

THE POLAND TRUST

Trustees annual report and financial statements for the period

from 1st July 2021 to 30th June 2022

Charity number 204424

THE POLAND TRUST

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THE POLAND TRUST

Reference and administration information

Registered charity number : 204424

Charity's principal address

Poland House, Kiln Lane
Brockham,
Betchworth
Surrey RH3 7LZ

Names of the charity trustee and its directors who manage the charity

Sidney Michael Poland Trustees Ltd

M A K Smith – Chairman
A T Barrett – Treasurer
Mrs L Cruickshank
T J Kenny
D F Minor
P J N Ritchie
Mrs V A Rogers-Wheatley
Mrs D Ferguson Ross

Independent auditor

Patrick Casey
Bullimores LLP
Chartered Accountants and registered auditors
Old Printers Yard
156 South Street
Dorking
Surrey RH4 2HF

Bankers

The Co-operative Bank
PO Box 250, Delf House
Southway
Skelmersdale WN8 6WT

Investment advisers

Charles Stanley and Company Ltd
25 Luke Street
London EC2A 4AR

THE POLAND TRUST

Report of the trustee for the period 1st July 2021 to 30th June 2022

Structure, governance and management

The Poland Trust (formerly known as Sidney Michael Poland Charity for a Home and Recreation Ground) was originally established by a Charity Commission Scheme dated 21st June 1957 which was replaced by a revised scheme ordered by the Charity Commissioners dated 26th January 2001. An alteration to the revised scheme was ordered by the Charity Commissioners on 19th October 2006. On 7th February 2019 the trustees passed resolutions to amend the Scheme dated 26th January 2001 to enable a corporate trustee to be appointed; to acquire additional land and to develop it or dispose of it; to manage additional land including the appointment of residents and the collection of maintenance charges; and to change the name of the charity to The Poland Trust. On 12th May 2021 a resolution was passed amending the Scheme to enable the charity to borrow money and charge property belonging to the charity. On 4th May 2022 a resolution was passed amending paragraph 6 of the Scheme to allow Sidney Michael Poland Trustees Ltd to be the sole trustee of the charity.

The charity is constituted as a trust and the sole trustee is Sidney Michael Poland Trustees Ltd.

The directors of Sidney Michael Poland Trustees Ltd meet alternate months, subgroups meet at other times to deal with specific issues and report to the full board of directors as soon as practicable. The directors have examined the major strategic, financial and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to reduce these risks. No remuneration is paid to the directors of Sidney Michael Poland Trustees Ltd.

Objectives and activities

The objectives of the charity are:

- The provision of housing accommodation for beneficiaries
- Charitable purposes for the benefit of the residents of the accommodation
- The provision and maintenance of amenity land to be used for recreation
- The relief of beneficiaries who are in need, hardship or distress
- Charitable purposes for the general benefit of the inhabitants of the area of benefit

The area of benefit of the charity is the parishes of Brockham, Betchworth, Leigh and Buckland with priority being given to the residents of Brockham. The trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The 12th May 2021 and 4th May 2022 resolutions were passed to make changes to the Scheme primarily to provide a structure to the charity which will cope with the proposed local needs housing project referred to below.

A resident left and redecoration took four months but otherwise there was full occupancy of Poland House. Further work has been carried out on the recommendations of the woodlands expert on the grounds and the five acres of woodlands. In accordance with the reserves policy further grants have been made from the Poland Fund to beneficiaries during the year.

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Achievements and plans for the future

Grants were made to a number of individuals in need. The warden and assistant warden retired on 30th June 2022 but have worked well and organised a number of events for the residents and supporters of the charity. Mrs Denman is taking the role of Senior Resident at Poland House. A programme of work on the amenity land has been carried out with a firm of tree specialists as well as the routine cutting and strimming of the area. The accommodation at Kiln Lane has been maintained to the usual high standard.

The project for local needs housing of twelve units for the charity to rent at affordable rents and five units for self-builders at affordable prices in order to give people an opportunity to stay in the area of benefit is now approaching completion. It was officially opened on 29th September 2022 and in October 2022 the first residents had moved into the new block of four flats. A contract was signed with Scandia-Hus Limited for infrastructure for the whole site and building the twelve units for the charity and progress on both building and financial aspects of the development are kept under review constantly by the trustee. All the costs related to the project are included as land and buildings additions. The whole cost of the project is being treated as additional endowment and is being financed by the gift of the land, grants from Mole Valley District Council, the sale of the self-build plots and the charity's own resources. The development is called Poland Meadow. A loan of £500,000 was negotiated with CAF Bank to help with financing but only £400,000 has been drawn down.

Reserves policy, financial review and investment policy

As the Extraordinary Repair Fund was used in recent years for the refurbishment of all the original and the Peddell Wing units, and for considerable maintenance of the roof of the original building, the trustee considers that a balance of £50,000 at 30th June 2022 is sufficient. A Contingency Fund of £30,000 is maintained and the Housing Fund of £350,000 was been transferred to the Endowment Fund in the previous year to reflect that Poland Meadow is additional endowment. The balance of reserves is for use by the Poland Fund for the relief of beneficiaries in need, hardship or distress.

The direct cost per accommodation unit during the year was £7,826 (2021 - £6,716) and £3,819 (2021 - £3,895) was spent on the amenity land. Grants of £4,510 (2021 - £9,480) were made from the Poland Fund.

Investment income was less than in 2021 as more funds were withdrawn from the equity investments and transferred to the deposit account in order to fund the building project. Residents' contributions were slightly higher because of the increase in contribution rates.

There are no restrictions on the charity's power to invest. The investment strategy is set by the investment committee of the trustee with advice from Charles Stanley and Company Ltd. taking into account the income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The trustee has always kept a proportion of the portfolio in low and medium risk investments. Stock market turbulence during the year resulted in a loss of £38,933 (2021 gain - £141,383) in the value of the investments.

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Trustee's responsibility in relation to the financial statements

Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities and of the incoming resources and application of resources during the year and of its financial position at the end of the year. In preparing those financial statements the trustee is required to:

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

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Approved by the trustee and signed on its behalf by:



M A K Smith, Chairman

25 April 2023

**Independent Auditor's Report
to the Trustees of
The Poland Trust**

Opinion

We have audited the financial statements of The Poland Trust (the 'charity') for the year ended 30 June 2022 on pages 8 to 17 which comprise statement of financial activities, balance sheets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 30 June 2022, and of its incoming resources and application of resources, 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 requirements of the Charities Act 2011.

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.

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 trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Independent Auditor's Report
to the Trustees of
The Poland Trust**

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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; 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 trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of financial statements which 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 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS102, the Charities SORP (FRS 102), the Housing SORP 2018 and the Companies Act 2006).

We understood how the Charity is complying with those legal and regulatory frameworks by making enquiries of the trustees and management.

We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur by discussions with the trustees and management to understand areas where they considered there was susceptibility to fraud.

We also considered pressures on the trustees and management to meet any external pressures in reporting the financial results of the Charity.

**Independent Auditor's Report
to the Trustees of
The Poland Trust**

Audit procedures performed by the engagement team on the areas where fraud might occur included:

- evaluation of the management's internal processes designed to prevent and detect irregularities
- testing, with a focus on entries determined to be large or relating to unusual transactions
- review of data to detect unusual transactions.

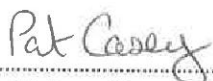
Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through the appropriate training and participation
- knowledge of the sector in which the Charity operates
- understanding of the legal and regulatory requirements specific to the Charity.

A further description of our responsibilities for the audit of the financial statements is located 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.



Patrick Casey FCA
For and on behalf of Bullimores LLP
Statutory Auditors and Chartered Accountants
Old Printers Yard
156 South Street
Dorking
Surrey RH4 2HF

Date: 26 April 2023

Bullimores LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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Annual accounts for the period from 1st July 2021 to 30th June 2022

Statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
Income and endowments from :						
Donations and grants		1,600	0	0	1,600	350,500
Charitable activities:						
Residents' contributions	3	0	0	55,042	55,042	54,513
Investment income	3	529	0	11,156	11,685	16,536
Sale of land		0	0	830,850	830,850	0
Other income		0	0	0	0	4,150
Total incoming resources		2,129	0	897,048	899,177	425,699
Expenditure						
Cost of raising funds						
Investment management costs	4	146	0	3,238	3,384	5,228
Charitable activities:						
	5					
Poland House expenses		0	0	85,543	85,543	72,685
ERF expenditure		0	0	15,450	15,450	9,579
Amenity land expenses		0	0	3,819	3,819	3,895
Poland Fund grants		4,510	0	0	4,510	9,480
Cost of land sales		0	0	90,587	90,587	0
Poland Meadow expenses		0	0	16,463	16,463	0
Total expenditure		4,656	0	215,100	219,756	100,867
Net income (expenditure) before investment gains (losses)		(2,527)	0	681,948	679,421	324,832
Net gains (losses) on investments		(1,668)	0	(37,259)	(38,927)	141,383
Net income (expenditure)		(4,195)	0	644,689	640,494	466,215
Transfers between funds		(54,496)	0	54,496	0	0
Net movement in funds		(58,691)	0	699,185	640,494	466,215
Reconciliation of funds						
Total funds brought forward		100,004	106,775	2,224,513	2,431,292	1,965,077
Total funds carried forward		41,313	106,775	2,923,698	3,071,786	2,431,292

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Balance sheet at 30th June 2022

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2022	Total 2021
		£	£	£	£	£
Fixed assets						
Tangible assets	10	307,804	106,775	2,963,837	3,378,416	1,663,536
Investments	11	5,298	0	242,979	248,277	540,115
Total fixed assets		313,102	106,775	3,206,816	3,626,693	2,203,651
Current assets						
Cash at bank		52,194	0	0	52,194	606,214
Deposits held		0	0	59,326	59,326	48,500
Prepayments		0	0	1,494	1,494	0
Amount due to Endowment Fund		0	0	263,209	263,209	898,502
Total current assets		52,194	0	324,029	376,223	1,553,216
Creditors: amounts falling due within one year	12	60,774	0	6,208	66,982	67,073
Amount due by Reserve Fund		263,209	0	0	263,209	898,502
Net current assets (liabilities)		(271,789)	0	317,821	46,032	587,641
Deferred liabilities						
Poland Meadow grants		0	0	540,000	540,000	360,000
Poland Meadow retentions		0	0	60,939	60,939	0
Total net assets		41,313	106,775	2,923,698	3,071,786	2,431,292
Funds	13					
Endowment Fund		0	0	2,923,698	2,923,698	2,224,513
Restricted funds:						
Peddell Fund		0	106,775	0	106,775	106,775
Unrestricted funds:						
Contingency Fund		30,000	0	0	30,000	30,000
Extraordinary Repair Fund		50,000	0	0	50,000	50,000
Housing Fund		0	0	0	0	0
Reserve Fund		(38,687)	0	0	(38,687)	20,004
		41,313	106,775	2,923,698	3,071,786	2,431,292

Approved by the trustee on 25 April 2022 and signed on its behalf by:

M A K Smith (Chairman)

A T Barrett (Treasurer)

THE POLAND TRUST

Statement of Cash Flows for the year ending 30th June 2022

	Total 2022	Total 2021
	£	£
Net cash used in operating activities 20	<u>(114,289)</u>	<u>(90,920)</u>
Cash flows from investing activities:		
Interest and dividends	11,685	16,536
Purchase of fixed assets	(1,795,178)	(553,574)
Sale of tangible fixed assets	910,850	0
Purchase of investments	(47,725)	0
Proceeds from sale of investments	300,637	870,941
Net cash provided by investing activities	<u>(619,731)</u>	<u>333,903</u>
Cash flows from financing activities:		
Grant from Mole Valley District Council	180,000	360,000
Net cash provided by financing activities	<u>180,000</u>	<u>360,000</u>
Change in cash at bank in the year	<u>(554,020)</u>	<u>602,983</u>
Cash at bank brought forward	606,214	3,231
Cash at bank carried forward	<u>52,194</u>	<u>606,214</u>

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Notes to the accounts for the year to 30th June 2022

1. Basis of preparation

The accounts 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 with the Charities Act 2011. The accounts 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 trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern and its functioning has been unaffected by Covid.

2. Accounting policies

(a) Income

Recognition of income	These are included in the Statement of Financial Activities when the charity becomes entitled to the resources; it is more likely than not the trustee will receive the resources; and the monetary value can be measured with reliability.
Grants and donations	Only included in the SoFA when the general income recognition criteria are met. The grants from Mole Valley District Council towards the Poland Meadow project are treated as deferred income and will be recognised when there is evidence of practical completion of the buildings in the development.
Investment income	Included in the accounts when received by the Investment advisers.
Investment gains and losses	All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.
Allocation	Investment income and investment gains and losses are split between the endowment and reserve funds on the basis of the value of the respective funds at the beginning of the financial year, excluding the Peddell Fund which was specific to the building of the Peddell Wing at Poland House.

(b) Expenditure and liabilities

Liability recognition

Liabilities are recognised where it is more likely than not there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Allocation of governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. Governance costs have been allocated fully to the main charitable activity.

Cost of raising funds

The cost of generating funds consist of investment management costs.

Charitable activities

Costs of charitable activities include governance costs and direct support costs.

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity. Grants are issued in line with the trust's governing document at the discretion of the trustees for individuals and institutions in hardship and need.

(c) Assets

Tangible fixed assets for use by the charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost less depreciation.

The charity's policy is to maintain property to a high standard and the Extraordinary Repair Fund is intended to provide sufficient funds to maintain and refurbish the buildings at appropriate times. In accordance with this practice depreciation is not provided on freehold buildings where, in the opinion of the trustee, the residual values are such that any depreciation charge would be immaterial to the year and on a cumulative basis. The asset has been tested for impairment.

Furniture and equipment is written off at 25% of the reducing balance each year over the estimated useful life.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

Debtors and prepayments

Debtors represents amounts owed to the charity and are recognised at the measure on the basis their recoverable amount. Prepayments are valued at the amount prepaid at the year end.

3. Analysis of income		2022	2021
		£	£
Investment income	Dividends - UK equities	10,243	12,979
	Dividends - Overseas equities	1,414	3,440
	Interest on cash deposits	28	117
		<u>11,685</u>	<u>16,536</u>
Charitable activities	Residents' contributions	55,042	54,513
	Sale of land	830,850	0
		<u>885,892</u>	<u>54,513</u>
4. Cost of raising funds		2022	2021
		£	£
Investment management fees		<u>3,384</u>	<u>5,228</u>
5. Analysis of charitable activities		2022	2021
		£	£
Charitable activities funded by endowment			
Poland House	Wardens' salary	19,593	18,947
	Wardens' expenses	1,300	650
	Community alarm	3,802	3,573
	Water rates	3,489	3,940
	Electricity and gas	13,846	12,858
	Insurance	1,330	1,354
	Repairs and renewals	19,710	14,898
	Garden maintenance	10,110	9,141
	Sundry expenses	4,782	1,408
	Depreciation	297	396
	Governance costs	7,284	5,520
Poland Meadow	Cost of land sales	90,587	0
	Other expenses	16,463	0
		<u>192,593</u>	<u>72,685</u>
Other	Amenity land	<u>3,819</u>	<u>3,895</u>
Charitable activities funded by unrestricted funds			
Other	ERF expenditure	15,450	9,579
	Poland fund grants to individuals	4,510	7,980
	Poland fund grants to institutions	0	1,500
		<u>19,960</u>	<u>19,059</u>

6. Allocation of governance costs		2022	2021
		£	£
Stationery and telephone		1,148	1,220
Audit fees		6,136	4,300
		<u>7,284</u>	<u>5,520</u>

The governance costs are allocated fully to the charitable activity expenditure, Poland House, attributable to the endowment fund.

	2022	2021
	£	£
7. Staff costs and numbers		
Salaries and wages	19,593	18,947

The average number of employees during the year was 2 (2021 : 2) with all employee time involved in providing support services to charitable activities.

No employee received emoluments or employee benefits in excess of £60,000 (2021:0)

	2022	2021
	£	£
8. Grantmaking		
Grants made in accordance with the objectives of the charity	4,510	9,480

9. Comparatives for the Statement of Financial Activities

	Endowment &		
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income and endowments from :			
Donations	500	350,000	350,500
Other income	4,150	0	4,150
Charitable activities:			
Residents' contributions	0	54,513	54,513
Investment income	3,202	13,334	16,536
Total incoming resources	7,852	417,847	425,699
Expenditure			
Cost of raising funds			
Investment management costs	(1,244)	(3,984)	(5,228)
Charitable activities:			
Poland House expenses	0	(72,685)	(72,685)
ERF expenditure	0	(9,579)	(9,579)
Amenity land expenses	0	(3,895)	(3,895)
Poland Fund grants	(9,480)	0	(9,480)
Total expenditure	(10,724)	(90,143)	(100,867)
Net income (expenditure) before investment gains (losses)	(2,872)	327,704	324,832
Net gains (losses) on investments	34,604	106,779	141,383
Net income (expenditure)	31,732	434,483	466,215
Transfers between funds	(373,753)	373,753	0
Net movement in funds	(342,021)	808,236	466,215
Reconciliation of funds			
Total funds brought forward	442,025	1,523,052	1,965,077
Total funds carried forward	100,004	2,331,288	2,431,292

10. Tangible fixed assets

	Land & buildings	Furniture & equipment	Total
	£	£	£
Cost			
At 1st July 2021	1,662,349	13,696	1,676,045
Additions	1,795,178	0	1,795,178
Sales	(80,000)	0	(80,000)
At 30th June 2022	<u>3,377,527</u>	<u>13,696</u>	<u>3,391,223</u>
Depreciation			
At 1st July 2021	0	12,510	12,510
Charge for the year	0	297	297
At 30th June 2022	<u>0</u>	<u>12,807</u>	<u>12,807</u>
Net book value			
At 30th June 2022	<u>3,377,527</u>	<u>889</u>	<u>3,378,416</u>
At 30th June 2021	<u>1,662,349</u>	<u>1,187</u>	<u>1,663,536</u>

11. Investments

	2022	2021
	£	£
Market value at 1st July 2021	540,116	1,269,672
Acquisitions at cost	47,725	0
Transfers	(133,756)	(273,438)
Retained income	(3,655)	(5,788)
Sales proceeds from disposals	(163,226)	(591,715)
Gain (loss) in the year	<u>(38,927)</u>	<u>141,385</u>
Market value at 30th June 2022	<u>248,277</u>	<u>540,116</u>
Investments at market value comprised :		
UK equities	193,123	315,193
Overseas equities	46,618	78,983
COIF Charities Investment Fund	0	1,124
COIF Charities Fixed Interest Fund	0	0
Cash deposits	3,238	683
COIF Charities Deposit Fund	<u>5,298</u>	<u>144,133</u>
	<u>248,277</u>	<u>540,116</u>

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	6,208	6,304
Held in custody for Sidney Michael Poland Charity no. 200254	<u>60,774</u>	<u>60,769</u>
	<u>66,982</u>	<u>67,073</u>

During the year the charity was custodian of the assets of Sidney Michael Poland Charity. After addition of interest due and deduction of disbursements for its charitable purposes the balance of assets at 30th June 2022 was £60,774 (2021 £60,769). This is represented in these accounts by investments in the COIF Charities Deposit Fund and the COIF Fixed Interest Fund.

(In 2022 of the creditors £60,774 (2021 : £60,769) related to unrestricted funds and £6,208 (2021 : £6,304) related to the endowment fund.

13. Analysis of charitable funds

Analysis of fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Gains and losses £	Funds c/fwd £
Permanent endowment	2,224,513	897,048	(215,100)	54,496	(37,259)	2,923,698
Restricted fund	106,775	0	0	0	0	106,775
Unrestricted fund	100,004	2,129	(4,656)	(54,496)	(1,668)	41,313
Total	2,431,292	899,177	(219,756)	0	(38,927)	3,071,786

Analysis of charitable funds - previous year

Analysis of fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Gains and losses £	Funds c/fwd £
Permanent endowment	1,416,277	417,847	(90,143)	373,753	106,779	2,224,513
Restricted fund	106,775	0	0	0	0	106,775
Unrestricted fund	442,025	7,852	(10,724)	(373,753)	34,604	100,004
Total	1,965,077	425,699	(100,867)	0	141,383	2,431,292

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects. The unrestricted funds are the Contingency Fund, the Extraordinary Repair Fund, The Housing Fund and the Poland Fund. The Extraordinary Repair Fund is to provide sufficient funds to maintain and refurbish the buildings comprising Poland House, including the Peddell Wing, at the appropriate times. The Poland Fund is for the relief of beneficiaries in need, hardship or distress. The Building Fund has been established to fund any local needs housing which the charity may provide in the future.

Restricted funds are funds which have been given for particular purposes and projects. The Peddell Fund was used wholly to provide the buildings known as the Peddell Wing of Poland House.

The endowment fund represents those assets which must be held permanently by the charity, principally land, buildings and investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

14. Transactions with trustees and related parties

None of the directors of the trustee have been paid any remuneration, expenses or received any other benefits from an employment with the charity or a related entity.

During the year Benjamin Barrett, son of A T Barrett (director and treasurer), was paid £6,398 (2021 £5,970) for gardening services.

During the year one of the self-build plots was sold to Matthew Cruickshank, son of Mrs L Cruickshank (director) for £195,000 being determined on the same basis as that used for the other self-build plots sold.

15. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Capital Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

16. Financial commitments

In the year to 30th June 2021 the charity signed a contract with Scania-Hus Ltd for £2,686,480 to build a block of four flats and a courtyard of eight houses. At the year end £1,870,632 had been paid leaving £815,848 outstanding. The contract is proceeding according to plan and should be completed by 30th June 2023.

17. Deferred income

Mole Valley District Council approved a grant of £720,000 for the development of Poland Meadow, the grant is performance related to the completion of 12 units. £540,000 of the grant has been advanced and treated as deferred income.

18. Government grants

Without the Mole Valley District Council grant of £720,000 for the development of Poland Meadow the charity would not have been able to undertake the project.

19. Post balance sheet event

The charity has finalised a £500,000 loan facility with CAF Bank repayable over 20 years in connection with Poland Meadow with interest at 3% over base rate. Drawdown of £400,000 was made in July 2022 and £100,000 in December 2022.

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds	640,494	466,216
Deduct gift of endowment	0	(350,000)
Sale of land	(830,850)	0
Add back depreciation charge	297	395
Deduct income shown in investment activities	(11,685)	(16,536)
Deduct gains/add back losses on investments	38,927	(141,383)
Decrease (increase) in debtors	(12,320)	(48,500)
Increase (decrease) in creditors	(91)	(1,112)
Increase (decrease) in deferred liabilities	60,939	0
Net cash used in operating activities	(114,289)	(90,920)