

BROMLEY & SHEPPARD'S COLLEGES CHARITY
Registered Charity Number 210337
Registered Social Landlord Number A0352

TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

BROMLEY & SHEPPARD'S COLLEGES CHARITY

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BROMLEY & SHEPPARD'S COLLEGES CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report together with the financial statements for the year ended 31st December 2023.

Legal and Administrative Information

The Charity is registered in the name of Bromley & Sheppard's Colleges Charity.

The Charity's "Governing Instrument" is a Charity Commission Scheme Ref. CD (Ldn), 210337/15863 which was sealed on 10th February 1997 and amended on 24th May 2004 to enable the acquisition of Trustee Indemnity Insurance. It was further amended on 26 March 2007 to incorporate Powers of Amendment, the requirement to appoint two elected Collegian Trustees and the facility to appoint non-voting Trustee Advisers where appropriate. The Governing Instrument was further revised on 28th November 2018.

The Charity is also a Registered Social Landlord with number A0352 and a member of The Almshouse Association, registered number 415.

The Trustees are incorporated by means of Certificate of Incorporation issued by the Charity Commission under Section 50 of the Charities Act 1993. The Certificate reference is 325/94, which was sealed on 14th July 1994.

The Trustee body consists of no more than eighteen persons who meet quarterly, to include six Ex-Officio Trustees, not fewer than seven and not more than ten Co-opted Trustees and two Collegian Trustees. The Ex-Officio Trustees have the power to appoint Deputies.

The Ex-Officio Trustees are the holders, for the time being, of the following appointments:

The Archbishop of Canterbury
The Bishop of London
The Bishop of Rochester
The Chancellor of the Diocese of Rochester
The Dean of St Paul's
The Archdeacon of Bromley and Bexley

The Co-Opted Trustees:

Mr Richard Collins (Chairman)
Mr Tony Bentley
Mrs Tina Hill
Mr Christopher Scott
Mrs Lynda Stimson
Mr David Thomas (Treasurer)
Mr John Thorogood

Appointed Deputies:

Mr Peter Morgan FRICS MCI Arb (for the Dean of St Paul's)
Mr Christopher Scott (for the Bishop of Rochester)

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Collegian Trustees:

Miss Kathleen Craig
The Revd. George Baisley

Clerk to the Trustees:

Mrs Jo Frost

Trustees' Advisers:

Mr Graham Bradshaw
Mr Martin Lee-Warner
Mr Adrian Tutchings FRICS
Miss Susan Gilder

The registered office of the Charity is The Chaplain's House, Bromley College, London Road, Bromley, Kent, BR1 1PE.

The Charity's bankers and professional advisers are as follows:-

Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Accounting advisers and Independent Examiners	Moore Kingston Smith LLP 6 th Floor, 9 Appold Street London EC2A 2AP
Stockbrokers and Investment Advisers	Brewin Dolphin Securities Limited 12 Smithfield Street, London EC1A 9BD.

BROMLEY & SHEPPARD'S COLLEGES CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

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) including FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Charity law and Housing Association legislation require 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 the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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; and
- satisfy themselves on an annual basis that they are compliant with the standards issued by the Regulator of Social Housing (the "Regulator").

The Trustees are responsible for maintaining an adequate system of internal control and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the accounting requirements of the Governing Instrument, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Selection and Induction of Trustees

In selecting new Trustees, the primary aim of the existing Trustees is to find people who not only have an interest in the Colleges but also have the knowledge and experience to contribute to or complement the range of skills required to make up an effective Trustee team. Such people are likely to have knowledge of one or more of the legal, financial, social services, health, housing or local and national government fields.

The Trustees keep under review whether they and those they employ have the right competencies, experience and technical knowledge appropriate to the size, scale and risk profile of the organisation together with the need for further training or succession planning. Trustees themselves have the opportunity to attend training sessions provided by the

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Almshouses Association and other relevant bodies, and any new trustees are inducted to the role as necessary.

Historical Background

Bromley College was founded in 1666 by the Will of John Warner, Bishop of Rochester. The first buildings – 20 houses, a chapel, and houses for a Chaplain and a Treasurer – were authorised by Act of Parliament in 1670.

The accommodation was to provide housing for *"Twenty poore widowes of orthodoxe and loyall clergiemmen"*.

Twenty more houses were constructed between 1794 and 1805 funded by substantial gifts.

Sheppard's College was founded in 1840 from gifts of Mrs Sheppard, widow of Dr Thomas Sheppard, a Fellow of Magdalen College, Oxford, to make similar provision for the unmarried daughters who had lived with their mothers.

Major modernisation and re-ordering of the buildings took place in the 1970s and 1980s, and again more recently in 2005 to 2007.

Both Colleges are listed buildings: Bromley College - Grade I, Sheppard's College - Grade II*.

Beneficiaries

Charity Commission Schemes in 1974, 1981 and 1997 extended the classes of beneficiary. These now include all retired Clerks in Holy Orders (male and female) of the Churches of England and Ireland, the Church in Wales and the Scottish Episcopal Church and their legal partners, together with divorced and separated legal partners of such Clerks and some unmarried children and step-children of deceased former Collegians.

Objects and Administration of the Charity

As indicated above, the Charity exists to provide sheltered housing for the beneficiaries as defined in the Governing Instrument. Currently there are forty Collegians' dwellings, one guest flat and two staff dwellings. In addition, there are two separate dwellings which are let on an open market basis.

The Colleges are administered by the Trustees through the permanent members of staff. The Trustees meet at least four times each year and determine overall policy. Sub committees covering finance, fabric and welfare also meet regularly and day-to-day administration is carried out by the Clerk in consultation with the Chairman, Treasurer and Chair of the Fabric Committee. There is a team of full- and part-time staff (four in total for most of 2023). In addition to the provision of housing, it is the policy of the Trustees to provide as much support as resources allow and a response to emergencies, without impinging on the independence of the Collegians. Modest use is made of unpaid volunteers. The Collegians may also benefit from the services of outside voluntary organisations and those provided by Social Services and NHS Care in the Community.

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The Trustees have the option of appointing a Chaplain. It was decided on the resignation of the last Chaplain to reassign the duties of the Chaplain amongst existing staff. A review of these arrangements by the Trustees occurred during 2022. A recruitment process has begun to find a new Chaplain and, subject to finding a suitable candidate, an appointment is expected to be made in 2024.

Public Benefit

The Trustees have regard to the Charity Commission's guidance on Public Benefit. The purpose of the Charity is to provide sheltered housing for the beneficiaries in accordance with the Governing Instrument.

In serving its purpose, the Charity maintains famous and traditional 17th and 19th century buildings with a prominent position in Bromley. The general public visit the site without charge for regular organised events, including the annual Open House.

Achievements and Performance

There was a total of 4 vacancies during the year and one flat vacant at the year end. It is policy to fill a flat as soon as possible following a vacancy and a small waiting list is maintained to facilitate this.

There are regular meetings between the Collegians and the Trustees to enable Collegians to express their views about the facilities provided and any proposed changes.

The Regulator publishes three economic standards which apply to the Charity as a provider of social housing. There is a Governance and Financial Viability Standard, a Rent Standard and a Value for Money Standard. The Trustees believe they meet these required standards as they affect an organisation of the size and nature of the Charity.

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Money Metrics

In April 2018 the Regulator of Social Housing (“Regulator”) introduced a set of common metrics, which each provider is required to publish each year. These metrics are considered the most appropriate set of measures to capture performance across the sector in a fair and comparable way.

Number	Metric	Value	Note
1	Reinvestment %	0	No new properties acquired or developed
2a	New supply (social housing units) %	0	No new properties acquired or developed
2b	New supply (non-social housing units) %	0	No new properties acquired or developed
3	Gearing %	0	Cash and cash equivalents exceed total debt
4	EBITDA MRI interest cover %	(23,094)	Very low interest charges. MRI = Major Repairs included
5	Headline Social Housing Cost -£	8,578	Includes costs associated with the maintenance of a Grade 1 17 th century building
6a	Operating margin (social housing lettings) %	(8.7)	
6b	Operating margin (overall) %	(8.7)	No disposals of properties
7	Return on Capital Employed %	(1)	Negative due to deficit for the year

Review of 2023

The level of occupancy was 95.9 % (2022, 95.3%) and the average age of Collegians 78 years (2022, 78 years). The accounts record an operating deficit for the year to 31 December 2023 of (£14,164) (2022, deficit (£56,249)), but an overall surplus for the year to 31 December 2023 of £46,143 (2022, deficit £(97,516)).

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The Trustees have a rolling programme of maintenance, renewal and redecoration of external and internal communal areas, and refurbishment and redecoration of flats is attended to when vacancies occur.

Quoted investments are recognised in the Balance Sheet at Market Value.

Movements on reserves are set out in notes 17 to 20 of the financial statements. Details of the reserves are as follows:

- In accordance with the Governing Instrument, the Trustees maintain an Extraordinary Repair Fund (ERF) to which transfers were made during 2023. At 31 December 2023, the market value of the investments representing the ERF stood at £25,505 (2022, £17,943).
- The Governing Instrument also provides for the Trustees to contribute an annual amount of £525 to a Recoupment Fund until 23 September 2041 in accordance with the terms of a Charity Commission Scheme dated 23 September 1981. At 31 December 2023 £22,050 had been contributed in this way and the market value of the investments representing the Recoupment Fund was £215,419 (2022, £190,543).
- The Designated Reserve, the Charitable Fund Property Reserve, represents the net book value of the tangible fixed assets net of the unamortised amount of deferred capital grants. This designation arises as, in the opinion of the Trustees, this amount does not represent free reserves of the Charity.
- The free reserves are represented by the Income and Expenditure account, the Investment Revaluation Fund and the ERF which total £553,561 at 31 December 2023 (2022, £523,402). However, the Trustees do not believe that the level of free reserves held is excessive in the context of the need to maintain the listed buildings and the considerable uncertainties surrounding the costs of doing so.

Investment Policy

The Trustees keep under review investment policy to cover all funds /holdings managed on behalf of Bromley & Sheppard's Colleges. During 2023 a formal review of investment advice was conducted with the Charity's investment adviser Brewin Dolphin.

That review confirmed that Trustees seek sustainable and growing income from the investment portfolio, and that to reflect the nature of risks faced by the Charity, a long time horizon for investment is appropriate. The investment strategy does not aim to provide assured liquidity within this long-term portfolio.

The portfolio, including the ERF but not the Recoupment Fund, is classified by their investment manager as "category 6" for risk allocation. The Recoupment Fund, mandated to be invested solely in the COIF Charities Investment Fund, is considered "category 7".

In a category 6 portfolio typically two thirds of value will be held in internationally diversified equity risks, and in a category 7 portfolio the proportion of long term equity holdings will be higher still.

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REPORT OF THE TRUSTEES
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Management Policies, Risks and Uncertainties

The Trustees regularly review the risks and uncertainties facing the charity, many of which are concerned with the upkeep of the properties, the safety of residents and visitors given the age of the properties, and the safeguarding of vulnerable adults. Specific management policies are in place to mitigate these risks and these include as follows:

Housing Management

The housing management policy is to provide an economical, efficient and effective service to the Colleges' residents, with due consideration being given to their physical safety.

Financial Spending and Payments Delegation of Authority Policy

This delegates authorities to incur expenditures of various kinds and to authorise and make payments. All spending authority not specifically delegated is reserved to the Trustees as a body.

Employment, Training and Advancement of Disabled Persons

We are a small Charity with only a small administrative team. At the present time we have no disabled people in employment, but would honour our equal opportunities policy if the need arose.

Health, Safety and Welfare at Work of Employees

The Trustees recognise the importance of effective health, safety and welfare for their employees at work. Appropriate policies are in place for the protection of our staff members, the Collegians and visitors to the Colleges.

Anti-Social Behaviour Policy

The Colleges continue to operate an Anti-Social Behaviour Policy.

Vulnerable Adults Policy

The Trustees recognise the importance of maintaining a vulnerable adults policy and related procedures which are reviewed and confirmed annually.

Fire Risk Assessment Policy

The Colleges continue to operate a Fire Risk Assessment Policy.

Full Risk Assessment Policy

A Full Risk Assessment Policy is in place.

BROMLEY & SHEPPARD'S COLLEGES CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

On Behalf of the Trustees:

A handwritten signature in black ink, appearing to read 'Richard Collins', written over a horizontal line.

Richard Collins

Chairman

Date: 8th May 2024

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BROMLEY & SHEPPARD'S COLLEGES CHARITY

I report to the charity trustees on my examination of the accounts of Bromley & Sheppard's Colleges Charity for the year ended 31 December 2023.

Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ACCA, which is one of the listed bodies.

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

- 1) accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

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

Moore Kingston Smith LLP.

James Saunders

FCCA, DChA

For and on behalf of Moore Kingston Smith LLP

Chartered Accountants

Betchworth House
57-65 Station Road
Redhill
Surrey, RH1 1DL

Date: 17 May 2024

**BROMLEY & SHEPPARD'S COLLEGES CHARITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023	2022
		£	£
Turnover	2	347,943	319,989
Other income	4	37,738	49,615
Less: operating costs	3	(399,845)	(425,853)
Operating deficit		(14,164)	(56,249)
Interest receivable and investment income	5b	22,331	16,286
Unrealised gain/ (loss) on investments	11	37,976	(57,553)
Surplus/(Deficit) and total comprehensive income for the year		<u>46,143</u>	<u>(97,516)</u>

These financial statements were approved by the board of Trustees on
signed on its behalf by:

8th May, 2024 and

R. Collins

R. Collins
Trustee

D. Thomas

D. Thomas
Trustee

BROMLEY & SHEPPARD'S COLLEGES CHARITY
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Charitable Fund Property Reserve £	Extraordinary Repair Fund £	Investment Revaluation Fund £	Income and Expenditure Account £	Recoupment Fund £	Total £
Balance at 1 January 2022		318,189	100,436	635,856	(197,677)	210,595	1,067,399
Deficit from Income & Expenditure Account		-	-	-	(97,516)	-	(97,516)
Actuarial gain on pension scheme	7	-	-	-	-	-	-
Transfers		(62,251)	(82,493)	63,215	101,581	(20,052)	-
Balance at 31 December 2022		<u>255,938</u>	<u>17,943</u>	<u>699,071</u>	<u>(193,612)</u>	<u>190,543</u>	<u>969,883</u>
Surplus from Income & Expenditure Account		-	-	-	46,143	-	46,143
Actuarial gain on pension scheme	7	-	-	-	-	-	-
Transfers		(8,892)	7,562	11,102	(34,648)	24,876	-
Balance at 31 December 2023		<u><u>247,046</u></u>	<u><u>25,505</u></u>	<u><u>710,173</u></u>	<u><u>(182,117)</u></u>	<u><u>215,419</u></u>	<u><u>1,016,026</u></u>

BROMLEY & SHEPPARD'S COLLEGES CHARITY
BALANCE SHEET
AS AT 31 DECEMBER 2023

		2023	2022
	Note	£	£
Fixed Assets			
Tangible fixed assets	10	754,815	785,226
Investments	11	<u>746,284</u>	<u>707,763</u>
		1,501,099	1,492,989
Current Assets			
Debtors	12	44,238	35,494
Cash and cash equivalents	13	<u>54,661</u>	<u>80,419</u>
		98,899	115,913
Creditors: Amounts falling due within one year	14	<u>(63,805)</u>	<u>(88,776)</u>
Net Current (Liabilities)/ Assets		35,094	27,137
Total Assets Less Current Liabilities		<u>1,536,193</u>	<u>1,520,126</u>
Creditors: Amounts falling due after more than one year	15	(520,167)	(550,243)
Net assets		<u><u>1,016,026</u></u>	<u><u>969,883</u></u>
Reserves and Special Funds			
Designated Reserves	17	247,046	255,938
Extraordinary Repair Fund	19	25,505	17,943
Investment Revaluation Fund	20	710,173	699,071
Income and Expenditure Account		(182,117)	(193,612)
Special Funds	18	<u>215,419</u>	<u>190,543</u>
		<u><u>1,016,026</u></u>	<u><u>969,883</u></u>

These financial statements were approved by the board of Trustees on *8th May, 2024* and signed on its behalf by:



R. Collins

Trustees



D. Thomas

BROMLEY & SHEPPARD'S COLLEGES CHARITY
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Cash generated from operating activities:			
Net cash absorbed by operating activities	see below	(16,655)	(39,261)
Cash flows from investing activities:			
Purchase of investments	11	(5,525)	(525)
Proceeds on disposal of investments	11	4,980	75,569
Net cash provided by/ (used in) investing activities		(545)	75,044
Cash flows from financing activities:			
Cash inflow from new loan	14,15	-	-
Repayment of capital element of loan	14,15	(8,558)	(8,558)
Net cash provided by/ (used in) financing activities		(8,558)	(8,558)
Change in cash and cash equivalents in the reporting period		(25,758)	27,226
Cash and cash equivalents at the beginning of the reporting period		80,419	53,193
Cash and cash equivalents at the end of the reporting period	13	54,661	80,419

Reconciliation of net surplus to net cash flow from operating activities

		2023 £	2022 £
Net (deficit)/ surplus (per the income and expenditure account)		46,143	(97,516)
Adjustments for:			
Depreciation charges	10	30,411	30,411
Release of deferred capital grant	16	(21,518)	(21,518)
Gain on disposal of investments	11	-	6,366
Unrealised (gain)/ loss on investments	11	(37,976)	57,553
Pension deficit contributions paid	7	-	-
Decrease in debtors	12	(8,744)	(4,536)
(Decrease) / increase in creditors	14,15	(24,971)	(10,021)
Net cash (used in)/ provided by operating activities		(16,655)	(39,261)

	At 1 Jan 2023	Cash flows	Other non-cash changes	At 31 Dec 2023
Cash and cash equivalents	80,419	(25,758)	-	54,661
Loans due within one year	(8,966)	8,966	(8,558)	(8,558)
Loans due in more than one year	(45,310)	-	8,558	(36,752)
Net cash/(net debt)	26,143	(16,792)	-	9,351

BROMLEY & SHEPPARD'S COLLEGES CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies

The association is a Registered Social Landlord registered under the Charities Act 2011. The registered address is The Chaplain's House, Bromley College, London Road, Bromley, Kent, BR1 1PE.

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Bromley & Sheppard's Colleges Charity includes FRS 102 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Bromley & Sheppard's Colleges Charity is a public benefit entity in accordance with FRS 102.

The financial statements are presented in Sterling (£), which is the financial currency of the charity. Monetary amounts in these financial statements are rounded to whole pounds.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies.

The following principal accounting policies have been applied:

Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting, modified to include certain financial instruments at fair value.

Going concern

The trustees have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections. There has been no difficulty maintaining occupancy levels throughout 2023, and investment income and returns have not been seriously affected. The trustees do not expect much change in these conditions and after making enquiries they have therefore concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and meet its liabilities as they fall due, and that there are no material uncertainties about the charity's ability to continue as a going concern. Accordingly, these financial statements have been prepared on the going concern basis.

Turnover

Turnover represents maintenance, central heating, service contributions, Treasurer's house rent and lodge & basement rent receivable.

Housing Properties

The old quadrangle of Bromley College was constructed between 1670 and 1672 and the new quadrangle was constructed between 1782 and 1805. Sheppard's College was constructed around 1840. Although amounts contributed towards the cost of construction of Bromley College are known, there is no reliable record of the construction costs of either Bromley College or Sheppard's College. The housing properties' costs relate to modernisation costs carried out in the mid 1970's on Bromley College and between 1984 and 1986 on Sheppard's College, which were funded by Social Housing Grants (SHG), grants from the Historic Buildings Council, mortgage loans from the Greater London Council and the Housing Corporation and from Bromley and Sheppard's Colleges own resources.

Housing properties are stated at cost less depreciation. Depreciation is charged on the following basis:

Building costs	100 years straight line
Capitalised professional fees, finance charges and equipment	100 years straight line
Chaplain's House	100 years straight line
Lift to common room	30 years straight line
Kitchens and bathrooms	30 years straight line
Pipe lagging and loft insulation	30 years straight line

Other Assets

Other assets are written off to the Income and Expenditure Account in the year in which they are acquired.

Investments

Investments are stated at market value.

BROMLEY & SHEPPARD'S COLLEGES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies (cont'd)

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Recoverable amount of rental receivables

The charity estimates the recoverable value of rental receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair, it reviews the age profile of the debt, historical collection rates, and the personal circumstances of the debtor.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, and deposits held at call with banks.

Deferred capital grants

Social Housing Grants (SHG's) were paid by Homes England to reduce the cost of development. The SHG's are repayable under certain circumstances, primarily the sale of a property but will normally be restricted to the net proceeds of the sale.

In applying this model, such grants have been presented as deferred income to be recognised over the expected life of the underlying asset.

Cyclical Repairs and Maintenance

Bromley & Sheppard's Colleges has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue Account in the year in which they are incurred.

Extraordinary Repairs

Costs of extraordinary repairs, unless representing improvements to the properties, are charged to the Revenue Account in the year in which they are incurred.

Extraordinary Repair Fund

This fund, previously maintained out of the income of the charity, is established to provide for the extraordinary repair, improvement or rebuilding of the college buildings. From 1999 this is shown as a transfer from General Reserves.

Charitable Fund Property Reserve

This represents the net book value of the tangible fixed assets net of the unamortised amount of deferred capital grants.

Value Added Tax

Bromley & Sheppard's Colleges Charity is not registered for Value Added Tax. In these accounts, where applicable, expenditure is shown inclusive of VAT.

Apportionment of Management Expenses

Finance and administration costs are apportioned between management and service costs based on the estimated amount of time spent by individual staff members on management and services.

Pension Costs

There are currently no employees on the multi-employer defined pension scheme. As information is not available to use defined benefit accounting in accordance with the requirements of FRS 102, the charity accounts for these payments as if it was a defined contribution scheme.

The charity's contribution to this scheme is recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

The charity also recognises its liability in respect of deficit reduction arrangements of the multi-employer defined pension scheme.

BROMLEY & SHEPPARD'S COLLEGES CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies (cont'd)

Special Funds

The sum of £525 is transferred each year to the Recoupment Fund which is invested to recoup the proceeds from the sale of the land which has been utilised in modernisation of the colleges. From 1999 this transfer is made from the Income & Expenditure Account.

Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, key judgements were made in respect of the following:

- The expected useful life of fixed assets: the assets were broken down into components, and the useful economic life of each component has been assessed. During this assessment, the trustees considered the nature of the underlying assets acquired, the historic nature of the buildings, and the on-going programme of repair and maintenance.
- The amortisation period of the deferred capital grants: the grants were split into separate amounts, each of which relate directly to an underlying component of fixed asset. The amortisation of the grants then follow the useful economic life of the underlying asset.
- The Trustees' estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined expenses (as analysed in Note 7). The net defined benefit pension liability at 31 December 2023 was £nil.

2. Turnover From Lettings

	2023	2022
	£	£
Maintenance contributions from residents	267,609	250,451
Central heating charges	55,080	48,152
Treasurer's house	13,033	16,272
Lodge rent	12,475	12,475
Parking donations	2,528	3,394
Storage areas and guest flats	11,945	10,155
	<u>362,670</u>	<u>340,899</u>
Less: Losses from voids	<u>(14,727)</u>	<u>(20,910)</u>
	<u><u>347,943</u></u>	<u><u>319,989</u></u>

The number of units of social housing accommodation in use during the year was 39 (2022 - 39) and all relates to Social rent for General Needs Housing.

3. Operating Costs from Lettings

	2023		2022	
	£	£	£	£
<u>Services</u>				
Salaries	28,363		16,222	
General and water rates	14,633		15,082	
Insurance	20,260		17,635	
Gas and electricity	85,560		43,697	
Grounds works	20,021		13,094	
Other direct costs	<u>282</u>		<u>281</u>	
		169,119		106,011
<u>Management</u>				
Fees and salaries	33,966		-	
Audit and accountancy charges	14,250		20,324	
Bank charges	88		111	
Legal and professional fees	5,344		6,485	
Architect's and suveyor's fees	<u>-</u>		<u>-</u>	
		53,648		26,920

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3. Operating Costs from Lettings (Cont'd)

Maintenance

Reactive Maintenance	54,438	41,440
Maintenance officers salary	19,441	23,076
Service Contracts	8,676	49,032
Planned Capital Projects	<u>46,358</u>	<u>90,699</u>
	128,913	204,247
Operating costs from lettings	<u>351,680</u>	<u>337,178</u>
Other operating costs (note 5a)	<u>48,165</u>	<u>88,675</u>
Total operating costs	<u><u>399,845</u></u>	<u><u>425,853</u></u>

Summary of Income and Expenditure from lettings

Turnover (note 2)	347,943	319,989
Operating costs from lettings - as above	<u>(351,680)</u>	<u>(337,178)</u>
Deficit	<u><u>(3,737)</u></u>	<u><u>(17,189)</u></u>

4. Other Income

	2023	2022
	£	£
Sundry donations	16,220	11,695
Legacies	-	16,402
Release of deferred capital grant (note 16)	<u>21,518</u>	<u>21,518</u>
	<u><u>37,738</u></u>	<u><u>49,615</u></u>

5a. Other operating costs

	2023	2022
	£	£
Salaries	-	43,284
Telephone, postage and stationery	2,822	2,257
Computer supplies and support	2,488	2,124
Founders Day and functions	496	494
Office sundries	389	2,274
Subscriptions	1,013	-
Chapel sundries	4,033	1,074
Donations	3,788	5,595
Training courses and retreat fees	526	-
Chaplain's removal and recruitment costs	954	-
Housekeeping and TV	1,245	1,162
Depreciation	<u>30,411</u>	<u>30,411</u>
	<u><u>48,165</u></u>	<u><u>88,675</u></u>

5b. Interest receivable and similar income

	2023	2022
	£	£
Bank interest received	1,168	207
Gain/ (loss) on disposal of investments	-	(6,366)
Investment income	<u>21,163</u>	<u>22,445</u>
	<u><u>22,331</u></u>	<u><u>16,286</u></u>

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6. Officers and senior executives emoluments

	2023	2022
	£	£
Emoluments	33,000	32,256
Pensions	803	741
	<u>33,803</u>	<u>32,997</u>
Highest paid senior executive	<u>33,803</u>	<u>32,997</u>

Under FRS102, officers and senior executives emoluments includes the emoluments of key management personnel. During 2023 there was one employee who served as a member of key management personnel.

No employees earned more than £60,000 during the year. The Trustees received reimbursed expenses £nil (2022 - £nil) in the year.

Trustee indemnity insurance was effected during the year for which the charity paid a premium of £666 (2022: £665).

There are no current members of the Church of England Funded Pension Scheme.

During the year, the aggregate compensation for loss of office of key management personnel was £nil (2022 - £nil).

7. Employee information

	2023	2022
	£	£
Staff costs during the year were :-		
Wages and salaries	80,170	79,812
Social security costs	277	1,651
Pension costs	1,323	1,120
	<u>81,770</u>	<u>82,583</u>

The average number of employees during the year was 4 (2022: 5).

Church of England Funded Pensions Scheme

Bromley & Sheppard's Colleges Charity participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme was a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income in the year are contributions payable towards benefits and accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £1,818m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of RPI less 0.8% p.a. pre-2030; and
- Mortality in accordance with 90% of the S3 base tables, with allowance for improvements in mortality rates in line with the CMI 2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

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7. Employee information (Cont'd)

Following the 31 December 2021 valuation, a recovery plan was no longer needed as there is now a surplus.

The legal structure of the scheme is such that if another Responsible Body fails, Bromley & Sheppard's Colleges could become responsible for paying a share of that Responsible Body's pension liabilities.

When a Minor Responsible Body's last active member leaves service, under a legal agreement in force, the CEFPS pension liabilities which would otherwise have been attributed to the Minor Responsible Body are instead apportioned on a pro rata basis to all the Major Responsible Bodies.

8. Operating (deficit)/ surplus

	2023	2022
	£	£
is stated after charging :-		
Amounts payable to auditors:		
Audit services	-	11,760
Independent examination	5,400	-
	<u>5,400</u>	<u>-</u>

9. Taxation

Bromley & Sheppard's Colleges Charity is a registered charity, and is exempt for liability to taxation on its income and capital gains.

10. Housing Properties

	Bromley College £	Sheppard's College £	Total £
Cost			
At 1 January 2023 and 31 December 2023	<u>1,191,019</u>	<u>336,699</u>	<u>1,527,718</u>
Depreciation			
At 1 January 2023	580,468	162,024	742,492
Charge for the year	<u>24,353</u>	<u>6,058</u>	<u>30,411</u>
At 31 December 2023	<u>604,821</u>	<u>168,082</u>	<u>772,903</u>
Net book value carried forward			
At 31 December 2023	<u>586,198</u>	<u>168,617</u>	<u>754,815</u>
Net book value brought forward			
At 31 December 2022	<u>610,551</u>	<u>174,675</u>	<u>785,226</u>

The original cost of the land and buildings is not known and no value is attributed thereon. A valuation was provided in 2004 by Peter L. Coling, FRICS, of Kinleigh Folkard & Hayward, Chartered Surveyors of Leonard House, 7 Newman Road, Bromley BR1 1RJ, stating "As of October 2004 I value all the properties known as, and comprising, Bromley and Sheppard's Colleges on the basis of the existing use and with vacant possession, in the sum of £10,920,000 (ten million nine hundred and twenty thousand pounds)".

The above are all completed housing properties.

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11. Investments	2023	2022
	£	£
Quoted investments		
Market value at 1 January 2023	707,763	846,726
Sales proceeds	(4,980)	(75,569)
	<u>702,783</u>	<u>771,157</u>
Additions at cost	5,525	525
	<u>708,308</u>	<u>771,682</u>
Realised gain/(loss) on value of investments	-	(6,366)
Unrealised gain/(loss) on value of investments	37,976	(57,553)
Market value at 31 December 2023	<u>746,284</u>	<u>707,763</u>
Historic cost at 31 December 2023	<u>456,298</u>	<u>453,082</u>
All are UK investments apart from £458,912 (2022: £339,003) relating to overseas investments.		
12. Debtors	2023	2022
	£	£
Maintenance contributions, central heating and service		
Charges receivable	26,561	24,019
Income Tax recoverable	-	739
Other debtors and prepayments	17,677	10,736
	<u>44,238</u>	<u>35,494</u>
13. Cash and cash equivalents	2023	2022
	£	£
Bank current and deposit accounts	53,720	80,045
Cash in Hand	941	374
	<u>54,661</u>	<u>80,419</u>
14. Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	-	-
Almshouse Association loans	8,558	8,558
Tax and social security	1,564	761
Accruals	32,165	57,939
	<u>42,287</u>	<u>67,258</u>
Deferred capital grant (note 16)	21,518	21,518
Total	<u>63,805</u>	<u>88,776</u>

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15. Creditors: Amounts falling due after more than one year	2023 £	2022 £
Deferred capital grant (note 16)	486,252	507,770
Almshouse Association loans	33,915	42,473
	<u>520,167</u>	<u>550,243</u>

	2023	2022
Analysis of loans:		
Repayable within one year	8,558	8,558
Repayable in two to five years	33,915	34,230
Repayable in more than five years	-	8,242
	<u>42,473</u>	<u>51,030</u>

The Almshouse loan are unsecured interest free loans, repayable over 10 years in 20 six monthly instalments. As the loan is interest free, the charity is not impacted by the Interest Rate Benchmark Reform.

16. Deferred capital grants	2023 £	2022 £
At 1 January	529,288	550,806
Released to income during the year	(21,518)	(21,518)
At 31 December	<u>507,770</u>	<u>529,288</u>

	2023 £	2022 £
Analysis of grants:		
Deferral within one year	21,518	21,518
Deferral in two to five years	86,072	86,072
Deferral in more than five years	400,180	421,698
	<u>507,770</u>	<u>529,288</u>

17. Designated Reserves

Charitable Fund Property Reserve	2023 £	2022 £
Balance at 1 January	255,938	318,189
Transfer to Income & Expenditure Account	(8,892)	(62,251)
Balance at 31 December	<u>247,046</u>	<u>255,938</u>

18. Special Funds	2023 £	2022 £
Recoupment Fund		
Balance at 1 January	190,543	210,595
Transfer from Income & Expenditure Account	525	525
Transfer from/(to) Investment Revaluation Fund	24,351	(20,577)
Balance at 31 December	<u>215,419</u>	<u>190,543</u>

The Recoupment Fund is represented by a specific COIF investment with a market value equal to the fund balance.

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19. Extraordinary Repair Fund	2023	2022
	£	£
Balance at 1 January	17,943	100,436
Transfer from Income & Expenditure Account	5,000	-
Transfer from/(to) Investment Revaluation Reserve	2,562	(82,493)
Balance at 31 December	<u>25,505</u>	<u>17,943</u>

20. Investment Revaluation Fund	2023	2022
	£	£
As at 1 January	699,071	635,856
Transfers from Income & Expenditure Account:		
Unrealised losses from past periods	-	-
Now realised on disposals of investments	-	18,471
Unrealised gains/(losses) in the current year	38,015	(58,326)
Transfer (to)/from Recoupment Fund	(24,351)	20,577
Transfer (to)/from Extraordinary Repair Fund	<u>(2,562)</u>	<u>82,493</u>
As at 31 December	<u>710,173</u>	<u>699,071</u>

21. Associated Funds

The Collegian Chaplain's Fund is a separate fund operated by the Collegians. It is not under the control of the Trustees and is not incorporated in these financial statements.

22. Contingent Liabilities

There were no contingent liabilities at 31 December 2023.