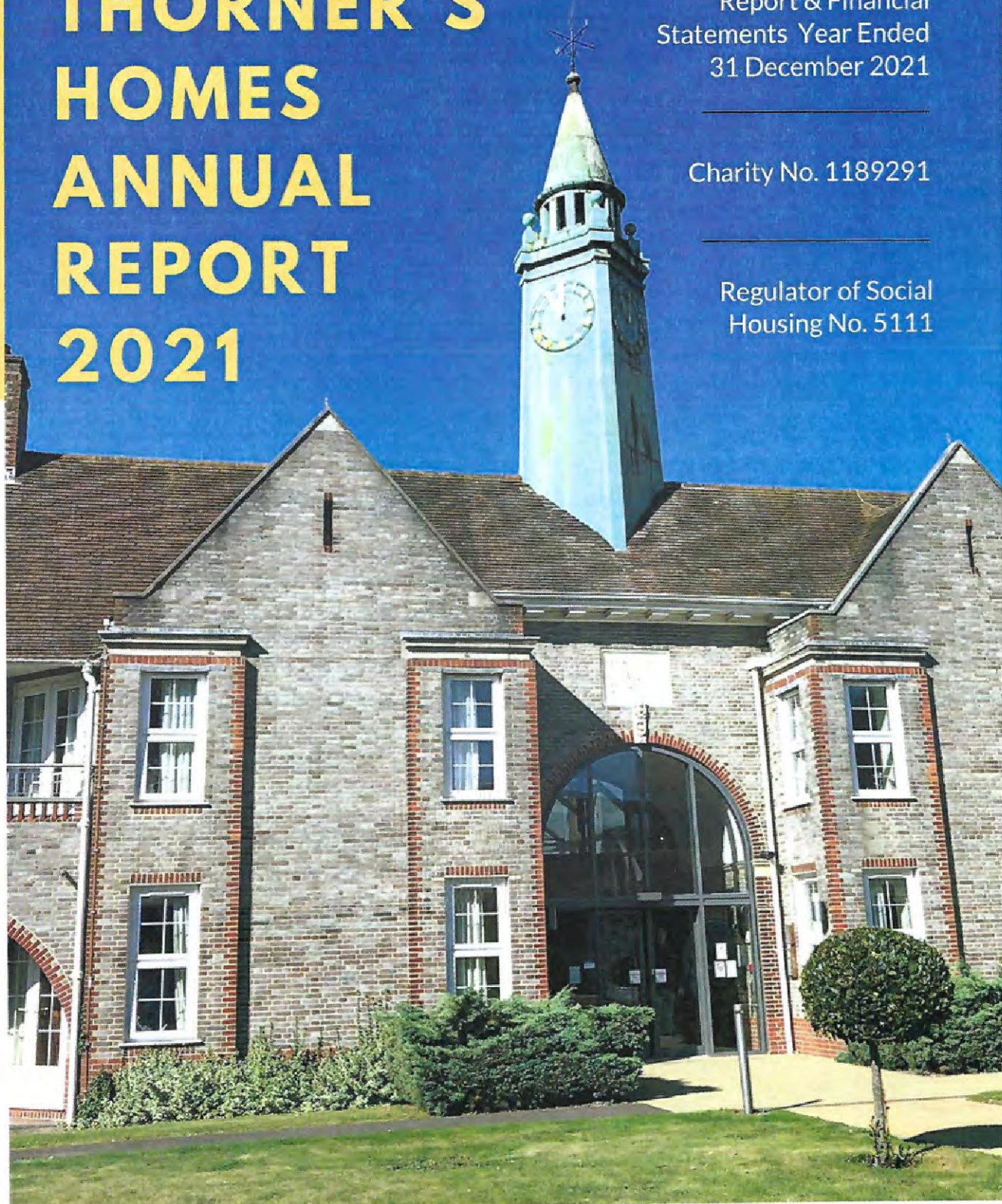


THORNER'S HOMES ANNUAL REPORT 2021

Report & Financial
Statements Year Ended
31 December 2021

Charity No. 1189291

Regulator of Social
Housing No. 5111





CONTENTS

Page:

| | |
|----|--|
| 3 | Reference & Administration Details |
| 4 | Report of the Trustees |
| 17 | Board Trustees' responsibilities |
| 18 | Report of the independent auditors |
| 24 | Statement of financial activities |
| 25 | Balance sheet |
| 27 | Statement of cash flows |
| 28 | Notes forming part of the financial statements |



REFERENCE AND ADMINISTRATION DETAILS

Trustees

Mrs A Bennett

Mr R Brazier

Mr D Butt

Mr M Caton

Mr D Hankins

Mr R Higgins

Mr P F Meacher (Chairman)

Cllr S Vaughan Appointed on 15th June 2021

Chief Executive & Clerk to the Trustees

Mrs V Joynes MRICS

Auditors

Nexia Smith & Williamson, 4th Floor Cumberland House, 15-17 Cumberland Place,
Southampton, SO15 2BG

Bankers

Lloyds Bank plc, 92-94 Above Bar Street, Southampton, SO14 7DT

Solicitors

Paris Smith, 1 London Road, Southampton, SO15 2AE

Registered Office

86 Thorner's Court, Henstead Road, Southampton, SO15 2GU

Registered Numbers

Charity Commission 1189291

Regulator of Social Housing 5111



REPORT OF THE TRUSTEES

The Trustees present their report and financial statements for the year ended the 31 December 2021 which should be read in conjunction with the information on page 3.

Structure, Governance and Management

Thorner's Homes and its linked charity Reardon Samaritan Fund are Charities governed by Schemes sealed by the Charity Commissioner, dated 30 April 2020 which established Thorner's Homes as a Charitable Incorporated Organisation (CIO), and 10 October 1968 with subsequent variations for the Reardon Samaritan Fund.

On 1 January 2021 the assets, undertakings and staff of the unincorporated Thorner's Homes charity (No. 220735) were transferred to the new CIO.

The Trustees listed on page 3 have held office during the whole period from the 1 January 2021 to the date of this report except as indicated.

When a vacancy occurs for a Trustee, consideration is given to the skills required on the Board at the time and direct contact is made to persons with those skills. A meeting is arranged with the prospective Trustee to advise them of the required commitment, explain the charity's objectives and assess their interest. A guided tour of the various properties is undertaken, a history and background of the Charity is given, a copy of the most recent accounts are provided and they are invited to attend a quarterly meeting as an observer. An induction file containing a copy of the governing instrument together with the policies and procedures of the charity is provided for the Trustees future reference. The charity monitors legislation and training is on-going as required.

The Board of Trustees meet quarterly, usually during the first week of March, June, September and December. The Annual General Meeting is held in June. From time to time sub-committees comprising at least four Trustees are created to make use of Trustees' skills. At present there is a Refurbishment Sub-Committee that comprises of four Trustees with the appropriate skills in, accountancy, surveying, construction and architecture. In addition, the Chairman has regular conversations, communications and meetings with the Chief Executive. Supplier invoices and payments are authorised by the Financial Trustee and payment made online by two authorised signatories.



The Trustees meet to review the quarterly accounts, financial budgets, business plans, set weekly maintenance contributions, consider tenders, appoint contractors, set the policies, procedures, consider and plan for the future of the charity and receive reports from professional advisers and the Chief Executive.

The charity has adopted Charity Governance Code for smaller charities.

The Chief Executive takes responsibility for all aspects of the day to day management of the charity. The well-being of the residents and staff is monitored by daily contact with the scheme managers and through meetings. The Chief Executive has authority to order goods or instruct contractors for work up to a value of £2,500. All appointments of staff are made by the Trustees.

Residents are kept informed of any changes that are proposed for the day to day running of the charity which will affect them, by way of circular. When major changes are being considered meetings are held with residents to discuss, consider and take account of their views and where possible incorporate them into any project. If it is necessary visits are made to individual residents if they are unable to attend a meeting.

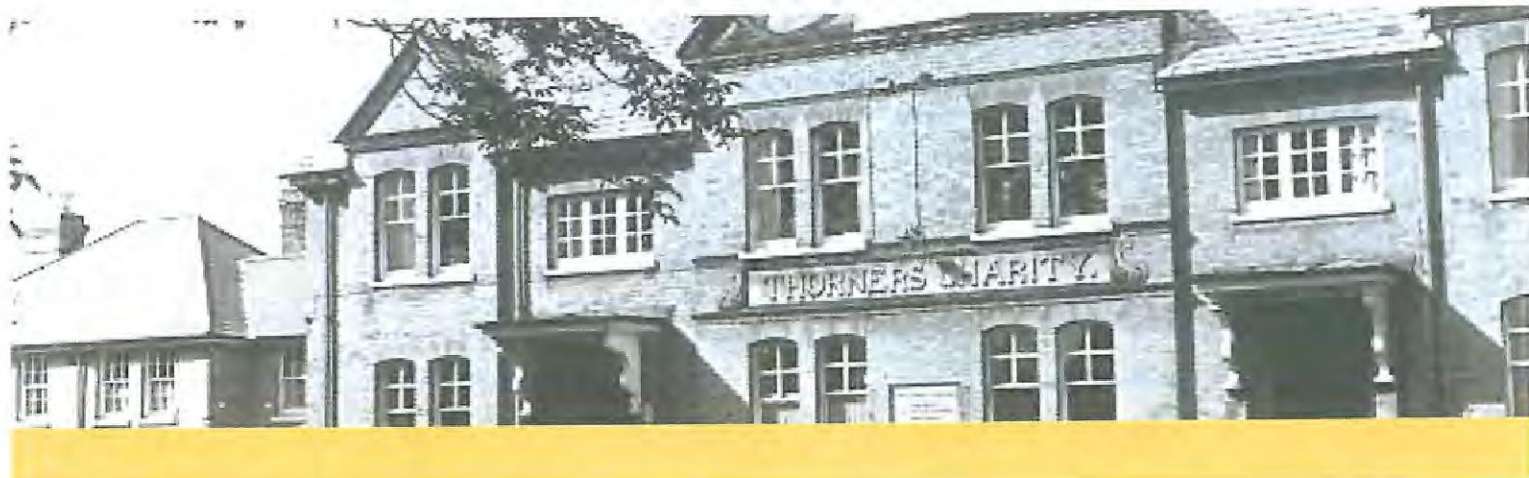
Public Benefit

The Trustees follow guidance issued by the Charity Commission, the Regulator for Social Housing and the National Almshouse Association. The charity aims to provide quality sheltered almshouse accommodation for ladies, with limited financial means and in need, in a caring safe environment. Applicants do not need to come from Southampton and this enables them to move nearer their families whilst retaining their independence. Resident scheme managers monitor the residents' well-being and enable them to access services which may be available to improve their quality of life and encourage them to participate in social activities.

Objects and Activities

Thorner's Homes exists to provide accommodation for poor widows, and single ladies aged 55 and over in poverty, financial hardship or other charitable need.

To further these objects the charity owns and manages two housing schemes in Southampton in which individual flats are provided for each resident:



Thorner's Court, Henstead Road, Southampton, SO15 2GW

This scheme was originally built in 1971 and in 2000 was remodelled to provide 38 one-bedroom flats with communal facilities.

Robert Thorner Court, 133 Regents Park Road, Shirley, Southampton, SO15 4AG

This scheme was redeveloped in 2010-2014 to provide 60 two-bedroom flats for single occupancy with communal facilities.

The charity owns two residential properties that are conveniently located near to the two housing schemes which are provided to the resident scheme managers. It is considered necessary and appropriate for the security and welfare of residents that the managers can attend the premises quickly in the event of any urgent issues outside of their core working hours.

The charity has two properties held as investment properties to create further income for the charity, both are let on assured shorthold tenancies.

Achievements and Performance

The Covid-19 pandemic continued to have an impact on operations of the charity throughout 2021. As a charity we had been well prepared with PPE and sanitiser to keep staff and residents safe. Thorner's "Emergency Plan in the Event of an Influenza or Other Pandemics" was supplemented by a Covid-19 Action Plan, which was updated regularly as the spread of the virus progressed and the Government updated its advice. The restrictions that were implemented in early March 2020 were put in place again at the beginning of 2021. Those areas where residents could socialise, such as the lounge, were closed on and off until Summer 2021. The staff became well versed in keeping residents and trustees apprised of changing guidance. All residents and staff were encouraged to have their vaccinations and uptake was good. Later during 2021, face to face weekly visits restarted and the lounge fully reopened for entertainment. It was an achievement to have a Christmas Coffee Mornings again with all those taking part enjoying a return to some normality.

Cases of covid amongst the residents, have thankfully been limited during 2021 and the vaccines seem to have been working as planned, however we have still had a high number of residents pass away.



The charity has continued to provide good quality almshouse accommodation. Trustees are however aware of the perceived disparity between the quality of the accommodation at the two sites, arising as a result of the differing age of the two developments. For a number of years the charity has been working on a major refurbishment project for Thorner's Court, that involves the flats being upgraded to provide modern accommodation with improved heating, the bathrooms being equipped with low-level walk-in showers, instead of showers over baths and modern kitchens with eye level ovens, all designed to make the accommodation more appropriate for the age group. A planning application for certain aspects of the refurbishment plus three additional flats was approved on 26th May 2020. The Charity went out to tender in September 2021 and following successful returns in October, the Charity appointed Mountjoy Limited to carry out the refurbishment. That work commenced on site on 7th February 2022 and is expected to take 54 weeks.

As a result of the delays to the refurbishment project, at the 31 December 2021, only 72 of the 98 flats available were occupied. However, 19 vacancies are considered planned vacancies ready to commence phase one of the refurbishment and remodelling. Aside from the planned vacancies, there were no vacancies at Thorner's Court but 6 at Robert Thorner Court where a further flat remains empty following a defective wet room floor where liability was disputed.

Through the involvement of the scheme managers and the Chief Executive, the welfare and personal situations of residents is closely monitored. The charity aims to deal promptly with any concerns or worries that they may have and as a result have a very low level of resident's complaints. Any matters brought to the attention of the staff or trustees are considered fully and dealt with in a fair and equitable way, with the resident being fully informed.

Thorner's Court

Since the 31 December 2020, there was one resignation with a move to a care home. There was one death of a resident who had lived with us since 1984. There were two new appointments. At the end of the year, one resident was having rehabilitation in a care home and was waiting return to her home.

Robert Thorner Court

Since 31 December 2020 there were no resignations. Sadly, the charity lost seven residents during 2021. There were five new appointments made.

Routine and programmed maintenance has continued throughout the year at both sites.



Financial Review

The overall loss for the year was £34,654 (2020: £89,865). The small deficit in the current year has arisen due to the number of flats at Thorner's Court which have been vacant for the whole year in preparation for the refurbishment project and the continuing loss of income and additional costs relating to Covid 19. The deficit on Social Housing activity decreased to £112,434 from £157,083 last year.

The trustees are aware that the levels of weekly maintenance charge at both schemes are lower than the equivalent fair rent guidance provided by the Valuation Office Agency as at January 2018. Between 2002 and 2012, regulated providers were given the opportunity to address any shortfalls in weekly maintenance charge levels however it was considered by the then Trustees, that the levels of weekly maintenance charge were reasonable for the client group housed. From April 2016 there was pressure to reduce the level of weekly maintenance contributions from central government and over three years from that date contribution levels were meant to be reduced by 1% each year, thus reducing the overall Housing Benefit bill. This was postponed for almshouses and similar accommodation to April 2017 and then further to 2022, but it had already been implemented for two years. The refurbishment of Thorner's Court however allows this to be addressed for this scheme and this is being considered, along with the impact for any residents not in receipt of Housing Benefit.

The charity has received revenue from its listed investments, bank deposits and investment properties totalling £26,904. During the year the bank deposits returned a lower but acceptable level of income, given current bank interest rates and the NAACIF returns continue to be stable and acceptable.



Regulator of
Social Housing



Value for Money Standard

Due to the relatively small size of the charity and the limited resources available the Trustees have always been very cost conscious whilst ensuring that there is sufficient and appropriate expenditure, on staff and facilities, to maintain sufficient and appropriate care and facilities for residents.

The finances of the charity are very closely monitored and controlled with robust systems of authorisation and control over funds. All costs are carefully considered for both the short and longer-term benefit. Consideration is given to capital improvements that enhance the facilities and reduce long term operational costs rather than a continual cycle of routine maintenance. All costs are monitored against prior periods and budgets and any variances are subject to scrutiny.

The charity is committed to delivering effective and efficient services to residents and embraces the Value for Money (VFM) methodology as required by the Regulator of Social Housing (RSH). The charity seeks to ensure that all financial and other resources are used to achieve the greatest benefits for the charity, in working towards the furtherance of the aims of the charity, as described in the governing documents.

The requirements of the RSH are to include standard metrics; the following shows these metrics for the charity. They compare the performance shown by these metrics with the charity's peers has been enabled by Acuity's benchmarking data for smaller providers, those with less than 1000 units, this is for the year ending March 2021.

Metric 1 - Reinvestment %

| | 2021 Charity | 2020 Charity | 2020/21 Sector |
|---|-----------------|-----------------|-------------------|
| A - Completed properties additions | £nil | £nil | |
| B - Completed properties closing net book value | £7,739,139 | £7,929,006 | |
| Result (A divided by B) | nil | nil | 2.2% |

Commentary

The charity has not acquired any new properties in 2020 or 2021 as it concentrates on upgrading the quality of the existing portfolio. Opportunities to expand the portfolio are being considered.

Metric 2 – New supply delivered

| | 2021 Charity | 2020 Charity | 2020/21 Sector |
|--|-----------------|-----------------|-------------------|
| A - New social housing units acquired | nil | nil | |
| B - New non-social housing units acquired | nil | nil | |
| C - Units of social housing owned at end of year | 98 | 98 | |
| D - Units of non-social housing owned at end of year | 2 | 2 | |
| Result - Social housing (A divided by C) | nil | nil | nil |
| Result - Non-social housing (B divided by D) | nil | nil | nil |

Commentary

The number of units operated by the charity has not changed during 2020 or 2021. As part of the refurbishment of Thorner's Court the number of social housing units operated will be increased by 3 new units.

Metric 3 – Gearing %

| | 2021 Charity | 2020 Charity | 2020/21 Sector |
|---|----------------------|----------------------|-------------------|
| Loans | £nil | £nil | |
| Less - Cash at bank and in hand | <u>£ (4,565,042)</u> | <u>£ (4,473,775)</u> | |
| A - Total | <u>£ (4,565,042)</u> | <u>£ (4,473,775)</u> | |
| B - Completed properties closing net book value | £7,739,139 | £7,929,006 | |
| Result (A divided by B) | (59.0)% | (53.7)% | 11.8% |

Commentary

Like many smaller charities the charity does not currently have any borrowings but has cash funds and therefore has a negative gearing percentage.

Metric 4 – EBITDA MRI Interest cover %

| | 2021 Charity | 2020 Charity | 2020/21 Sector |
|----------------------------|-------------------------|-------------------------|---------------------------|
| Operating Deficit | £ (66,182) | £ (84,013) | |
| Plus - Depreciation charge | £201,610 | £ 237,203 | |
| A - Total | <u>£ 135,428</u> | <u>£ 153,190</u> | |
| B - Interest payable | £nil | £nil | |
| Result (A divided by B) | Not applicable | Not applicable | 356% |

Commentary

Like many smaller charities, the charity does not currently have any borrowings and therefore there is no interest payable.

Metric 5 – Headline social housing cost per unit

| | 2021 Charity | 2020 Charity | 2019/20 Sector |
|--------------------------------------|-------------------------|-------------------------|---------------------------|
| Charitable activities expenditure | £757,491 | £ 779,986 | |
| Less - Depreciation charge | £ (201,610) | £ (237,203) | |
| Less - Bad debts | £ (1,248) | £398 | |
| A - Total | <u>£ 554,633</u> | <u>£ 543,181</u> | |
| B - Total social housing units owned | 98 | 98 | |
| Result (A divided by B) | £5,660 | £5,543 | £4,847 |

Commentary

The charity's headline social housing cost per unit is more than the sector comparison due to economies of scale and has increased since 2020 by 2% in line with inflation.

Metric 6 – Operating margin %

| | 2021 Charity | 2020 Charity | 2020/21 Sector |
|---|-------------------------|-------------------------|---------------------------|
| Operating Deficit | £ (66,182) | £ (84,012) | |
| Plus – Loss on disposal of housing properties | £ nil | £ nil | |
| A - Operating deficit from social housing | £ (66,182) | £ (84,012) | |
| B - Social housing turnover | £645,057 | £622,903 | |
| C – Total turnover | £694,261 | £696,992 | |
| Social housing result (A divided by B) | (10.3) % | (13.5) % | 20.6% |
| Total result (A divided by C) | (9.5) % | (12.1) % | 20.0% |

Commentary

The charity has reported a reduced deficit compared to last year but therefore still has negative operating margin percentages due to the number of flats at Thorner's Court that have been vacant for the full year in preparation for the refurbishment project and the financial effects of the Covid 19 pandemic.

Metric 7 – Return on capital employed

| | 2021 Charity | 2020 Charity | 2020/21 Sector |
|---|-------------------------|-------------------------|---------------------------|
| A - Operating Deficit | £ (66,182) | £ (84,012) | |
| B – Total assets less current liabilities | £13,350,266 | £13,384,920 | |
| Result (A divided by B) | (0.5) % | (0.1) % | 2.7% |

Commentary

The operating deficit has resulted in a negative return on capital employed.



Investment Policy

The Trustees' investment policy is to hold quoted investments for the endowment funds while maintaining liquid funds to enable the charity to pursue future opportunities, which includes strategic purchases of investment property and the investment in existing stock requiring refurbishment.

Fundraising Statement

Although the charity does not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "voluntary income" and includes legacies and grants.

All solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Chief Executive who is accountable to the Trustees.

The charity has received no complaints in relation to fundraising activities. Staff terms of employment require all, to behave reasonably always and not to approach individuals for funds. The charity does not consider it necessary to design specific procedures to monitor such activities.

Free reserves

The trustees consider that the reserves requirements are in line with the Charity Commission Guidelines. The policy reflects their wish to commit safely as much as possible to our objectives whilst retaining financial stability and the potential to respond to new opportunities.

At 31 December 2021 the total funds of the charity were £13,350,266, analysed as follows:



| | 2021 | 2020 |
|---|-------------------|-------------------|
| | £ | £ |
| Reserves tied up in buildings | 8,217,246 | 8,277,266 |
| Reserves restricted to donor nominated purposes | 171,619 | 168,351 |
| Reserves required to meet ongoing commitments | 4,921,183 | 4,899,085 |
| Revaluation reserves | 40,218 | 40,218 |
| | <u>13,350,266</u> | <u>13,384,290</u> |

The Trustees have adopted the recommendations of the Charity Commissioners in respect of prudent reserves for future repairs and at 31 December 2021 these were as follows:

| | 2021 | 2021 | 2020 | 2020 |
|---------------------------------------|-------------------|-------------|-------------------|-------------|
| | £ | £ | £ | £ |
| Other reserves as stated above | | 4,921,183 | | 4,899,085 |
| Cyclical repairs and maintenance fund | 615,673 | | 615,673 | |
| Extraordinary repairs fund | 709,931 | | 709,931 | |
| | <u> </u> | (1,325,604) | <u> </u> | (1,325,604) |

The Trustees also consider it prudent that unrestricted reserves should cover one year's operating costs (excluding exceptional repairs) which are estimated at

| | | |
|---------------|------------------|------------------|
| | (500,000) | (500,000) |
| Free reserves | <u>3,095,579</u> | <u>3,073,481</u> |



Risk management

The Trustees have a risk management strategy which comprises a review of principal risks and uncertainties that the charity faces, the establishment of policies, systems and procedures to mitigate those risks and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Attention has been focused on non-financial risks arising from fire, health and safety of properties and residents. These are managed by having robust policies and procedures in place.

A key element in management of financial risk is the statutory restrictions on income, ensuring regular costs are met from that income and sufficient reserves are available to meet further capital expenditure including replacement of major components.

Compliance with Governance and Financial Viability Standard

During the course of the year the Trustees have reviewed the charities systems and procedures to ensure compliance with our chosen code of practice; Charity Governance Code for smaller charities.

The Trustees regularly review the financial viability of the charity and decisions regarding short term spending and longer-term investment are tested against these. Where appropriate the Trustees have taken advice and obtained reports from external professional advisors, this is an ongoing process. Following these reviews, the Trustees are of the opinion that the charity complies with the Governance and Financial Viability Standard during the course of the year and up to the signing of the accounts.

Plans for future periods

The plans to refurbish Thorner's Court were enacted during 2021, having gone out to tender and placed the contract, the start on site was agreed for the 7 February 2022. Grant funding opportunities are still being investigated.



Auditors

The auditor, Nexia Smith & Williamson will be proposed for reappointment at the meeting of the Trustees.

Approved by the Trustees on *8/6/2022* and signed on its behalf by:

P. F. Meacher
Chairman



BOARD TRUSTEES' RESPONSIBILITIES

The Trustees of the board are responsible for preparing the board report and the financial statements in accordance with applicable law and regulations.

The board Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The board Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

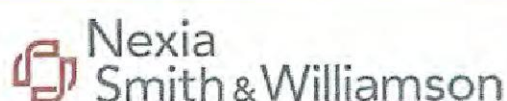
In preparing these financial statements, the board Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The board of Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. 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.



REPORT OF THE INDEPENDENT AUDITORS



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THORNER'S HOMES

Opinion

We have audited the financial statements of Thorner's Homes (the 'charity') for the year ended 31 December 2021 which comprise of the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Housing & Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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



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

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

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- sufficient accounting records have not been kept; or
- the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



Responsibilities of trustees

As explained more fully in the Board Trustees' responsibilities set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

We obtained a general understanding of the charity's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance.



We also drew on our existing understanding of the charity's industry and regulation. We understand that the charity complies with the framework through:

- Outsourcing payroll to external experts
- Using external legal professionals to assist with implementation of changes to legal requirements
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the charity's ability to conduct its operations; and where failure to comply could result in material penalties.

We identified the following laws and regulations as being of significance in the context of the charity:

- The Charities Act 2011, the Housing & Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, 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 (FRS102) – (Charities SORP FRS102) and FRS 102 in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of Trustee minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed any correspondence between the Regulator of Social Housing and the charity.

The senior statutory auditor led a discussion with members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Limited opportunity for segregation of duties due to the size of the charity, which increases the risk that errors or fraud go undetected.
- Misstatement in the financial statements through the processing of fraudulent journal entries.



- Recognition of income and expenses in the incorrect financial reporting period.
- Use of inappropriate assumptions with regard to accounting estimates.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimated of useful lives of tangible fixed assets, recoverability of rental arrears and the fair value of investment properties.
- Substantive work on material areas of the financial statements.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.
- Testing transactions processed close to the year end.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Use of our report

This report is made solely to the charity's trustees as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
4th Floor Cumberland House
15-17 Cumberland Place,
Southampton,
SO15 2BG

Date: *14 June 2022*

Nexia Smith & Williamson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Thorner's Homes
Statement of financial activities
for the year ended 31 December 2021

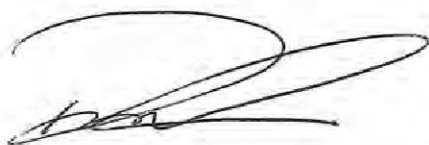
| | Note | Unrestricted funds £ | Endowment funds £ | Total 2021 £ | Total 2020 £ |
|---|------|----------------------------|-------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and Legacies | | 22,300 | - | 22,300 | 33,000 |
| Charitable activities: | | | | | |
| - Income from social housing lettings | 2 | 645,057 | - | 645,057 | 622,903 |
| Investments | 3 | 26,904 | - | 26,904 | 33,206 |
| Sundry Income | | - | - | - | 7,883 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total income | | 694,261 | - | 694,261 | 696,992 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditure | | | | | |
| Charitable activities | 4 | 757,491 | - | 757,491 | 779,986 |
| Investments | | 2,952 | - | 2,952 | 1,018 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditure | | 760,443 | - | 760,443 | 781,004 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net expenditure before investment gains / (losses) | | (66,182) | - | (66,182) | (84,012) |
| Gains / (Losses) on investment assets | 8 | 28,260 | 3,268 | 31,528 | (5,853) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net (expenditure)/income for the year | | (37,922) | 3,268 | (34,654) | (89,865) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net movement in funds | | (37,922) | 3,268 | (34,654) | (89,865) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 13,216,569 | 168,351 | 13,384,920 | 13,474,785 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds carried forward | | 13,178,647 | 171,619 | 13,350,266 | 13,384,920 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

The notes on pages 28 to 41 form part of these financial statements.

Thorner's Homes
Balance sheet
at 31 December 2021

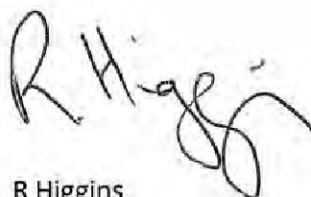
| | Note | 2021 £ | 2020 £ |
|--|------|------------|------------|
| Fixed assets | | | |
| Tangible assets | 7 | 8,302,098 | 8,364,702 |
| Investments | 8 | 509,028 | 477,500 |
| | | <hr/> | <hr/> |
| Total fixed assets | | 8,811,126 | 8,842,202 |
| Current assets | | | |
| Debtors | 9 | 57,417 | 146,410 |
| Cash at bank and in hand | | 4,565,042 | 4,473,775 |
| | | <hr/> | <hr/> |
| Total current assets | | 4,622,459 | 4,620,185 |
| Creditors: amounts falling due within one year | 10 | (83,319) | (77,467) |
| | | <hr/> | <hr/> |
| Net current assets | | 4,539,140 | 4,542,718 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 13,350,266 | 13,384,920 |
| | | <hr/> | <hr/> |
| The funds of the Charity: | | | |
| Endowment funds | 12 | 171,619 | 168,351 |
| | | <hr/> | <hr/> |
| Accumulated profit | | 3,595,579 | 3,573,481 |
| Revaluation reserve | | 40,218 | 40,218 |
| | | <hr/> | <hr/> |
| General funds | 13 | 3,635,797 | 3,613,699 |
| Designated funds | 13 | 9,542,850 | 9,602,870 |
| | | <hr/> | <hr/> |
| Total unrestricted funds | | 13,178,647 | 13,216,569 |
| | | <hr/> | <hr/> |
| Total Charity funds | | 13,350,266 | 13,384,920 |
| | | <hr/> | <hr/> |

The financial statements on pages 24 to 41 were approved by the Board of Trustees, authorised for issue on and are signed on its behalf by:-



P F Meacher
Chairman

8/6/2022



R Higgins
Trustee

8/6/2022

The notes on pages 28 to 41 form part of these financial statements.

Thorner's Homes
Statement of cash flows
for the year ended 31 December 2021

| | Note | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|--|-------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net cash inflow from operations | 16 | | 90,429 | | 69,565 |
| Cash inflows from investing activities | | | | | |
| Investment income | | 26,904 | | 33,206 | |
| Payment for fixed assets | | (26,066) | | (4,273) | |
| Net cash generated by investing activities | | | 838 | | 28,933 |
| Change in cash and cash equivalents in the reporting period | | | 91,267 | | 98,498 |
| Cash and equivalents at the beginning of the reporting period | | | 4,473,775 | | 4,375,277 |
| Cash and cash equivalents at the end of the reporting period | | | 4,565,042 | | 4,473,775 |

The notes on pages 28 to 41 form part of these financial statements.

Thorner's Homes
Notes forming part of the financial statements
for the year ended 31 December 2021

1 Accounting Policies

The Charity is constituted as a Charitable Incorporated Organisation (CIO) and is registered in England and Wales. The registered office is 86 Thorner's Court, Henstead Road, Southampton, SO15 2GU.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in compliance with the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

Thorner's Homes meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts include the results of both Thorner's Homes and the Permanent Endowment Fund of The Dunford Legacy and Reardon Samaritan Funds, which are combined for reporting purposes under the linking direction issued by the Charity Commission on 9 May 2019.

Preparation of the accounts on a going concern basis

The charity has substantial reserves that are available to cover the planned refurbishment programme at Thorner's Court. The charity has sufficient reserves to fund any shortfall of income that may arise or additional costs relating to the continuing effects of Covid-19.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The accounts have therefore been prepared on a going concern basis.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the Trustees have not made any significant judgements in applying the policies, but have considered the following forms of estimation uncertainty:

Investment properties

- The fair value of properties at the balance sheet date

Fixed assets

- Residual value of assets; and the
- Economic lives of assets

Debtors

- Debtors are assessed to identify net recoverable amounts.

Income

Income is recognised in the period in which the Charity is entitled to receipt when receipt is probable and when the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it.

The principal sources of income are rents receivable and social charge income which is recognised in the period to which they relate.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Social Housing Grant

Social Housing Grants have been recognised as income under the performance model.

Fixed Assets and Depreciation

Housing properties

Housing properties have been split between their land and structure costs and a specific set of major components which require periodic replacement. Replacement of such components is capitalised, and depreciated over the useful economic lives of the components (excluding land) at the following rates:

| | | |
|----------------------------|---|-----------|
| Main fabric | - | 100 years |
| Roof (Conventional) | - | 50 years |
| Roof (Flat) | - | 20 years |
| Mechanical & electrical | - | 20 years |
| Bathrooms | - | 20 years |
| Kitchens | - | 20 years |
| Windows and external doors | - | 20 years |

Plant & Equipment are depreciated over their expected useful economic life of 5 - 20 years

Investments

Investments held as fixed assets are stated at market value.

Fund Accounting

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

Designated funds are unrestricted funds which have been earmarked by the trustees for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for a specific purpose.

The Charity has permanent endowment funds for which the Trustees have to invest the capital in perpetuity.

Cyclical repairs and maintenance fund

The Trustees have adopted the recommendations of The Almshouses Association in respect of cyclical maintenance funds. Accordingly, the recommended fund level is reviewed annually and a transfer made from accumulated surplus to maintain the cyclical maintenance reserve at the required amount if required.

Extraordinary repairs fund

The Trustees have adopted the recommendations of The Almshouses Association in respect of the extraordinary repairs fund. The fund level is maintained in accordance with these recommendations.

Debtors

Trade and other debtors are recognised at the settlement amount.

Cash at bank and in hand

Cash at bank and 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 accounts.

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.

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.

2 Charitable activities income

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Income from social housing lettings | | |
| Management charges receivable | 427,128 | 423,526 |
| Service charge income | 217,929 | 199,377 |
| | <u>645,057</u> | <u>622,903</u> |
| Expenditure on social housing activity | <u>757,491</u> | <u>779,986</u> |
| Operating deficit from social housing activities | <u>(112,434)</u> | <u>(157,083)</u> |
| Void losses | <u>217,962</u> | <u>201,087</u> |
| Accommodation in management | | |
| Housing for older people at social rent level. | 98 | 98 |
| Scheme Manager accommodation | 2 | 2 |
| Total owned | <u>100</u> | <u>100</u> |

3 Investment income

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Rental income from investment properties | 22,428 | 21,365 |
| Income from listed investments | 2,861 | 3,035 |
| Bank interest receivable | 1,615 | 8,806 |
| | <u>26,904</u> | <u>33,206</u> |

4 Charitable activities expenditure

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Housing expenditure | | |
| Staff costs | 91,524 | 107,153 |
| Activities undertaken directly | 487,656 | 495,896 |
| Support costs | 178,311 | 176,937 |
| | <u>757,491</u> | <u>779,986</u> |

5 Analysis of support costs

| | 2021 £ | 2020 £ |
|-------------|-----------|-----------|
| Staff Costs | 121,945 | 118,390 |
| Audit | 13,890 | 13,065 |
| Other | 42,476 | 45,482 |
| | <hr/> | <hr/> |
| | 178,311 | 176,937 |
| | <hr/> | <hr/> |

6 Staff costs

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 190,525 | 201,250 |
| Social security costs | 15,588 | 16,131 |
| Pension | 7,356 | 8,162 |
| | <hr/> | <hr/> |
| | 213,469 | 225,543 |
| | <hr/> | <hr/> |

The average number of employees (including executive management team) during the year was as follows:

| | 2021 Number | 2020 Number |
|---------------------------|----------------|----------------|
| Administration | 2 | 2 |
| Housing, support and care | 4 | 3 |
| | <hr/> | <hr/> |
| | 6 | 5 |
| | <hr/> | <hr/> |

None of the Trustees have been paid any remuneration, expenses or received any other benefits from the Charity or any related entity (2020: £Nil).

One employee received emoluments of more than £60,000. This was in the £70,000 to £80,000 band.

The key management personnel of the Charity is considered to be the Chief Executive Officer. The total employee benefits of key management personnel of the Charity were £75,606 (2020: £73,078).

7 Fixed assets

| | Completed properties £ | Assets in course of development £ | Scheme manager properties £ | Plant and Equipment £ | Total £ |
|-----------------------|------------------------------|--|--------------------------------------|-----------------------------|-------------------|
| <i>Cost</i> | | | | | |
| At 1 January 2021 | 9,655,643 | - | 446,738 | 32,480 | 10,134,861 |
| Additions | - | 138,065 | - | 941 | 139,006 |
| Disposals | (5,694) | - | - | - | (5,694) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 9,649,949 | 138,065 | 446,738 | 33,421 | 10,268,173 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | | | |
| At 1 January 2021 | 1,726,637 | - | 33,013 | 10,509 | 1,770,159 |
| Charge for the year | 189,867 | - | 8,218 | 3,525 | 201,610 |
| On disposals | (5,694) | - | - | - | (5,694) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 1,910,810 | - | 41,231 | 14,034 | 1,966,075 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | | |
| At 31 December 2021 | 7,739,139 | 138,065 | 405,507 | 19,387 | 8,302,098 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 7,929,006 | - | 413,725 | 21,971 | 8,364,702 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Included within completed properties is freehold land held at a cost value of £65,465 (2020: £65,465).

All properties are freehold properties.

8 Investments

| | Listed investments £ | Investment properties £ | Total £ |
|----------------------------------|----------------------------|-------------------------------|----------------|
| Market value at 1 January 2021 | 72,500 | 405,000 | 477,500 |
| Revaluation gain | 6,528 | 25,000 | 31,528 |
| | <hr/> | <hr/> | <hr/> |
| Market value at 31 December 2021 | 79,028 | 430,000 | 509,028 |
| | <hr/> | <hr/> | <hr/> |

The Trustees have reviewed, using internal expertise, the value of the investment properties and they have been included at fair value.

The listed investments comprise:

| | Cost | | Market Value | |
|-------------------------------|---------------|-----------|---------------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| General Fund | | | | |
| 43,293 NAACIF Income shares | 17,860 | 17,860 | 39,461 | 36,201 |
| Dunsford Legacy Fund | | | | |
| 6,249 NAACIF Income shares | 1,798 | 1,798 | 5,860 | 5,376 |
| Reardon Samaritan Fund | | | | |
| 36,980 NAACIF Income shares | 9,939 | 9,939 | 33,707 | 30,923 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total investments | 29,597 | 29,597 | 79,028 | 72,500 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

9 Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|-----------|
| Rent and service charge | 3,230 | 3,814 |
| Provision for doubtful debts | (1,530) | (282) |
| Prepayments and accrued income | 33,717 | 142,878 |
| Donations receivable | 22,000 | - |
| | <hr/> | <hr/> |
| | 57,417 | 146,410 |
| | <hr/> | <hr/> |

10 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Trade creditors | 27,092 | 17,821 |
| Rent and service charges received in advance | 17,339 | 14,756 |
| Other creditors | 2,386 | 2,438 |
| Tax and social security | 6,463 | 6,363 |
| Accruals and deferred income | 30,039 | 36,089 |
| | <hr/> | <hr/> |
| | 83,319 | 77,467 |
| | <hr/> | <hr/> |

11 Financial instruments

The Charity's financial instruments may be analysed as follows:

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Financial assets | | |
| Financial assets measured at fair value through the statement of financial activity | 79,028 | 72,500 |
| | <hr/> | <hr/> |

Financial assets measured at fair value through the statement of financial activity comprise of listed fixed asset investments.

12 Permanent endowment

| | Dunsford Legacy Fund £ | Reardon Samaritan Fund £ | Permanent Endowment Fund £ | Total £ |
|---|---------------------------------|-----------------------------------|-------------------------------------|----------------|
| At 1 January 2021 | 5,376 | 30,923 | 132,052 | 168,351 |
| Gain for the year | 484 | 2,784 | - | 3,268 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 5,860 | 33,707 | 132,052 | 171,619 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Represented by: | | | | |
| Freehold land | | | 65,465 | 65,465 |
| Cash at bank and in hand | - | - | 66,587 | 66,587 |
| Investments | 5,860 | 33,707 | - | 39,567 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 5,860 | 33,707 | 132,052 | 171,619 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Prior Year | | | | |
| At 1 January 2020 | 5,810 | 33,419 | 132,052 | 171,281 |
| Loss for the year | (434) | (2,496) | - | (2,930) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 5,376 | 30,923 | 132,052 | 168,351 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Represented by: | | | | |
| Freehold land | | | 65,465 | 65,465 |
| Cash at bank and in hand | - | - | 66,587 | 66,587 |
| Investments | 5,376 | 30,923 | - | 36,299 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 5,376 | 30,923 | 132,052 | 168,351 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | | | | £ |
| The Permanent Endowment Fund represents freehold land plus monies are from the sale of: | | | | |
| - 10 Lawnside Road | | | | 42,255 |
| - Land adjoining 9 Henstead Road | | | | 2,750 |
| - Capital gains on realised investments | | | | 21,582 |
| | | | | <hr/> |
| | | | | 66,587 |
| | | | | <hr/> |

The Dunford Legacy relates to a bequest from 1936 for which no will can be found and therefore the funds can never be used (per the Charity Commission). The Reardon Samaritan Fund is a linked charity (no. 1189291) governed by a 1968 scheme requiring the funds to be kept as Permanent Endowment. The land and any proceeds from sale must also be treated as a permanent endowment.

13 Unrestricted funds

| | General funds £ | Social housing assets £ | Designated funds Cyclical maintenance £ | Extraordinary repairs £ | Total £ |
|---|-----------------------|-------------------------------|--|-------------------------------|-------------------|
| At 1 January 2021 | 3,613,699 | 8,277,266 | 615,673 | 709,931 | 13,216,569 |
| Net loss | (37,922) | - | - | - | (37,922) |
| Transfers | 60,020 | (60,020) | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 3,635,797 | 8,217,246 | 615,673 | 709,931 | 13,178,647 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Represented by: | | | | | |
| Tangible assets | 19,387 | 8,217,246 | - | - | 8,236,633 |
| Investments | 469,461 | - | - | - | 469,461 |
| Debtors | 57,417 | - | - | - | 57,417 |
| Cash at bank and in hand | 3,172,851 | - | 615,673 | 709,931 | 4,498,455 |
| Creditors: amounts falling due within one year | (83,319) | - | - | - | (83,319) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 3,635,797 | 8,217,246 | 615,673 | 709,931 | 13,178,647 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Unrestricted funds

| (Prior year) | Designated funds | | | | Total |
|--|------------------|-----------------------|----------------------|-----------------------|-------------------|
| | General funds | Social housing assets | Cyclical maintenance | Extraordinary repairs | |
| | £ | £ | £ | £ | £ |
| At 1 January 2020 | 3,466,897 | 8,511,003 | 615,673 | 709,931 | 13,303,504 |
| Net loss | (86,935) | - | - | - | (86,935) |
| Transfers | 233,737 | (233,737) | - | - | - |
| | <u>3,613,699</u> | <u>8,277,266</u> | <u>615,673</u> | <u>709,931</u> | <u>13,216,569</u> |
| At 31 December 2020 | <u>3,613,699</u> | <u>8,277,266</u> | <u>615,673</u> | <u>709,931</u> | <u>13,216,569</u> |
| Represented by: | | | | | |
| Tangible assets | 21,971 | 8,277,266 | - | - | 8,299,237 |
| Investments | 441,201 | - | - | - | 441,201 |
| Debtors | 146,410 | - | - | - | 146,410 |
| Cash at bank and in hand | 3,081,584 | - | 615,673 | 709,931 | 4,407,188 |
| Creditors: amounts falling due within one year | (77,467) | - | - | - | (77,467) |
| | <u>3,613,699</u> | <u>8,277,266</u> | <u>615,673</u> | <u>709,931</u> | <u>13,216,569</u> |

14 Other unrestricted funds

The following unrestricted funds are included in the Accumulated Profit on the Balance Sheet and as such form part of General Funds:

Rogerson & Rose bequests

In 1991 a bequest of £25,000 was made by a local resident. Further amounts of £23,704 and £158,500 were received in 1992 and 2005 respectively. The Will did not specify a purpose for which the bequest was made and accordingly each amount has been included in the income and expenditure account in the year of receipt. The Trustees have agreed that a formal record should be kept of the use of this fund which has been, and will continue to be, used for the benefit of the residents. Notional interest is added to the fund balance on a monthly basis. During 2009, a bequest of £5,000 was received from a former Trustee, and the Trustees added this amount to the fund. Details of movements on the fund for the year ended 31 December 2021 are as follows:

| | 2021 £ | 2020 £ |
|------------------------------|-----------|-----------|
| At 1 January 2021 | 175,519 | 177,258 |
| Notional interest receivable | 400 | 400 |
| Expenditure in the year | (2,091) | (2,139) |
| | <hr/> | <hr/> |
| At 31 December 2021 | 173,828 | 175,519 |
| | <hr/> | <hr/> |

Brenda Vera Cooper Will Trust

The daughter of a former resident left an amount in a will trust for the benefit of Thorner's Homes. The capital is held by the Trustees of that Will Trust and Thorner's Homes receives income periodically when the Trustees decide to make a distribution. Thorner's Homes have no influence over the investment policies or distribution policies of the Brenda Vera Cooper will trust.

| | 2021 £ | 2020 £ |
|-------------------------|-----------|-----------|
| At 1 January 2021 | 127,043 | 94,043 |
| Income for the year | 22,000 | 33,000 |
| Expenditure in the year | - | - |
| | <hr/> | <hr/> |
| At 31 December 2021 | 149,043 | 127,043 |
| | <hr/> | <hr/> |

15 Housing grant

Included in Charity funds are Housing Grants totalling £6,718,667 (2020: £6,718,667) paid as a form of financial assistance under Section 19 of the Housing and Regeneration Act 2008.

16 Reconciliation of net incoming resources to net cash inflow from operations

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Net movement in funds | (34,654) | (89,865) |
| Depreciation charges and loss on disposal | 201,610 | 237,203 |
| (Gains) / Losses on investments | (31,528) | 5,853 |
| Investment income | (26,904) | (33,206) |
| Decrease /(Increase) in debtors | (23,947) | (34,233) |
| Increase / (Decrease) in creditors | 5,852 | (16,187) |
| | <hr/> | <hr/> |
| Net cash provided by operations | 90,429 | 69,565 |
| | <hr/> | <hr/> |

17 Analysis of changes in net debt

| | At 1 January 2021 £ | Cash Flows £ | At 31 December 2021 £ |
|------|------------------------|-----------------|--------------------------|
| Cash | 4,473,775 | 91,627 | 4,565,042 |
| | <hr/> | <hr/> | <hr/> |

18 Contingent liabilities

There were no contingent liabilities as at 31 December 2021 or as at 31 December 2020.

19 Capital Commitments

| | 2021 £ | 2020 £ |
|-----------------------------------|-----------|-----------|
| Authorised but not contracted for | 4,004,754 | - |
| | <hr/> | <hr/> |

In November 2021, the Trustees authorised the commencement of the project to refurbish 38 flats and provide 4 new flats at Henstead Road. A contract was signed with Mountjoy Ltd in February 2022 and work commenced on 8th February. The project will be funded from cash resources supported by a grant application to Homes England.

20 Operating Lease Commitments

At the year end date, the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | 2021 | 2020 |
|----------------------------|--------|-------|
| | £ | £ |
| Within one year | 4,608 | - |
| Between two and five years | 14,592 | - |
| | <hr/> | <hr/> |
| | 19,200 | - |
| | <hr/> | <hr/> |

20 Related party transactions

One of the Trustees, Paul Meacher, is a director of FT Pay Limited. During the financial year, FT Pay Limited provided payroll services totalling £950 (2020: £950). At 31 December 2021, £241 was outstanding (2020: £241).

One of the Trustees, Daniel Butt, is a director of Now Survey (Southern) Limited. During the financial year, Now Survey (Southern) Limited provided surveyor services totalling £78 (2020: £78). At 31 December 2021, nil was outstanding (2020: nil).

21 Merger Accounting

On 30 April 2020 Thorner's Homes CIO was registered with the Charity Commission (charity registration number 1189291). On 1 January 2021 the assets, liabilities and activities of Thorner's Homes (charity registration number 220735) were transferred to Thorner's Homes CIO. This transaction constitutes a group reconstruction, there being no change in trustees and beneficiaries of the charity, and is accounted for using merger accounting principles, namely that the financial statements are prepared as if Thorner's Homes CIO had always been the entity carrying out the activities of Thorner's Homes.

