

REGISTRATION NUMBER: A3205
CHARITY NUMBER: 209211

Report of the Trustees' and
Financial Statements for the Year Ended 31st December 2021
for
Elizabeth Huggins Cottages Charity

Elizabeth Huggins Cottages Charity

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for the year ended 31st December 2021

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Elizabeth Huggins Cottages Charity
Charity Information
for the year ended 31st December 2021

TRUSTEES: Mr A R Pritchard (Chairman)
Mr E Brook (Vice Chairman)
Mrs K Hurdle (Treasurer)
Mr David Hurley (Secretary)
Mr J Burden
Mr C Meredith
Mrs K Toor
Mr N Wilde (appointed 19th May 2022)

SECRETARY: Cllr David Hurley

TREASURER: Mrs K Hurdle

REGISTERED OFFICE: c/o Gravesend Churches Housing Ass Ltd
14 London Road
Gravesend
Kent
DA11 9JQ

REGISTERED NUMBER: A3205

CHARITY NUMBER: 209211

INDEPENDENT EXAMINERS: Beak Kemmenoe
Chartered Accountants
1-3 Manor Road
Chatham
Kent
ME4 6AE

BANKERS: Barclays Bank Plc
New Road
Gravesend
Kent

Elizabeth Huggins Cottages Charity

Report of the Trustees
for the year ended 31st December 2021

VALUE FOR MONEY STATEMENT

In presenting a Value for Money Statement for 2020, Elizabeth Huggins Charity has adopted the Value for Money Statement Metrics introduced by the Regulator of Social Housing, which are shown below.

1. Reinvestment %

Works to existing properties	162,742	Housing properties at valuation	977,215	
	<u>162,742</u>	A	<u>977,215</u>	B
				<u>A/B</u>
				<u>16.65%</u>

2. New Supply delivered %

a) Social Housing Units		b) Non-Social Housing Units	
Total Social Housing units developed or acquired in the year	- A	Total Non -Social Housing units developed or acquired in the year	- A
Total Social Housing Units Managed at period end	13	Total Social Housing Units Managed at period end	13
	<u>13</u>	Total Non-Social Housing Units Managed at period end	0
	B		<u>13</u>
	<u>-%</u>	A/B	<u>-%</u>
			A/B

3. Gearing

Short term loans	-	Housing properties at valuation	977,215	
Long term loan	130,744			
Cash and cash equivalents	(134,024)			A/B
	<u>(3,280)</u>	A	<u>977,215</u>	B
				<u>(0.34%)</u>

4. Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

Operating surplus/(deficit)	30,855	Interest capitalised	-	
+ Interest receivable	925	Interest payable and financing costs	-	
+ Total depreciation charge	3,094			A/B
+Loss on disposal	10,275			
	<u>(16,561)</u>	A	<u>-</u>	B
				<u>-%</u>

Elizabeth Huggins Cottages Charity

Report of the Directors
for the year ended 31st December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and objects of the charity

The object of the charity is laid down by a Trust Deed dated 18th January 2000 and is the provision of housing for "necessitous persons injured, incapacitated or invalided in the services of the naval, military or air forces of the Crown."

Trustee and induction training

Advice for trustees published by the Charity Commission is given to new board members and new guidance is notified and made available at Board meetings. Trustees have free access to all members of staff to ensure that they can be fully aware of the activities and methods of the charity.

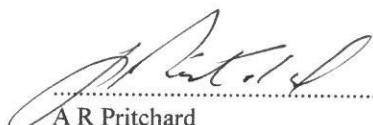
Statement of risks and mitigation


The trustees have reviewed the major risks to which the charity is exposed and established systems of procedures to manage those risks

Reserves Policy

Three months working expenses are to be held as a reasonable reserve to maintain the charity's services.

Approved by order of the board of trustees on26/10/22..... and signed on its behalf by:


.....
A R Pritchard
Chairman


.....
K Hurdle
Treasurer

Date:26/10/22.....

Independent Examiner's Report to the Board of Trustees
of Elizabeth Huggins Cottages Charity

I report to the trustees on my examination of the accounts of Elizabeth Huggins Cottages Charity (the trust) for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of the trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). You are also responsible in ensuring that the Registered Social Housing Provider is exempt from an audit.

I report in respect of my examination of the trustees accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- Accounting records were not kept in respect of the trust as required by section 130 of the Act; or
- The accounts do not accord with those records; or
- The accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- The accounts for the year ended 31 December 2020 are not in accordance with the accounting records kept by the Registered Social Housing Provider under paragraph 135(2)(a) of the Housing and Regeneration Act 2008.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

In our opinion

- The Registered Social Housing Provider has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 December 2021 specified in section 136(3) of the Housing and Regeneration Act 2008;
- The accounts comply with the requirements of the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.



Natalie Harrison
ACA FCCA CTA TEP
Beak Kemmenoe
Chartered Accountants
1-3 Manor Road
Chatham
Kent
ME4 6AE

Date: 26/10/2022

Elizabeth Huggins Cottages Charity

Statement of Comprehensive Income
for the year ended 31st December 2021

	Notes	2021 £	2020 £
TURNOVER	2	69,151	70,956
Administrative expenses		<u>100,006</u>	<u>38,154</u>
OPERATING (DEFICIT)/SURPLUS	3	(30,855)	32,802
Other income		-	-
Interest receivable and similar income	4	<u>925</u>	<u>935</u>
RETAINED (DEFICIT)/SURPLUS FOR THE YEAR		(29,930)	33,737
Unrealised movement on investment revaluation	7	<u>4,448</u>	<u>1,885</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		<u>(25,482)</u>	<u>35,622</u>


Elizabeth Huggins Cottages Charity (Registered number: 209211)

Statement of Financial Position
31st December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	6	977,215	827,842
Investments	7	<u>35,806</u>	<u>31,358</u>
		1,013,021	859,200
CURRENT ASSETS			
Debtors	8	5,425	6,199
Cash at bank		<u>134,024</u>	<u>166,008</u>
		139,449	172,207
CREDITORS			
Amounts falling due within one year	9	<u>21,071</u>	<u>5,270</u>
NET CURRENT ASSETS		<u>118,378</u>	<u>166,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,131,399	1,026,137
CREDITORS			
Amounts falling due after one year	10	<u>(130,744)</u>	<u>-</u>
		<u>1,000,655</u>	<u>1,026,137</u>
RESERVES			
Property revaluation reserve		398,798	398,798
Designated reserves		9,156	9,156
Investment revaluation reserves		24,483	20,035
Income and expenditure account		<u>568,218</u>	<u>598,148</u>
		<u>1,000,655</u>	<u>1,026,137</u>

The financial statements were approved by the Board of Trustees and authorised for issue on26/10/22....
and were signed on its behalf by:


A R Fritchard – Chairman


K Hurdle - Treasurer

The notes form part of these financial statements

Elizabeth Huggins Cottages Charity

Statement of Changes in Reserves
for the year ended 31st December 2021

	Income & expenditure account £	Property revaluation reserve £	Designated reserves £	Investment revaluation reserves £	Total £
Balance at 1st January 2020	564,411	398,798	9,156	18,150	990,515
Surplus from statement of comprehensive income	35,622	-	-	-	35,622
Increase/(decrease) in market value of investments	<u>(1,885)</u>	<u>-</u>	<u>-</u>	<u>1,885</u>	<u>-</u>
Balance at 31st December 2020	<u>598,148</u>	<u>398,798</u>	<u>9,156</u>	<u>20,035</u>	<u>1,026,137</u>
 (Deficit)/surplus from statement of comprehensive income	 (25,482)	 -	 -	 -	 (25,482)
Increase/(decrease) in market value of investments	<u>(4,448)</u>	<u>-</u>	<u>-</u>	<u>4,448</u>	<u>-</u>
Balance at 31st December 2021	<u><u>568,218</u></u>	<u><u>398,798</u></u>	<u><u>9,156</u></u>	<u><u>24,483</u></u>	<u><u>1,000,655</u></u>

The notes form part of these financial statements

Elizabeth Huggins Cottages Charity

Cash Flow Statement
for the year ended 31st December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>129,833</u>	<u>37,782</u>
Net cash from operating activities		<u>129,833</u>	<u>37,782</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(162,742)	(10,476)
Interest received		<u>925</u>	<u>935</u>
Net cash from investing activities		<u>(161,817)</u>	<u>(9,541)</u>
Cash flows from financing activities			
Proceeds from loans		<u>130,744</u>	<u>-</u>
Net cash from financing activities		<u>130,744</u>	<u>-</u>
Increase in cash and cash equivalents		(31,984)	28,241
Cash and cash equivalents at beginning of year	2	<u>166,008</u>	<u>137,767</u>
Cash and cash equivalents at end of year	2	<u><u>134,024</u></u>	<u><u>166,008</u></u>

The notes form part of these financial statements

1. **RECONCILIATION OF OPERATING SURPLUS TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Operating(deficit)/surplus	(29,930)	33,737
Depreciation charges	3,094	4,538
Loss on disposal	10,275	-
Finance income	(925)	(935)
	(17,486)	37,340
Decrease/(Increase) in trade and other debtors	774	1,398
Decrease in trade and other creditors	15,801	(956)
Cash generated from operations	<u>(911)</u>	<u>37,782</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>134,024</u>	<u>166,008</u>

Year ended 31st December 2020

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>166,008</u>	<u>137,767</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank	<u>166,008</u>	<u>(31,984)</u>	<u>134,024</u>
	<u>166,008</u>	<u>(31,984)</u>	<u>134,024</u>
Total	<u>166,008</u>	<u>(31,984)</u>	<u>134,024</u>

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

Accounting convention

Elizabeth Huggins' Cottages Charity Housing Association constitutes a public benefit as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers for social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Turnover

Turnover represents the rental income receivable in the year.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Depreciation on tangible fixed assets, except housing properties, is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Housing Properties

Housing properties are principally properties available for rent and are included at valuation, the valuation basis being the existing use value for social housing. Housing properties are re-valued regularly. The aggregated surplus or deficit on re-valuation is transferred to a revaluation reserve. The housing properties were revalued as at 10 August 2010 the previous valuation being in December 2006. The valuation, based on EUV-SH is £795,000.

Freehold housing properties are depreciated by component on a straight line basis over the estimated useful economic lives of component categories, in accordance with the principles of component accounting in SORP 2014.

Useful economic lives for identified components are as follows:

Structure	-	Nil (see below)
Outbuildings	-	Nil (see below)
Kitchen	-	Straight Line over 20 years
Bathrooms	-	Straight line over 30 years
Heating systems	-	Straight line over 15 years

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful life of the property.

The housing properties are maintained in a state of repair such that their residual value is not less than their costs or valuation amount, the annual charge for the depreciation relating to the building structure is nil. Regular impairment reviews are carried out and any impairment is provided for.

Housing properties under construction, including any professional fees incurred, are carried forward in the balance sheet at cost. Depreciation is not charged until the construction is complete and the units are available for letting.

Housing association grants and social housing grants

The trust accounts for its housing properties at valuation. In accordance with the Housing SORP government grants are recognised using the performance model as follows:

- (a) A grant that does not impose specified future performance-related conditions is recognised as revenue when the grant proceeds are received or receivable.
- (b) A grant that imposes specified future performance-related conditions is recognised as revenue only when the performance-related conditions are met.
- (c) A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

In certain circumstances, such as the sales of housing properties, these social housing grants may become repayable, and, in the event, is a subordinated debt and is accounted for as soon as the liability arises within creditors: amounts falling due within one year.

1. ACCOUNTING POLICIES - continued

Designated reserves

Designated Reserves are part of the unrestricted reserves which have been earmarked by the Trustees for a particular purpose. Such designations may be reversed by future Trustees decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

Details of designated reserves currently included in these accounts are set out below:

Cyclical repairs and maintenance

The trustees maintain a designated reserve fund for Cyclical Maintenance repairs to cover the cost of a five yearly programme of external redecoration.

Major repairs

The RSL provides for future major repairs expenditure on all housing properties under the 1998 Housing Act arrangements and other properties in so far as the major repairs expenditure is not eligible for grants from the Housing Corporation or local authorities.

Works to existing housing properties

The RSL capitalises expenditure on housing properties which increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

Other designated reserves

The Trustees set up temporary reserves as required to assist with specific projects. An emergency and cyclical maintenance works reserve has been set up in the current year in respect of the residential investment properties held.

Restricted reserves

Restricted reserves are those reserves held for a specific purpose upon which restrictions have been imposed by the donor or which have been raised by the charity for particular purposes.

Where a restricted reserve is represented by assets that are then revalued, the revaluation element is added to the restricted reserve.

Property managed by agents

Management fees are payable to Gravesend Churches Housing Association in respect of the administration provided by the Association. Where the RSL carries the financial risk on property managed by agents, all income and expenditure arising from the property is included in the income and expenditure account.

Elizabeth Huggins Cottages Charity

Notes to the Financial Statements - continued
for the year ended 31st December 2021

2. TURNOVER

Income from lettings

**Number of units managed by
Registered Social Landlord at**

	31 December 2021	1 January 2021
Housing units	<u>13</u>	<u>13</u>

	2021 Total £	2020 Total £
Gross rents	73,121	73,841
Rent losses from voids	<u>(3,970)</u>	<u>(2,885)</u>
Total income from lettings	<u>69,151</u>	<u>70,956</u>

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	<u>3,094</u>	<u>4,538</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Deposit account interest	4	32
Interest income	<u>921</u>	<u>903</u>
	<u>925</u>	<u>935</u>

Elizabeth Huggins Cottages Charity

Notes to the Financial Statements - continued
for the year ended 31st December 2021

5. TRUSTEES REMUNERATION AND EXPENSES

Trustees received no remuneration or out of pocket expenses in the year.

6. TANGIBLE FIXED ASSETS

	Housing Properties	Housing Properties (under construction)	Totals
	£	£	£
COST			
At 1st January 2021	808,315	84,357	892,672
Additions	-	162,742	162,742
Disposals	<u>(34,015)</u>	<u>-</u>	<u>(34,015)</u>
At 31st December 2021	<u>774,300</u>	<u>247,099</u>	<u>1,021,399</u>
DEPRECIATION			
At 1st January 2021	64,830	-	64,830
Charge for year	3,094	-	3,094
Disposals	<u>(23,740)</u>	<u>-</u>	<u>(23,740)</u>
At 31st December 2021	<u>44,184</u>	<u>-</u>	<u>44,184</u>
NET BOOK VALUE			
At 31st December 2021	<u>730,116</u>	<u>247,099</u>	<u>977,215</u>
At 31st December 2020	<u>743,487</u>	<u>84,357</u>	<u>827,844</u>

6. TANGIBLE FIXED ASSETS - continued

The freehold property relates to housing properties held for re-letting.

The accounts show the value of the properties to be £795,000 before the addition of replaced components. They were revalued by the District Valuer at the 10 August 2010 on the basis of the Existing Use Value for Social Housing (EUV-SH), and in accordance with the RICS Appraisal and Valuation Manual. Had the housing properties not have been revalued, they would have been shown in the accounts at £193,635. The dwellings were refurbished in 1984 with the assistance of a housing association grant in the sum of £171,349. All windows were replaced in 2000 with UPVC frames and a local authority grant of £41,949 was received towards the total costs of £48,792. In addition the components replaced have been shown as additions to housing properties. A prior year adjustment has been made to account for components previously written off to the income and expenditure accounts.

Assets held at valuation

The carrying amount of assets held at valuation is as follows:

	Housing Properties	Total	Total
	2021	2021	2020
	£	£	£
Amount of revaluation	398,798	398,798	398,798
Historic cost	<u>375,502</u>	<u>375,502</u>	<u>409,517</u>
	<u>774,300</u>	<u>774,300</u>	<u>808,315</u>

7. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1st January 2021	31,358
Revaluations	<u>4,448</u>
At 31st December 2021	<u>35,806</u>
NET BOOK VALUE	
At 31st December 2021	<u>35,806</u>
At 31st December 2020	<u>31,358</u>

Elizabeth Huggins Cottages Charity

Notes to the Financial Statements - continued
for the year ended 31st December 2020

7. FIXED ASSET INVESTMENTS - continued

Historical cost information

	2021 £	2020 £
The historical cost of investments held at valuation is as follows:		
Historical cost	<u>11,323</u>	<u>11,323</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Rent ledger	4,226	5,045
Prepayments and accrued income	<u>1,199</u>	<u>1,154</u>
	<u>5,425</u>	<u>6,199</u>

Included in the rent ledger are arrears of £1,983 (2020: £980).

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Rent ledger in advance	-	2,338
Other creditors	16,281	-
Accruals and deferred income	<u>4,790</u>	<u>2,932</u>
	<u>21,071</u>	<u>5,270</u>

The average number of days between receipt and payment of purchase invoices is less than 30 days.

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £	2020 £
Other loans	<u>130,744</u>	<u>-</u>

11. RELATED PARTY DISCLOSURES

At the date of these financial statements, two trustees were councillors of related Local Authorities.

Elizabeth Huggins Cottages Charity

Income and Expenditure Account
for the year ended 31st December 2021

	2021		2020	
	£	£	£	£
Turnover				
Dwelling rents	69,151		70,956	
	<u> </u>	69,151	<u> </u>	70,956
Other income				
Deposit account interest	4		32	
Interest income	921		903	
	<u> </u>	925	<u> </u>	935
		70,076		71,891
Expenditure				
GCHA Management Fee on				
Rent Collection	8,555		9,452	
GCHA Management Fee on				
Maintenance	3,191		2,290	
Insurance	2,353		2,272	
Light and heat	923		772	
Ground Maintenance	5,420		4,841	
Repairs & Maintenance	28,560		11,816	
Compensation for residents	35,217		-	
Sundry expenses	242		25	
Accountancy	1,008		1,008	
Independent Examination Fee	840		840	
Subscriptions	328		-	
Services by management company	-		300	
Housing properties depreciation charge	3,094		4,538	
(Profit)/loss on housing properties disposal	10,275		-	
	<u> </u>	100,006	<u> </u>	38,154
NET SURPLUS		<u>29,930</u>		<u>33,737</u>