

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
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THE BERROW COTTAGE HOMES

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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.

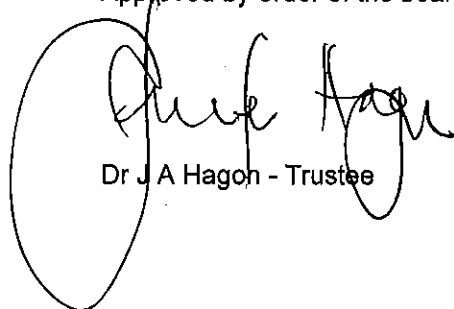
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008,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

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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>

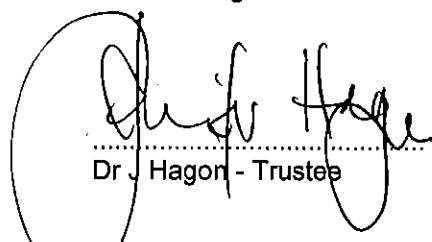
The notes form part of these financial statements


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
	<u>-</u>	<u>803,485</u>	<u>(16,601)</u>	<u>-</u>	<u>786,884</u>
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)
	<u>-</u>	<u>(16,601)</u>	<u>-</u>	<u>(16,601)</u>
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	55	9
	32,437	29,402
Charitable activities		
Housing Activities - Residents	167,674	159,051
Housing Activities - Supporting People	1,292	3,926
Losses from voids	(10,414)	(7,556)
	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	4,475	2,907
	128,520	119,628
Support costs		
Management		
Clerks' salary	14,146	13,596
Trustee Indemnity insurance	358	332
Carried forward	14,504	13,928

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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

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