

REGISTERED NUMBER: A3969
CHARITY NUMBER: 210365

Report of the Trustees and
Financial Statements for the Year Ended 31st December 2020
for
The Henry Pinnock and Victoria & Albert Memorial Charity

The Henry Pinnock and Victoria & Albert Memorial Charity

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for the year ended 31st December 2020

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The Henry Pinnock and Victoria & Albert Memorial Charity

Trust Information
for the year ended 31st December 2020

TRUSTEES:	R Gladwell (Chairman) W Woolley (Vice chairman) P Painter J Wallace L Milner A Pritchard A Ridgers N Botley B Hayre (appointed 12/05/2020)
SECRETARY:	E L Pannell
TREASURER:	P Nebbs
REGISTERED OFFICE:	19 Old Road West Gravesend Kent DA11 0LH
REGISTERED NUMBER:	A3969
CHARITY NUMBER:	210365
ACCOUNTANTS:	Beak Kemmenoe Chartered Accountants & Statutory Auditors 1-3 Manor Road Chatham Kent ME4 6AE
AUDITORS:	UHY Kent LLP t/a UHY Hacker Young Thames House Roman Square Sittingbourne Kent ME10 4BJ
BANKERS:	National Westminster Plc 30 King Street Gravesend DA12 2XX

The trustees present their report with the financial statements for the year ended 31st December 2020.

PRINCIPAL ACTIVITY

The principal activity of the charity in the year under review was that of the provision of almshouse accommodation at St Thomas's Almshouses, Gravesend. The almshouses are operated by the charity as a Housing Association.

REVIEW OF BUSINESS

The year was dominated by the Covid-19 pandemic, and this continues to impact everyone's life into 2021, to a greater or lesser extent. For Pinnocks, the impact of the pandemic was not apparent with regards to the investment properties during 2020. Occasional maintenance was carried out as and when required, and tenancies remained constant. The lease for the commercial property at 72 Mount Pleasant, Tunbridge Wells, was renewed for a period of fifteen years, from April 2020.

The trustees actively managed the situation at the Almshouses, taking account of continually changing government restrictions, laws and guidance though the year relating to Covid-19, aiming to keep residents and staff safe, and to minimise impact on NHS resources. Regular communication to residents was maintained, and the government rules and restrictions were interpreted and applied within the almshouse setting as required. Particularly during the first national 'lockdown', from March to July 2020, the restrictions to residents' lives and freedoms, as for most of the rest of the country, were significant. The trustees are thankful to the residents and staff for all their efforts during this period, and throughout the pandemic.

Due to the risks involved around Covid-19, a decision was made by the Trustees to pause approval of new applicants to the Almshouses, apart from exceptional circumstances. As a result, although there have been several applications for accommodation, and a small waiting list exists, no offers were made, and by the end of 2020, the lost income due to vacant units was estimated as £5,083 (a little under 2%), and two flats remained vacant at the end of the year.

Despite the inherent difficulties presented by the pandemic, the Trustees continued with ongoing regular maintenance of the Almshouses, where it was safe to do so, including the garden and common areas, to keep the properties and grounds up to the expected high standards. A small increase in the weekly maintenance charge for the Almshouse residents was brought in from April 2020. In addition to refurbishment costs for vacated almshouse flats, items of significant expenditure during the year included fire safety work which was carried out in the roof area of the lodge, following recommendations from a regulatory fire safety audit carried out by Kent Fire & Rescue Service. In addition, a new hard-standing area was installed on the outside boundary of the almshouse site, at the corner of Wrotham Road and Old Road West.

The Trustees, Clerk and Treasurer worked with Gullands solicitors throughout the year, to carry out work relating to the incorporation of the charity, and its conversion to a charitable limited company, and it is hoped for the formalities of this to conclude during 2021.

During 2021, the Trustees would look to draw up a plan to future-proof the almshouse site with regards to provision of electric car charging points, and to the withdrawal of gas-fired heating and cooking provision in the coming years, as prescribed by the national government.

The trustees are satisfied that they still provide a demonstrable public benefit to the catchment area served by the trusts of the charity, thus fulfilling the requirement for a charitable trust.

There are no long-term debts, and the trustees have made transfers to the cyclical repair reserves, extraordinary repair reserve and building repair reserve funds.

FUTURE DEVELOPMENTS

The trustees have no future plans other than the continued upgrading of the almshouses.

The Henry Pinnock and Victoria & Albert Memorial Charity

Report of the Trustees
for the year ended 31st December 2020

INVESTMENT REVIEW

The trustees are satisfied with the returns being produced with the M & G Charity Multi Asset Fund.

VALUE FOR MONEY STATEMENT

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

1. Reinvestment %

Works to existing properties	68,860		Housing properties at valuation	5,958,244		
	<u>68,860</u>	A		<u>5,958,244</u>	B	<u>A/B</u> <u>1.16%</u>

2. New Supply delivered %

a) Social Housing Units			b) Non-Social Housing Units		
Total Social Housing units developed or acquired in the year	-	A	Total Non -Social Housing units developed or acquired in the year	-	A
Total Social Housing Units Managed at period end	60		Total Social Housing Units Managed at period end	60	
	<u>60</u>	B	Total Non-Social Housing Units Managed at period end	9	
	<u>-%</u>	A/B		<u>69</u>	B
				<u>-%</u>	A/B

3. Gearing

Short term loans	-		Housing properties at valuation	5,958,244		
Long term loan	-					
Cash and cash equivalents	647,915					<u>A/B</u>
	<u>647,915</u>	A		<u>5,958,244</u>	B	<u>10.87%</u>

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

Operating surplus/(deficit)	25,019		Interest capitalised	-		
+ Interest receivable	28,587		Interest payable and financing costs	-		
+ Total depreciation charge	101,984					<u>A/B</u>
	<u>155,590</u>	A		<u>-</u>	B	<u>-%</u>

The Henry Pinnock and Victoria & Albert Memorial Charity

Report of the Trustees
for the year ended 31st December 2020

VALUE FOR MONEY STATEMENT (CONTINUED)

5. Headline Social Housing Cost £

Management costs	47,716		Total Social Housing Units Managed at period end	60	
Service charge costs	44,003				
Repairs & maintenance costs	91,742				
Other (social housing letting) costs	2,374				A/B
	<u>185,835</u>	A		<u>60</u>	B
					<u>£3,097</u>

6. Operating Margin %

a) Social Housing lettings

Operating surplus/(deficit) from social housing lettings	34,673	A
Turnover from social housing lettings	220,508	B
	<u>15.72%</u>	A/B

b) Overall

Operating surplus/(deficit) overall	25,019	A
Turnover (overall)	324,126	B
	<u>7.72%</u>	A/B

7. Return on Capital Employed

Operating surplus/(deficit) overall	25,019		Total assets less current liabilities	8,542,925	
	<u>25,019</u>	A		<u>8,542,925</u>	B
					<u>A/B</u>
					<u>0.29%</u>

Pinnock's Charity endeavours to deliver value for money, quality of service at reasonable cost. There does not appear to be much scope for reducing costs without services suffering but the charity is alert to the desirability of making savings, where possible and appropriate.

TRUSTEES

The trustees shown below have held office during the whole of the period from 1st January 2020 (or date of appointment) to the date of this report.

R Gladwell
W Woolley
P Painter
J Wallace
L Milner
A Pritchard
A Ridgers
N Botley
B Hayre (appointed 12/05/2020)

The Henry Pinnock and Victoria & Albert Memorial Charity

Report of the Trustees
for the year ended 31st December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and objects of the charity

The object of the charity is laid down by a Charity Commission scheme dated 29th June 1982 and is the provision of residences for persons in need in Gravesend or in the ecclesiastical parishes of St Mark, Rosherville or All Saints, Perry Street, Northfleet.

Structure & Organisation

The aim of the charity is to provide almshouse accommodation at St Thomas's Almshouses. The charity operates by means of a board of trustees which aims to meet at least five times per year. A maximum of five trustees are co-optative trustees serving terms of five years. A maximum of five trustees are representative trustees appointed by Gravesham Borough Council for terms of four years.

Trustees induction and training

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

Statement of Risks and Mitigation

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that year. In preparing these the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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; and
- 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 which disclose with reasonable accuracy at any time the financial position of the charity and enable the trustees to ensure that the financial statements comply with the Housing and Regeneration Act 2008. 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. The trustees are also responsible for maintaining a satisfactory system of control over the charity's books of accounts and transactions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (information needed by the charity's auditors in connection with preparing their report) of which the charity's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Messrs UHY Hacker Young, will be proposed for re-appointment for the forthcoming year.

ON BEHALF OF THE BOARD:



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E L Pannell - Secretary

Date:

25/6/2021

Report of the Independent Auditors to the Members of

The Henry Pinnock and Victoria & Albert Memorial Charity

Opinion

We have audited the financial statements of The Henry Pinnock and Victoria & Albert Memorial Charity (the 'charity') for the year ended 31st December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its income 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers in social housing in England 2019.

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees 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; or

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page three, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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:

Based on our understanding of the charity and the wider not-for-profit sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to possible acts by the charity which were contrary to applicable laws and regulations including fraud. We also considered the extent to which non-compliance might have a material effect on the financial statements such as the Charities Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that due to the size of these assets on the balance sheet the principal risk related to possible management bias in respect of the valuation of social housing and other freehold properties. A further risk related to the general risk of revenue misstatement but due to the charity's activities that risk was considered low.

In order to evaluate whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud, our audit procedures performed included a review of the disclosures to underlying supporting documentation, such as valuation reports, to ensure there was no evidence of management bias in the underlying approach and assumptions used by the valuers. We also made enquiries of management and completed testing of journals as appropriate.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
The Henry Pinnock and Victoria & Albert Memorial Charity

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Kent LLP

UHY Kent LLP
Statutory Auditor
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 30 June 2021

The Henry Pinnock and Victoria & Albert Memorial Charity

Statement of Comprehensive Income
for the year ended 31st December 2020

	Notes	2020 £	2019 £
TURNOVER	2	324,126	317,436
Administrative expenses		(299,304)	(326,200)
Other operating income		<u>197</u>	<u>956</u>
OPERATING SURPLUS/(DEFICIT)	5	25,019	(7,808)
Income from fixed asset investments		23,010	21,910
Interest receivable and similar income		<u>5,577</u>	<u>6,367</u>
		<u>28,587</u>	<u>28,277</u>
RETAINED SURPLUS FOR THE YEAR		53,606	20,469
Unrealised movement of revaluation of investments		(89,200)	285,388
Unrealised movement of revaluation of properties		<u>1,052,071</u>	<u>142,043</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,016,477</u>	<u>447,900</u>
NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS			
Retained surplus for the year		53,606	20,469
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount		<u>6,217</u> <u>59,823</u>	<u>6,217</u> <u>26,686</u>

The notes form part of these financial statements

The Henry Pinnock and Victoria & Albert Memorial Charity (Registered number: 210365)

Statement of Financial Position
31st December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	6	5,958,755	4,939,808
Investments	7	<u>1,947,110</u>	<u>2,005,137</u>
		7,905,865	6,944,945
CURRENT ASSETS			
Debtors	8	39,177	39,707
Cash at bank		<u>647,915</u>	<u>599,994</u>
		687,092	639,701
CREDITORS			
Amounts falling due within one year	9	<u>(50,032)</u>	<u>(58,198)</u>
NET CURRENT ASSETS		637,060	581,503
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,542,925</u>	<u>7,526,448</u>
RESERVES			
Revaluation reserve	10	4,280,908	3,798,992
Other reserves	10	499,968	500,078
Designated reserve	10	954,506	983,880
Income and expenditure account	10	<u>2,807,543</u>	<u>2,243,498</u>
		<u>8,542,925</u>	<u>7,526,448</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25 June 2021 and were signed on its behalf by:

Trustee

Trustee

E L Pannell - Secretary

The notes form part of these financial statements

The Henry Pinnock and Victoria & Albert Memorial Charity
Statement of Changes in Equity
for the year ended 31st December 2020

	Retained earnings £	Revaluation reserve £	Other reserves £	Designated reserve £	Total equity £
Balance at 1st January 2019	2,324,213	3,371,994	499,645	882,696	7,078,548
Surplus from statement of comprehensive income	447,900	-	-	-	447,900
Increase in property valuation	(142,043)	142,043	-	-	-
Increase in market value of investments transfer	(285,388)	284,955	433	-	-
Interest arising in the year transfer	(4,982)	-	-	4,982	-
Transfer from income and expenditure account	(96,202)	-	-	96,202	-
Balance at 31st December 2019	2,243,498	3,798,992	500,078	983,880	7,526,448
Surplus from statement of comprehensive income	1,016,477	-	-	-	1,016,477
Increase in property valuation	(571,006)	571,006	-	-	-
Decrease in market value of investments transfer	89,200	(89,090)	(110)	-	-
Interest arising in the year transfer	(5,577)	-	-	5,577	-
Transfer from income and expenditure account	(35,418)	-	-	35,418	-
Balance at 31st December 2020	<u>2,610,158</u>	<u>4,280,908</u>	<u>499,968</u>	<u>954,506</u>	<u>8,542,925</u>

The notes form part of these financial statements

The Henry Pinnock and Victoria & Albert Memorial Charity

Statement of Cash Flows
for the year ended 31st December 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>119,367</u>	<u>108,112</u>
Net cash from operating activities		<u>119,367</u>	<u>108,112</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(68,860)	(45,697)
Purchase of fixed asset investments		(31,173)	(30,076)
Interest received		5,577	6,367
Dividends received		<u>23,010</u>	<u>21,910</u>
Net cash from investing activities		<u>(71,446)</u>	<u>(47,496)</u>
 Increase in cash and cash equivalents		47,921	60,616
Cash and cash equivalents at beginning of year	2	<u>599,994</u>	<u>539,378</u>
 Cash and cash equivalents at end of year	2	<u>647,915</u>	<u>599,994</u>

The notes form part of these financial statements

The Henry Pinnock and Victoria & Albert Memorial Charity

Notes to the Statement of Cash Flows
for the year ended 31st December 2020

1. **RECONCILIATION OF SURPLUS/(DEFICIT) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Surplus before taxation	1,007,293	447,900
Depreciation charges	101,984	97,679
Gain on revaluation of fixed assets	(953,687)	(427,431)
Finance income	<u>(28,587)</u>	<u>(28,277)</u>
	127,003	89,871
Decrease/(increase) in trade and other debtors	530	(1,101)
(Decrease)/increase in trade and other creditors	<u>(8,166)</u>	<u>19,342</u>
Cash generated from operations	<u>119,367</u>	<u>108,112</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>647,915</u>	<u>599,994</u>

Year ended 31st December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>599,994</u>	<u>539,378</u>

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

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>599,994</u>	<u>47,921</u>	<u>647,915</u>
Total	<u>599,994</u>	<u>47,921</u>	<u>647,915</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The Henry Pinnock and Victoria & Albert Memorial Charity constitutes a public benefit entity as defined by FRS 102.

These financial statements have been prepared in accordance with applicable accounting standards including the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for registered providers of social housing in England in 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention as modified to include certain items at fair value.

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

Critical accounting judgements and key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Depreciation is provided at rates calculated to write off the cost or valuation of tangible fixed assets over each asset's expected useful life. The charity regularly reassesses the useful economic life of its housing properties and other freehold buildings. When acquired the useful life of the main structures was assessed to be 50 years. Historically the useful lives have been re-set to 50 years each time there has been a revaluation and therefore future depreciation charges are based on the revalued amount and the extended useful life of the building.

Turnover

Turnover represents the maintenance charges (net of agents charges and voids) paid by residents living in the almshouses, and other income received from investment properties.

Tangible fixed assets

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

Freehold Land	- Nil
Housing Properties and freehold buildings	- See below
Plant and machinery etc	- 15% on reducing balance

Social Housing Properties and freehold buildings

Housing properties are principally properties available for rent and are included at valuation, the valuation basis being the existing use value for social housing. Housing properties are re-valued regularly. The aggregated surplus or deficit on re-valuation is transferred to a revaluation reserve.

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

Useful economic lives for identified components as follows:

Structure	- Straight line over 50 years
Outbuildings	- Straight line over 50 years
Kitchens	- Straight line over 20 years
Bathrooms	- Straight line over 30 years
Heating systems	- Straight line over 20 years

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

1. **ACCOUNTING POLICIES - continued**

Housing association grants and social housing grants

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

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

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

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expenses as they become payable.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment

1. **ACCOUNTING POLICIES - continued**

Designated reserves

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

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

Cyclical repairs and maintenance

The Trustees maintain a designated fund entitled Cyclical Maintenance Fund for the purpose of providing for those items of ordinary maintenance and repair of the almshouses belonging to the fund, which recur at infrequent intervals, and the cost of related periodic property surveys.

Major Repairs

The Trustees designate reserves for the future major repairs expenditure on all housing properties under the 1998 Housing Act arrangements and other properties in so far as the major repairs expenditure is not eligible for grants from the Housing Corporation or local authorities. Regular annual contributions are set aside in an Extraordinary Repairs reserve in accordance with Trust Scheme dated 29 June 1982.

Other designated reserves

The Trustees set up temporary reserves as required to assist with specific projects. An emergency and cyclical maintenance works reserve was set up in respect of the residential investment properties held. A transfer of accumulated costs incurred has been transferred from the income and expenditure account to the emergency and cyclical maintenance fund in the year.

Restricted reserves

Restricted reserves are those reserves held for a specific purpose upon which restrictions have been imposed by the donor or which have been raised by the charity for particular purposes. Where a restricted reserve is represented by assets that have then revalued, the revaluation element is added to the restricted reserve.

Property Managed by Agents

Where the RSL carries the financial risk on the property managed by agents, all the income and expenditure arising from the property is included in the Income and Expenditure Account.

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

2. **TURNOVER**

	Number of units managed by Registered Social Landlord at	
	31 December 2020	1 January 2020
Social Housing units – almshouses	60	60
Other rental properties - non-social housing	7	7
Other rental properties – commercial	2	2
	<u>69</u>	<u>69</u>

	Maintenance Charges	Other Rental Income	2020 Total	2019 Total
	£	£	£	£
Gross rents	261,624	113,789	375,413	365,457
Rent losses from voids	(5,083)	-	(5,083)	(2,455)
Rent losses from bad debts	-	-	-	-
Management charges	<u>(36,033)</u>	<u>(10,171)</u>	<u>(46,204)</u>	<u>(45,566)</u>
Total income from lettings	<u>220,508</u>	<u>103,618</u>	<u>324,126</u>	<u>317,436</u>

3. **EMPLOYEES**

	2020	2019
	£	£
Wages and salaries	<u>61,272</u>	<u>59,281</u>

The average number of employees during the year was as follows:

	2020	2019
Administration	2	2
Wardens	<u>2</u>	<u>2</u>
	<u>4</u>	<u>4</u>

4. **TRUSTEES' REMUNERATION AND EXPENSES**

Trustees received no remuneration in the year. Out of pocket expenses reimbursed to Trustees in the year amounted to £nil (2019: £103).

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

5. **OPERATING SURPLUS**

The operating surplus is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	<u>101,984</u>	<u>97,679</u>

6. **TANGIBLE FIXED ASSETS**

	Social Housing Properties £	Other Freehold Property £	Plant and machinery £	Totals £
COST OR VALUATION				
At 1st January 2020	2,908,553	2,379,625	10,506	5,298,684
Additions	68,860	-	-	68,860
Revaluation	481,065	164,050	-	645,115
Disposals	<u>(5,998)</u>	<u>-</u>	<u>-</u>	<u>(5,998)</u>
At 31st December 2020	<u>3,452,480</u>	<u>2,543,675</u>	<u>10,506</u>	<u>6,006,661</u>
DEPRECIATION				
At 1st January 2020	267,582	81,389	9,905	358,876
Charge for year	63,459	38,435	90	101,984
Revaluation	(320,300)	(86,656)	-	(406,956)
Eliminated on disposal	<u>(5,998)</u>	<u>-</u>	<u>-</u>	<u>(5,998)</u>
At 31st December 2020	<u>4,743</u>	<u>33,168</u>	<u>9,995</u>	<u>47,906</u>
NET BOOK VALUE				
At 31st December 2020	<u>3,447,737</u>	<u>2,510,507</u>	<u>511</u>	<u>5,958,755</u>
At 31st December 2019	<u>2,640,971</u>	<u>2,298,236</u>	<u>601</u>	<u>4,939,808</u>

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

6. **TANGIBLE FIXED ASSETS - continued**

The freehold property relates to property held for non-social letting. One of the Northfleet properties has been revalued in 2018 following extensive refurbishment. During 2019, freehold properties at Tunbridge Wells were revalued by AU Consultancy Ltd on a capital market value. In 2020 the remaining two Northfleet properties were revalued by Walker Jarvis at market value. The freehold properties were also revalued in 2020 by TW Gaze LLP at an open market value. The almshouses were re-valued during 2020 by the DVS Property Specialists for the public sector, valued on Existing Use Value - Social Housing.

Assets held at valuation

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

	Housing Properties 2020 £	Freehold Property 2020 £	Total 2020 £	Total 2019 £
Amount of revaluation	(720,214)	2,149,681	1,429,467	784,352
Historic cost	<u>4,172,694</u>	<u>393,994</u>	<u>4,566,688</u>	<u>4,503,826</u>
	<u>3,452,480</u>	<u>2,543,675</u>	<u>5,996,155</u>	<u>5,288,178</u>

7. **FIXED ASSET INVESTMENTS**

	Other investments £
COST OR VALUATION	
At 1st January 2020	2,005,137
Additions	31,173
Revaluations	<u>(89,200)</u>
At 31st December 2020	<u>1,947,110</u>
NET BOOK VALUE	
At 31st December 2020	<u>1,947,110</u>
At 31st December 2019	<u>2,005,137</u>

Historical cost information

The historical cost of investments held at valuation is as follows:

	2020 £	2019 £
Historical cost	<u>773,023</u>	<u>741,850</u>

The Henry Pinnock and Victoria & Albert Memorial Charity

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

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	31,424	33,941
Other debtors	<u>7,753</u>	<u>5,766</u>
	<u>39,177</u>	<u>39,707</u>

Included in trade receivables are rent arrears of £9,978 (2019: £9,490).

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Other creditors	200	800
Accruals and deferred income	<u>49,832</u>	<u>57,398</u>
	<u>50,032</u>	<u>58,198</u>

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

Accruals and deferred income includes rent payable in advance of £12,924 (2019: £11,612).

The Henry Pinnock and Victoria & Albert Memorial Charity

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

10. RESERVES

	Income and expenditure account £	Revaluation reserve £	Other reserves £	Designated reserve £	Totals £
At 1st January 2020	2,243,498	3,798,992	500,078	983,880	7,526,448
Surplus for the year	1,016,477				1,016,477
Market value of investment	89,200	(89,090)	(110)	-	-
Valuation of properties	(571,006)	571,006	-	-	-
Interest received transfer	(5,577)	-	-	5,577	-
Transfers from prior periods	70,369	-	-	(70,369)	-
Reserves transfer	(35,418)	-	-	35,418	-
At 31st December 2020	<u>2,807,543</u>	<u>4,280,908</u>	<u>499,968</u>	<u>954,506</u>	<u>8,542,925</u>

Revaluation Reserve

	Property Revaluation Reserve £	Investment Revaluation Reserve £	Total £
At 1 January 2020	2,237,905	1,561,087	3,798,992
Decrease in market value of investments	-	(89,090)	(89,090)
Increase in market value of properties	571,006	-	571,006
At 31 December 2020	<u>2,808,911</u>	<u>1,471,997</u>	<u>4,280,908</u>

The investment revaluation reserve includes £736,258 relating to shares held in respect of the extraordinary repair reserve.

Other reserves

	Capital Account £	Caroline Richards Trust £	Minnie Selina Downing Trust £	Total £
At 1 January 2020	497,258	2,675	145	500,078
Increase in market value of investments	-	(85)	(25)	(110)
At 31 December 2020	<u>497,258</u>	<u>2,590</u>	<u>120</u>	<u>499,968</u>

The Caroline Richards Charity funds are held solely for the maintenance of the graves of the Richards family in Gravesend cemetery. The fund is being used to clean and repair the graves.

The Minnie Selina Downing trust provides for the payment of income to or between such person or persons as the trustees shall consider to be a poor person or persons resident within the municipal borough of Gravesend and who from age, ill-health, accident or infirmity shall be unable to maintain herself/himself or themselves by his/her or their own exertions. The trustees will be arranging to make a distribution of the small amount of income arising out of the trust in accordance with the trust provisions.

The Henry Pinnock & V & A Mem Charity

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

Designated Reserves

	Extraordinary Repair £	Cyclical Maintenance £	Emergency & Cyclical Maintenance £	Total £
At 1 January 2020	385,876	519,623	78,381	983,880
Interest arising in the year	855	4,658	64	5,577
Transfer from prior periods	-	-	(70,369)	(70,369)
Transfer from income and expenditure account	<u>(32,335)</u>	<u>46,753</u>	<u>21,000</u>	<u>35,418</u>
At 31 December 2020	<u>354,396</u>	<u>571,034</u>	<u>29,075</u>	<u>954,506</u>

The fund included within designated reserves are fully explained in the accounting policy in note 1 to these accounts.

During the year an adjustment was made to transfer costs which had been included in the Income and Expenditure account in prior periods across to the Emergency & Cyclical Maintenance Fund to correctly allocate the costs incurred.

11. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

12. RELATED PARTY DISCLOSURES

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

The Henry Pinnock and Victoria & Albert Memorial Charity

Detailed Income and Expenditure Account
for the year ended 31st December 2020

	2020		2019	
	£	£	£	£
Turnover				
Rents receivable	103,618		98,136	
Residents weekly contributions	<u>220,508</u>		<u>219,300</u>	
		324,126		317,436
Other income				
Sundry receipts	197		956	
Listed investment income	23,010		21,910	
Deposit account interest	<u>5,577</u>		<u>6,367</u>	
		<u>28,784</u>		<u>29,233</u>
		352,910		346,669
Expenditure				
Council tax and water charges	3,283		3,262	
Insurance	8,786		8,426	
Light and heat	5,867		6,512	
Wages	61,272		59,281	
Telephone	1,490		1,407	
Repairs and renewals	97,505		136,829	
Administration expenses	2,249		4,546	
Accountancy	3,000		3,000	
Legal fees	11,103		1,998	
Auditors' remuneration	2,640		3,119	
Depreciation of tangible fixed assets				
Housing property	63,459		59,432	
Other freehold property	38,435		38,141	
Plant and machinery	<u>90</u>		<u>106</u>	
		<u>299,179</u>		<u>326,059</u>
		53,731		20,610
Finance costs				
Bank charges		<u>125</u>		<u>141</u>
		53,606		20,469
Gain/(loss) on revaluation of assets				
(Loss)/gain on revaluation of investments	(89,200)		285,388	
Gain on revaluation of investment property	<u>1,052,071</u>		<u>142,043</u>	
		<u>962,871</u>		<u>427,431</u>
NET SURPLUS		<u>1,016,477</u>		<u>447,900</u>

This page does not form part of the statutory financial statements