

THE LORD KITCHENER MEMORIAL HOMES TRUST

England & Wales · Charity number 209751

Details

Other names	LORD KITCHENER MEMORIAL HOMES FOR DISABLED SAILORS AND SOLDIERS, LORD KITCHENER MEMORIAL HOMES TRUST
Status	Registered
Legal form	Other
Registered	1962-12-14
Register	View on the Charity Commission register

Contact

Address M H S Homes
Broadside
Leviathan Way
Chatham Maritime
Chatham
ME4 4LL

Phone 01634354167

Email executivesupport@mhs.org.uk

Website www.mhs.org.uk

Activities

Objects: THE PROVISION OF ALMSHOUSE ACCOMMODATION FOR PERSONS IN NEED WHO LIVE OR HAVE LIVED IN THE BOROUGH OF MEDWAY WITH PREFERENCE GIVEN TO THOSE WHO HAVE SERVED IN THE ARMED FORCES OR THEIR DEPENDANTS, AND SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF RESIDENTS AS THE TRUSTEE DECIDES.

Activities: The purpose of the charity is to provide Almshouse accommodation for people who are in need and who live (or have lived) in the Borough of Medway, with preference given to those who have served in the Armed Forces and their dependents. Furthermore, the objects of the charity are such charitable purposes for the benefit of the residents as the trustee decides.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Elderly/old People

Geography

- **Area of benefit:** BOROUGH OF MEDWAY
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£41,931	£24,014	-	-
2024-03-31	£45,095	£19,625	-	-
2023-03-31	£32,969	£19,137	-	-
2022-03-31	£34,529	£18,530	-	-
2021-03-31	£34,628	£14,795	-	-

Trustees

Name	Role	Appointed
MHS HOMES LIMITED		

THE LORD KITCHENER MEMORIAL HOMES TRUST

England & Wales - Charity number 209751

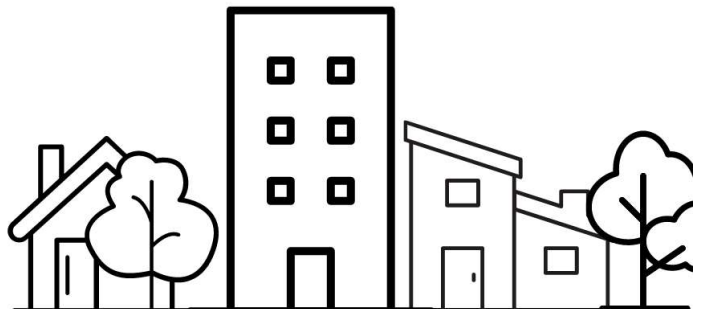
Accounts

Lord Kitchener Memorial Homes Trust

**For the year ended
31 March 2025**

Registered Number 209751

Registered Number 209751



Lord Kitchener Memorial Homes Trust

Directors' Report and Account for the Year Ended 31 March 2025

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Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ending 31 March 2025

The Trustee of **Lord Kitchener Memorial Homes Trust** presents the annual report and audited accounts for the year ended 31 March 2025.

Reference and administration details

Charity registered number: 209751

Registered Office mhs homes, Broadside, Leviathan Way, Chatham, Kent ME4 4LL

Chair Marie-Claire Delbrouque

Trustee Name mhs homes limited

Bankers National Westminster Bank Plc., 148 High Street, Chatham, Kent ME4 4DB

Solicitors Trowers and Hamlins LLP, 3 Bunhill Row, London, EC1Y 8YZ

Auditors BDO LLP, 2 City Place, Beehive Ring Road, West Sussex, RH6 0PA.

The present-day Trust is administered by **mhs homes limited** (mhs homes) who were appointed as Corporate Trustee in June 2009. **mhs homes** is the corporate trustee and has delegated authority to the three executive directors to administer the charity.

The executive directors of **mhs homes** are:

Marie-Claire Delbrouque
Bruce Shelmerdine
Amy Cheswick
Gemma Hancock

Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ended 31 March 2024 (continued)

Legal and administrative details

At a public meeting held at the Town Hall, Chatham on 16 October 1916 to honour the memory of Lord Kitchener of Khartoum, it was agreed to open a public fund and use the monies raised to erect and endow homes for occupation by persons of the Borough who served in His Majesty's Forces. Subsequently the War Department agreed to lease an area of land at Fort Pitt Hill, Chatham (on a lease of 999 years) and the homes were erected on this site in 1923.

The Lord Kitchener Memorial Homes Trust was registered with the Charity Commission (registration number 209751) on 1 January 1961 as a Charity whose purpose is to provide accommodation for ex-Servicemen of the Borough of Chatham. The Charity's governing document is the Trust Deed dated 23 March 1923, as amended by the Charity Commission Scheme dated 11 June 1996 (which widened the eligibility criteria for residence at the Homes). The Trust de-registered from the Tenants Service Authority on 8 July 2009. The present-day Trust is administered by **mhs homes limited (mhs homes)** , who were appointed as Trustee in June 2009.

Appointment of trustee

mhs homes were appointed as Corporate Trustee in June 2009. The appointment of **mhs homes** was carried out following full consultation with the Charity Commission and the residents.

The current strategy is not to change the trustee position, with **mhs homes** planning to remain as corporate trustee for the foreseeable future. In the unlikely event of a new trustee being appointed there is an established selection and appointment system used by **mhs homes** based on objective criteria for recruiting new members to the Board of Trustees. The trustee affirms the benefits of an open system of appointment using set criteria to assess skills, experience and competences, required of suitable candidates. Any induction and training process entails the deployment and application of procedures resourced by **mhs homes** , including visits to projects and meetings with staff.

The organisational structure

The charity is managed on a day to day basis by **mhs homes** meaning that the charity benefits from the support and professionalism of a substantial provider of social housing. Risks are identified through the risk management process of **mhs homes** though due to the support provided by **mhs homes**, none are considered significant.

Statement of charitable benefit

The primary purpose of the charity is to provide almshouse accommodation for people who are in need and who live (or have lived) in the borough of Medway, with preference given to those who have served in the armed forces (Including the merchant navy engaged in duties for the Royal Navy) and their dependents. **mhs homes** provides Housing Management services that include helping people to move into their new homes, providing a platform for people to enhance their life chances. Staff provide tenancy management and advice services in areas including tackling anti-social behaviour, neighbour issues, repairing and improving properties. An adaptations service is also provided to enable people with disabilities to get around their own homes and access the community.

Report of the trustee for the year ended 31 March 2024 (continued)

Statement of charitable benefit (continued)

Furthermore, the objects of the charity are such charitable purposes for the benefit of the residents as the trustee decides.

The charity meets the objectives by providing 6 properties for accommodation with rent levels significantly below market rents. Properties are let in accordance with the objectives noted above.

Fundraising statement

Although we do not undertake 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 would be presented in our accounts as donations.

In relation to the above we confirm that if funds were held, they would be managed internally, without involvement of third parties. The day to day management of all income generation is delegated to the leadership team, who are accountable to the trustees. The charity has no undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times as we do not approach individuals for funds we do not consider it necessary to design specific procedures to monitor such activities.

Risk management

Aided by the Directors' Team of the parent organisation, the Trustee has examined the major strategic, business and operational risks faced by the charity. Accordingly, the Trustee confirms that effective systems operate to minimise the consequences posed by risk, but at the same time is aware that it is not possible to entirely eliminate all factors of risk. All risks have been reviewed during the year.

Future plans

The future plans of Lord Kitchener are to maintain and let the current properties owned. There are no plans for development of new units.

Reserves policy

The target level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained. Refer to Note 8 for additional details.

Achievement, performance and financial review

Net current asset and investments are sufficient to cover over three years of rental income, and there is also the support of mhs homes that can be called on, hence there are sufficient resources to continue even in the most extreme of circumstances. The level of investments and reserves held will be reviewed periodically to ensure whether best value is being obtained. Otherwise the plans of the charity are to ensure that the properties continue to be suitably maintained and let.

Report of the trustee for the year ended 31 March 2025 (continued) Achievement, performance and financial review (continued)

The key features of the financial year were as follows:

1. The Trust had a surplus of income over expenditure on activities for the year amounting to £17,917 (2024: surplus of £25,470).
2. Rental income was £41,618 for the last 12 months (2024: £44,809).
3. The Trustee has established a regular maintenance programme for the homes and set aside specific maintenance funds to reflect this commitment.
4. The investment portfolio has been constituted with the objective of protecting the interests of future residents as well as those of the present and thus the strategy is to endeavour to protect the value of both the capital and income of the Charity. The market value is structured between; cash 5% (2024:5%); bonds 18% (2024:18%); equities 77% (2024:77%).
5. The total market value of all the Trust's Investments have decreased (1%) to £96,391 (2024: £97,210).
6. The Trust has not acquired or discontinued any fundamental activities during the last two financial years nor has it any recognised gains or losses other than those included in the statement of financial activities.

BDO LLP have expressed its willingness to continue in office.

By Order of the Board



Marie-Claire Delbrouque
14 July 2025

Statement of Trustee Responsibilities in Respect of the Report of the Trustee and the Financial Statements

The charity trustee is responsible for preparing the trustee's annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the charity trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing the financial statements, the trustee is required to:

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

The Trustee is 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the trustee is aware at the time of approving the trustee's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of the charity's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charity's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Marie-Claire Delbrouque

Chair

14 July 2025

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st March 2025 and 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.

We have audited the financial statements of Lord Kitchener Memorial Homes Trust ("the Charity") for the year ended 31 March 2025, which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustee and the Statement of Trustee's Responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

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.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities statement, the Trustee is 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 determines 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 Trustee is responsible for assessing 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 Trustee either intends 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Charities Act 2011. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Data Protection and Health and Safety Legislation.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- reviewing items included in the fraud register; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee 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

Lord Kitchener Memorial Homes Trust

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

other than the Charity and the Charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



Paul Jagger

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Paul Jagger (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 19 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lord Kitchener Memorial Homes Trust

Statement of Financial Activities For the year ended 31st March 2025

	Note	Year to 31 March 2025		31 March 2024
		Unrestricted Funds £	Total Funds £	Total Funds £
Income				
Rental Income		41,618	41,618	44,809
Interest Receivable & Other Income		192	192	285
Investment Income		121	121	1
Total Income		41,931	41,931	45,095
Expenditure:				
Governance Costs	3	3,928	3,928	3,741
Property Costs (inc depreciation)	3	20,086	20,086	15,884
Total Expenditure		24,014	24,014	19,625
Net income before recognised gains and losses		17,917	17,917	25,470
(Loss)/Profit on Fixed Asset Investments	5	(939)	(939)	8,120
Net movement in funds for the year		16,978	16,978	33,590
Total funds brought forward		475,523	475,523	441,933
Total funds carried forward		492,501	492,501	475,523

The notes on pages 13 to 19 form part of these financial statements.

All income and expenditure is derived from continuing activities.

Lord Kitchener Memorial Homes Trust

Balance Sheet as at 31 March 2025

	Note	31 March 2025 £	31 March 2024 £
Fixed Assets			
Tangible Assets			
Housing Properties	4	254,938	259,616
Investments			
Listed Investments	5	96,391	97,210
		351,329	356,826
Current Assets			
Debtors	6	141,406	118,244
Cash at Bank		4,387	4,194
		145,793	122,437
Current Liabilities			
Amounts falling due within one year	7	(4,621)	(3,741)
Net Current Assets		141,172	118,697
Total Assets Less Current Liabilities		492,501	475,523
Net assets		492,501	475,523
Funds of Charity			
Public Subscriptions		22,298	22,298
Revenue Reserves		387,673	369,902
Designated Funds	8	82,530	83,323
Total Charity Funds		492,501	475,523

These financial statements were approved and authorised for issue by the Trustee and signed on their behalf on 14 July 2025 by Bruce Shelmerdine.



Trustee

The notes on pages 13 to 19 form part of these financial statements.

Lord Kitchener Memorial Homes Trust

Statement of cash flows for the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net income before recognised gains and losses for the financial year		17,917	25,470
Depreciation of fixed assets – housing properties	4	4,679	4,679
Increase in debtors	6	(23,163)	(27,457)
(Decrease)/Increase in creditors	7	880	(2,406)
Adjustment for interest and investment income received		(313)	(286)
Cash from operations			
Taxation paid		-	-
Net cash generated from operating activities			
Cash flows from investing activities			
Purchase of investments	5	(120)	(130)
Interest and investment income received		313	285
Total Cash Flows from Investing Activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		4,194	4,038
Cash and cash equivalents at end of year			
		4,387	4,194

The notes on pages 13 to 20 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

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), **Lord Kitchener Memorial Homes Trust** meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historic cost or value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The trust reported a net increase in cash and cash equivalents in the year of £192 (2024: £155) giving a total of £4,387 (2024: £4,194) as at 31 March 2025.

The board reviewed the Trust's forecasts for the period up to July 2026 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet, rent collection and maintenance spend the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Trust's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Income

All income is accounted for when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. Investment income consists of bank interest and investment income.

Rental income is generated by the six homes, which provide accommodation for occupation by persons of the Borough who served in Her Majesty's Forces.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustee has decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects to be undertaken by the charity.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes property and other costs undertaken to further the purposes of the charity and their associated support costs.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Fixed Assets – Buildings

Housing Properties are stated at cost less accumulated depreciation. The accounting policy calculates depreciation on a component accounting basis. This means that depreciation is charged based on the useful life of each component within its housing properties as follows: -

Structure	65 years
Kitchens	20 years
Bathroom	30 years
Boiler Replacement	15 years
Electrics	30 years
Roof	50 years
Windows	40 years

Impairment

Assets are reviewed for impairment if there is an indication that impairment may have occurred. Assessing impairment requires the use of estimation techniques. In making this assessment, the Trustee considers publicly available information, external valuations and internal forecasts on future activity.

Debtors

Trade and other debtors are recognised at the settlement amount.

Creditors

Creditors are recognised where the Trust 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 are recognised at their settlement amount after allowing for any discounts due.

Investments

Investments are stated at market value (note 5). A notional dividend is received and reinvested on the Shares holding and this is reflected in the book value and through the income and expenditure account. The statement of financial activities shows net investment gains and losses arising from revaluation.

Social Housing Grant

Where developments have been financed wholly or partly by social housing grant the amount of grant received has been included as income and recognised in turnover when it becomes receivable.

Income from capital grants are recognised when the conditions of the grant are met.

The Trust has not directly benefited from any other forms of government assistance.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Expenditure

All expenditure is accounted for on an accrual basis.

Governance costs

This covers external audit fees.

Taxation

Lord Kitchener Memorial Homes Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The trustees have also considered impairment based on their assumptions to define cash or asset generating units.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 4):

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Notes to the Financial Statements (continued)

3. Resources expended

The resources expended fall into the following categories.

	Property related £	Support £	2025 Total £	2024 Total £
Charitable activities:				
Governance Costs	-	3,928	3,928	3,741
Depreciation	4,679	-	4,679	4,679
Property Costs	15,408	-	15,408	11,205
Interest costs	-	-	-	-
Total	20,087	3,928	24,015	19,625

The trustee received no remuneration in respect of services to the Charity in the current or prior year. None of the trustees were reimbursed for out of pocket expenses (2024: nil). Governance costs includes £3,928 (2024 - £3,741) in relation to audit fees.

4. Tangible fixed assets – buildings

Cost	£
As at 1 April 2024	322,319
Depreciation	£
At 1 April 2024	62,703
Charge for the year	4,679
As at 31 March 2025	67,381
Net book value as	
At 31 March 2024	259,616
At 31 March 2025	254,938

Notes to the Financial Statements (continued)

5. Investments

	£
Market value as 1 April 2024	97,210
Add: Income reinvested	120
Less: Net investment loss in the year	(939)
Market value as 31 March 2025	96,391
Cost as at 31 March 2025	22,735

Represented By:		2025		2024	
Holding	Listed Investments	Cost £	Market Value £	Cost £	Market Value £
164.29	Charinco Accumulation Shares 4437p per share	6,560	11,272	6,560	10,838
1485.95	Charishare Income Shares 533p per share	3,528	7,655	3,528	7,543
263.85	COIF Accumulation Shares 11922p per share	2,030	66,480	2,030	67,827
4603.48	COIF Fixed Interest Income Shares 138.60p per share	5,533	5,808	5,533	5,664
751.00	NAACIF Income Shares 80p per share	307	399	307	682
	Other Investments:				
n/a	COIF Charities Deposit Fund	2,554	2,554	2,433	2,433
n/a	National Savings Investment (CMF)	2,223	2,223	2,223	2,223
		22,735	96,391	22,614	97,210

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

5. Investments (continued)

The Lord Kitchener Memorial Homes investment portfolio consists of cash in National Savings Investment Accounts and shares in Common Investment Funds which provide a cost effective method of investing in the fixed interest and equity markets.

	Fund Manager	Category of Investment		
		Cash %	Bonds %	Equities %
Charinco Accumulation Shares	Black Rock	-	11.69	-
Charishare Income Shares	Black Rock	-	-	7.94
COIF Accumulation Shares	CCLA Investment Management	-	-	68.97
COIF Charities Deposit Fund	CCLA Investment Management	2.65	-	-
COIF Fixed Interest Income Shares	CCLA Investment Management	-	6.03	-
NAACIF Income Shares	M&G Investment Management	-	0.41	-
National Savings Investment	n/a	2.31	-	-
		<u>4.96</u>	<u>18.13</u>	<u>76.91</u>

6. Debtors

	2025 £	2024 £
Amounts owed by mhs homes Limited	139,154	117,705
Rent arrears	2,252	539
	<u>141,406</u>	<u>118,244</u>

7. Creditors: amounts falling due within one year

	2025 £	2024 £
Accruals	4,621	3,741
	<u>4,621</u>	<u>3,741</u>

Notes to the Financial Statements (continued)

8. Designated funds

The defined categories of repair funds reflect the Trust's liability to maintain its property in accordance with a planned programme of maintenance. The target level of reserves is that to maintain sufficient funds are available to meet the future planned and major repairs required for the upkeep of the properties.

- Reserves to meet major structural repairs and improvements have been provided for through the creation of an extraordinary repairs fund which has a balance of £77,752 (2024: £78,666).
- External and internal redecoration being estimated to take place every 5-7 years, the cyclical maintenance fund was created to meet such costs in any year and now has a balance of £2,224 (2024: £2,224).
- A routine maintenance fund exists to cover normal maintenance in excess of budgeted expenditure for the whole year and amounts to £2,554 (2024: £2,434).

The movements of the repair funds reconcile as follows:

	Extra Ordinary Repair Fund	Cyclical Maintenance Fund	Routine Maintenance Fund	Designated Total
	£	£	£	£
Balance as at 1 April 2024	78,666	2,224	2,434	83,324
Accumulated Income	25	-	120	145
Net investment profits	(939)	-	-	(939)
Balance as at 31 March 2025	77,752	2,224	2,554	82,530
Represented by:				
Charinco Accumulation Shares	11,272	-	-	11,272
COIF Accumulation Shares	66,480	-	-	66,480
COIF Charities Deposit Fund	-	-	2,554	2,554
National Savings Investment	-	2,224	-	2,224
	77,752	2,224	2,554	82,530

The level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained.

9. Related Party Transactions

The ultimate controlling party of the group is **mhs homes limited** – a registered charity incorporated under CA2006 registered in England and Wales, whose accounts are available from the company's registered office at Broadside, Leviathan Way, Chatham, Kent ME4 4LL.

THE LORD KITCHENER MEMORIAL HOMES TRUST

England & Wales - Charity number 209751

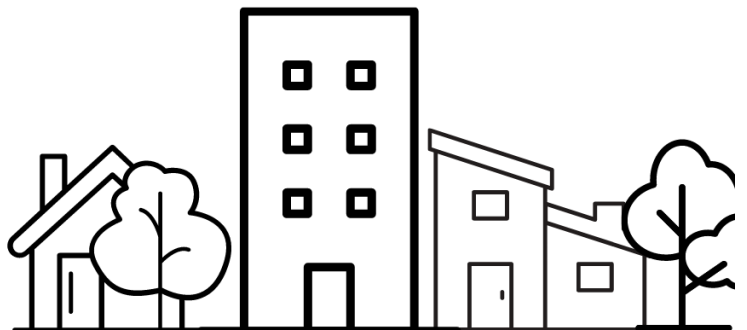
Accounts

Lord Kitchener Memorial Homes Trust

**For the year ended
31 March 2024**

Registered Number 209751

Registered Number 209751



Lord Kitchener Memorial Homes Trust

Directors' Report and Account for the Year Ended 31 March 2024

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Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ending 31 March 2024

The Trustee of **Lord Kitchener Memorial Homes Trust** presents the annual report and audited accounts for the year ended 31 March 2024.

Reference and administration details

Charity registered number: 209751

Registered Office mhs homes, Broadside, Leviathan Way, Chatham, Kent ME4 4LL

Chair Ashley Hook

Trustee Name mhs homes limited

Bankers National Westminster Bank Plc., 148 High Street, Chatham, Kent ME4 4DB

Solicitors Trowers and Hamblins LLP, 3 Bunhill Row, London, EC1Y 8YZ

Auditors BDO LLP, 31 Chertsey Street, Guildford, Surrey, Gu1 4HD.

The present-day Trust is administered by **mhs homes limited** (mhs homes) who were appointed as Corporate Trustee in June 2009. **mhs homes** is the corporate trustee and has delegated authority to the three executive directors to administer the charity.

The executive directors of **mhs homes** are:

Ashley Hook
Bruce Shelmerdine
Amy Cheswick
Gemma Hancock

Report of the trustee for the year ended 31 March 2024 (continued)

Legal and administrative details

At a public meeting held at the Town Hall, Chatham on 16 October 1916 to honour the memory of Lord Kitchener of Khartoum, it was agreed to open a public fund and use the monies raised to erect and endow homes for occupation by persons of the Borough who served in His Majesty's Forces. Subsequently the War Department agreed to lease an area of land at Fort Pitt Hill, Chatham (on a lease of 999 years) and the homes were erected on this site in 1923.

The Lord Kitchener Memorial Homes Trust was registered with the Charity Commission (registration number 209751) on 1 January 1961 as a Charity whose purpose is to provide accommodation for ex-Servicemen of the Borough of Chatham. The Charity's governing document is the Trust Deed dated 23 March 1923, as amended by the Charity Commission Scheme dated 11 June 1996 (which widened the eligibility criteria for residence at the Homes). The Trust de-registered from the Tenants Service Authority on 8 July 2009. The present-day Trust is administered by **mhs homes limited (mhs homes)** , who were appointed as Trustee in June 2009.

Appointment of trustee

mhs homes were appointed as Corporate Trustee in June 2009. The appointment of **mhs homes** was carried out following full consultation with the Charity Commission and the residents.

The current strategy is not to change the trustee position, with **mhs homes** planning to remain as corporate trustee for the foreseeable future. In the unlikely event of new trustee being appointed there is an established selection and appointment system used by **mhs homes** based on objective criteria for recruiting new members to the Board of Trustees. The trustee affirms the benefits of an open system of appointment using set criteria to assess skills, experience and competences, required of suitable candidates. Any induction and training process entails the deployment and application of procedures resourced by **mhs homes** , including visits to projects and meetings with staff.

The organisational structure

The charity is managed on a day to day basis by **mhs homes** meaning that the charity benefits from the support and professionalism of a substantial provider of social housing. Risks are identified through the risk management process of **mhs homes** though due to the support provided by **mhs homes**, none are considered significant.

Statement of charitable benefit

The primary purpose of the charity is to provide almshouse accommodation for people who are in need and who live (or have lived) in the borough of Medway, with preference given to those who have served in the armed forces (Including the merchant navy engaged in duties for the Royal Navy) and their dependents. **mhs homes** provides Housing Management services that include helping people to move into their new homes, providing a platform for people to enhance their life chances. Staff provide tenancy management and advice services in areas including tackling anti-social behaviour, neighbour issues, repairing and improving properties. An adaptations service is also provided to enable people with disabilities to get around their own homes and access the community.

Report of the trustee for the year ended 31 March 2024 (continued)

Statement of charitable benefit (continued)

Furthermore, the objects of the charity are such charitable purposes for the benefit of the residents as the trustee decides.

The charity meets the objectives by providing 6 properties for accommodation with rent levels significantly below market rents. Properties are let in accordance with the objectives noted above.

Fundraising statement

Although we do not undertake 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 would be presented in our accounts as donations.

In relation to the above we confirm that if funds were held, they would be managed internally, without involvement of third parties. The day to day management of all income generation is delegated to the leadership team, who are accountable to the trustees. The charity has no undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times as we do not approach individuals for funds we do not consider it necessary to design specific procedures to monitor such activities.

Risk management

Aided by the Directors' Team of the parent organisation, the Trustee has examined the major strategic, business and operational risks faced by the charity. Accordingly, the Trustee confirms that effective systems operate to minimise the consequences posed by risk, but at the same time is aware that it is not possible to entirely eliminate all factors of risk. All risks have been reviewed during the year.

Future plans

The future plans of Lord Kitchener are to maintain and let the current properties owned. There are no plans for development of new units.

Reserves policy

The target level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained. Refer to Note 8 for additional details.

Achievement, performance and financial review

Net current asset and investments are sufficient to cover over three years of rental income, and there is also the support of mhs homes that can be called on, hence there are sufficient resources to continue even in the most extreme of circumstances. The level of investments and reserves held will be reviewed periodically to ensure whether best value is being obtained. Otherwise the plans of the charity are to ensure that the properties continue to be suitably maintained and let.

Report of the trustee for the year ended 31 March 2024 (continued)

Achievement, performance and financial review (continued)

The key features of the financial year were as follows:

1. The Trust had a surplus of income over expenditure on activities for the year amounting to £25,470 (2023: surplus of £13,832).
2. Rental income was £44,809 for the last 12 months (2023: £32,752).
3. The Trustee has established a regular maintenance programme for the homes and set aside specific maintenance funds to reflect this commitment.
4. The investment portfolio has been constituted with the objective of protecting the interests of future residents as well as those of the present and thus the strategy is to endeavour to protect the value of both the capital and income of the Charity. The market value is structured between; cash 5% (2023:5%); bonds 18% (2023:19%); equities 77% (2023:76%).
5. The total market value of all the Trust's Investments have increased (9%) to £97,210 (2023: £88,960).
6. The Trust has not acquired or discontinued any fundamental activities during the last two financial years nor has it any recognised gains or losses other than those included in the statement of financial activities.

BDO LLP have expressed its willingness to continue in office.

By Order of the Board



Ashley Hook
13 July 2024

Statement of Trustee Responsibilities in Respect of the Report of the Trustee and the Financial Statements

The charity trustee is responsible for preparing the trustee's annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the charity trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing the financial statements, the trustee is required to:

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

The Trustee is 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the trustee is aware at the time of approving the trustee's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of the charity's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charity's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Ashley Hook

Chair

13 July 2023

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2024 and of the 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.

We have audited the financial statements of Lord Kitchener Memorial Homes Trust ("the Charity") for the year ended 31 March 2024, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related 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 Trustees are responsible for the other information. The other information comprises the information included in the 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, except to the extent otherwise explicitly stated in our report, 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

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

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 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 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustee Responsibilities in respect of the Report of the Trustee and the Financial Statements, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

Based on:

- Our understanding of the Charity and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Charity's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be UK GAAP and the Charities Act 2011.

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Data Protection and Health and Safety Legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, those charged with governance and the Finance, Risk & Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management overrider through the posting of journals and judgements and estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, and a random sample of journals in the year, by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.


Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

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BDO LLP, statutory auditor
Guildford, UK

Date: 22 August 2024

BDO LLP 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.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lord Kitchener Memorial Homes Trust

Statement of Financial Activities For the year ended 31st March 2024

	Note	Year to 31 March 2024		31 March 2023
		Unrestricted Funds £	Total Fund £	Total Fund £
Income				
Rental Income		44,809	44,809	32,752
Interest Receivable & Other Income		285	285	216
Investment Income		1	1	1
Total Income		45,095	45,095	32,969
Expenditure:				
Governance Costs	3	3,741	3,741	3,432
Property Costs (inc depreciation)	3	15,884	15,884	15,705
Total Expenditure		19,625	19,625	19,137
Net income before recognised gains and losses		25,470	25,470	13,832
Profit/(Loss) on Fixed Asset Investments	5	8,120	8,120	(1,920)
Net movement in funds for the year		33,590	33,590	11,912
Total funds brought forward		441,933	441,933	430,021
Total funds carried forward		475,523	475,523	441,933

The notes on pages 13 to 19 form part of these financial statements.

All income and expenditure is derived from continuing activities.

Lord Kitchener Memorial Homes Trust

Balance Sheet as at 31 March 2024

	Note	31 March 2024 £	31 March 2023 £
Fixed Assets			
Tangible Assets			
Housing Properties	4	259,616	264,295
Investments			
Listed Investments	5	97,210	88,960
		356,826	353,255
Current Assets			
Debtors	6	118,244	90,787
Cash at Bank		4,194	4,038
		122,437	94,825
Current Liabilities			
Amounts falling due within one year	7	(3,741)	(6,147)
Net Current Assets		118,697	88,678
Total Assets Less Current Liabilities		475,523	441,933
Net assets		475,523	441,933
Funds of Charity			
Public Subscriptions		22,298	22,298
Revenue Reserves		369,902	344,110
Designated Funds	8	83,323	75,525
Total Charity Funds		475,523	441,933

These financial statements were approved and authorised for issue by the Trustee and signed on their behalf on 13 July 2024 by Bruce Shelmerdine.



Trustee

The notes on pages 13 to 19 form part of these financial statements.

Lord Kitchener Memorial Homes Trust

Statement of cash flows for the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net income before recognised gains and losses for the financial year		25,470	13,832
Depreciation of fixed assets – housing properties	4	4,679	4,679
Increase in debtors	6	(27,457)	(21,382)
(Decrease)/Increase in creditors	7	(2,406)	3,088
Adjustment for interest and investment income received		(286)	(217)
Cash from operations			
Taxation paid		-	-
Net cash generated from operating activities			
Cash flows from investing activities			
Purchase of investments	5	(130)	(42)
Interest and investment income received		285	216
Total Cash Flows from Investing Activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		4,038	3,864
Cash and cash equivalents at end of year			

The notes on pages 13 to 20 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

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), **Lord Kitchener Memorial Homes Trust** meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historic cost or value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The trust reported a net increase in cash and cash equivalents in the year of £155 (2023: £174) giving a total of £4,194 (2023: £4,038) as at 31 March 2024.

The board reviewed the Trust's forecasts for the period up to July 2024 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet, rent collection and maintenance spend the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Trust's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Income

All income is accounted for when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. Investment income consists of bank interest and investment income.

Rental income is generated by the six homes, which provide accommodation for occupation by persons of the Borough who served in Her Majesty's Forces.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustee has decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects to be undertaken by the charity.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes property and other costs undertaken to further the purposes of the charity and their associated support costs.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Fixed Assets – Buildings

Housing Properties are stated at cost less accumulated depreciation. The accounting policy calculates depreciation on a component accounting basis. This means that depreciation is charged based on the useful life of each component within its housing properties as follows: -

Structure	65 years
Kitchens	20 years
Bathroom	30 years
Boiler Replacement	15 years
Electrics	30 years
Roof	50 years
Windows	40 years

Impairment

Assets are reviewed for impairment if there is an indication that impairment may have occurred. Assessing impairment requires the use of estimation techniques. In making this assessment, the Trustee considers publicly available information, external valuations and internal forecasts on future activity.

Debtors

Trade and other debtors are recognised at the settlement amount.

Creditors

Creditors are recognised where the Trust 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 are recognised at their settlement amount after allowing for any discounts due.

Investments

Investments are stated at market value (note 5). A notional dividend is received and reinvested on the Shares holding and this is reflected in the book value and through the income and expenditure account. The statement of financial activities shows net investment gains and losses arising from revaluation.

Social Housing Grant

Where developments have been financed wholly or partly by social housing grant the amount of grant received has been included as income and recognised in turnover when it becomes receivable.

Income from capital grants are recognised when the conditions of the grant are met.

The Trust has not directly benefited from any other forms of government assistance.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Expenditure

All expenditure is accounted for on an accrual basis.

Governance costs

This covers external audit fees.

Taxation

Lord Kitchener Memorial Homes Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The trustees have also considered impairment based on their assumptions to define cash or asset generating units.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 4):

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Notes to the Financial Statements (continued)

3. Resources expended

The resources expended fall into the following categories.

	Property related £	Support £	2024 Total £	2023 Total £
Charitable activities:				
Governance Costs	-	3,741	3,741	3,432
Depreciation	4,679	-	4,679	4,679
Property Costs	11,205	-	11,205	11,026
Interest costs	-	-	-	-
Total	15,884	3,741	19,625	19,137

The trustee received no remuneration in respect of services to the Charity in the current or prior year. None of the trustees were reimbursed for out of pocket expenses (2023: nil). Governance costs includes £3,741 (2023 - £3,432) in relation to audit fees.

4. Tangible fixed assets – buildings

Cost	£
As at 1 April 2023	322,319
Depreciation	£
At 1 April 2023	58,024
Charge for the year	4,679
As at 31 March 2024	62,703
Net book value as	
At 31 March 2024	259,616
At 31 March 2023	257,472

Notes to the Financial Statements (continued)

5. Investments

	£
Market value as 1 April 2023	88,960
Add: Income reinvested	130
Plus: Net investment profits in the year	8,120
Market value as 31 March 2024	97,210
Cost as at 31 March 2024	22,614

Represented By:		2024		2023	
Holding	Listed Investments	Cost £	Market Value £	Cost £	Market Value £
164.29	Charinco Accumulation Shares 4437p per share	6,560	10,838	6,560	10,531
1485.95	Charishare Income Shares 533p per share	3,528	7,543	3,528	7,343
263.85	COIF Accumulation Shares 11922p per share	2,030	67,827	2,030	60,467
4603.48	COIF Fixed Interest Income Shares 138.60p per share	5,533	5,664	5,533	5,421
751.00	NAACIF Income Shares 80p per share	307	682	307	671
	Other Investments:				
n/a	COIF Charities Deposit Fund	2,433	2,433	2,320	2,320
n/a	National Savings Investment (CMF)	2,223	2,223	2,207	2,207
		22,614	97,210	22,485	88,960

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

5. Investments (continued)

The Lord Kitchener Memorial Homes investment portfolio consists of cash in National Savings Investment Accounts and shares in Common Investment Funds which provide a cost effective method of investing in the fixed interest and equity markets.

	Fund Manager	Category of Investment		
		Cash %	Bonds %	Equities %
Charinco Accumulation Shares	Black Rock	-	11.15	-
Charishare Income Shares	Black Rock	-	-	7.76
COIF Accumulation Shares	CCLA Investment Management	-	-	69.77
COIF Charities Deposit Fund	CCLA Investment Management	2.50	-	-
COIF Fixed Interest Income Shares	CCLA Investment Management	-	5.82	-
NAACIF Income Shares	M&G Investment Management	-	0.70	-
National Savings Investment	n/a	2.29	-	-
		<u>4.79</u>	<u>17.68</u>	<u>77.53</u>

6. Debtors

	2024	2023
	£	£
Amounts owed by mhs homes Limited	117,705	90,787
Rent arrears	539	0
	<u>118,244</u>	<u>90,787</u>

7. Creditors: amounts falling due within one year

	2024	2023
	£	£
Accruals	3,741	4,872
Other Creditors	-	1,275
	<u>3,741</u>	<u>6,147</u>

Notes to the Financial Statements (continued)

8. Designated funds

The defined categories of repair funds reflect the Trust's liability to maintain its property in accordance with a planned programme of maintenance. The target level of reserves is that to maintain sufficient funds are available to meet the future planned and major repairs required for the upkeep of the properties.

- Reserves to meet major structural repairs and improvements have been provided for through the creation of an extraordinary repairs fund which has a balance of £78,666 (2023: £70,998).
- External and internal redecoration being estimated to take place every 5-7 years, the cyclical maintenance fund was created to meet such costs in any year and now has a balance of £2,224 (2023: £2,207).
- A routine maintenance fund exists to cover normal maintenance in excess of budgeted expenditure for the whole year and amounts to £2,434 (2023: £2,320).

The movements of the repair funds reconcile as follows:

	Extra Ordinary Repair Fund £	Cyclical Maintenance Fund £	Routine Maintenance Fund £	Designated Total £
Balance as at 1 April 2023	70,998	2,207	2,320	75,525
Accumulated Income	(452)	17	114	(322)
Net investment profits	8,120	-	-	8,120
Balance as at 31 March 2024	78,666	2,224	2,434	83,323
Represented by:				
Charinco Accumulation Shares	10,839	-	-	10,839
COIF Accumulation Shares	67,827	-	-	67,827
COIF Charities Deposit Fund	-	-	2,434	2,434
National Savings Investment	-	2,224	-	2,223
	78,666	2,224	2,434	83,323

The level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained.

9. Related Party Transactions

The ultimate controlling party of the group is **mhs homes limited** – a registered charity incorporated under CA2006 registered in England and Wales, whose accounts are available from the company's registered office at Broadside, Leviathan Way, Chatham, Kent ME4 4LL.

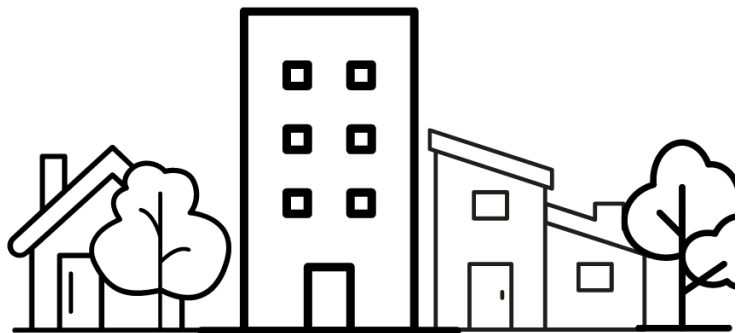
THE LORD KITCHENER MEMORIAL HOMES TRUST

England & Wales - Charity number 209751

Accounts

Lord Kitchener Memorial Homes Trust

**For the year ended
31 March 2023**



Lord Kitchener Memorial Homes Trust

Directors' Report and Account for the Year Ended 31 March 2023

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Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ending 31 March 2023

The Trustee of **Lord Kitchener Memorial Homes Trust** presents the annual report and audited accounts for the year ended 31 March 2023.

Reference and administration details

Charity registered number:	209751
Registered Office	Mhs homes, Broadside, Leviathan Way, Chatham, Kent ME4 4LL
Chair	Ashley Hook
Trustee Name	mhs homes limited
Bankers	National Westminster Bank Plc., 148 High Street, Chatham, Kent ME4 4DB
Solicitors	Trowers and Hamblins LLP, 3 Bunhill Row, London, EC1Y 8YZ
Auditors	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA.

The present-day Trust is administered by **mhs homes limited** (mhs homes) who were appointed as Corporate Trustee in June 2009. **mhs homes** is the corporate trustee and has delegated authority to the three executive directors to administer the charity.

The executive directors of **mhs homes** are:

Ashley Hook
Bruce Shelmerdine
Amy Cheswick
Gemma Hancock

Report of the trustee for the year ended 31 March 2023 (continued)

Legal and administrative details

At a public meeting held at the Town Hall, Chatham on 16 October 1916 to honour the memory of Lord Kitchener of Khartoum, it was agreed to open a public fund and use the monies raised to erect and endow homes for occupation by persons of the Borough who served in His Majesty's Forces. Subsequently the War Department agreed to lease an area of land at Fort Pitt Hill, Chatham (on a lease of 999 years) and the homes were erected on this site in 1923.

The Lord Kitchener Memorial Homes Trust was registered with the Charity Commission (registration number 209751) on 1 January 1961 as a Charity whose purpose is to provide accommodation for ex-Servicemen of the Borough of Chatham. The Charity's governing document is the Trust Deed dated 23 March 1923, as amended by the Charity Commission Scheme dated 11 June 1996 (which widened the eligibility criteria for residence at the Homes). The Trust de-registered from the Tenants Service Authority on 8 July 2009. The present-day Trust is administered by **mhs homes**, who were appointed as Trustee in June 2009.

Appointment of trustee

mhs homes were appointed as Corporate Trustee in June 2009. The appointment of **mhs homes** was carried out following full consultation with the Charity Commission and the residents.

The current strategy is not to change the trustee position, with **mhs homes** planning to remain as corporate trustee for the foreseeable future. In the unlikely event of new trustee being appointed there is an established selection and appointment system used by the **mhs homes group** based on objective criteria for recruiting new members to the Board of Trustees. The trustee affirms the benefits of an open system of appointment using set criteria to assess skills, experience and competences, required of suitable candidates. Any induction and training process entails the deployment and application of procedures resourced by the **mhs homes group**, including visits to projects and meetings with staff.

The organisational structure

The charity is managed on a day to day basis by **mhs homes** meaning that the charity benefits from the support and professionalism of a substantial provider of social housing. Risks are identified through the risk management process of **mhs homes** though due to the support provided by **mhs homes**, none are considered significant.

Statement of charitable benefit

The primary purpose of the charity is to provide almshouse accommodation for people who are in need and who live (or have lived) in the borough of Medway, with preference given to those who have served in the armed forces (Including the merchant navy engaged in duties for the Royal Navy) and their dependents. **mhs homes** provides Housing Management services that include helping people to move into their new homes, providing a platform for people to enhance their life chances. Staff provide tenancy management and advice services in areas including tackling anti-social behaviour, neighbour issues, repairing and improving properties. An adaptations service is also provided to enable people with disabilities to get around their own homes and access the community.

Report of the trustee for the year ended 31 March 2023 (continued)

Statement of charitable benefit (continued)

Furthermore, the objects of the charity are such charitable purposes for the benefit of the residents as the trustee decides.

The charity meets the objectives by providing 6 properties for accommodation with rent levels significantly below market rents. Properties are let in accordance with the objectives noted above.

Fundraising statement

Although we do not undertake 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 would be presented in our accounts as donations.

In relation to the above we confirm that if funds were held, they would be managed internally, without involvement of third parties. The day to day management of all income generation is delegated to the leadership team, who are accountable to the trustees. The charity has no undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times as we do not approach individuals for funds we do not consider it necessary to design specific procedures to monitor such activities.

Risk management

Aided by the Directors' Team of the parent organisation, the Trustee has examined the major strategic, business and operational risks faced by the charity. Accordingly, the Trustee confirms that effective systems operate to minimise the consequences posed by risk, but at the same time is aware that it is not possible to entirely eliminate all factors of risk. All risks have been reviewed during the year.

Future plans

The future plans of Lord Kitchener are to maintain and let the current properties owned. There are no plans for development of new units.

Reserves policy

The target level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained. Refer to Note 8 for additional details.

Achievement, performance and financial review

Net current asset and investments are sufficient to cover over three years of rental income, and there is also the support of mhs homes that can be called on, hence there are sufficient resources to continue even in the most extreme of circumstances. The level of investments and reserves held will be reviewed periodically to ensure whether best value is being obtained. Otherwise the plans of the charity are to ensure that the properties continue to be suitably maintained and let.

Report of the trustee for the year ended 31 March 2023 (continued)

Achievement, performance and financial review (continued)

The key features of the financial year were as follows:

1. The Trust had a surplus of income over expenditure on activities for the year amounting to £13,832 (2022: surplus of £15,999).
2. Rental income was £32,752 for the last 12 months (2022: £34,337).
3. The Trustee has established a regular maintenance programme for the homes and set aside specific maintenance funds to reflect this commitment.
4. The investment portfolio has been constituted with the objective of protecting the interests of future residents as well as those of the present and thus the strategy is to endeavour to protect the value of both the capital and income of the Charity. The market value is structured between; cash 5% (2022:5%); bonds 19% (2022:19%); equities 76% (2022:76%).
5. The total market value of all the Trust's Investments have decreased (2.07%) to £88,960 (2022: £90,837).
6. The Trust has not acquired or discontinued any fundamental activities during the last two financial years nor has it any recognised gains or losses other than those included in the statement of financial activities.

BDO LLP have expressed its willingness to continue in office.

By Order of the Board



Ashley Hook
13 July 2023

Statement of Trustee Responsibilities in Respect of the Report of the Trustee and the Financial Statements

The charity trustee is responsible for preparing the trustee's annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the charity trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing the financial statements, the trustee is required to:

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

The Trustee is 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the trustee is aware at the time of approving the trustee's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of the charity's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charity's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Ashley Hook

Chair
13 July 2023

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and 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.

We have audited the financial statements of Lord Kitchener Memorial Homes Trust ("the Charity") for the year ended 31 March 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustee and the Statement of Trustee's Responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

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.

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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities statement, the Trustee is 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 determines 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 Trustee is responsible for assessing 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 Trustee either intends 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Charities Act 2011. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Data Protection and Health and Safety Legislation.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- reviewing items included in the fraud register; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee 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

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

other than the Charity and the Charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Paula Willock

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lord Kitchener Memorial Homes Trust

Statement of Financial Activities For the year ended 31 March 2023

	Note	Year to 31 March 2023		31 March 2022
		Unrestricted Funds £	Total Fund £	Total Fund £
Income				
Rental Income		32,752	32,752	34,337
Interest Receivable & Other Income		216	216	191
Investment Income		1	1	1
Total Income		32,969	32,969	34,529
Expenditure:				
Governance Costs	3	3,432	3,432	2,640
Property Costs (inc depreciation)	3	15,705	15,705	15,889
Total Expenditure		19,137	19,137	18,530
Net income before recognised gains and losses		13,832	13,832	15,999
(Loss)/Profit on Fixed Asset Investments	5	(1,920)	(1,920)	6,314
Net movement in funds for the year		11,912	11,912	22,313
Total funds brought forward		430,021	430,021	407,708
Total funds carried forward		441,933	441,933	430,021

The notes on pages 13 to 20 form part of these financial statements.

All income and expenditure is derived from continuing activities.

Lord Kitchener Memorial Homes Trust

Balance Sheet as at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
Fixed Assets			
Tangible Assets			
Housing Properties	4	264,295	268,974
Investments			
Listed Investments	5	<u>88,960</u>	<u>90,837</u>
		353,255	359,811
Current Assets			
Debtors	6	90,787	69,405
Cash at Bank		<u>4,038</u>	<u>3,864</u>
		94,825	73,269
Current Liabilities			
Amounts falling due within one year	7	<u>(6,147)</u>	<u>(3,059)</u>
Net Current Assets		<u>88,678</u>	<u>70,210</u>
Total Assets Less Current Liabilities		441,933	430,021
Net assets		<u>441,933</u>	<u>430,021</u>
Funds of Charity			
Public Subscriptions		22,298	22,298
Revenue Reserves		344,110	331,584
Designated Funds	8	<u>75,525</u>	<u>76,139</u>
Total Charity Funds		<u>441,933</u>	<u>430,021</u>

These financial statements were approved and authorised for issue by the Trustee and signed on their behalf on 13 July 2023 by Bruce Shelmerdine.



Trustee

The notes on pages 13 to 20 form part of these financial statements.

Statement of cash flows for the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net income before recognised gains and losses for the financial year		13,832	15,999
Depreciation of fixed assets – housing properties	4	4,679	4,679
Increase in debtors	6	(21,382)	(20,755)
Increase in creditors	7	3,088	269
Adjustment for interest and investment income received		(217)	(192)
Cash from operations			
Taxation paid		-	-
Net cash generated from operating activities		-	-
Cash flows from investing activities			
Purchase of investments	5	(42)	(1)
Interest and investment income received		216	192
Total Cash Flows from Investing Activities		174	191
Net increase in cash and cash equivalents		174	191
Cash and cash equivalents at beginning of year		3,864	3,673
Cash and cash equivalents at end of year		4,038	3,864

The notes on pages 13 to 20 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

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), **Lord Kitchener Memorial Homes Trust** meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historic cost or value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The trust reported a net increase in cash and cash equivalents in the year of £174 (2022: £191) giving a total of £4,038 (2022: £3,864) as at 31 March 2023.

The board reviewed the Trust's forecasts for the period up to July 2024 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet, rent collection and maintenance spend the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Trust's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Income

All income is accounted for when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. Investment income consists of bank interest and investment income.

Rental income is generated by the six homes, which provide accommodation for occupation by persons of the Borough who served in Her Majesty's Forces.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustee has decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects to be undertaken by the charity.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes property and other costs undertaken to further the purposes of the charity and their associated support costs.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Fixed Assets – Buildings

Housing Properties are stated at cost less accumulated depreciation. The accounting policy calculates depreciation on a component accounting basis. This means that depreciation is charged based on the useful life of each component within its housing properties as follows: -

Structure	65 years
Kitchens	20 years
Bathroom	30 years
Boiler Replacement	15 years
Electrics	30 years
Roof	50 years
Windows	40 years

Impairment

Assets are reviewed for impairment if there is an indication that impairment may have occurred. Assessing impairment requires the use of estimation techniques. In making this assessment, the Trustee considers publicly available information, external valuations and internal forecasts on future activity.

Debtors

Trade and other debtors are recognised at the settlement amount.

Creditors

Creditors are recognised where the Trust 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 are recognised at their settlement amount after allowing for any discounts due.

Investments

Investments are stated at market value (note 5). A notional dividend is received and reinvested on the Shares holding and this is reflected in the book value and through the income and expenditure account. The statement of financial activities shows net investment gains and losses arising from revaluation.

Social Housing Grant

Where developments have been financed wholly or partly by social housing grant the amount of grant received has been included as income and recognised in turnover when it becomes receivable.

Income from capital grants are recognised when the conditions of the grant are met.

The Trust has not directly benefited from any other forms of government assistance.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis.

Governance costs

This covers external audit fees.

Taxation

Lord Kitchener Memorial Homes Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The trustees have also considered impairment based on their assumptions to define cash or asset generating units.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 4):

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Notes to the Financial Statements (continued)

3. Resources expended

The resources expended fall into the following categories.

	Property related £	Support £	2023 Total £	2022 Total £
Charitable activities:				
Governance Costs	-	3,432	3,432	2,640
Depreciation	4,679	-	4,679	4,679
Property Costs	11,026	-	11,026	11,210
Interest costs	-	-	-	-
Total	15,705	3,432	19,137	18,529

The trustee received no remuneration in respect of services to the Charity in the current or prior year. None of the trustees were reimbursed for out of pocket expenses (2022: nil). Governance costs includes £3,432 (2022 - £2,640) in relation to audit fees.

4. Tangible fixed assets – buildings

Cost	£
As at 1 April 2022	322,319
Depreciation	£
At 1 April 2022	53,345
Charge for the year	4,679
As at 31 March 2023	58,024
Net book value as	
At 31 March 2023	264,295
At 31 March 2022	268,974

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

5. Investments

	£
Market value as 1 April 2022	90,837
Add: Income reinvested	43
Plus: Net investment losses in the year	<u>(1,920)</u>
Market value as 31 March 2023	<u>88,960</u>
Cost as at 31 March 2023	<u>22,485</u>

Represented By:		2023		2022	
Holding	Listed Investments	Cost £	Market Value £	Cost £	Market Value £
164.29	Charinco Accumulation Shares 4437p per share	6,560	10,531	6,560	10,644
1485.95	Charishare Income Shares 533p per share	3,528	7,343	3,528	8,246
263.85	COIF Accumulation Shares 11922p per share	2,030	60,467	2,030	61,011
4603.48	COIF Fixed Interest Income Shares 138.60p per share	5,533	5,421	5,533	5,762
751.00	NAACIF Income Shares 80p per share	307	671	307	690
	Other Investments:				
n/a	COIF Charities Deposit Fund	2,320	2,320	2,280	2,280
n/a	National Savings Investment (CMF)	2,207	2,207	2,204	2,204
		<u>22,485</u>	<u>88,960</u>	<u>22,442</u>	<u>90,837</u>

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

5. Investments (continued)

The Lord Kitchener Memorial Homes investment portfolio consists of cash in National Savings Investment Accounts and shares in Common Investment Funds which provide a cost effective method of investing in the fixed interest and equity markets.

		Category of Investment		
Fund Manager		Cash %	Bonds %	Equities %
Charinco Accumulation Shares	Black Rock	-	11.84	-
Charishare Income Shares	Black Rock	-	-	8.25
COIF Accumulation Shares	CCLA Investment Management	-	-	67.97
COIF Charities Deposit Fund	CCLA Investment Management	2.61	-	-
COIF Fixed Interest Income Shares	CCLA Investment Management	-	6.09	-
NAACIF Income Shares	M&G Investment Management	-	0.76	-
National Savings Investment	n/a	2.48	-	-
		<u>5.09</u>	<u>18.69</u>	<u>76.22</u>

6. Debtors

	2023 £	2022 £
Amounts owed by mhs homes Limited	90,787	69,198
Rent arrears	-	207
	<u>90,787</u>	<u>69,405</u>

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	4,872	3,059
Other Creditors	1,275	-
	<u>6,147</u>	<u>3,059</u>

Notes to the Financial Statements (continued)

8. Designated funds

The defined categories of repair funds reflect the Trust's liability to maintain its property in accordance with a planned programme of maintenance. The target level of reserves is that to maintain sufficient funds are available to meet the future planned and major repairs required for the upkeep of the properties.

- Reserves to meet major structural repairs and improvements have been provided for through the creation of an extraordinary repairs fund which has a balance of £70,998 (2022: £71,655).
- External and internal redecoration being estimated to take place every 5-7 years, the cyclical maintenance fund was created to meet such costs in any year and now has a balance of £2,207 (2022: £2,204).
- A routine maintenance fund exists to cover normal maintenance in excess of budgeted expenditure for the whole year and amounts to £2,320 (2022: £2,280).

The movements of the repair funds reconcile as follows:

	Extra Ordinary Repair Fund £	Cyclical Maintenance Fund £	Routine Maintenance Fund £	Designated Total £
Balance as at 1 April 2022	71,655	2,204	2,280	76,139
Accumulated Income	1,263	3	40	1,306
Net investment loss	(1,920)	-	-	(1,920)
Balance as at 31 March 2023	70,998	2,207	2,320	75,525
Represented by:				
Charinco Accumulation Shares	10,531	-	-	10,531
COIF Accumulation Shares	60,467	-	-	60,467
COIF Charities Deposit Fund	-	-	2,320	2,320
National Savings Investment	-	2,207	-	2,207
	70,998	2,207	2,320	75,525

The level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained.

Notes to the Financial Statements (continued)

9. Related Party Transactions

The ultimate controlling party of the group is **mhs homes limited** – a registered charity incorporated under CA2006 registered in England and Wales, whose accounts are available from the company's registered office at Broadside, Leviathan Way, Chatham, Kent ME4 4LL.

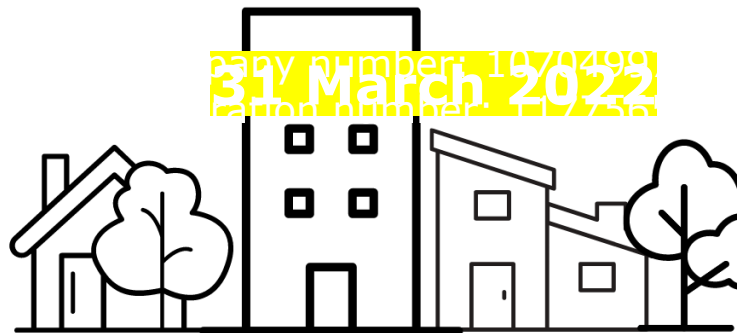
THE LORD KITCHENER MEMORIAL HOMES TRUST

England & Wales - Charity number 209751

Accounts

Lord Kitchener Memorial Homes Trust

For the year ended
31 March 2022



Lord Kitchener Memorial Homes Trust

Directors' Report and Account for the Year Ended 31 March 2022

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Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ending 31 March 2022

The Trustee of **Lord Kitchener Memorial Homes Trust** presents the annual report and audited accounts for the year ended 31 March 2022.

Reference and administration details

Charity registered number:	209751
Registered Office	Broadside, Leviathan Way, Chatham, Kent ME4 4LL
Chair	Ashley Hook
Trustee Name	mhs homes limited
Bankers	National Westminster Bank Plc., 148 High Street, Chatham, Kent ME4 4DB
Solicitors	Trowers and Hamblins LLP, 3 Bunhill Row, London, EC1Y 8YZ
Auditors	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA.

The present-day Trust is administered by **mhs homes limited** (mhs homes) who were appointed as Corporate Trustee in June 2009. **mhs homes** is the corporate trustee and has delegated authority to the three executive directors to administer the charity.

The executive directors of **mhs homes** are:

Ashley Hook
Bruce Shelmerdine

Report of the trustee for the year ended 31 March 2022 (continued)

Legal and administrative details

At a public meeting held at the Town Hall, Chatham on 16 October 1916 to honour the memory of Lord Kitchener of Khartoum, it was agreed to open a public fund and use the monies raised to erect and endow homes for occupation by persons of the Borough who served in His Majesty's Forces. Subsequently the War Department agreed to lease an area of land at Fort Pitt Hill, Chatham (on a lease of 999 years) and the homes were erected on this site in 1923.

The Lord Kitchener Memorial Homes Trust was registered with the Charity Commission (registration number 209751) on 1 January 1961 as a Charity whose purpose is to provide accommodation for ex-Servicemen of the Borough of Chatham. The Charity's governing document is the Trust Deed dated 23 March 1923, as amended by the Charity Commission Scheme dated 11 June 1996 (which widened the eligibility criteria for residence at the Homes). The Trust de-registered from the Tenants Service Authority on 8 July 2009. The present-day Trust is administered by **mhs homes**, who were appointed as Trustee in June 2009.

Appointment of trustee

mhs homes were appointed as Corporate Trustee in June 2009. The appointment of **mhs homes** was carried out following full consultation with the Charity Commission and the residents.

The current strategy is not to change the trustee position, with **mhs homes** planning to remain as corporate trustee for the foreseeable future. In the unlikely event of new trustee being appointed there is an established selection and appointment system used by the **mhs homes group** based on objective criteria for recruiting new members to the Board of Trustees. The trustee affirms the benefits of an open system of appointment using set criteria to assess skills, experience and competences, required of suitable candidates. Any induction and training process entails the deployment and application of procedures resourced by the **mhs homes group**, including visits to projects and meetings with staff.

The organisational structure

The charity is managed on a day to day basis by **mhs homes** meaning that the charity benefits from the support and professionalism of a substantial provider of social housing. Risks are identified through the risk management process of **mhs homes** though due to the support provided by **mhs homes**, none are considered significant.

Statement of charitable benefit

The primary purpose of the charity is to provide almshouse accommodation for people who are in need and who live (or have lived) in the borough of Medway, with preference given to those who have served in the armed forces (Including the merchant navy engaged in duties for the Royal Navy) and their dependents. **mhs homes** provides Housing Management services that include helping people to move into their new homes, providing a platform for people to enhance their life chances. Staff provide tenancy management and advice services in areas including tackling anti-social behaviour, neighbour issues, repairing and improving properties. An adaptations service is also provided to enable people with disabilities to get around their own homes and access the community.

Report of the trustee for the year ended 31 March 2022 (continued)

Statement of charitable benefit (continued)

Furthermore, the objects of the charity are such charitable purposes for the benefit of the residents as the trustee decides.

The charity meets the objectives by providing 6 properties for accommodation with rent levels significantly below market rents. Properties are let in accordance with the objectives noted above.

Fundraising statement

Although we do not undertake 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 would be presented in our accounts as donations.

In relation to the above we confirm that if funds were held, they would be managed internally, without involvement of third parties. The day to day management of all income generation is delegated to the leadership team, who are accountable to the trustees. The charity has no undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times as we do not approach individuals for funds we do not consider it necessary to design specific procedures to monitor such activities.

Risk management

Aided by the Directors' Team of the parent organisation, the Trustee has examined the major strategic, business and operational risks faced by the charity. Accordingly, the Trustee confirms that effective systems operate to minimise the consequences posed by risk, but at the same time is aware that it is not possible to entirely eliminate all factors of risk. All risks have been reviewed during the year.

Future plans

The future plans of Lord Kitchener are to maintain and let the current properties owned. There are no plans for development of new units.

Reserves policy

The target level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained. Refer to Note 10 for additional details.

Achievement, performance and financial review

Net current asset and investments are sufficient to cover over three years of rental income, and there is also the support of mhs homes that can be called on, hence there are sufficient resources to continue even in the most extreme of circumstances. The level of investments and reserves held will be reviewed periodically to ensure whether best value is being obtained. Otherwise the plans of the charity are to ensure that the properties continue to be suitably maintained and let.

Report of the trustee for the year ended 31 March 2022 (continued)

Achievement, performance and financial review (continued)

The key features of the financial year were as follows:

1. The Trust had a surplus of income over expenditure on activities for the year amounting to £15,999 (2021: surplus of £19,833).
2. Rental income was £34,337 for the last 12 months (2021: £34,379).
3. The Trustee has established a regular maintenance programme for the homes and set aside specific maintenance funds to reflect this commitment.
4. The investment portfolio has been constituted with the objective of protecting the interests of future residents as well as those of the present and thus the strategy is to endeavour to protect the value of both the capital and income of the Charity. The market value is structured between; cash 5% (2021:5%); bonds 19% (2021:20%); equities 76% (2021:75%).
5. The total market value of all the Trust's Investments have increased (7.47%) to £90,837 (2021: £84,522).
6. The Trust has not acquired or discontinued any fundamental activities during the last two financial years nor has it any recognised gains or losses other than those included in the statement of financial activities.

BDO LLP was appointed as auditor in 2020 and has expressed its willingness to continue in office.

By Order of the Board



Ashley Hook
14 July 2022

Statement of Trustee Responsibilities in Respect of the Report of the Trustee and the Financial Statements

The charity trustee is responsible for preparing the trustee's annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the charity trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing the financial statements, the trustee is required to:

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

The Trustee is 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the trustee is aware at the time of approving the trustee's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of the charity's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charity's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Ashley Hook

Chair

14 July 2022

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and 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.

We have audited the financial statements of Lord Kitchener Memoria Homes Trust ("the Charity") for the year ended 31 March 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustee and the Statement of Trustee's Responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

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.

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 Act 2011 requires us to report to you if, in our opinion;

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

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities statement, the Trustee is 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 determines 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 Trustee is responsible for assessing 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 Trustee either intends 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Charities Act 2011. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Data Protection and Health and Safety Legislation.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing items included in the fraud register;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


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 trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee 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

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

other than the Charity and the Charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 01 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lord Kitchener Memorial Homes Trust

Statement of Financial Activities For the year ended 31 March 2022

	Note	Year to 31 March 2022		31 March 2021
		Unrestricted Funds £	Total Fund £	Total Fund £
Income				
Rental Income		34,337	34,337	34,379
Interest Receivable & Other Income		191	191	216
Investment Income		1	1	33
Total Income		34,529	34,529	34,628
Expenditure:				
Governance Costs	3	2,640	2,640	2,100
Property Costs (inc depreciation)	3	15,890	15,890	12,695
Total Expenditure		18,530	18,530	14,795
Net income before recognised gains and losses		15,999	15,999	19,833
Gain on Fixed Asset Investments	5	6,314	6,314	12,725
Net movement in funds for the year		22,313	22,313	32,558
Total funds brought forward		407,708	407,708	375,150
Total funds carried forward		430,021	430,021	407,708

The notes on pages 13 to 20 form part of these financial statements.

All income and expenditure is derived from continuing activities.

Lord Kitchener Memorial Homes Trust

Balance Sheet as at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
Fixed Assets			
Tangible Assets			
Housing Properties	4	268,974	273,653
Investments			
Listed Investments	5	<u>90,837</u>	<u>84,522</u>
		359,811	358,175
Current Assets			
Cash at Bank		3,864	3,673
Debtors	6	<u>69,405</u>	<u>48,650</u>
		73,269	52,323
Current Liabilities			
Amounts falling due within one year	7	<u>(3,059)</u>	<u>(2,790)</u>
Net Current Assets		<u>70,210</u>	<u>49,533</u>
Total Assets Less Current Liabilities		430,021	407,708
Net assets		<u><u>430,021</u></u>	<u><u>407,708</u></u>
Funds of Charity			
Public Subscriptions		22,298	22,298
Revenue Reserves		331,584	316,389
Designated Funds	8	<u>76,139</u>	<u>69,021</u>
Total Charity Funds		<u><u>430,021</u></u>	<u><u>407,708</u></u>

These financial statements were approved and authorised for issue by the Trustee and signed on their behalf on 14 July 2022 by Bruce Shelmerdine.



Trustee

The notes on pages 13 to 20 form part of these financial statements.

Lord Kitchener Memorial Homes Trust

Statement of cash flows for the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income before recognised gains and losses for the financial year		15,999	19,833
Depreciation of fixed assets – housing properties	4	4,679	4,679
Increase in debtors	6	(20,755)	(24,457)
Increase in creditors	7	269	193
Adjustment for interest and investment income received		(192)	(249)
Cash from operations		-	(1)
Taxation paid		-	-
Net cash generated from operating activities		-	(1)
Cash flows from investing activities			
Purchase of investments	5	(1)	(18)
Interest and investment income received		192	249
Total Cash Flows from Investing Activities		191	231
Net increase in cash and cash equivalents		191	230
Cash and cash equivalents at beginning of year		3,673	3,443
Cash and cash equivalents at end of year		3,864	3,673

The notes on pages 13 to 20 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

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), **Lord Kitchener Memorial Homes Trust** meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historic cost or value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The trust reported a net increase in cash and cash equivalents in the year of £191 (2021: £230) giving a total of £3,864 (2021: £3,673) as at 31 March 2022.

The board reviewed the Trust's forecasts for the period up to 31 July 2023 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet, rent collection and maintenance spend the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Trust's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Income

All income is accounted for when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. Investment income consists of bank interest and investment income.

Rental income is generated by the six homes, which provide accommodation for occupation by persons of the Borough who served in Her Majesty's Forces.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustee has decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects to be undertaken by the charity.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes property and other costs undertaken to further the purposes of the charity and their associated support costs.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Fixed Assets – Buildings

Housing Properties are stated at cost less accumulated depreciation. The accounting policy calculates depreciation on a component accounting basis. This means that depreciation is charged based on the useful life of each component within its housing properties as follows:-

Structure	65 years
Kitchens	20 years
Bathroom	30 years
Boiler Replacement	15 years
Electrics	30 years
Roof	50 years
Windows	40 years

Impairment

Assets are reviewed for impairment if there is an indication that impairment may have occurred. Assessing impairment requires the use of estimation techniques. In making this assessment, the Trustee considers publicly available information, external valuations and internal forecasts on future activity.

Debtors

Trade and other debtors are recognised at the settlement amount.

Creditors

Creditors are recognised where the Trust 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 are recognised at their settlement amount after allowing for any discounts due.

Investments

Investments are stated at market value (note 6). A notional dividend is received and reinvested on the Shares holding and this is reflected in the book value and through the income and expenditure account. The statement of financial activities shows net investment gains and losses arising from revaluation.

Social Housing Grant

Where developments have been financed wholly or partly by social housing grant the amount of grant received has been included as income and recognised in turnover when it becomes receivable.

Income from capital grants are recognised when the conditions of the grant are met.

The Trust has not directly benefited from any other forms of government assistance.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis.

Governance costs

This covers external audit fees.

Taxation

Lord Kitchener Memorial Homes Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The trustees have also considered impairment based on their assumptions to define cash or asset generating units.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 5):

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Notes to the Financial Statements (continued)

3. Resources expended

The resources expended fall into the following categories.

	Property related £	Interest £	Support £	2022 Total £	2021 Total £
Charitable Activities:					
Governance Costs	-	-	2,640	2,640	2,100
Depreciation	4,679	-	-	4,679	4,679
Property Costs	11,210	-	-	11,210	8,016
Interest costs	-	-	-	-	-
Total	15,890	-	2,640	18,530	14,795

The trustee received no remuneration in respect of services to the Charity in the current or prior year. None of the trustees were reimbursed for out of pocket expenses (2021: nil). Governance costs includes £2,640 (2021 - £1,750) in relation to audit fees.

4. Tangible fixed assets – buildings

Cost	£
As at 1 April 2021	322,319
Depreciation	£
At 1 April 2021	48,666
Charge for the year	4,679
As at 31 March 2022	53,345
Net book value as At 31 March 2022	268,974
At 31 March 2021	273,653

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

5. Investments

	£
Market value as 1 April 2021	84,522
Add: Income reinvested	1
Plus: Net investment gains in the year	<u>6,314</u>
Market value as 31 March 2022	<u>90,837</u>
Cost as at 31 March 2022	<u>22,442</u>

Represented By:		2022		2021	
Holding	Listed Investments	Cost £	Market Value £	Cost £	Market Value £
164.295	Charinco Accumulation Shares 4437p per share	6,560	10,644	6,560	9,885
1485.957	Charishare Income Shares 533p per share	3,528	8,246	3,528	8,652
263.85	COIF Accumulation Shares 11922p per share	2,030	61,011	2,030	54,653
4603.48	COIF Fixed Interest Income Shares 138.60p per share	5,533	5,762	5,533	6,204
751	NAACIF Income Shares 80p per share	307	690	307	645
	Other Investments:				
n/a	COIF Charities Deposit Fund	2,280	2,280	2,279	2,279
n/a	National Savings Investment (CMF)	2,204	2,204	2,204	2,204
		<u>22,442</u>	<u>90,837</u>	<u>22,441</u>	<u>84,522</u>

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

5. Investments (continued)

The Lord Kitchener Memorial Homes investment portfolio consists of cash in National Savings Investment Accounts and shares in Common Investment Funds which provide a cost effective method of investing in the fixed interest and equity markets.

		Category of Investment		
Fund Manager		Cash %	Bonds %	Equities %
Charinco Accumulation Shares	Black Rock	-	11.72	-
Charishare Income Shares	Black Rock	-	-	9.08
COIF Accumulation Shares	CCLA Investment Management	-	-	67.16
COIF Charities Deposit Fund	CCLA Investment Management	2.51	-	-
COIF Fixed Interest Income Shares	CCLA Investment Management	-	6.34	-
NAACIF Income Shares	M&G Investment Management	-	0.76	-
National Savings Investment	n/a	2.43	-	-
		<u>4.94</u>	<u>18.82</u>	<u>76.24</u>

6. Debtors

	2022 £	2021 £
Loan to mhs	69,198	46,964
Other debtors	-	72
Rent arrears	207	1,614
	<u>69,405</u>	<u>48,650</u>

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	3,059	2,790
	<u>3,059</u>	<u>2,790</u>

Notes to the Financial Statements (continued)

8. Designated funds

The defined categories of repair funds reflect the Trust's liability to maintain its property in accordance with a planned programme of maintenance. The target level of reserves is that to maintain sufficient funds are available to meet the future planned and major repairs required for the upkeep of the properties.

- (a) Reserves to meet major structural repairs and improvements have been provided for through the creation of an extraordinary repairs fund which has a balance of £71,655 (2021: £64,538).
- (b) External and internal redecoration being estimated to take place every 5-7 years, the cyclical maintenance fund was created to meet such costs in any year and now has a balance of £2,204 (2021: £2,204).
- (c) A routine maintenance fund exists to cover normal maintenance in excess of budgeted expenditure for the whole year and amounts to £2,280 (2021: £2,279).

The movements of the repair funds reconcile as follows:

	Extra Ordinary Repair Fund £	Cyclical Maintenance Fund £	Routine Maintenance Fund £	Designated Total £
Balance as at 1 April 2021	64,538	2,204	2,279	69,021
Accumulated Income	803	-	1	804
Net investment gain	6,314	-	-	6,314
Balance as at 31 March 2022	71,655	2,204	2,280	76,139
Represented by:				
Charinco Accumulation Shares	10,644	-	-	10,644
COIF Accumulation Shares	61,011	-	-	61,011
COIF Charities Deposit Fund	-	-	2,280	2,280
National Savings Investment	-	2,204	-	2,204
	71,655	2,204	2,280	76,139

The level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained.

Notes to the Financial Statements (continued)

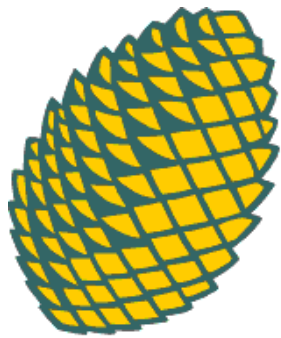
9. Related Party Transactions

The ultimate controlling party of the group is **mhs homes limited** – formerly a Community Benefit Society, a registered charity incorporated under CA2006 registered in England and Wales, whose accounts are available from the company's registered office at Broadside, Leviathan Way, Chatham, Kent ME4 4LL.

THE LORD KITCHENER MEMORIAL HOMES TRUST

England & Wales - Charity number 209751

Accounts



mhs

**Lord Kitchener
Memorial Homes
Trust**

Annual Report

For the year ended
31 March 2021

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Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ending 31 March 2021

The Trustee of **Lord Kitchener Memorial Homes Trust** presents the annual report and audited accounts for the year ended 31 March 2021.

Reference and administration details

Charity registered number:	209751
Registered Office	Broadside, Leviathan Way, Chatham, Kent ME4 4LL
Chair	Ashley Hook
Trustee Name	mhs homes limited
Bankers	National Westminster Bank Plc., 148 High Street, Chatham, Kent ME4 4DB
Solicitors	Trowers and Hamlins LLP, 3 Bunhill Row, London, EC1Y 8YZ
Auditors	BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA.

The present-day Trust is administered by **mhs homes limited** (mhs homes) who were appointed as Corporate Trustee in June 2009. **mhs homes** is the corporate trustee and has delegated authority to the three executive directors to administer the charity.

The executive directors of **mhs homes** are:

Ashley Hook
Bruce Shelmerdine
Stephanie Goad

Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ended 31 March 2021 (continued)

Legal and administrative details

At a public meeting held at the Town Hall, Chatham on 16 October 1916 to honour the memory of Lord Kitchener of Khartoum, it was agreed to open a public fund and use the monies raised to erect and endow homes for occupation by persons of the Borough who served in His Majesty's Forces. Subsequently the War Department agreed to lease an area of land at Fort Pitt Hill, Chatham (on a lease of 999 years) and the homes were erected on this site in 1923.

The Lord Kitchener Memorial Homes Trust was registered with the Charity Commission (registration number 209751) on 1 January 1961 as a Charity whose purpose is to provide accommodation for ex-Servicemen of the Borough of Chatham. The Charity's governing document is the Trust Deed dated 23 March 1923, as amended by the Charity Commission Scheme dated 11 June 1996 (which widened the eligibility criteria for residence at the Homes). The Trust de-registered from the Tenants Service Authority on 8 July 2009. The present-day Trust is administered by **mhs homes**, who were appointed as Trustee in June 2009.

Appointment of trustee

mhs homes were appointed as Corporate Trustee in June 2009. The appointment of **mhs homes** was carried out following full consultation with the Charity Commission and the residents.

The current strategy is not to change the trustee position, with **mhs homes** planning to remain as corporate trustee for the foreseeable future. In the unlikely event of new trustee being appointed there is an established selection and appointment system used by the **mhs homes group** based on objective criteria for recruiting new members to the Board of Trustees. The trustee affirms the benefits of an open system of appointment using set criteria to assess skills, experience and competences, required of suitable candidates.

Any induction and training process entails the deployment and application of procedures resourced by the **mhs homes group**, including visits to projects and meetings with staff.

The organisational structure

The charity is managed on a day to day basis by **mhs homes** meaning that the charity benefits from the support and professionalism of a substantial provider of social housing. Risks are identified through the risk management process of **mhs homes**. **though due**, e to the support provided by **mhs homes** none are considered significant.

Statement of charitable benefit

The primary purpose of the charity is to provide almshouse accommodation for people who are in need and who live (or have lived) in the borough of Medway, with preference given to those who have served in the armed forces (Including the merchant navy engaged in duties for the Royal Navy) and their dependents. **mhs homes** provides Housing Management services that include helping people to move into their new homes, providing a platform for people to enhance their life chances. Staff provide tenancy management and advice services in areas including tackling anti-social behaviour, neighbour issues, repairing and improving properties. An adaptations service is also provided to enable people with disabilities to get around their own homes and access the community.

Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ended 31 March 2021 (continued)

Statement of charitable benefit (continued)

Furthermore, the objects of the charity are such charitable purposes for the benefit of the residents as the trustee decides.

The charity meets the objectives by providing 6 properties for accommodation with rent levels significantly below market rents. Properties are let in accordance with the objectives noted above.

Fundraising statement

Although we do not undertake 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 would be presented in our accounts as donations.

In relation to the above we confirm that if funds were held, they would be managed internally, without involvement of third parties. The day to day management of all income generation is delegated to the leadership team, who are accountable to the trustees. The charity has no undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times as we do not approach individuals for funds we do not consider it necessary to design specific procedures to monitor such activities.

Risk management

Aided by the Directors' Team of the parent organisation, the Trustee has examined the major strategic, business and operational risks faced by the charity. Accordingly, the Trustee confirms that effective systems operate to minimise the consequences posed by risk, but at the same time is aware that it is not possible to entirely eliminate all factors of risk. All risks have been reviewed during the year.

Future plans

The future plans of Lord Kitchener are to maintain and let the current properties owned. There are no plans for development of new units.

Reserves policy

The target level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained. Refer to Note 10 for additional details.

Achievement, performance and financial review

Net current asset and investments are sufficient to cover over three years of rental income , and there is also the support of mhs homes that can be called on , hence there are sufficient resources to continue even in the most extreme of circumstances. The level of investments and reserves held will be reviewed periodically to ensure whether best value is being obtained . Otherwise the plans of the charity are to ensure that the properties continue to be suitably maintained and let.

Lord Kitchener Memorial Homes Trust

Report of the trustee for the year ended 31 March 2021 (continued)

Achievement, performance and financial review (continued)

The key features of the financial year were as follows:

1. The Trust had a surplus of income over expenditure on activities for the year amounting to £19,833 (2020: surplus of £30,614).
2. Rental income was £34,379 for the last 12 months (2020: £33,997).
3. The Trustee has established a regular maintenance programme for the homes and set aside specific maintenance funds to reflect this commitment.
4. The investment portfolio has been constituted with the objective of protecting the interests of future residents as well as those of the present and thus the strategy is to endeavour to protect the value of both the capital and income of the Charity. The market value is structured between; cash 5% (2020:6%); bonds 20% (2020:21%); equities 75% (2020:73%).
5. The total market value of all the Trust's Investments have increased (17.8%) to £84,522 (2020: £71,779).
6. The Trust has not acquired or discontinued any fundamental activities during the last two financial years nor has it any recognised gains or losses other than those included in the statement of financial activities.

BDO LLP was appointed as auditor in 2020 and has expressed its willingness to continue in office.

By Order of the Board



Ashley Hook
14 July 2021

Lord Kitchener Memorial Homes Trust

Statement of Trustee Responsibilities in Respect of the Report of the Trustee and the Financial Statements

The charity trustee is responsible for preparing the trustee's annual report and financial statements in accordance with applicable law and regulations.

Charity law requires the charity trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing the financial statements, the trustee is required to:

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

The Trustee is 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the trustee is aware at the time of approving the trustee's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of the charity's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the charity's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Ashley Hook
Chair

14 July 2021

Lord Kitchener Memorial Homes Trust

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and 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.

We have audited the financial statements of Lord Kitchener Memorial Homes Trust ("the Charity") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustee and the Statement of Trustee's Responsibilities. Our opinion on the financial statements does not cover

Lord Kitchener Memorial Homes Trust

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

the other information and, except to the extent otherwise explicitly stated in our report, 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 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.

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 Act 2011 requires us to report to you if, in our opinion;

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

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities statement, the Trustee is 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 determines 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 Trustee is responsible for assessing 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 Trustee either intends 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Lord Kitchener Memorial Homes Trust

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Charities Act 2011. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Data Protection and Health and Safety Legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence if any.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing items included in the fraud register;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the recoverable amount of assets;
- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Lord Kitchener Memorial Homes Trust

Independent Auditor's Report to the Trustee of Lord Kitchener Memorial Homes Trust (continued)

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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 trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

E Kulczycki

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Elizabeth Kulczycki (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
28 July 2021

BDO LLP 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.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lord Kitchener Memorial Homes Trust

Statement of Financial Activities For the year ended 31 March 2021

	Note	Year to 31 March 2021		31 March
		Unrestricted Funds £	Total Fund £	2020 Total Fund £
Income				
Rental Income		34,379	34,379	33,997
Interest Receivable & Other Income		216	216	231
Investment Income		33	33	33
Total Income		34,628	34,628	34,261
Expenditure:				
Governance Costs	3	2,100	2,100	2,279
Property Costs (inc depreciation)	3	12,695	12,695	1,317
Interest Costs	4	-	-	51
Total Expenditure		14,795	14,795	3,647
Net income before recognised gains and losses		19,833	19,833	30,614
Gain on Fixed Asset Investments	6	12,725	12,725	(1,093)
Net movement in funds for the year		32,558	32,558	29,521
Total funds brought forward		375,150	375,150	345,629
Total funds carried forward		407,708	407,708	375,150

The notes on pages 13 to 20 form part of these financial statements.

All income and expenditure is derived from continuing activities.

Lord Kitchener Memorial Homes Trust

Balance Sheet as at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed Assets			
Tangible Assets			
Housing Properties	5	273,653	278,332
Investments			
Listed Investments	6	<u>84,522</u>	<u>71,779</u>
		358,175	350,111
Current Assets			
Cash at Bank		3,673	3,443
Debtors	7	<u>48,650</u>	<u>24,193</u>
		52,323	27,636
Current Liabilities			
Amounts falling due within one year	8	<u>(2,790)</u>	<u>(2,597)</u>
Net Current Assets		<u>49,533</u>	<u>25,039</u>
Total Assets Less Current Liabilities		407,708	375,150
Net assets		<u><u>407,708</u></u>	<u><u>375,150</u></u>
Funds of Charity			
Public Subscriptions		22,298	22,298
Revenue Reserves		316,389	296,487
Designated Funds	9	<u>69,021</u>	<u>56,365</u>
Total Charity Funds		<u><u>407,708</u></u>	<u><u>375,150</u></u>

These financial statements were approved and authorised for issue by the Trustee and signed on their behalf on 14 July 2021 by Bruce Shelmerdine.



Trustee

The notes on pages 13 to 20 form part of these financial statements.

Lord Kitchener Memorial Homes Trust

Statement of cash flows for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income before recognised gains and losses for the financial year		19,833	30,614
Depreciation of fixed assets – housing properties	5	4,679	4,679
Increase in debtors	7	(24,457)	(22,718)
Increase in creditors	8	193	575
Adjustment for interest and investment income received		(249)	(264)
Cash from operations		(1)	12,886
Taxation paid		-	-
Net cash generated from operating activities		(1)	12,886
Cash flows from investing activities			
Purchase of investments	6	(18)	(33)
Interest and investment income received		249	264
Total Cash Flows from Investing Activities		231	231
Cash flows from financing activities			
Repayment of loans		-	(12,886)
Total Cash Flows from Financing Activities		-	(12,886)
Net increase in cash and cash equivalents		230	231
Cash and cash equivalents at beginning of year		3,443	3,212
Cash and cash equivalents at end of year		3,673	3,443

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements

1. Accounting Policies

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 (FRS102)), which includes the amendments as a result of the Triennial Review 2017, **Lord Kitchener Memorial Homes Trust** meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historic cost or value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The trust reported a net increase in cash and cash equivalents in the year of £230 (2020: £231) giving a total of £3,673 (2020: £3,443) at 31 March 2021.

The board reviewed the Trust's forecasts for the period up to 31 July 2022 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Given the strength of the balance sheet, rent collection and maintenance spend the board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Trust's ability to continue as a going concern. The board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Income

All income is accounted for when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. Investment income consists of bank interest and investment income.

Rental income is generated by the six homes, which provide accommodation for occupation by persons of the Borough who served in Her Majesty's Forces.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustee has decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects to be undertaken by the charity.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes property and other costs undertaken to further the purposes of the charity and their associated support costs.

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Fixed Assets – Buildings

Housing Properties are stated at cost less accumulated depreciation. The accounting policy calculates depreciation on a component accounting basis. This means that depreciation is charged based on the useful life of each component within its housing properties as follows:-

Structure	65 years
Kitchens	20 years
Bathroom	30 years
Boiler Replacement	15 years
Electrics	30 years
Roof	50 years
Windows	40 years

Impairment

Assets are reviewed for impairment if there is an indication that impairment may have occurred. Assessing impairment requires the use of estimation techniques. In making this assessment, the Trustee considers publicly available information, external valuations and internal forecasts on future activity.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any discounts.

Creditors

Creditors are recognised where the Trust 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 are recognised at their settlement amount after allowing for any discounts due.

Investments

Investments are stated at market value (note 6). A notional dividend is received and reinvested on the Shares holding and this is reflected in the book value and through the income and expenditure account. The statement of financial activities shows net investment gains and losses arising from revaluation.

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Social Housing Grant

Where developments have been financed wholly or partly by social housing grant the amount of grant received has been included as income and recognised in turnover when it becomes receivable.

Income from capital grants are recognised when the conditions of the grant are met.

The Trust has not directly benefited from any other forms of government assistance.

Expenditure

All expenditure is accounted for on an accruals basis.

Governance costs

This covers external audit fees.

Taxation

Lord Kitchener Memorial Homes Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The trustees have also considered impairment based on their assumptions to define cash or asset generating units.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 5):

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

3. Resources expended

The resources expended fall into the following categories.

	Property related £	Interest £	Support £	2021 Total £	2020 Total £
Charitable Activities:					
Governance Costs	-	-	2,100	2,100	2,279
Depreciation	4,679	-	-	4,679	4,679
Property Costs	8,016	-	-	8,016	(3,362)
Interest costs	-	-	-	-	51
Total	12,695	-	2,100	14,795	3,647

The trustee received no remuneration in respect of services to the Charity. None of the trustees were reimbursed for out of pocket expenses. Governance costs includes £1,750 (2020 - £1,750) in relation to audit fees.

4. Interest payable

	2021 £	2020 £
Interest payable on loan from mhs homes limited	-	51
	-	51

5. Tangible fixed assets – buildings

Cost	£
As at 1 April 2020	322,319
Depreciation	£
At 1 April 2020	43,987
Charge for the year	4,679
As at 31 March 2021	48,666
Net book value as At 31 March 2021	273,653
At 31 March 2020	278,332

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

6. Investments

	£
Market value as 1 April 2020	71,779
Add: Income reinvested	18
Plus: Net investment gains in the year	12,725
Market value as 31 March 2021	84,522
Cost as at 31 March 2021	22,441

Represented By:		2021		2020	
Holding	Listed Investments	Cost £	Market Value £	Cost £	Market Value £
164.295	Charinco Accumulation Shares 4437p per share	6,560	9,885	6,560	7,938
1485.957	Charishare Income Shares 533p per share	3,528	8,652	3,528	8,522
263.85	COIF Accumulation Shares 11922p per share	2,030	54,653	2,030	43,961
4603.48	COIF Fixed Interest Income Shares 138.60p per share	5,533	6,204	5,533	6,367
751	NAACIF Income Shares 80p per share	307	645	307	526
	Other Investments:				
n/a	COIF Charities Deposit Fund	2,279	2,279	2,277	2,277
n/a	National Savings Investment (CMF)	2,204	2,204	2,188	2,188
		22,441	84,522	22,423	71,779

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

6. Investments (continued)

The Lord Kitchener Memorial Homes investment portfolio consists of cash in National Savings Investment Accounts and shares in Common Investment Funds which provide a cost effective method of investing in the fixed interest and equity markets.

		Category of Investment		
Fund Manager		Cash %	Bonds %	Equities %
Charinco Accumulation Shares	Black Rock	-	11.70	-
Charishare Income Shares	Black Rock	-	-	10.24
COIF Accumulation Shares	CCLA Investment Management	-	-	64.66
COIF Charities Deposit Fund	CCLA Investment Management	2.70	-	-
COIF Fixed Interest Income Shares	CCLA Investment Management	-	7.34	-
NAACIF Income Shares	M&G Investment Management	-	0.76	-
National Savings Investment	n/a	2.60	-	-
		<u>5.30</u>	<u>19.80</u>	<u>74.90</u>

7. Debtors

	2021 £	2020 £
Loan to mhs	46,964	21,766
Other debtors	72	72
Rent arrears	1,614	2,355
	<u>48,650</u>	<u>24,193</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	2,790	2,597
	<u>2,790</u>	<u>2,597</u>

Lord Kitcheener Memorial Homes Trust

Notes to the Financial Statements (continued)

9. Designated funds

The defined categories of repair funds reflect the Trust's liability to maintain its property in accordance with a planned programme of maintenance. The target level of reserves is that to maintain sufficient funds are available to meet the future planned and major repairs required for the upkeep of the properties.

- (a) Reserves to meet major structural repairs and improvements have been provided for through the creation of an extraordinary repairs fund which has a balance of £64,538 (2020: £51,900).
- (b) External and internal redecoration being estimated to take place every 5-7 years, the cyclical maintenance fund was created to meet such costs in any year and now has a balance of £2,204 (2020: £2,188).
- (c) A routine maintenance fund exists to cover normal maintenance in excess of budgeted expenditure for the whole year and amounts to £2,279 (2020: £2,277).

The movements of the repair funds reconcile as follows:

	Extra Ordinary Repair Fund £	Cyclical Maintenance Fund £	Routine Maintenance Fund £	Designated Total £
Balance as at 1 April 2020	51,900	2,188	2,277	56,365
Accumulated Income	(87)	16	2	(69)
Net investment gain	12,725	-	-	12,725
Balance as at 31 March 2021	64,538	2,204	2,279	69,021
Represented by:				
Charinco Accumulation Shares	9,885	-	-	9,885
COIF Accumulation Shares	54,653	-	-	54,653
COIF Charities Deposit Fund	-	-	2,279	2,279
National Savings Investment	-	2,204	-	2,204
	64,538	2,204	2,279	69,021

The level of reserves is to ensure that sufficient funds are available to meet future repairs costs required to ensure the properties are well maintained.

Lord Kitchener Memorial Homes Trust

Notes to the Financial Statements (continued)

10. Related Party Transactions

The ultimate controlling party of the group is **mhs homes limited** – formerly a Community Benefit Society, a registered charity incorporated under CA2006 registered in England and Wales, whose accounts are available from the company's registered office at Broadside, Leviathan Way, Chatham, Kent ME4 4LL.

Transactions with non regulated entities

mhs homes provides management services, other services and loans to its subsidiaries. mhs homes also receives interest charges from its subsidiaries. The quantum and basis of those charges is set out below.

	Management charges		Interest charges	
	2021	2020	2021	2020
	£	£	£	£
mhs homes	-	-	-	51

Intra-group management charges

No charge is made for management services.

Intra-group interest charges

Interest is charged on the loan provided by mhs homes to Lord Kitchener Memorial Homes Trust in accordance with the loan agreement. The loan agreement was revised and approved by both organisations in 2015 and repaid in 2019/20.

Intra-group loans

Entity granting loan	Entity receiving Loan	Opening balance	Movement	Closing balance
		£	£	£
mhs	Lord Kitchener Memorial Homes	-	-	-