

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

THE BERROW COTTAGE HOMES

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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.

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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.

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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.

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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.

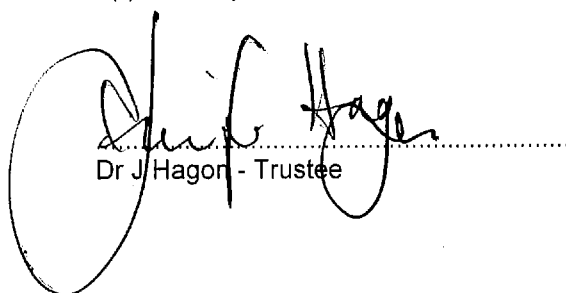
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, 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

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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

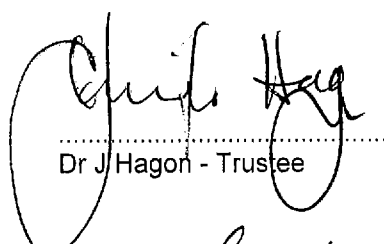
The notes form part of these financial statements

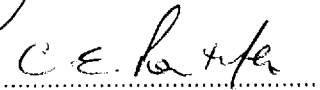
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Balance Sheet 31 December 2021

	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	<u>1,010,290</u>	<u>-</u>	<u>1,010,290</u>	<u>892,689</u>
		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		<u>122,838</u>	<u>-</u>	<u>122,838</u>	<u>101,750</u>
		126,612	-	126,612	109,606
CREDITORS					
Amounts falling due within one year	14	(86,239)	-	(86,239)	(73,095)
NET CURRENT ASSETS		<u>40,373</u>	<u>-</u>	<u>40,373</u>	<u>36,511</u>
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		<u>1,786,002</u>	<u>786,884</u>	<u>2,572,886</u>	<u>2,460,201</u>
FUNDS	18				
Unrestricted funds				1,786,002	1,656,716
Restricted funds				<u>786,884</u>	<u>803,485</u>
TOTAL FUNDS				<u>2,572,886</u>	<u>2,460,201</u>

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>

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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.

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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

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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>24,477</u>	<u>157,339</u>

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