

Charity number: 210336

Huggens' College

Trustees' report and financial statements

for the year ended 31 March 2021

Huggens' College

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Huggens' College

Reference and administrative details of the charity, its Trustees and advisers for the year ended 31 March 2021

Trustees

Mr M Balfour, President
Mrs J Ashton
Mrs M Blenkin
Mr E Church (appointed 4 November 2020)
Mrs K Fenwick
Mrs J Loudon
Mr C Page
Mr P Sheldon
Mrs C M Sims
Mr R Stanton
Mrs S Villiers
Mr C Warner

Charity registered number

210336

Principal office

6 Cross Green
Basildon
Essex
SS16 5QW

Charity and Finance Manager

Nichodimus Kawadza

Independent auditors

Kreston Reeves LLP
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Coutts & Co
St Martin's Office
440 Strand
London
WC2R 0QS

Solicitors

Brachers
Somerfield House
59 London Road
Maidstone
Kent
ME16 8JH

Huggens' College

Reference and administrative details of the charity, its Trustees and advisers (continued) for the year ended 31 March 2021

Gullands
16 Mill Street
Maidstone
Kent
ME15 6XT

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

M & G Securities
PO Box 9038
Chelmsford
CM99 2XF

BNY Mellon Fund Managers Ltd
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Sarasin Investment Funds Ltd
Juxton House
100 St Paul's Churchyard
London
EC4M 8BU

Huggens' College

Trustees' report for the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the charity for the 1 April 2020 to 31 March 2021. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in July 2014 and updated in February 2016.

Objectives and activities

a. Policies and objectives

The principal objective of the Charity is to provide public benefit through the provision of almshouse accommodation for retired members of the Church of England, or members of a Church affiliated to Churches together in Britain and Ireland who have passed their sixtieth birthday, are of limited financial resource and are capable of independent living.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

b. Strategies for achieving objectives

The strategy adopted to meet the objective of the Charity in delivering public benefit includes providing 30 bungalows, housing 34 people, a chapel, a common room and a Chaplain and a Lodgekeeper, who live at the College, to support the residents. The strategy also includes the Trustees charging Collegians maintenance contributions for the use of their accommodation at below rental market rates and instigating a scheme of refurbishment of almshouse accommodation in order to continue to provide comfortable and reasonably priced accommodation.

In addition the Charity allows its facilities to be used by local community groups and other organisations when permitted by Covid-19 restrictions.

Achievements and performance

a. Review of activities

During lockdown Chapel life continued with regular services for Collegians, seated socially distanced, face masks worn, with no singing and restricted movements.

There were a few social events including a study group during Lent held after a service in Chapel. It has not been possible for a Trustee to visit the Collegians each month. Instead, each Trustee has telephoned two or three Collegians regularly to check on their wellbeing.

The College Room remained opened for the Library, with books being refreshed from Kent Library service, and for reading the newspapers delivered twice a week. Anyone in the building had to wear a mask. Hand sanitiser was available. The kitchen area was been locked off during the year restricting any more social activities.

Founders' Day was remembered outdoors, with prayers, a digital recording of the Founders speech read by the President and music with the Huggens proms.

During the warmer weather musical and exercise events took place outdoors on the College Green.

One fundraising event for Christian Aid week took place when through envelope donations £190 was raised by Collegians.

The Collegians are looking forward to the reopening of the College Room and kitchen and starting some social activities whilst being careful to observe Government rules that are in place.

**Trustees' report (continued)
for the year ended 31 March 2021**

Achievements and performance (continued)

b. Investment policy and performance

Following a Charity Commission order in 1971, the Charity invested in a National Association of Almshouses Common Investment Fund (NAACIF) and income generated by this investment is reinvested in accordance with the requirements of the order. On 15 November 2019 this fund merged with the M&G Charity Multi Asset Fund (a new Charity Authorised Investment Fund 'CAIF') on a one for one basis. This investment (after allowing for disposals), and other investments held by the Charity, have increased in value over the financial year.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees have reviewed the reserves of the College. This review encompassed the nature of the major income and expenditure streams and the need to match income and expenditure. The College's principal source of funds is from maintenance contributions from Collegians and investments.

As a result of this review, the Trustees confirmed that, to enable the College to continue to meet its objectives, to operate efficiently and to provide a buffer for both planned and unexpected costs in respect of the College property, an unrestricted general reserve of two years average expenditure should be maintained. A designated maintenance fund should be maintained at no more than the equivalent of five times the Almshouse Association's recommended annual transfer to a Cyclical Maintenance Fund within Greater London.

Total funds held by the charity as at 31 March 2021 were £11,902,492 of which £11,296,890 was unrestricted. General reserves amounted to £555,096. Actual two years average expenditure is £551,742 therefore the current level of reserves is marginally higher than the amount required by the policy. After allowing for funds tied up in designated funds, and excluding the amount held as tangible fixed assets, gave free reserves of £547,595.

The Trustees also concluded that as the College has restricted funds of £531,687, which are represented by specific assets, that can be utilised to meet the costs of major long-term modernisation and repairs, there was no need to establish a separate Extraordinary Repair Fund. The details and purposes of these funds are shown in the financial statements (see note 19).

c. Financial review

The net incoming resources for the year, before net gains/(losses) on investments amounted to £1,801 (2020: incoming £14,852).

During the year the investment property was sold resulting in a net gain of £1,825,214. At the year end the overall market value of the investments have increased resulting in a net gain of £434,051. (2020: loss of £101,726).

The total fund balances at 31 March 2021, amounted to £11,902,492 (2020: £9,641,426).

d. Principal funding

The Charity continues to be reliant upon the income generated from its investments. This together with the maintenance charges generated provides income for the Charity's needs.

**Trustees' report (continued)
for the year ended 31 March 2021**

e. Material investments policy

The Charity holds a diversified portfolio of investments which are managed by external fund managers. The value of all investments in the portfolio has, overall, increased during the year.

Structure, governance and management

a. Constitution

Huggens' College was incorporated by Act of Parliament in 1847 and is registered as a Charity with the Charity Commissioners in England and Wales with registration number 210336.

b. Methods of appointment or election of Trustees

The management of the Charity and the appointment of Trustees is the responsibility of the Trustees. Trustees are appointed under the terms of the Rules, Regulations and Scheme of the Charity.

c. Policies adopted for the induction and training of Trustees

New Trustees are inducted into the workings of the Charity, including policies and procedures, via the Charity and Finance Manager with an induction briefing and discussion with existing Trustees.

In addition, new Trustees may shadow an existing Trustee on a monthly College visit when permitted by Covid-19 restrictions.

**Trustees' report (continued)
for the year ended 31 March 2021**

Structure, governance and management (continued)

d. Pay policy for senior staff

Introduction

This policy sets out the principles upon which the Trustees of Huggens College make decisions about staff salary.

Principles

The following pay principles are applied:

- salaries will be reviewed annually and benchmarked when necessary against suitable employers;
- salaries must be affordable given the financial performance of the charity.

Policy Statement

Huggens College seeks to ensure that its remuneration policy and practices are compatible with effective risk management. This is done by embedding the following principles into its Pay Policy:

- remuneration is compatible with the risk management and risk tolerance of the charity;
- remuneration supports the charity's strategy, objectives, values and long-term interests;
- employees in control functions have appropriate authority and are remunerated adequately in accordance to their functions; and
- the Finance Committee, on behalf of the Trustees, approves and reviews annually the general principles of the remuneration policy.

This policy aims to attract and retain people with the right mix of skills and experience who share the charity's values and are prepared to work together as a team.

**Trustees' report (continued)
for the year ended 31 March 2021**

Structure, governance and management (continued)

Scope

This policy applies to all employees of Huggens College. It is owned by the Trustees. Its content and any amendments are subject to approval by the Trustees. The policy will be reviewed annually by the Finance Committee.

Benchmarking

Huggens College needs to be able to attract and retain suitable individuals. The need for appropriate levels of remuneration must be taken into account and will be a significant factor for some candidates. A job evaluation scheme would be disproportionate to the size of Huggens College. Therefore should the need for benchmarking occur Huggens College will take into account pay across charities and not for profit organisations in the Kent/Sussex area. It will aim to benchmark its salaries at the median after making allowance for other benefits that are included within a role such as the provision of living accommodation.

Salary process and recommendations for salary awards

The Trustees maintain oversight and control over Huggens College's salaries to ensure pay levels remain appropriate.

The approach adopted comprises:

- A recommendation on whether to make an annual pay increase will be made by the Finance Committee when it considers the next financial year's estimates and the performance of an employee. That recommendation will then be considered at the January Trustees' Meeting.
- Different levels of increase may be awarded to different staff if felt appropriate by the Trustees.
- Responsibility for overseeing the salary budget rests with the President who will notify the Clerk, in writing, of the individual increases to be applied to each member of staff from 1 April.
- Employees will receive written notification of any salary awards made to them.

Anyone who is subject to formal action arising from poor performance or conduct will not receive a pay increase until their performance is deemed satisfactory by their line manager.

Employee Benefits

Huggens College offers the following employee benefits in addition to salary:

- In addition to public holidays 25 days annual leave per calendar year. This is adjusted "pro rata" in the first and last year of employment and as appropriate for part time staff.
- For employees, who have successfully completed their probation, who are absent through ill health Statutory Sick Pay (SSP) will be topped up as follows:
 - One month at full pay; plus
 - One month at half pay (if more than SSP); but
 - No more than one month at full pay and one month at half pay will be paid in a rolling twelve month period;
- Membership of the National Employment Savings Trust (NEST) pension scheme with the employer making contributions on the employee's behalf in accordance with the auto enrolment requirements.

**Trustees' report (continued)
for the year ended 31 March 2021**

Structure, governance and management (continued)

e. Organisational structure and decision making

The Trustees exercise the general control and management of the Charity.

The Trustees have given the Chaplain the authority to act on their behalf, to oversee the spiritual and physical welfare of the Collegians, together with the security of the College.

The Charity and Finance Manager acts as financial controller of the Charity under the guidance of the Finance Committee of the Charity.

f. Risk management

The Trustees continue to assess the major risks to which the Charity is exposed, in particular those related to its operations and finances, and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks. The Trustees maintain a Risk Register that is monitored on a regular basis and reviewed annually by the Trustees.

Plans for future periods

The refurbishment scheme for the College properties and the grounds of the site will continue, for the benefit of the Collegians. During the year two bungalows underwent full refurbishment. The Trustees are also committed to ensuring that all the bungalows are refurbished to a high standard when appropriate to provide excellent accommodation for the Collegians.

The Charity's investment property was sold during the year. The Trustees are exploring the possibility of using the funds generated to increase the amount of accommodation they can provide.

The Trustees are exploring with the Charity Commission the possibility of widening the Charity's objects.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (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.

**Trustees' report (continued)
for the year ended 31 March 2021**

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 27 July 2021 and signed on their behalf by:



Mr M Balfour
President

Independent auditors' report to the Members of Huggens' College

Opinion

We have audited the financial statements of Huggens' College (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 the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditors' report to the Members of Huggens' College (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report to the Members of Huggens' College (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Huggens' College

Independent auditors' report to the Members of Huggens' College (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Statutory Auditor
Chartered Accountants

Canterbury

30 July 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**Statement of financial activities
for the year ended 31 March 2021**

| | Note | Endowment funds 2021 £ | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | - | - | 2,064 | 2,064 | 5 |
| Charitable activities | 5 | - | - | 206,462 | 206,462 | 200,154 |
| Investments | 4 | - | - | 56,191 | 56,191 | 105,442 |
| Other income | 6 | - | - | - | - | 150 |
| Total income and endowments | | - | - | 264,717 | 264,717 | 305,751 |
| Expenditure on: | | | | | | |
| Charitable activities | 7 | - | - | 262,916 | 262,916 | 290,899 |
| Total expenditure | | - | - | 262,916 | 262,916 | 290,899 |
| Net income before net gains/(losses) on investments | | - | - | 1,801 | 1,801 | 14,852 |
| Net gains/(losses) on investments | | - | 151,725 | 2,107,540 | 2,259,265 | (101,726) |
| Net income/(expenditure) | | - | 151,725 | 2,109,341 | 2,261,066 | (86,874) |
| Transfers between funds | 18 | - | (250,000) | 250,000 | - | - |
| Net movement in funds before other recognised gains | | - | (98,275) | 2,359,341 | 2,261,066 | (86,874) |
| Other recognised gains: | | | | | | |
| Gains on revaluation of fixed assets | | - | - | - | - | 300,000 |
| Net movement in funds | | - | (98,275) | 2,359,341 | 2,261,066 | 213,126 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 73,915 | 629,962 | 8,937,549 | 9,641,426 | 9,428,300 |
| Net movement in funds | | - | (98,275) | 2,359,341 | 2,261,066 | 213,126 |
| Total funds carried forward | | 73,915 | 531,687 | 11,296,890 | 11,902,492 | 9,641,426 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 35 form part of these financial statements.

Huggens' College

Balance sheet as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|------|--------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,411,361 | 6,343,514 |
| Investments | 14 | 2,455,557 | 1,621,506 |
| Investment property | 13 | - | 1,600,000 |
| | | <u>8,866,918</u> | <u>9,565,020</u> |
| Current assets | | | |
| Debtors | 15 | 8,949 | 17,045 |
| Funds on deposit | 16 | 2,681,351 | - |
| Cash at bank and in hand | | 370,941 | 85,971 |
| | | <u>3,061,241</u> | <u>103,016</u> |
| Creditors: amounts falling due within one year | 17 | (25,667) | (26,610) |
| Net current assets | | <u>3,035,574</u> | <u>76,406</u> |
| Total assets less current liabilities | | <u>11,902,492</u> | <u>9,641,426</u> |
| Net assets excluding pension asset | | <u>11,902,492</u> | <u>9,641,426</u> |
| Total net assets | | <u><u>11,902,492</u></u> | <u><u>9,641,426</u></u> |
| Charity funds | | | |
| Endowment funds | 18 | 73,915 | 73,915 |
| Restricted funds | 18 | 531,687 | 629,962 |
| Unrestricted funds | 18 | 11,296,890 | 8,937,549 |
| Total funds | | <u><u>11,902,492</u></u> | <u><u>9,641,426</u></u> |

The financial statements were approved and authorised for issue by the Trustees on 27 July 2021 and signed on their behalf by:



Mr M Balfour

The notes on pages 17 to 35 form part of these financial statements.

**Statement of cash flows
for the year ended 31 March 2021**

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 12,226 | (3,565) |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (71,119) | (140,758) |
| Proceeds from sale of investments | 250,000 | 650,000 |
| Purchase of investments | (650,000) | (500,000) |
| Proceeds from sale of investment property | 3,425,214 | - |
| Net cash provided by investing activities | 2,954,095 | 9,242 |
| Cash flows from financing activities | | |
| Net cash provided by financing activities | - | - |
| Change in cash and cash equivalents in the year | 2,966,321 | 5,677 |
| Cash and cash equivalents at the beginning of the year | 85,971 | 80,294 |
| Cash and cash equivalents at the end of the year | 3,052,292 | 85,971 |

The notes on pages 17 to 35 form part of these financial statements

**Notes to the financial statements
for the year ended 31 March 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Huggens' College meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Charity's main source of income is from its charitable objectives being maintenance payments in respect of the almshouse accommodation.

The Charity has considerable financial resources, a significant level of investments together with general reserves which are significantly in excess of the reserves policy. As a consequence, the Trustees believe that the Charity is well placed to manage risks successfully despite the current economic climate.

After making enquiries, the Trustees have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the financial statements
for the year ended 31 March 2021**

1. Accounting policies (continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.7 Tangible fixed assets and depreciation

Land and buildings are stated at valuation. Professional external valuations are obtained at least every 5 years. No depreciation is included on land.

The Trustees consider that the College property has a residual value which is at least equal to its net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation and any provision for impairment.. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---------------------|-------------------------------------|
| Plant and machinery | - 5 to 10 years straight line basis |
|---------------------|-------------------------------------|

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

**Notes to the financial statements
for the year ended 31 March 2021**

1. Accounting policies (continued)

1.8 Investments

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

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received in advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Investment properties

Investment properties were included in the balance sheet at fair value in accordance with FRS 102 and are not depreciated.

**Notes to the financial statements
for the year ended 31 March 2021**

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

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following are the charity's key sources of estimation uncertainty:

Investment properties

The charity held investment property with fair value of £1,600,000 at the end of the previous year (see note 13). In order to determine the fair value of investment property the charity engaged independent valuation specialists with experience in the location and nature of the property being valued. They used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market. On 4 September 2020 the investment properties were sold.

Freehold property

The charity has recognised freehold property with a carrying value of £6,403,861 at the 31 March 2021 (see note 12). These assets are stated at their cost. The Trustees consider that the College property has a residual value which is at least equal to its net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the Statement of Financial Activities. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as changes in market conditions that indicate a need to reconsider the estimates used.

3. Income from donations and legacies

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Donations | 5 | 5 | 5 |
| Government grants | 2,059 | 2,059 | - |
| | <hr/> 2,064 <hr/> | <hr/> 2,064 <hr/> | <hr/> 5 <hr/> |
| Total 2020 | <hr/> 5 <hr/> | <hr/> 5 <hr/> | |

Notes to the financial statements
for the year ended 31 March 2021

4. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------|------------------------------------|-----------------------------|-----------------------------|
| Rent receivable | 34,848 | 34,848 | 89,000 |
| Bank interest | 8,189 | 8,189 | 359 |
| Dividend income | 13,154 | 13,154 | 16,083 |
| | <u>56,191</u> | <u>56,191</u> | <u>105,442</u> |
| Total 2020 | <u>105,442</u> | <u>105,442</u> | |

5. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Collegians maintenance payments | 206,462 | 206,462 | 199,460 |
| Contributions to College outings and events | - | - | 694 |
| | <u>206,462</u> | <u>206,462</u> | <u>200,154</u> |
| Total 2020 | <u>200,154</u> | <u>200,154</u> | |

6. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------|------------------------------------|-----------------------------|-----------------------------|
| Other income | - | - | 150 |
| Total 2020 | <u>150</u> | <u>150</u> | |

Notes to the financial statements
for the year ended 31 March 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------------|------------------------------------|-----------------------------|-----------------------------|
| Almshouse accommodation | 211,751 | 211,751 | 239,347 |
| Outings and events | 1,906 | 1,906 | 4,139 |
| Governance | 49,259 | 49,259 | 47,413 |
| | <u>262,916</u> | <u>262,916</u> | <u>290,899</u> |
| Total 2020 | <u>290,899</u> | <u>290,899</u> | |

Summary by expenditure type

| | Staff costs 2021 £ | Depreciation 2021 £ | Other costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------------|--------------------------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| Almshouse accommodation | 60,695 | 3,271 | 147,785 | 211,751 | 239,347 |
| Outings and events | - | - | 1,906 | 1,906 | 4,139 |
| Governance | 31,465 | - | 17,794 | 49,259 | 47,413 |
| | <u>92,160</u> | <u>3,271</u> | <u>167,485</u> | <u>262,916</u> | <u>290,899</u> |
| Total 2020 | <u>85,305</u> | <u>3,251</u> | <u>202,343</u> | <u>290,899</u> | |

Notes to the financial statements
for the year ended 31 March 2021

8. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Almshouse accommodation | 178,652 | 33,099 | 211,751 | 239,347 |
| Outings and events | 1,906 | - | 1,906 | 4,139 |
| Governance | - | 49,259 | 49,259 | 47,413 |
| | <u>180,558</u> | <u>82,358</u> | <u>262,916</u> | <u>290,899</u> |
| Total 2020 | <u>187,591</u> | <u>103,308</u> | <u>290,899</u> | |

Notes to the financial statements
for the year ended 31 March 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Almshouse accommodation 2021 £ | Outings and events 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| Wages and salaries | 60,695 | - | 60,695 | 58,393 |
| Depreciation | 3,271 | - | 3,271 | 3,251 |
| Repairs | 46,195 | - | 46,195 | 43,115 |
| Water Rates | 10,441 | - | 10,441 | 11,481 |
| Council tax | 4,780 | - | 4,780 | 4,138 |
| Electricity | 5,205 | - | 5,205 | 5,374 |
| Gas consumption - The College | 1,424 | - | 1,424 | 1,650 |
| Maintenance and repairs to equipment | 4,105 | - | 4,105 | 3,442 |
| Cleaning expenses | 4,333 | - | 4,333 | 2,751 |
| Insurance | 3,936 | - | 3,936 | 3,844 |
| Upkeep of grounds | 23,659 | - | 23,659 | 32,698 |
| Telephone | 1,494 | - | 1,494 | 948 |
| Papers and magazines | 371 | - | 371 | 332 |
| College outings and events | - | 1,906 | 1,906 | 4,139 |
| Maintenance of organ | 183 | - | 183 | 361 |
| Age concern Aid Call | 1,475 | - | 1,475 | 1,225 |
| Sundry expenses | 6,325 | - | 6,325 | 9,049 |
| Weekend duty rota | 760 | - | 760 | 1,400 |
| | <u>178,652</u> | <u>1,906</u> | <u>180,558</u> | <u>187,591</u> |
| Total 2020 | <u>183,452</u> | <u>4,139</u> | <u>187,591</u> | |

**Notes to the financial statements
for the year ended 31 March 2021**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Alms-house accommoda- tion 2021 £ | Governance 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|--|----------------------------------|---------------------------------------|---------------------------------------|
| Clerk's salary | - | 31,465 | 31,465 | 26,912 |
| Chiropodists fees | 428 | - | 428 | 644 |
| Subscriptions and sundries | 2,205 | - | 2,205 | 2,248 |
| Organist fees | 740 | - | 740 | 1,140 |
| Printing, posting and stationery | 1,874 | - | 1,874 | 1,690 |
| Advertising | 180 | - | 180 | 1,736 |
| Website expenses | 331 | - | 331 | 279 |
| Architects and surveyors | 11,247 | - | 11,247 | 12,080 |
| Legal and professional fees (investment properties) | 14,106 | - | 14,106 | 26,337 |
| Bank charges | 832 | - | 832 | 835 |
| Chaplain expenses | 32 | - | 32 | 446 |
| Clerk's expenses | - | 810 | 810 | 383 |
| Trustees' expenses | - | 259 | 259 | 2,927 |
| Legal and professional fees | - | 9,841 | 9,841 | 10,422 |
| Outsourced payroll costs | - | 644 | 644 | 649 |
| Auditors' remuneration | - | 3,660 | 3,660 | 3,623 |
| Auditors' non audit costs | - | 2,580 | 2,580 | 2,497 |
| Provision of LPAs to Collegians | 1,124 | - | 1,124 | 8,460 |
| | 33,099 | 49,259 | 82,358 | 103,308 |
| Total 2020 | 55,895 | 47,413 | 103,308 | |

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £3,660 (2020 - £3,623), and accountancy services of £2,580 (2020 - £2,497).

**Notes to the financial statements
for the year ended 31 March 2021**

10. Net incoming resources/(resources expended)

This is stated after charging:

| | 2021 £ | 2020 £ |
|---|---------------------|---------------------|
| Depreciation of tangible fixed assets - owned by the charity | 3,280 | 3,251 |
| Auditors' remuneration | 3,660 | 3,623 |
| | <u>3,660</u> | <u>3,623</u> |

During the year, no Trustees received any remuneration (2020 £NIL).

During the year, no Trustees received any benefits in kind (2020: 8 Trustees - £480).

6 Trustees received reimbursement of expenses amounting to £259 in the current year (2020 – 10 Trustees - £2,117).

11. Staff costs

Staff costs were as follows

| | 2021 £ | 2020 £ |
|---------------------------------|-----------------------|-----------------------|
| Wages and salaries | 106,609 | 100,274 |
| Employers NI | 4,341 | 3,883 |
| Employers pension contributions | 2,136 | 1,763 |
| | <u>113,086</u> | <u>105,920</u> |

The average monthly number of employees was: 6 (2020: 6).

No employee received remuneration amounting to more than £60,000 in either year.

The total employment benefits including employer pension contributions of the key management personnel were £58,574 (2020: £50,069).

During the year the charity made an ex-gratia payment of £4,500 to D Newlyn, who was previously employed as charity manager.

Huggens' College

Notes to the financial statements for the year ended 31 March 2021

12. Tangible fixed assets

| | College Property £ | Plant & machinery £ | Total £ |
|--------------------------|--------------------------|---------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2020 | 6,336,021 | 25,152 | 6,361,173 |
| Additions | 67,840 | 3,279 | 71,119 |
| Disposals | - | (2,507) | (2,507) |
| At 31 March 2021 | <u>6,403,861</u> | <u>25,924</u> | <u>6,429,785</u> |
| Depreciation | | | |
| At 1 April 2020 | - | 17,659 | 17,659 |
| Charge for the year | - | 3,280 | 3,280 |
| On disposals | - | (2,515) | (2,515) |
| At 31 March 2021 | <u>-</u> | <u>18,424</u> | <u>18,424</u> |
| Net book value | | | |
| At 31 March 2021 | <u>6,403,861</u> | <u>7,500</u> | <u>6,411,361</u> |
| At 31 March 2020 | <u>6,336,021</u> | <u>7,493</u> | <u>6,343,514</u> |

The most recent valuation of the College Property was undertaken as at 31 March 2018 by Strutt and Parker LLP in accordance with the RICS Valuation Standards 8th Edition (the "Red Book"), on an existing use basis.

13. Investment property

| | Freehold investment property £ |
|------------------|---|
| At 1 April 2020 | 1,600,000 |
| Disposals | (1,600,000) |
| At 31 March 2021 | <u>-</u> |

Notes to the financial statements
for the year ended 31 March 2021

14. Fixed asset investments

| | Unlisted investments £ | Other investments £ | Total £ |
|--------------------------|------------------------------|---------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2020 | 629,962 | 991,544 | 1,621,506 |
| Additions | - | 650,000 | 650,000 |
| Disposals | (250,000) | - | (250,000) |
| Revaluations | 151,725 | 282,326 | 434,051 |
| | <u>531,687</u> | <u>1,923,870</u> | <u>2,455,557</u> |
| At 31 March 2021 | | | |
| | <u>531,687</u> | <u>1,923,870</u> | <u>2,455,557</u> |
| Net book value | | | |
| At 31 March 2021 | 531,687 | 1,923,870 | 2,455,557 |
| At 31 March 2020 | <u>629,962</u> | <u>991,544</u> | <u>1,621,506</u> |

Investments at market value comprise:

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Unlisted investments in the Extraordinary Repair Fund | 531,687 | 629,962 |
| Other fixed asset investments | 1,923,870 | 991,544 |
| Total market value | <u>2,455,557</u> | <u>1,621,506</u> |

All the fixed asset investments are held in the UK.

Material investments

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| 5,541 M&G Charity Multi Asset Fund accumulation units (2020: 8,437 NAACIF accumulation shares) | 531,687 | 629,962 |
| 25,122 COIF income shares (2020: 25,122 shares) | 450,343 | 373,219 |
| 149,414 Newton Growth & Income Fund shares (2020: 149,414 shares) | 266,525 | 215,231 |
| 577,739 Ruffer Charity Assets Trust accumulation shares (2020: 298,058 shares) | 950,612 | 403,094 |
| 79,872 Sarasin Climate Active accumulation units (2020: Nil) | 256,390 | - |
| | <u>2,455,557</u> | <u>1,621,506</u> |

**Notes to the financial statements
for the year ended 31 March 2021**

15. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|--------------|---------------|
| Other debtors | 6,702 | 15,242 |
| Prepayments and accrued income | 2,247 | 1,803 |
| | <u>8,949</u> | <u>17,045</u> |

16. Funds on deposit

| | 2021 £ | 2020 £ |
|------------------|------------------|-----------|
| Funds on deposit | 2,681,351 | - |
| | <u>2,681,351</u> | <u>-</u> |

17. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------|---------------|---------------|
| Other creditors | 25,667 | 18,360 |
| Accruals and deferred income | - | 8,250 |
| | <u>25,667</u> | <u>26,610</u> |

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Deferred income at 1 April 2020 | - | 8,250 |
| Amounts released from previous periods | - | (8,250) |
| Deferred income at 31 March 2021 | <u>-</u> | <u>-</u> |

**Notes to the financial statements
for the year ended 31 March 2021**

18. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|--------------------------------|---------------------------------|-----------------------|-------------------------|--------------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Designated property fund | 7,862,106 | - | - | (1,532,160) | - | 6,329,946 |
| Designated maintenance fund | 109,330 | - | - | 1,670 | - | 111,000 |
| Capital projects fund | 411,000 | - | - | 3,664,000 | - | 4,075,000 |
| Hardship fund | 10,000 | - | - | - | - | 10,000 |
| WER Advanced Rent Reserve Fund | - | - | - | 215,848 | - | 215,848 |
| | <u>8,392,436</u> | <u>-</u> | <u>-</u> | <u>2,349,358</u> | <u>-</u> | <u>10,741,794</u> |
| General funds | | | | | | |
| General Funds | <u>545,113</u> | <u>264,717</u> | <u>(262,916)</u> | <u>(2,099,358)</u> | <u>2,107,540</u> | <u>555,096</u> |
| Endowment funds | | | | | | |
| Endowment Fund | <u>73,915</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,915</u> |
| Restricted funds | | | | | | |
| Extraordinary repair fund | <u>629,962</u> | <u>-</u> | <u>-</u> | <u>(250,000)</u> | <u>151,725</u> | <u>531,687</u> |
| Total of funds | <u><u>9,641,426</u></u> | <u><u>264,717</u></u> | <u><u>(262,916)</u></u> | <u><u>-</u></u> | <u><u>2,259,265</u></u> | <u><u>11,902,492</u></u> |

**Notes to the financial statements
for the year ended 31 March 2021**

18. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|-----------------------------|---------------------------------|-----------------|-------------------------|--------------------------|-------------------------|-------------------------------------|
| Designated funds | | | | | | |
| Designated property fund | 7,421,348 | - | - | 140,758 | 300,000 | 7,862,106 |
| Designated maintenance fund | 109,550 | - | - | (220) | - | 109,330 |
| Capital projects fund | 170,000 | - | - | 241,000 | - | 411,000 |
| Hardship fund | 10,000 | - | - | - | - | 10,000 |
| | <u>7,710,898</u> | <u>-</u> | <u>-</u> | <u>381,538</u> | <u>300,000</u> | <u>8,392,436</u> |
| General funds | | | | | | |
| General Funds | <u>477,238</u> | <u>305,751</u> | <u>(290,899)</u> | <u>68,462</u> | <u>(15,439)</u> | <u>545,113</u> |
| Endowment funds | | | | | | |
| Endowment Fund | <u>73,915</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,915</u> |
| Restricted funds | | | | | | |
| Extraordinary repair fund | <u>1,166,249</u> | <u>-</u> | <u>-</u> | <u>(450,000)</u> | <u>(86,287)</u> | <u>629,962</u> |
| Total of funds | <u><u>9,428,300</u></u> | <u><u>-</u></u> | <u><u>(290,899)</u></u> | <u><u>-</u></u> | <u><u>198,274</u></u> | <u><u>9,641,426</u></u> |

**Notes to the financial statements
for the year ended 31 March 2021**

Transfers between funds

Designated property fund – the net transfer of £1,532,160 consists of £1,600,000 transferred to the capital projects fund, being the book value of the commercial property when it was sold, and £67,840 from general funds represents the College Property additions in the year.

Designated maintenance fund – the transfer of £1,670 from general funds represents the movement in the recommendations of the Almshouse Association to ensure the fund totals the equivalent of five times the Association's recommended annual transfer.

Restricted extraordinary repair fund – the transfer of £250,000 relates to the disposal of M&G Charity Multi Asset Fund shares in the year

Designated capital projects fund – the transfer of £3,664,000 consists of £1,600,000 from the designated property fund, being the book value of the commercial property when it was sold, £1,555,214 from general funds being the gain on the sale of that property and a further £508,786 which represents the decision to build the capital projects fund from the free reserves available.

Designated W E Roberts advanced rent reserve fund – the transfer of £215,848 from general funds represents the balance of the three years rent in advance received from W E Roberts when the commercial property was sold to them.

Purpose of funds

Designated Fund - Property fund

The designated property fund is represented by the book value of the College property less the value of the endowment fund.

Designated Fund - Capital projects

This designated fund has been established to provide for capital improvements to the College property including, but not limited to, acquisitions, major refurbishment of existing buildings and construction of new buildings.

Designated Fund - Maintenance fund

This designated fund has been established to provide for cyclical maintenance of the College Property, other than capital improvements. The Trustees have considered the recommendations of the Almshouse Association and have decided that it should be maintained at no more than the equivalent of five times the Association's recommended annual transfer to a Cyclical Maintenance Fund within Greater London.

Designated Fund - W E Roberts Advanced Rent Reserve

When W E Roberts purchased the charity's commercial property which they occupied part of the agreed sale price represented three years rent which they would have paid if they had continued to rent the site from the charity. The Trustees decided that this sum should be held in a reserve fund and transferred back to general funds in equal instalments over a three-year period from the date of the sale.

Designated Fund - Hardship

This designated fund has been established in order to assist the collegians with the purchase of significant items, such as replacement of appliances. It is the charity's intention to ensure a transfer is made to the fund to give a carrying value of £10,000.

Endowment Fund

The endowment fund represents the original historic cost of the College property which is held for the benefit of the charity.

Restricted Fund - Extraordinary repair fund

The restricted fund relates to the M&G Charity Multi Asset Fund units held by the charity as a result of a Court Order of the Official Custodian. The restriction placed on this fund is that the associated capital value of the shares is to only be used for capital improvements to the College property.

**Notes to the financial statements
for the year ended 31 March 2021**

19. Summary of funds

Summary of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|------------------|---------------------------------|----------------|------------------|--------------------------|-------------------------|-------------------------------------|
| Designated funds | 8,392,436 | - | - | 2,349,358 | - | 10,741,794 |
| General funds | 545,113 | 264,717 | (262,916) | (2,099,358) | 2,107,540 | 555,096 |
| Endowment funds | 73,915 | - | - | - | - | 73,915 |
| Restricted funds | 629,962 | - | - | (250,000) | 151,725 | 531,687 |
| | <u>9,641,426</u> | <u>264,717</u> | <u>(262,916)</u> | <u>-</u> | <u>2,259,265</u> | <u>11,902,492</u> |

Summary of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|----------------|------------------|--------------------------|-------------------------|-------------------------------------|
| Designated funds | 7,710,898 | - | - | 381,538 | 300,000 | 8,392,436 |
| General funds | 477,238 | 305,751 | (290,899) | 68,462 | (15,439) | 545,113 |
| Endowment funds | 73,915 | - | - | - | - | 73,915 |
| Restricted funds | 1,166,249 | - | - | (450,000) | (86,287) | 629,962 |
| | <u>9,428,300</u> | <u>305,751</u> | <u>(290,899)</u> | <u>-</u> | <u>198,274</u> | <u>9,641,426</u> |

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Endowment funds 2021 £ | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 73,915 | - | 6,337,446 | 6,411,361 |
| Fixed asset investments | - | 531,687 | 1,923,870 | 2,455,557 |
| Current assets | - | - | 3,061,241 | 3,061,241 |
| Creditors due within one year | - | - | (25,667) | (25,667) |
| Total | <u>73,915</u> | <u>531,687</u> | <u>11,296,890</u> | <u>11,902,492</u> |

**Notes to the financial statements
for the year ended 31 March 2021**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Endowment funds 2020 £ | Restricted funds 2020 £ | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------|---------------------------------|----------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 73,915 | - | 6,269,599 | 6,343,514 |
| Fixed asset investments | - | 629,962 | 991,544 | 1,621,506 |
| Investment property | - | - | 1,600,000 | 1,600,000 |
| Current assets | - | - | 103,016 | 103,016 |
| Creditors due within one year | - | - | (26,610) | (26,610) |
| Total | 73,915 | 629,962 | 8,937,549 | 9,641,426 |

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

| | 2021 £ | 2020 £ |
|--|--------------------|-----------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 2,261,066 | (86,874) |
| Adjustments for: | | |
| Depreciation charges | 3,280 | 3,251 |
| (Gains)/losses on investments | (2,259,265) | 101,726 |
| Loss/(profit) on the sale of fixed assets | (8) | - |
| Decrease in debtors | 8,096 | 1,532 |
| Decrease in creditors | (943) | (23,200) |
| Net cash provided by/(used in) operating activities | 12,226 | (3,565) |

22. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|------------------|-----------|
| Cash in hand | 370,941 | 85,971 |
| Funds on deposit | 2,681,351 | - |
| Total cash and cash equivalents | 3,052,292 | 85,971 |

**Notes to the financial statements
for the year ended 31 March 2021**

23. Analysis of changes in net debt

| | At 1 April 2020 | Cash flows | At 31 March 2021 |
|--------------------------|--------------------|------------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 85,971 | 284,970 | 370,941 |
| Funds on deposit | - | 2,681,351 | 2,681,351 |
| | <u>85,971</u> | <u>2,966,321</u> | <u>3,052,292</u> |

24. Related party transactions

During the year the charity paid £13,766 (2020 - £2,484) to Warner Solicitors, where Mr C Warner, Trustee, is a practising solicitor.