

EARLE'S RETREAT

**REGISTERED CHARITY NO. 204123
HOMES AND COMMUNITY AGENCY NO. A3538**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
5 FEBRUARY 2021**

EARLE'S RETREAT

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EARLE'S RETREAT
OFFICERS AND PROFESSIONAL ADVISORS

Trustees

Mrs H Evans
Mr P Hobson
Mr B Lukey
Mr A Mooney
Mr C Mosney
Mr A Miller
Mr M Winchester
Mrs J Harris
Mrs A Tredget – Appointed 21.07.21

Treasurer

Mrs. S. A. Hyde

Secretary and Clerk to Trustees

Mrs D Moore

Accountants

Briants
Chartered Accountants
Maritime House
Discovery Quay
Falmouth
TR11 3XA

Bankers

Barclays Bank PLC
6 Killigrew Street
Falmouth.

EARLE'S RETREAT

ANNUAL REPORT OF THE TRUSTEES

The Trustees present their report along with the financial statements of the charity for the year ended 5th February 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 8 and comply with the charities constitution and applicable law.

GOVERNANCE

Earle's Retreat is an Almshouse registered under the Housing Act 1996, as amended by the Housing Act 2004 (Homes and Community Agency registered number A3538) and is a registered charity (number 204123). It was founded by scheme dated 26th September 1958, as amended by scheme dated 27th August 2003.

The trustees during the period and at the date of this report (unless otherwise indicated) were:

CO-OPTATIVE TRUSTEES (Appointed by the Trustees on 5-year terms)

Mr. Arnold Mooney – Chairman from 20.3.18

Mrs. Hazel Evans – Vice Chairman from 20.3.18

Mr. Colin Mosney

Mrs J Harris

Mr. Paul Hobson

Mr. Barrie Lukey

Mr. Alan Miller

Mr. Martin Winchester

Mrs A Tredget – Appointed 21.07.21

The Town Council have agreed that there will be no further requirement for Councillor nominees.

Other trustees are appointed for a term of 5 years by a resolution by the trustees.

OBJECTIVES AND ACTIVITIES

The objective of the charity is to provide safe, long term accommodation for the benefit of long-term residents of the Falmouth area over the age of 55 who, for whatever reason, are unable to provide for themselves financially.

These activities are considered to be for the public benefit and in running the charity, the trustees have regard for the Charity Commission guidance on public benefit.

EARLE'S RETREAT

ANNUAL REPORT OF THE TRUSTEES (Continued)

ACHIEVEMENTS AND PERFORMANCE

Income is generated from the letting of its properties and income has increased by £5,197 to £98,352. £562 of this increase relates to the CJRS. Operating costs have decreased by £1,839 this year due to a decrease in routine maintenance costs partly off-set by the increase cost of light and heat. A surplus of £59,716 has arisen and has been added to reserves.

The charity's policy on reserves is to maintain sufficient reserves to enable the charity to continue to achieve its principal objectives.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Homes and Communities Agency and charity legislation 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 as at the end of the financial year and of the surplus or deficit for that period.

The trustees have complied with the duty in Section 17 (5) of the 2011 Charities Act to have due regard to guidance published by the Charities Commission in respect of public benefit.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, 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 the charity will continue in operation.

The trustees are responsible for maintaining adequate accounting records, for safeguarding the assets of the charity and for taking reasonable steps from the prevention and detection of fraud and other irregularities. The trustees are also required to indicate where the financial statements are prepared other than on the basis that the charity is a going concern.

Approved by the Trustees on 10/08/2021
and signed on their behalf by

.....
A Mooney – Chairman

.....
Paul Hobson
P Hobson - Trustee

EARLE'S RETREAT
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARLE'S RETREAT

I report on the accounts of the Trust for the year ended 5th February 2021, which are set out on pages 5 to 14.

Respective responsibilities of trustees and examiner

The Charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 act) and that an independent examination is needed. The charity is preparing accrued accounts and we are qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011, the Housing Act 1996, as amended by the Housing Act 2004 and the Statement of Recommended Practice: Accounting by Registered Social Landlords (updated 2014)
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act; and
- to state whether particular matters have come to our attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with our examination, no matter has come to my attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the 2011 Act and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

T.A.C BRIANT

Dated:

Briants
Chartered Accountants
Maritime House
Discovery Quay
Falmouth
TR11 3XA

EARLE'S RETREAT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 FEBRUARY 2021

	Notes	<u>2021</u>	<u>2020</u>
Turnover		98,352	93,155
Operating costs		71,861	73,700
Operating surplus		<u>26,491</u>	<u>19,455</u>
Interest receivable and similar income	2	33,225	32,378
Interest payable	3	-	-
Surplus on ordinary activities		<u>59,716</u>	<u>51,833</u>

The financial statements were approved by the trustees on 10/08/2021..... and signed on their behalf by:

.....
A Mooney – Chairman

.....
P Hobson - Trustee

The Charity's only activity is the provision of accommodation.

No operations have been discontinued or acquired during the year, and the amounts above relate entirely to continuing operations.

The Charity has no recognised gains or losses other than those included in the surpluses above and therefore no separate statement of total recognised gains or losses has been presented.

EARLE'S RETREAT
STATEMENT OF FINANCIAL POSITION
AS AT 5 FEBRUARY 2021

	Notes	<u>2021</u>	<u>2020</u>
Fixed Assets			
Tangible Fixed Assets		2,500,000	2,500,000
HAG Grant		<u>(267,410)</u>	<u>(267,410)</u>
	6	2,232,590	2,232,590
Investments	7	561,137	530,214
		<u>2,793,727</u>	<u>2,762,804</u>
Current Assets			
Debtors	8	5,347	6,645
Cash at bank and in hand		189,306	158,157
		<u>194,653</u>	<u>164,802</u>
Current Liabilities			
Creditors: Amounts falling due within 1 year	9	<u>(5,689)</u>	<u>(4,631)</u>
Net Current Assets		<u>188,964</u>	<u>160,171</u>
Total Assets less Current Liabilities		<u>2,982,691</u>	<u>2,922,975</u>
Capital & Reserves			
Charitable reserve	10	173,892	168,610
Revenue reserve		880,088	825,654
Revaluation reserve		1,928,711	1,928,711
		<u>2,982,691</u>	<u>2,922,975</u>

The financial statements were approved by the trustees on 10/08/2021..... and signed on their behalf by:

.....
A Mooney – Chairman

.....
Paul Hobson
P Hobson - Trustee

EARLE'S RETREAT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 FEBRUARY 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	Notes	2021	2020
Net cash provided by (used in) operative activities	13	28,847	15,332
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of tangible fixed assets		-	-
Investment income		33,225	32,378
Purchase of investments		(30,923)	(30,022)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid		-	-
Change in cash and cash equivalents in the year		<u>31,149</u>	<u>17,688</u>
Cash and cash equivalents at the beginning of the year	14	158,157	140,469
Cash and cash equivalents at the end of the year	14	<u>189,306</u>	<u>158,157</u>

EARLE'S RETREAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 FEBRUARY 2021

PRINCIPAL ACCOUNTING POLICIES

1. a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the 'Charities Act 2011', 'The Accounting Direction for Private Registered Providers of Social Housing from 2015', the 'Housing SORP 2014: Statement of Recommended Practice for registered social housing providers' effective 1 January 2015 and the 'Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) effective 1 January 2015.

The Charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Turnover

Turnover represents residential contributions and service charges receivable.

c) Depreciation

Depreciation is calculated to write off the cost of equipment on a straight-line basis over 5 years.

Housing properties are maintained to such a standard that their estimated residual value is not less than their cost. Therefore no depreciation is charged.

d) Housing Association Grant (HAG)

Grants for capital expenditure are deducted from the cost of the fixed assets to which they relate as they become receivable. HAG is repayable under certain circumstances, primarily following sale of a property but will normally be restricted to net proceeds of sale.

e) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

f) VAT

The charity is not registered for VAT. Expenditure is therefore shown inclusive of irrecoverable input VAT.

g) Interest received

Interest on bank and building society deposits is recognised in the revenue account when received.

No adjustment is made for accrued interest receivable.

EARLE'S RETREAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 FEBRUARY 2021

	<u>2021</u>	<u>2020</u>
2. Interest Received		
Charitable donations	-	118
Interest received	1,426	1,362
Investment income	31,799	30,898
	<u>33,225</u>	<u>32,378</u>

	<u>2021</u>	<u>2020</u>
3. Interest Payable		
On loans repayable in fewer than 5 years	-	-

	<u>2021</u>	<u>2020</u>
4. Employees		
Wages & Salaries	21,948	21,670
Social security costs	-	-
Warden's council tax	1,411	1,346
	<u>23,359</u>	<u>23,016</u>

Average number of people employed in year:

Hostel staff	2	2
Secretarial support	1	1
	<u>3</u>	<u>3</u>

5. Trustees' Emoluments

Emoluments	NIL	NIL
Total expenses reimbursed to the trustees not chargeable to United Kingdom income tax	NIL	NIL

The trustees of the charity hold the office of Directors for the purposes of the Registered Housing Association (Accounting Requirements) Order 2006.

EARLE'S RETREAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 FEBRUARY 2021

6. Tangible Fixed Assets	Freehold Housing Properties	Equipment	Total
Cost			
At 6th February 2020	2,500,000	5,185	2,505,185
Additions	-	-	-
At 5th February 2021	2,500,000	5,185	2,505,185
Housing Association Grant			
At 6th February 2020 and 5th February 2021	267,410	-	267,410
Depreciation			
At 6th February 2020	-	5,185	5,185
Charge for year	-	-	-
At 5th February 2021	-	5,185	5,185
Net Book Value			
At 5th February 2021	2,232,590	-	2,232,590
At 5th February 2020	2,232,590	-	2,232,590
Property cost is represented by:	<u>2021</u>		<u>2020</u>
Valuation in 2019	2,196,121		2,196,121
HAG Grant	(267,410)		(267,410)
Cost	571,289		571,289
Total	2,500,000		2,500,000

The property was valued at £2.5m by the directors on an open market basis on 5th February 2021.

EARLE'S RETREAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 FEBRUARY 2021

7. Investments	<u>2021</u>	<u>2020</u>
Cost at 6th February 2019	530,214	500,192
Accumulated dividends	30,923	30,022
Cost at 5th February 2020	<u>561,137</u>	<u>530,214</u>

The market value of the listed investments at 5 February 2021 was £797,210 (2020 - £815,519).

8. Debtors	<u>2021</u>	<u>2020</u>
Residential contributions receivable	1,242	2,792
Other debtors	809	1,253
Prepayments and accrued income	3,296	2,600
	<u>5,347</u>	<u>6,645</u>

9. Creditors: Amounts falling due in under one year	<u>2021</u>	<u>2020</u>
Trade creditors	1,442	836
Tax and social security	353	354
Due back to residents	-	348
Accruals and deferred income	3,894	3,093
	<u>5,689</u>	<u>4,631</u>

EARLE'S RETREAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 FEBRUARY 2021

10. Reserves	Revaluation Reserve	Revenue Reserve	Charitable Reserve	Total
At 6th February 2020	1,928,711	825,654	168,610	2,922,975
Surplus for year	-	59,716	-	59,716
Revaluation of property	-	-	-	-
Transfer to charitable reserve	-	(5,282)	5,282	-
At 5th February 2021	1,928,711	880,088	173,892	2,982,691

The charitable reserve has been designated for charitable purposes by the trustees but is not represented by specific assets of the charity.

11. Accommodation in Management	<u>2021</u>	<u>2020</u>
Number of units of housing accommodation	20	20

12. Residents in receipt of housing benefit

During the year 4 residents were in receipt of housing benefit.

EARLE'S RETREAT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 FEBRUARY 2021

13. Reconciliation of Net Income/Expenditure to Net Cash Flow From Operating Activities

	<u>2021</u>	<u>2020</u>
Net income/(expenditure) for the reporting period as per the statement of comprehensive income	59,716	51,833
Adjustments for:		
Depreciation of tangible fixed assets	-	-
Interest paid	-	-
Investment income	(33,225)	(32,378)
(Increase)/decrease in debtors	1,298	(2,499)
Increase/(decrease) in creditors	1,058	(1,624)
Net cash provided by operating activities	<u><u>28,847</u></u>	<u><u>15,332</u></u>

14. Analysis of Cash and Cash Equivalents

	<u>2021</u>	<u>2020</u>
Cash at bank and in hand	<u><u>189,306</u></u>	<u><u>158,157</u></u>

15. Other income

Other income is made up of monies received from the Coronavirus Job Retention Scheme (CJRS) in the year.

EARLE'S RETREAT
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 5 FEBRUARY 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Income From Lettings			
Residential contributions		67,685	65,106
Service charges		30,105	29,187
Gross Income Receivable		97,790	94,293
Other income received	15	562	
Losses arising from voids		-	(1,138)
Net Income Receivable		98,352	93,155
Expenditure			
Services			
Council tax		-	-
Heat & light		16,332	13,922
Water charges		4,611	4,110
Telephone		774	971
		21,717	19,003
Management			
Insurance		2,010	1,939
Subscriptions		554	525
Stationery & general expenses		268	216
Accounting fees		1,020	1,020
Employee costs		23,359	23,016
Lifeline system		1,811	1,219
Professional fees		2,472	2,422
Depreciation		-	-
		31,494	30,377
Routine Maintenance		18,298	23,242
Charitable Expenditure		352	1,079
Total Operating Expenditure		71,861	73,700
Operating Surplus		26,491	19,455
Other Operating Income			
Charitable donations		-	118
Interest received		1,426	1,362
Investment income		31,799	30,898
Interest payable		-	-
Surplus on Ordinary Activities		59,716	51,833

