884
TOTAL FUNDS	<u>1,656,716</u>	<u>803,485</u>	<u>112,685</u>	<u>-</u>	<u>2,572,886</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	185,023	(143,945)	-	41,078
Investment Revaluation	<u>-</u>	<u>-</u>	<u>88,208</u>	<u>88,208</u>
	185,023	(143,945)	88,208	129,286
Restricted funds				
Housing	-	(16,601)	-	(16,601)
TOTAL FUNDS	<u>185,023</u>	<u>(160,546)</u>	<u>88,208</u>	<u>112,685</u>

Cyclical Repairs and Maintenance Fund

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

Extraordinary Repairs Fund

This Revenue Reserve represents amounts set aside to carry out major repairs on Housing Properties

Charitable Fund Property Fund

This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources. In the year capitalised expenditure on housing properties and loan interest has been transferred to this fund and depreciation except for that relating to the social housing grant for housing properties have been transferred from this fund.

Housing Property Fund

This represents the social housing grant received from the Housing Corporation for property improvements to the Almshouses. Depreciation on housing properties is charged to this fund over the life of the components of the building.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

19. UNITS IN MANAGEMENT

The Charity had 30 units in Management during the year. (2021: 30).

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	13,050	200
Investment income		
Investment income	32,382	29,393
Deposit account interest	<u>55</u>	<u>9</u>
	32,437	29,402
Charitable activities		
Housing Activities - Residents	167,674	159,051
Housing Activities - Supporting People	1,292	3,926
Losses from voids	<u>(10,414)</u>	<u>(7,556)</u>
	158,552	155,421
Total Incoming resources	204,039	185,023
EXPENDITURE		
Charitable activities		
Warden's salary	20,873	22,381
Social security	273	-
Pensions	2,061	-
Rates and water	208	388
Insurance	3,111	2,881
Light and heat	5,055	2,931
Telephone	977	1,056
Property repairs & maintenance	23,081	20,655
Cleaning	716	239
Alarm costs	3,021	3,269
Warden's utilities	2,974	2,221
Grounds maintenance	9,121	8,607
Council tax	266	707
Depreciation of housing properties	51,526	50,604
Fixtures and fittings	782	782
Loss on sale of tangible fixed assets	<u>4,475</u>	<u>2,907</u>
	128,520	119,628
Support costs		
Management		
Clerks' salary	14,146	13,596
Trustee Indemnity insurance	358	332
Carried forward	14,504	13,928

This page does not form part of the statutory financial statements

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	2022 £	2021 £
Management		
Brought forward	14,504	13,928
Postage and stationery	500	511
Advertising	400	400
Sundries	772	1,208
Subscriptions	892	795
Donations	20	80
Professional fees	72	5,070
	17,160	21,992
Finance		
Bank charges	25	-
Loan	22,271	16,784
	22,296	16,784
Governance costs		
Independent Examination	2,250	2,142
Total resources expended	170,226	160,546
Net income	33,813	24,477

This page does not form part of the statutory financial statements

Accounts

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2021
for
THE BERROW COTTAGE HOMES

THE BERROW COTTAGE HOMES

Contents of the Financial Statements for the Year Ended 31 December 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 20
Detailed Statement of Financial Activities	21 to 22

THE BERROW COTTAGE HOMES

Reference and Administrative Details for the Year Ended 31 December 2021

TRUSTEES	N J Cameron T J Corns Dr J A Hagon Mrs J Hogg Mrs C Lewthwaite (appointed 24.2.21) Mrs V Perks (resigned 15.5.21) R W Pitt C E Pontifex A.C.A Mrs E M Wilkin D Whiting Rev G Lanham Ex-Officio Trustee
PRINCIPAL ADDRESS	Mary Galloway House 2 Kenilworth Road Knowle Solihull West Midlands B93 0JA
REGISTERED CHARITY NUMBER	1175027
REGULATOR OF SOCIAL HOUSING NUMBER	5051
INDEPENDENT EXAMINER	James Holland-Leader FCA Knox Cropper LLP Chartered Accountants Office Suite 1 Haslemere House Lower Street Haslemere Surrey GU27 2PE
SOLICITORS	Standley & Co 1612-1618 High Street Knowle Solihull West Midlands B93 0JU
BANKERS	Barclays Bank plc 1 Station Road Knowle Solihull West Midlands B93 0HW

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity exists to maintain and manage 30 almshouses (including 1 occupied by the warden) in its ownership for the benefit and welfare of people in need of housing provision, principally in the village of Knowle and the surrounding areas, in accordance with the original Trust deed.

Significant activities

The trustees have the objectives of keeping all the properties and gardens in good condition, thereby providing a comfortable and safe environment for each resident; complying with the Decent Homes Standards and ensuring that the properties are in demand. The Trustees completed the improvement of the property provision following the practical completion of the extension of twenty-two of the properties to provide enhanced living conditions for the residents, resulting in high levels of occupancy. Further objectives for the year were to review and update the policies of the trust to ensure that they reflected best practice, and to continue to monitor the wellbeing of the residents.

Public benefit

The charity provides public benefit by providing social housing by way of Almshouses to those who are unable to afford commercial rents. By being in close contact with these individuals the charity can ensure their health and wellbeing is protected.

Grantmaking

It is not the policy of the Trustees to make grants.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year work on all the snagging on the extended properties was completed and final sign off achieved. All the extended units are now occupied, and any void properties are being re-occupied on a timely basis. The Trust's policies were updated and the policy of regular resident visits was re-introduced once Covid restrictions were lifted.

FINANCIAL REVIEW

Financial position

Turnover from Social Housing lettings improved by £30,990 to £155,421 as a result of increased Weekly Maintenance Charges and, in particular, lower voids which were high in 2020 due to the refurbishment works being undertaken. Operating expenditure has been well monitored in the year, but depreciation charges have risen as a result of housing component additions arising on the regeneration of the Almshouses.

The surplus on charitable activities was enhanced by gains on investments for the period of £88,208, which more than compensated for the loss experienced in 2020 of £60,056. Interest payable on loans amounted to £16,784 (2020: £18,490), which was partially offset by investment income of £29,402 (2020: £35,274).

The Balance Sheet has therefore shown an increase in reserves of £112,685, being the net income for the year. This is represented by a surplus on unrestricted funds of £129,286, and a deficit on restricted funds (representing the depreciation charge released against the social housing grant) of £16,601.

Investment policy and objectives

The investments are managed by the Trustees who have opted to invest in Accumulation shares of the M&G Charity Multi Asset Fund.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2021

FINANCIAL REVIEW

Reserves policy

The National Association of Almshouses require sufficient sums to be set aside as investments to generate necessary funds mainly for the maintenance and repairs of the Almshouses; this is achieved by setting aside annually the amount advised by them. Accumulation Fund dividends are allowed to accumulate in the reserves unless required for exceptional expenditure.

Total Unrestricted Reserves of the Charity amount to £1,786,002 of which £1,246,545 have been designated. £303,850 relates to the Investment Revaluation Reserve and £235,607 comprises the Income and Expenditure Account.

Restricted Reserves amount to £786,884 and represent social housing grants received net of the depreciation element of the housing properties funded by the grants.

Details of these reserves are set out in Note 18 to the Financial Statements.

FUTURE PLANS

These will be to ensure that the Almshouses continue to be well maintained and in so doing provide comfortable accommodation for the residents. Plans are being drawn up to improve the Victorian Cottages, with a view to upgrading the properties by enhancing the energy efficiency. The trustees intend to continue to maintain an enhanced level of tenant involvement.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a Charitable Incorporated Organisation (CIO) and is controlled by its governing document, the foundation registered on 9th October 2017, and as amended on 1st February 2018 and 4th June 2018. The CIO's Registered Number is 1175027 and it is also regulated by the Regulator of Social Housing (5051).

Recruitment and appointment of new trustees

Trustees are recruited as required with the aim of having a Board of Trustees with a range of relevant skills and experience. New Trustees are inducted by the Board and are able to attend courses run by the Almshouse Association and others.

Organisational structure

The Board of Trustees met four times in 2021 to determine strategy and policy and they employ a Warden and Clerk to ensure that residents' needs are met and that the income and expenditure of the Charity is managed efficiently. Trustees serve on sub committees including Health and Safety, Finance, Buildings, Residents' Selection, Residents' Welfare and Fundraising in order to facilitate day-to-day management and residents' welfare issues. The Warden is available to offer reasonable non nursing assistance to frail residents and liaise with Social Services to ensure that residents are able to maintain independent residence until they require full time residential care.

The Clerk to the Trustees prepares monthly cumulative cash accounts and cumulative statements of contributions due from residents together with a reconciliation to the bank balances. These are scrutinised by the Treasurer who prepares an annual budget and provides performance reports for each meeting of the Trustees. The bank mandate requires two authorised persons for all payments. Insurance and Risks are reviewed annually.

The Trustees also confirm that they have had regard for the Charity Commission guidance in respect of public benefit when reviewing the charity's aims and objectives and planning future activities.

Risk management

The Trustees have given consideration to the major risks to which the charity is exposed and have reviewed the established systems and procedures to manage these risks and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2021

VALUE FOR MONEY (VFM)

Each year the Charity uses a range of data to measure VFM progress against the housing sector. The results help influence investment decisions and provide the regulators and other stakeholders with information on the progress of the Charity, whilst also ensuring compliance with the regulatory VFM standard. The metrics have been compared to Housemark sector scorecard published by the National Housing Federation.

Metric	2021	2020 as restated	Housemark Scorecard	Commentary
New supply delivered	0%	0%	0.90%	The Charity has 30 Almshouses in management. This remains as per the previous year, with no new supply of social or non-social housing.
Gearing	27.03%	28.79%	33.82%	The Charity's gearing is just below industry median reflecting a lower reliance on external borrowings for the funding of its housing properties.
EBITDA MRI	894.79%	(3,118.68)%	216%	Following extensive capitalised refurbishment costs in 2020, the metric now demonstrates that the charity performs sufficiently to fund its interest payable on loans.
Social Housing Cost Per Unit	£3,542	£23,403	£3,891	Lower voids and major repair expenditure in the year have enabled the charity to reflect an economic and efficient cost per unit. 2020 reflects the extensive refurbishment programme undertaken.
Operating Margin Overall	14.80%	48.54%	23.54%	As a Charity, The Berrow Cottage Homes receives a significant level of income from its Investments, which produced £29,393 in 2021, thus impacting the operating margin. This income also underwrites part of the charity's operating costs. 2020's results included the receipt of a social housing grant of £165,000 which impacted the overall calculation.
Social Housing Lettings only	(3.30)%	(19.58)%	25.49%	
ROCE	0.75%	4.95%	3.10%	This is particularly low due to the minimal liabilities of the charity, together with a low operating surplus in the year. The Charity holds investments which additionally provided an unrealised gain of £88,208.
Reinvestment	0.52%	26.53%	5.10%	Major refurbishment works undertaken in the prior year have now been completed. The trustees are satisfied that the properties have been maintained to a good standard.

THE BERROW COTTAGE HOMES

Report of the Trustees for the Year Ended 31 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

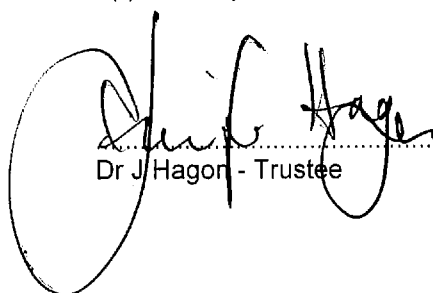
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT EXAMINER

The Independent Examiner has expressed his willingness to continue in office and a proposal for his reappointment will be put before the Trustees at their meeting.

Approved by order of the board of trustees on 16.05.2022 and signed on its behalf by:



Dr J Hagon - Trustee

**Independent Examiner's Report to the Trustees of
The Berrow Cottage Homes**

Independent examiner's report to the trustees of The Berrow Cottage Homes

I report to the charity trustees on my examination of the accounts of The Berrow Cottage Homes (the Trust) for the year ended 31 December 2021.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our work or for this report.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Section 136(3) of the Housing and Regeneration Act 2008, an independent examination has been carried out.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or section 135(2)(a) of the Housing and Regeneration Act 2008; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Holland-Leader FCA
Knox Cropper LLP
Chartered Accountants
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

Date: 31st May 2022

THE BERROW COTTAGE HOMES

Statement of Financial Activities for the Year Ended 31 December 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		200	-	200	165,350
Charitable activities	3				
Housing Activities		155,421	-	155,421	124,431
Investment income	2	29,402	-	29,402	35,274
Total		185,023	-	185,023	325,055
EXPENDITURE ON					
Charitable activities					
Housing Activities		143,945	16,601	160,546	167,716
Net gains/(losses) on investments		88,208	-	88,208	(60,056)
NET INCOME/(EXPENDITURE)		129,286	(16,601)	112,685	97,283
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		1,656,716	-	1,656,716	2,362,918
Prior year adjustment	8	-	803,485	803,485	-
As restated		1,656,716	803,485	2,460,201	2,362,918
TOTAL FUNDS CARRIED FORWARD		1,786,002	786,884	2,572,886	2,460,201

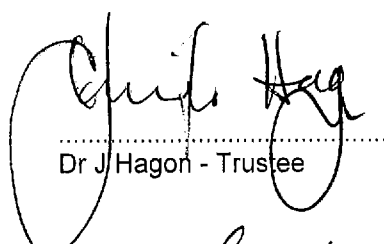
The notes form part of these financial statements

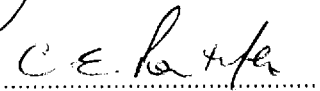
THE BERROW COTTAGE HOMES

Balance Sheet 31 December 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds as restated £
FIXED ASSETS					
Tangible assets	11	1,426,728	786,884	2,213,612	2,251,108
Investments	12	1,010,290	-	1,010,290	892,689
		2,437,018	786,884	3,223,902	3,143,797
CURRENT ASSETS					
Debtors	13	3,774	-	3,774	7,856
Cash at bank and in hand		122,838	-	122,838	101,750
		126,612	-	126,612	109,606
CREDITORS					
Amounts falling due within one year	14	(86,239)	-	(86,239)	(73,095)
NET CURRENT ASSETS		40,373	-	40,373	36,511
TOTAL ASSETS LESS CURRENT LIABILITIES		2,477,391	786,884	3,264,275	3,180,308
CREDITORS					
Amounts falling due after more than one year	15	(691,389)	-	(691,389)	(720,107)
NET ASSETS		1,786,002	786,884	2,572,886	2,460,201
FUNDS	18				
Unrestricted funds				1,786,002	1,656,716
Restricted funds				786,884	803,485
TOTAL FUNDS				2,572,886	2,460,201

The financial statements were approved by the Board of Trustees and authorised for issue on 16.05.2022 and were signed on its behalf by:


Dr J Hagon - Trustee


C Pontifex - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The accounts 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 financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

Income from housing represents housing contributions by way of weekly maintenance charges from residents.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

1. ACCOUNTING POLICIES - continued

Income

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed and where the amount of the grant has been determined. Grants are reflected in the restricted Housing Property Fund with depreciation on grant funded assets reducing this fund.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Housing properties

The original Berrow Cottage Homes Almshouses were constructed in the late Nineteenth Century. There is no record of the original cost but they are valued at 1st January 1926 at £2,000, with additions since at cost being funded by Homes England and its predecessor bodies Grants, Mortgage Loans, Charitable Donations, and from the Berrow Cottage Homes' own resources.

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30
Heating, Ventilation, Plumbing	30
Kitchens	20
Boilers	15
Other enhancements	10

Housing properties in the course of construction are disclosed at cost within work in progress and not depreciated until the scheme is completed and the assets brought into use.

The Charity capitalises expenditure on housing properties which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property.

Furniture, Fittings and Equipment

Depreciation on Furniture, Fittings and Equipment has been provided in order to write off the cost over its expected useful life on a reducing balance basis. The rate used for this purpose is 10%.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Investments

Investments are a form of basic financial investment and are initially recognised at their transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

2. INVESTMENT INCOME

	2021	2020 as restated
	£	£
Investment income	29,393	34,598
Deposit account interest	9	676
	<u>29,402</u>	<u>35,274</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

3. INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Gross maintenance contributions from residents	159,051	153,708
Gross maintenance contributions from Supporting People	3,926	3,915
Losses from voids	(7,556)	(33,192)
	<u>155,421</u>	<u>124,431</u>

4. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Housing Activities	<u>21,892</u>	<u>16,784</u>	<u>2,142</u>	<u>40,918</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2021 £	2020 £
Sundry expenses	662	68
Upkeep of grounds	585	54
Donations	53	-
Administration	403	311
	<u>£1,703</u>	<u>£433</u>

Expenses were reimbursed to 5 Trustees in the year (2020: 4).

6. STAFF COSTS

	2021 £	2020 £
Wages	33,221	35,821
Social security	300	299
Pension	1,921	1,854
Other employee benefits	535	310
	<u>35,977</u>	<u>38,284</u>

No employees received emoluments in excess of £60,000.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

6. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2021	2020 as restated
Warden	1	1
Clerk	1	1
	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	350	165,000	165,350
Charitable activities			
Housing Activities	124,431	-	124,431
Investment Income	<u>35,274</u>	<u>-</u>	<u>35,274</u>
Total	160,055	165,000	325,055
EXPENDITURE ON			
Charitable activities			
Housing Activities	151,115	16,601	167,716
Net (losses) on investments	<u>(60,056)</u>	<u>-</u>	<u>(60,056)</u>
NET INCOME/(EXPENDITURE)	(51,116)	148,399	97,283
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,707,832</u>	<u>655,086</u>	<u>2,362,918</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,656,716</u>	<u>803,485</u>	<u>2,460,201</u>

8. PRIOR YEAR ADJUSTMENT

As a registered provider of social housing, The Berrow Cottage Homes have previously adhered to the Housing Statement of Recommended Practice (SORP). Following the introduction of section 1.6 of the Housing SORP 2019, which clarifies that Almshouse Charities must adopt the Charities SORP in the preparation of its financial statements, provided this does not conflict with any applicable legal or regulatory requirements that must be adhered to, these financial statements have been restated to comply with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'.

The impact of the restatement of the financial statements under the Charities SORP is as follows:

At 1st January 2020	As Previously Stated £	Adjustment £	As Restated £
Fixed assets	1,791,530	889,426	2,680,956
Current assets	1,430,270	(889,426)	540,844
Creditors due within one year	(124,233)	13,236	(110,997)
Creditors due in more than one year	<u>(1,389,735)</u>	641,850	<u>(747,885)</u>
	<u>1,707,832</u>		<u>2,362,918</u>
Unrestricted Funds	1,707,832		1,707,832
Restricted Funds	<u>-</u>	(655,086)	<u>655,086</u>
	<u>1,707,832</u>		<u>2,362,918</u>

The adjustment reflects the recognition of the Social Housing Grant as Income during the year in which the Charity received the right to the grant in restricted funds amounting to £766,084, net of accumulated depreciation of £110,998. It also reflects the reanalysis of investments from current to fixed assets as the intention of the Trustees currently is to maintain investments for capital growth.

During the year ended 31st December 2020 the following adjustments were made:

	2020 £
Deficit for the year as previously reported	(51,116)
Reversal of amortisation of social housing grant	(16,601)
Recognition of social housing grant received in the year	<u>165,000</u>
As restated	<u>97,283</u>

Depreciation of £16,601 was charged to restricted funds in the year, together with the social housing grant received of £165,000, resulting in a closing balance on restricted funds at 31 December 2020 of £803,485.

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

9. SOCIAL HOUSING ACTIVITIES

	2021 £	2020 £
Turnover from Social Housing	155,421	124,431
Operating costs of Social Housing	<u>(160,546)</u>	<u>(167,716)</u>
Operating deficit and deficit on Social Housing activities	<u>(5,125)</u>	<u>(43,285)</u>

10. SOCIAL HOUSING GRANT

The total Social Housing Grant received for The Berrow Cottage Homes as at 31st December 2021 amounted to £931,084 (2020: £931,084).

The full Capital Grant would only become repayable if the Almshouses were disposed of and the grant was not recycled.

	£
Aggregate amount received At 31st December 2021 and 31st December 2020	<u>931,084</u>
Released to Statement of Financial Activities At 31st December 2021 and 31st December 2020	<u>(931,084)</u>
Social Housing Grant Carried forward	<u>-</u>

11. TANGIBLE FIXED ASSETS

	Housing properties £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2021	2,508,328	22,634	5,441	2,536,403
Additions	16,796	-	-	16,796
Disposals	<u>(5,268)</u>	<u>-</u>	<u>-</u>	<u>(5,268)</u>
At 31 December 2021	<u>2,519,856</u>	<u>22,634</u>	<u>5,441</u>	<u>2,547,931</u>
DEPRECIATION				
At 1 January 2021	262,396	17,458	5,441	285,295
Charge for year	50,604	782	-	51,386
Eliminated on disposal	<u>(2,362)</u>	<u>-</u>	<u>-</u>	<u>(2,362)</u>
At 31 December 2021	<u>310,638</u>	<u>18,240</u>	<u>5,441</u>	<u>334,319</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,209,218</u>	<u>4,394</u>	<u>-</u>	<u>2,213,612</u>
At 31 December 2020	<u>2,245,932</u>	<u>5,176</u>	<u>-</u>	<u>2,251,108</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2021	892,689
Revaluations	88,208
Accumulated dividends	<u>29,393</u>
At 31 December 2021	<u>1,010,290</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,010,290</u>
At 31 December 2020	<u>892,689</u>

There were no investment assets outside the UK.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 as restated £
Arrears of maintenance contributions	1,308	1,078
Other debtors	-	6,093
Prepayments and accrued income	<u>2,466</u>	<u>685</u>
	<u>3,774</u>	<u>7,856</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 as restated £
Bank loans and overdrafts (see note 16)	21,696	21,261
Taxation and social security	2,416	1,667
Other creditors	<u>62,127</u>	<u>50,167</u>
	<u>86,239</u>	<u>73,095</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020 as restated
	£	£
Bank loans (see note 16)	642,302	664,019
Other creditors	49,087	56,088
	<u>691,389</u>	<u>720,107</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020 as restated
	£	£
Amounts falling due within one year on demand:		
Bank loans	21,696	21,261
National Association of Almshouses loan	7,000	7,000
	<u>28,696</u>	<u>28,261</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	22,283	21,777
National Association of Almshouses loan - 1-2 years	7,000	7,000
	<u>29,283</u>	<u>28,777</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	620,019	642,242
National Association of Almshouses loan - 2-5 years	42,087	49,088
	<u>662,106</u>	<u>691,330</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020 as restated
	£	£
Bank loans	<u>663,998</u>	<u>685,280</u>

The bank loan is due to Barclays Bank and is secured by a legal charge over Mary Galloway House, 2 Kenilworth Road, Knowle, Solihull. The mortgage is repayable by equal instalments of principal and interest (at an interest rate of 2% + BoE base rate, currently 0.1%).

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

18. MOVEMENT IN FUNDS

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds					
General fund	195,768	-	41,078	(1,239)	235,607
Investment Revaluation	215,642	-	88,208	-	303,850
Cyclical Repairs	100,598	-	-	19,944	120,542
Extraordinary Repairs	123,659	-	-	15,286	138,945
Charitable Property	<u>1,021,049</u>	-	-	<u>(33,991)</u>	<u>987,058</u>
	1,656,716	-	129,286	-	1,786,002
Restricted funds					
Housing	-	803,485	(16,601)	-	786,884
TOTAL FUNDS	<u>1,656,716</u>	<u>803,485</u>	<u>112,685</u>	<u>-</u>	<u>2,572,886</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	185,023	(143,945)	-	41,078
Investment Revaluation	-	-	88,208	88,208
	185,023	(143,945)	88,208	129,286
Restricted funds				
Housing	-	(16,601)	-	(16,601)
TOTAL FUNDS	<u>185,023</u>	<u>(160,546)</u>	<u>88,208</u>	<u>112,685</u>

THE BERROW COTTAGE HOMES

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	467,595	8,940	(280,767)	195,768
Investment Revaluation	275,698	(60,056)	-	215,642
Cyclical Repairs	86,726	-	13,872	100,598
Extraordinary Repairs	108,810	-	14,849	123,659
Charitable Property	769,003	-	252,046	1,021,049
	1,707,832	(51,116)	-	1,656,716
Restricted funds				
Housing	655,086	148,399	-	803,485
TOTAL FUNDS	<u>2,362,918</u>	<u>97,283</u>	<u>-</u>	<u>2,460,201</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	160,055	(151,115)	-	8,940
Investment Revaluation	-	-	(60,056)	(60,056)
	160,055	(151,115)	(60,056)	(51,116)
Restricted funds				
Housing	165,000	(16,601)	-	148,399
TOTAL FUNDS	<u>325,055</u>	<u>(167,716)</u>	<u>(60,056)</u>	<u>97,283</u>

Cyclical Repairs and Maintenance Fund

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

Extraordinary Repairs Fund

This Revenue Reserve represents amounts set aside to carry out major repairs on Housing Properties

Charitable Fund Property Fund

This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources. In the year capitalised expenditure on housing properties and loan interest has been transferred to this fund and depreciation except for that relating to the social housing grant for housing properties have been transferred from this fund.

Housing Property Fund

This represents the social housing grant received from the Housing Corporation for property improvements to the Almshouses. Depreciation on housing properties is charged to this fund over the life of the components of the building.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

20. UNITS IN MANAGEMENT

The Charity had 30 units in Management during the year. (2020: 30).

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	2021 £	2020 as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	200	350
Grants	-	165,000
	200	165,350
Investment income		
Investment income	29,393	34,598
Deposit account interest	9	676
	29,402	35,274
Charitable activities		
Housing Activities - Residents	159,051	153,708
Housing Activities - Supporting People	3,926	3,915
Losses from voids	(7,556)	(33,192)
	155,421	124,431
Total incoming resources	185,023	325,055
EXPENDITURE		
Charitable activities		
Warden's salary	22,381	22,246
Rates and water	388	137
Insurance	2,881	2,832
Light and heat	2,931	3,784
Telephone	1,056	1,232
Property repairs & maintenance	20,655	29,672
Cleaning	240	902
Alarm costs	3,269	2,549
Warden's utilities	2,221	2,061
Grounds maintenance	8,607	6,986
Council tax	707	3,585
Depreciation of housing properties	50,604	49,864
Fixtures and fittings	782	844
Loss on sale of tangible fixed assets	2,906	432
	119,628	127,126
Support costs		
Management		
Clerks' salary	13,596	16,038
Carried forward	13,596	16,038

This page does not form part of the statutory financial statements

THE BERROW COTTAGE HOMES

Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	2021	2020
	£	as restated £
Management		
Brought forward	13,596	16,038
Trustee indemnity insurance	332	326
Postage and stationery	511	1,090
Advertising	400	505
Sundries	1,208	982
Subscriptions	795	754
Donations	80	343
Professional fees	<u>5,070</u>	<u>22</u>
	21,992	20,060
Finance		
Loan	16,784	18,490
Governance costs		
Independent Examination	<u>2,142</u>	<u>2,040</u>
Total resources expended	<u>160,546</u>	<u>167,716</u>
Net income	<u><u>24,477</u></u>	<u><u>157,339</u></u>

This page does not form part of the statutory financial statements

Accounts

THE BERROW COTTAGE HOMES
(CHARITABLE INCORPORATED ORGANISATION)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

Registered Charity No. 1175027
Regulator of Social Housing No. 5051

THE BERROW COTTAGE HOMES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

INDEX

	Page
Reference and Administrative Details	1
Trustees' Report	2 – 5
Independent Examiner's Report	6
Statement of Comprehensive Income	7
Statement of Changes in Reserves	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 20

THE BERROW COTTAGE HOMES

REFERENCE AND ADMINISTRATIVE DETAILS

• Constitution

The Berrow Cottage Homes is regulated by a scheme of the Charity Commissioners and administered and managed by a body of Trustees.

The Berrow Cottage Homes is a Charitable Incorporated Organisation, No. 1175027, and is also registered with the Regulator of Social Housing, Registration No. 5051.

• Trustees

Ex-Officio Trustee

Rev Geoff Lanham The Vicarage, 1811 Warwick Road, Knowle, Solihull B93 0DS

Co-opted Trustees

Mr N J Cameron	80 Browns Lane, Knowle, Solihull B93 9BE
Mr T Corns	82 Grove Road, Dorridge, Solihull B93 0PL
Dr J Hagon	Lilac Cottage, Old Warwick Road, Lapworth, Solihull B94 6AP
Mrs J Hogg	331 Station Road, Dorridge, Solihull B93 8EY (appointed 21st October 2020)
Mrs C Lewthwaite	235 Station Road, Knowle, Solihull B93 0PU (appointed 24th February 2021)
Mrs V Perks	126 Longdon Road, Knowle, Solihull B93 9HU
Mr R Pitt	Valley Cottage, Valley Lane, Lapworth, Solihull B94 6HB
Mr C Pontifex A.C.A.	5 Trehern Close, Knowle, Solihull B93 9HA
Mrs E Wilkin	17 Lightwood Close, Knowle, Solihull B93 9LS
Mr D Whiting	14 Langfield Road, Knowle, Solihull B93 9PN

• The Principal Officers

Chairman

Dr J Hagon

Treasurer

Mr C Pontifex

Clerk to the Trustees

Mrs E A Wood (resigned 16th April 2020)
Mrs N Docker (appointed 16th April 2020, resigned 30th October 2020)
Mrs C Evans (appointed 3rd November 2020)

• Professional Advisors

Independent Examiner

James Holland-Leader FCA
Knox Cropper LLP
Chartered Accountants
Office Suite 1, Haslemere House
Lower Street, Haslemere
Surrey GU27 2PE

Architects

Hasker Architects Limited
1620 High Street
Knowle
Solihull
West Midlands B93 0JU

Bankers

Barclays Bank plc
1 Station Road
Knowle
Solihull
West Midlands B93 0HW

Solicitors

Standley & Co
1612-1618 High Street
Knowle
Solihull
West Midlands B93 0JU

• Principal Office Address

Mary Galloway House
2 Kenilworth Road
Knowle
Solihull
West Midlands B93 0JA

THE BERROW COTTAGE HOMES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

The Trustees submit their report and the Financial Statements for the year ended 31st December 2020.

STRUCTURE GOVERNANCE AND MANAGERMENTS

- **Legal Status and Constitution**

The Charity is a Charitable Incorporated Organisation (CIO) and is controlled by its governing document, the foundation registered on 9th October 2017, and as amended on 1st February 2018 and 4th June 2018. The CIO's Registered Number is 1175027 and it is also regulated by the Regulator of Social Housing (5051).

- **Trustees Appointment and Training**

Trustees are recruited as required with the aim of having a Board of Trustees with a range of relevant skills and experience. New Trustees are inducted by the Board and are able to attend courses run by the Almshouse Association and others.

- **Management Arrangements**

The Board of Trustees met four times in 2020 to determine strategy and policy and they employ a Warden and Clerk to ensure that residents' needs are met and that the income and expenditure of the Charity is managed efficiently. Trustees serve on sub committees including Health and Safety, Finance, Buildings, Residents' Selection, Residents' Welfare and Fundraising in order to facilitate day-to-day management and residents' welfare issues. The Warden is available to offer reasonable non nursing assistance to frail residents and liaise with Social Services to ensure that residents are able to maintain independent residence until they require full time residential care.

The Clerk to the Trustees prepares monthly cumulative cash accounts and cumulative statements of contributions due from residents together with a reconciliation to the bank balances. These are scrutinised by the Treasurer who prepares an annual budget and provides performance reports for each meeting of the Trustees. The bank mandate requires two authorised persons for all payments. Insurance and Risks are reviewed annually.

The Trustees also confirm that they have had regard for the Charity Commission guidance in respect of public benefit when reviewing the charity's aims and objectives and planning future activities.

- **Risk Management**

The Trustees have given consideration to the major risks to which the charity is exposed and have reviewed the established systems and procedures to manage these risks.

OBJECTS AND ACTIVITIES

- **Objects of the Charity**

The Charity exists to maintain and manage 30 almshouses (including 1 occupied by the warden) in its ownership for the benefit and welfare of people in need of housing provision, principally in the village of Knowle and the surrounding areas, in accordance with the original Trust deed.

- **Aims and Objectives for the Year**

The Trustees have the objectives of keeping all the properties and gardens in good condition, thereby providing a comfortable and safe environment for each resident and complying with the Decent Homes Standards. The Trustees also continued with the improvement of the property provision by progressing the extension of twenty-two of the properties to provide enhanced living conditions for the residents and with the filling of all vacant properties. A further objective for the year was to ensure an orderly completion of the project, and in so doing to ensure that the residents suffered as little disruption as possible during the works.

THE BERROW COTTAGE HOMES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE AND FUTURE PLANS

- **Achievement of Objectives**

During the year work was completed on the third and final phase of the project, comprising eight of the twenty-two units, following delays caused by the first Covid 19 lockdown. All the extended units are now occupied. Those that were vacant were used to relocate the residents affected by the third phase of the development, which was due to finish in early 2020, but was disrupted by adverse weather conditions and the Coronavirus pandemic, leading to final completion being delayed until August. Since completion the number of void properties has reduced significantly.

- **Public Benefit**

The charity provides public benefit by providing social housing by way of Almshouses to those who are unable to afford commercial rents. By being in close contact with these individuals the charity can ensure their health and wellbeing is protected.

Value for Money (VFM)

Each year the Charity uses a range of data to measure VFM progress against the housing sector. The results help influence investment decisions and provide the regulators and other stakeholders with information on the progress of the Charity, whilst also ensuring compliance with the regulatory VFM standard. The metrics have been compared to The Smaller Providers Benchmarking Group (SPBG) for industry comparability.

Metric	2020	2019	SPBG 2020	Commentary
New supply delivered	0%	0%	0%	The Charity has 30 units in management, with no changes in the year under review.
Gearing	28.79%	14.47%	16.38%	Gearing has risen above industry standard due to interest on borrowings for the extensive refurbishment of the almshouses.
EBITDA MRI	(3,118.68)%	(7,538.56)%	250.5%	Extensive capitalised refurbishment costs are included in this metric.
Social Housing Cost Per Unit	£23,403	£43,794	£4,597	This reflects significant refurbishment costs in the year.
Operating Margin Overall	(5.26)%	45.25%	17.52%	Margin reflects high voids suffered due to development works as well as high repair costs for non-capital works. Grants receivable were significant in 2019, producing a high overall margin.
Social Housing Lettings only	(5.50)%	(1.88)%	18.1%	
ROCE	(0.25)%	1.78%	2.35%	This reflects the operating deficit in the year due to voids and high repair costs
Reinvestment	26.53%	70.84%	3.62%	Consistent with significant refurbishment works undertaken in the year.

THE BERROW COTTAGE HOMES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

Value for Money (VFM) (continued)

These key performance indicators reflect the results for the year ended 31st December 2020, highlighting the refurbishment work undertaken in the year via grants and borrowings with low and free interest rates. This demonstrates the charity's commitment to reinvesting in their housing stock and robust asset management.

Future Plans

These will be to ensure that the Almshouses continue to be well maintained and in so doing provide comfortable accommodation for the residents. The trustees intend to maintain an enhanced level of tenant involvement. The fulfilment of the plan has been adversely affected by the pandemic, with the result that it is intended to further this plan when permitted. The trustees also plan to fill any vacant properties on a timely basis thereby minimizing both the loss of revenue, and void property costs associated with vacant properties.

FINANCIAL REVIEW

- **Results for the Year**

The Charity's financial performance for 2020 showed an operating deficit of £7,844 (2019: £55,263 surplus). The downturn in performance resulted largely from donations of £59,453 in 2019 compared to just £350 in 2020, together with an increase in operating expenditure of £20,288, particularly on repairs, increased depreciation, and other costs associated with the development, such as council tax suffered on vacant properties. It is anticipated that the refurbishment of the almshouses will enable a return to a surplus in future years.

This deficit was increased further by losses on investments for the period of £60,056 and interest payable on loans of £18,490, which was partially offset by investment income of £34,598.

The Balance Sheet has therefore shown a decrease in reserves of £51,116, being the operating deficit, investment income, net interest expense and the unrealised losses for the year.

- **Fixed Assets**

Details of movement in the year are shown in Note 8 on pages 16 and 17 of the Financial Statements.

- **Reserves Policy**

The National Association of Almshouses require sufficient sums to be set aside as investments to generate necessary funds mainly for the maintenance and repairs of the Almshouses; this is achieved by setting aside annually the amount advised by them. Accumulation Fund dividends are allowed to accumulate in the reserves unless required for exceptional expenditure.

Total Unrestricted Reserves of the Charity amount to £1,656,716 of which £1,245,306 have been designated, £215,642 relates to the Investment Revaluation Reserve and £195,768 comprises the Income and Expenditure Account. Details of these reserves are set out in Note 14 to the Financial Statements.

- **Investment Policy**

The investments are managed by the Trustees who have opted to invest in Accumulation shares of the M&G Charity Multi Asset Fund.

- **Grant Making Policy**

It is not the policy of the Trustees to make grants.

THE BERROW COTTAGE HOMES
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Housing Association and Charity 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 Berrow Cottage Homes and of the surplus or deficit for that period.

In preparing those financial statements, the Trustees are required to:

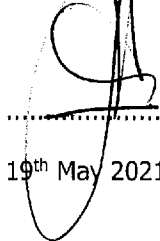
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare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

The Trustees are responsible for maintaining an adequate system of internal control and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the Financial Statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that they have provided the Independent Examiners with all the information and explanations they require for their Independent Examination.

INDEPENDENT EXAMINER

The Independent Examiner has expressed his willingness to continue in office and a proposal for his reappointment will be put before the Trustees at their meeting.

BY ORDER OF THE BOARD



.....

19th May 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE BERROW COTTAGE HOMES

I report to the charity trustees on my examination of the accounts of The Berrow Cottage Homes (the Trust) for the year ended 31st December 2020.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our work or for this report.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

J Holland-Leader

James Holland-Leader FCA
Knox Cropper LLP
Chartered Accountants
Office Suite 1, Haslemere House
Lower Street
Haslemere
Surrey GU27 2PE

Date: *28th May 2021*

THE BERROW COTTAGE HOMES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £	2019 £
TURNOVER	2	141,032	126,132
Operating Expenditure	3	(148,794)	(128,506)
Other Income	4	350	59,453
Loss on disposal of fixed assets		(432)	(1,816)
OPERATING (DEFICIT)/SURPLUS		(7,844)	55,263
Investment Income	11	34,598	33,590
Interest Receivable		676	3,154
Interest Payable		(18,490)	(15,100)
(Loss)/gain on revaluation of investment assets	11	(60,056)	103,603
(DEFICIT)/SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		£(51,116)	£180,510

STATEMENT OF CHANGES IN RESERVES

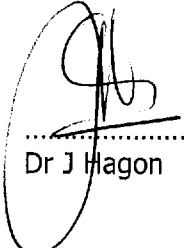
Balance at 1 st January 2020	1,707,832	1,527,322
(Deficit)/surplus from Statement of Comprehensive Income	(51,116)	180,510
Balance at 31 st December 2020	<u>£1,656,716</u>	<u>£1,707,832</u>

The Berrow Cottage Homes has not acquired or discontinued any significant activities during the above two financial years.

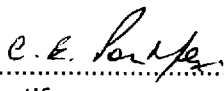
THE BERROW COTTAGE HOMES
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Housing Properties:					
Depreciated Cost	8a		2,245,932		1,692,213
Work in Progress	8b		-		94,967
Other Fixed Assets	8c		5,176		4,350
			<u>2,251,108</u>		<u>1,791,530</u>
CURRENT ASSETS					
Trade and Other Debtors	10	7,856		15,254	
Investments	11	892,689		889,426	
Cash and cash equivalents		<u>101,750</u>		<u>525,590</u>	
		1,002,295		1,430,270	
Less:					
CREDITORS: Amounts falling due within one year	12	<u>(89,696)</u>		<u>(124,233)</u>	
NET CURRENT ASSETS			912,599		1,306,037
CREDITORS: Amounts falling due outside one year	13		<u>(1,506,991)</u>		<u>(1,389,735)</u>
TOTAL NET ASSETS			<u>£1,656,716</u>		<u>£1,707,832</u>
CAPITAL AND RESERVES					
Unrestricted Reserves	14		<u>1,656,716</u>		<u>1,707,832</u>
			<u>£1,656,716</u>		<u>£1,707,832</u>

These financial statements were approved by the Trustees on 19th May 2021 and signed on its behalf by:



 Dr J Hagon



 C Pontifex

THE BERROW COTTAGE HOMES**STATEMENT OF CASH FLOWS****AS AT 31ST DECEMBER 2020**

	Notes	2020 £	2019 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	A	(9,573)	95,594
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(28,721)	-
Purchase of tangible fixed assets		(510,718)	(958,823)
Social Housing Grant received		165,000	-
Interest Received		676	3,154
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		<u>(373,763)</u>	<u>(955,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments of)/Proceeds from loans		(24,464)	770,000
Interest payable		(16,040)	(15,100)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		<u>(40,504)</u>	<u>754,900</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		(423,840)	(105,175)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		525,590	630,765
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u>£101,750</u>	<u>£525,590</u>

A CASH FLOWS FROM OPERATING ACTIVITIES

(Deficit)/surplus for the year	(51,116)	180,510
Loss on disposal of fixed assets	432	1,816
Depreciation net of SHG released	34,107	25,089
Interest Receivable	(676)	(3,154)
Interest Payable	16,040	15,100
Amortisation of loan fee	2,450	382
Accumulated Dividends	(34,598)	(33,590)
Decrease/(increase) in Debtors	7,398	(11,792)
(Decrease)/Increase in Creditors	(43,666)	24,836
Losses/(gains) on Investments	60,056	(103,603)
	<u>£(9,573)</u>	<u>£95,594</u>

B ANALYSIS OF CHANGES IN NET DEBT

	At 1 st January 2020 £	Cash Flows £	Other Movements £	At 31 st December 2020 £
Cash	525,590	(423,840)	-	101,750
Loans falling due within 1 year	(22,497)	(3,314)	(2,450)	(28,261)
Loans falling due after more than 1 year	<u>(747,885)</u>	<u>27,778</u>	<u>-</u>	<u>(720,107)</u>
	<u>£(244,792)</u>	<u>£(399,376)</u>	<u>£(2,450)</u>	<u>£(646,618)</u>

THE BERROW COTTAGE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES

a. Status of the Charity

The Berrow Cottage Homes is a Charitable Incorporated Organisation, No. 1175027, and is also registered with The Regulator of Social Housing Registration No. 5051.

A description of the nature of the Charity's operations and its principal activity is disclosed in the Report of the Trustees. The charity's registered office is stated on page 1.

Basis of Accounting:

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Social Housing Providers 2018, and in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102). The Berrow Cottage Homes is a public benefit entity and applies FRS 102 accordingly. The accounts 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 consider that there are no uncertainties about the Charity's ability to continue as a going concern.

b. Turnover:

Turnover represents maintenance contributions and supporting people income receivable. Income is recognised on an accruals basis.

c. Housing Properties

The original Berrow Cottage Homes Almshouses were constructed in the late Nineteenth Century. There is no record of the original cost but they are valued at 1st January 1926 at £2,000, with additions since at cost being funded by Homes England and its predecessor bodies Grants, Mortgage Loans, Charitable Donations, and from the Berrow Cottage Homes' own resources.

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties.

In accordance with the requirements of SORP 2018, properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified and the depreciation rate applied to each component are set out below:

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES (Continued)

c. Housing Properties (Continued)

	No of years
Main Fabric	100
Roof Structure	70
Electrics	40
Windows & External Doors	30
Bathrooms/WC's	30
Mechanical Systems	30
Kitchens	20
Boilers	15

- (i) Housing properties in the course of construction are disclosed at cost within work in progress and not depreciated until the scheme is completed and the assets brought into use.
- (ii) All properties are reviewed for impairment annually and where housing properties have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related capital grants.

d. Works to Existing Housing Properties

The Charity capitalises expenditure on housing properties which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in rental income, a reduction in future maintenance costs or a significant extension of the life of the property.

e. Social Housing Grant:

Where developments have been financed wholly or partly by social housing grant, the grant is shown in creditors and amortised over the life of the components of the building in accordance with the SORP 2018.

Housing Association grant is repayable in the following circumstances:

- (i) If a property is sold
- (ii) If the development of a property is not completed.

f. Other Fixed Assets:

Other fixed assets (which consist principally of furniture and equipment) continue to be depreciated at an annual rate of 10%.

g. Value Added Tax:

The Charity is not registered for Value Added Tax. In these Financial Statements, where applicable, expenditure is shown inclusive of VAT.

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES (Continued)

h. Designated Reserves

Designated Reserves are funds which have been earmarked to be spent for specific purposes. Details of these reserves are set out in Note 14.

i. Pension Costs

The Charity contributes to a personal pension scheme for the warden. As the Charity's liability is limited to paying the contributions across to the scheme on a timely basis, in accordance with FRS 102, pension costs in these accounts are charged against revenue as payments fall due.

j. Apportionment of Management Expenses:

Finance and Administration costs are apportioned between Management and Service Costs on the basis that 50% of Clerk's Salary, Audit fee, Subscriptions, and sundry office overheads are attributable to Service Costs and the balance to Management.

k. Debtors

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

l. Cash at bank and in hand

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

m. Creditors and provisions

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

n. Financial instruments

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

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES (Continued)

o. Significant Management Judgements and Estimation Uncertainties

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Amortisation of government grants

Government grants received for housing properties are recognised in income over the useful life (as identified for the depreciation charge) of the housing property structure (excluding land), on a pro rata basis under the accrual model.

2. TURNOVER

	2020	2019
	£	£
Gross Maintenance Contributions:		
From Residents	153,708	150,180
From Supporting People	3,915	3,847
Losses from Voids	(33,192)	(41,131)
Net Maintenance Contributions	124,431	112,896
Government Grants	16,601	13,236
	<u>£141,032</u>	<u>£126,132</u>

THE BERROW COTTAGE HOMES
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020

3. OPERATING EXPENDITURE

	Management	Services	Maintenance	Depreciation	2020 Total	2019 Total
	£	£	£	£	£	£
ESTATE COSTS						
Repairs			29,672		29,672	19,578
Warden's Salary		22,246			22,246	22,087
Warden's Utilities		2,061			2,061	2,114
Insurance	2,832				2,832	2,593
Heat & Light		3,784			3,784	5,200
Water charges		137			137	331
Residents Alarm System		2,549			2,549	3,486
Telephone		1,232			1,232	880
Grounds Maintenance			6,986		6,986	7,129
Council Tax			3,585		3,585	1,390
Cleaning		902			902	-
Depreciation of:						
Housing Properties				49,864	49,864	37,649
Furniture & Equipment				844	844	676
OFFICE OVERHEADS						
Postage, Stationery and Sundries	545	545			1,090	714
Subscriptions	377	377			754	712
Donations	343				343	-
Independent Examination	1,020	1,020			2,040	1,800
Advertising	505				505	-
Governance	84				84	515
Bank charges					-	600
Professional fees	22				22	8,022
Sundry expenses	898				898	1,299
Trustees Indemnity Insurance	326				326	337
Clerks' Salary	8,019	8,019			16,038	11,394
TOTAL EXPENDITURE 2020	£14,971	£42,872	£40,243	£50,708	£148,794	
TOTAL EXPENDITURE 2019	£20,676	£41,408	£28,097	£38,325		£128,506

Independent Examiner's remuneration amounted to £1,700 exclusive of VAT (2019: £1,500).

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

4. OTHER INCOME

	2020	2019
	£	£
Donations	350	59,453
	<u>£350</u>	<u>£59,453</u>

5. DIRECTORS' EMOLUMENTS

The Directors are defined as the Trustees and the Clerk to the Trustees.

	2020	2019
	No.	No.
The number of Directors, who received no emoluments were:	<u>10</u>	<u>10</u>
The total expenses reimbursed to the Directors not chargeable to United Kingdom Tax	<u>£433</u>	<u>£4,789</u>

The Clerk to the Trustees received a salary of £16,038 (2019: £11,394).

6. EMPLOYEE INFORMATION

The average weekly number of persons employed during the year was:

	2020	2019
	No.	No.
Warden	1	1
Clerical	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

This equates to 1.4 Full Time Equivalents.

Staff Costs (for the above persons):

	2020	2019
	£	£
Wages	35,821	31,254
Social Security Costs	299	273
Pension Costs	1,854	1,954
Other employee benefits	310	-
	<u>£38,284</u>	<u>£33,481</u>

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

7. TAXATION

The Berrow Cottage Homes is a registered charity and is therefore exempt from liability to taxation on its Income and Capital Gains.

8. FIXED ASSETS

(a) HOUSING PROPERTIES

	Freehold Housing Property	
	2020	2019
	£	£
Cost or Valuation:		
At 1 st January 2020	1,912,393	713,701
Additions	509,048	863,862
Transfers from Work in Progress	94,967	359,784
Disposals	(8,080)	(24,954)
At 31 st December 2020	<u>£2,508,328</u>	<u>1,912,393</u>
Less: Depreciation		
At 1 st January 2020	220,180	205,669
Charge for the year	49,864	37,649
Disposals	(7,648)	(23,138)
At 31 st December 2020	<u>262,396</u>	<u>220,180</u>
Net Book Value at 31st December 2020	<u>£2,245,932</u>	<u>£1,692,213</u>

The Almshouse properties were constructed in the late nineteenth century and there is no record of the original cost but they were valued at 1st January 1926 at £2,000, with additions since at cost.

(b) WORK IN PROGRESS

	2020	2019
	£	£
At 1 st January 2020	94,967	359,784
Additions at cost	-	94,967
Transfers to Housing Properties	(94,967)	(359,784)
At 31 st December 2020	<u>£-</u>	<u>£94,967</u>

THE BERROW COTTAGE HOMES**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2020****8. FIXED ASSETS (continued)****(c) FURNITURE AND EQUIPMENT**

	2020		
	Furniture	Equipment	Total
	£	£	£
Cost			
At 1 st January 2020	5,441	20,964	26,405
Additions	-	1,670	1,670
At 31 st December 2020	<u>5,441</u>	<u>22,634</u>	<u>28,075</u>
Less: Depreciation			
At 1 st January 2020	5,441	16,614	22,055
Charge for the Year	-	844	844
At 31 st December 2020	<u>5,441</u>	<u>17,458</u>	<u>22,899</u>
Net Book Value at 31 st December 2020	<u>£ -</u>	<u>£5,176</u>	<u>£5,176</u>
Net Book Value at 31 st December 2019	<u>£ -</u>	<u>£4,350</u>	<u>£4,350</u>

9. CAPITAL GRANTS

	2020	2019
	£	£
Aggregate Amount received		
At 1st January 2020	766,084	766,084
Additions	165,000	-
At 31st December 2020	<u>£931,084</u>	<u>£766,084</u>
Released to Statement of Comprehensive Income		
At 1st January 2020	(110,998)	(97,762)
Released in the year	(16,601)	(13,236)
At 31st December 2020	<u>127,599</u>	<u>(110,998)</u>
Social Housing Grant Carrying Value	<u>£803,485</u>	<u>£655,086</u>

10. DEBTORS

Amounts falling due within one year		
Arrears of Maintenance Contributions	1,078	1,499
Prepayments and Accrued Income	685	13,755
Other debtors	6,093	-
	<u>£7,856</u>	<u>£15,254</u>

THE BERROW COTTAGE HOMES**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2020****11. CURRENT ASSET INVESTMENTS**

	2020		2019	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
At 1 st January 2020	889,426	613,728	752,233	580,138
Accumulated Income Reinvested	34,598	34,598	33,590	33,590
Additions	28,721	28,721	-	-
Disposals			-	-
Unrealised (loss)/gain on revaluation	(60,056)		103,603	-
At 31 st December 2020	<u>£892,689</u>	<u>£677,047</u>	<u>£889,426</u>	<u>£613,728</u>

The investments comprise M&G Charity Multi Asset Fund Accumulation Shares.

12. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Other Creditors and Accruals	44,834	88,500
Social Housing Grant (Note 9)	16,601	13,236
Bank Loan	21,261	15,497
National Almshouse Association Loan	7,000	7,000
	<u>£89,696</u>	<u>£124,233</u>

13. CREDITORS: Amounts falling due after more than one year

Social Housing Grant (Note 9)	786,884	641,850
Bank loan	664,019	684,797
National Almshouse Association loan	56,088	63,088
	<u>£1,506,991</u>	<u>£1,389,735</u>

The bank loan is due to Barclays Bank and is secured by a legal charge over Mary Galloway House, 2 Kenilworth Road, Knowle, Solihull. The mortgage is repayable by equal instalments of principal and interest (at an interest rate of 2% + BoE base rate, currently 0.1%). The National Almshouse loan is unsecured and interest free for 10 years.

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

14. UNRESTRICTED RESERVES

	Designated Reserves					Total £
	Cyclical Repairs Maintenance Reserve £	Extraordinary Repairs Reserve £	Charitable Fund Property Reserve £	Investment Revaluation Reserve £	Income and Expenditure Reserve £	
Balance at 1st January 2020	86,726	108,810	769,003	275,698	467,595	1,707,832
Total Comprehensive Income for the year	-	-	-	-	(51,116)	(51,116)
Transfers	13,872	14,849	252,046	(60,056)	(220,711)	-
Balance at 31st December 2020	<u>£100,598</u>	<u>£123,659</u>	<u>£1,021,049</u>	<u>£215,642</u>	<u>£195,768</u>	<u>£1,656,716</u>

Cyclical Repairs and Maintenance Reserve

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

Extraordinary Repairs Reserve

This Revenue Reserve represents amounts set aside to carry out major repairs on Housing Properties

Charitable Fund Property Reserve

This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources. In the year capitalised expenditure on housing properties, loan interest, and released social housing grant has been transferred to this fund and depreciation and social housing grants received in respect of the housing properties have been transferred from this fund.

THE BERROW COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2020

15. CAPITAL COMMITMENTS

At 31st December 2020, the CIO had contracted to refurbish the Almshouses amounting to £- (2019: £401,117).

16. CONTINGENT LIABILITIES

At 31st December 2020 and 2019, there were no contingent liabilities.

17. NET ASSETS BETWEEN FUNDS

	Designated Reserves	Investment Revaluation Reserve	Income & Expenditure Reserve	Total
	£	£	£	£
Fixed Assets	2,245,932	-	5,176	2,251,108
Net Current Assets	505,749	215,642	191,208	912,599
Creditors more than one year	(1,506,991)	-	-	(1,506,991)
	<u>£1,244,690</u>	<u>£215,642</u>	<u>£196,384</u>	<u>£1,656,716</u>

18. UNITS IN MANAGEMENT

	2020 No.	2019 No.
Including one occupied by the Warden throughout the year.	30	30
	<u> </u>	<u> </u>