

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:

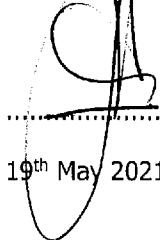
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare 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



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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

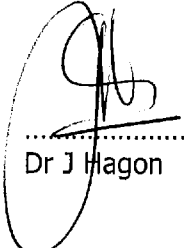
Balance at 1 st January 2020	1,707,832	1,527,322
(Deficit)/surplus from Statement of Comprehensive Income	(51,116)	180,510
Balance at 31 st December 2020	<u>£1,656,716</u>	<u>£1,707,832</u>

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

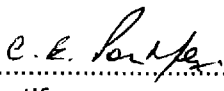
THE BERROW COTTAGE HOMES
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	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		(1,506,991)		(1,389,735)
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><u>£2,245,932</u></u>	<u><u>£1,692,213</u></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></u>	<u><u>£94,967</u></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>