

THE HONYWOOD AND DOUGLAS CHARITY

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE HONYWOOD AND DOUGLAS CHARITY

REGISTERED SOCIAL HOUSING PROVIDER INFORMATION

Trustees	Mr A Barr Dr MH Porter Dr AH Taylor Mrs S Greenwood Mr AM Davidson Mr ED Chantler MBE Mr WH Peter (resigned 12 May 2021) Mrs S Hasler (resigned 10 February 2021) Mr JF Barr Mr MR Ballard Ms H Thorneloe Rev Dr J Huggins Mrs M McFarlane (appointed 12 May 2021) Mr P Jarvis (appointed 12 May 2021)
Registered number	211272
Principal address	The Homestead Grafty Green Maidstone Kent ME17 2AP
Accountants	MHA MacIntyre Hudson Chartered Accountants Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA
RSH registration number	A4001
Treasurer	Mr WJ Collins FCCA
Clerk	Mrs J Rimmer

THE HONYWOOD AND DOUGLAS CHARITY

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THE HONYWOOD AND DOUGLAS CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Principal activities

The Charity's governing document is a scheme of the Charity Commissioners of 5 July 1996. This merged the separate Honywood and Douglas charities to be administered and managed together as one charity (registration number 211272). The Honywood and Douglas charities were originally founded in 1621 and 1858 respectively.

The Almshouses belonging to the Charity are used for the accommodation of residents of not less than 60 years of age who, except in special cases approved by the Charity Commissioners, have lived in the ancient Parish of Lenham or the Parish of Boughton Malherbe for at least two years. Appointments of residents are made by the trustees.

The trustees maintain an Extraordinary Repair Fund for the purpose of providing for the extraordinary repair, improvement or rebuilding of the Almshouses. The fund is invested in Accumulation Shares in the National Association of Almshouses Common Investment Fund. In November 2019 M&G merged the National Association of Almshouses Investment Fund into the M&G Charity Multi Asset.

The charity has now constructed almshouses on all the land which it previously owned and, at the year end, all 26 of the units were let. In December 2019, a further property was acquired and the trustees have obtained planning permission to construct three further units by converting the existing building. The Covid-19 pandemic has resulted in delays with progression of the scheme but work is now expected to commence before the end of 2021.

The Charity has twenty-six residential units. The results for the year are shown on page 5.

Public benefit

The trustees have had due regard to the Charity Commission's published guidance on public benefit.

Trustees

The board of trustees usually consists of one ex-officio trustee, four nominated trustees and seven co-opted trustees. Two nominated trustees are appointed by the Parish Council of Lenham and two by the Parish Council of Boughton Malherbe, for a period of four years. Co-opted trustees are appointed by resolution of the trustees for a term of five years.

The trustees who served during the year are detailed on the information page.

The trustees meet regularly, and at least twice a year, to attend to the charity's affairs. Decisions are taken based on a majority of the votes and, in the event of equality of votes, the chairman has a casting vote.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

THE HONYWOOD AND DOUGLAS CHARITY

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Management of the charity's affairs and risk

The trustees appointed have local knowledge and are therefore generally aware of the charity's aims and housing stock. New trustees are provided with a copy of the charity's Trust Deed, the latest accounts and details of the obligations of the residents and the trustees.

The day to day management of the charity is delegated to the Treasurer, Mr WJ Collins, under consultation with the Board of Trustees. The overseeing of the ongoing repair of the charity's properties has been delegated to a local maintenance co-ordinator in consultation with the trustees.

The trustees consider that the major risks to which the charity is exposed are the preservation of the properties, the need to comply with relevant legal and regulatory obligations and the need to ensure that all financial transactions are properly recorded. They have therefore put the following systems into place :

- (a) the buildings insurance is reviewed annually to ensure it remains appropriate and regular safety checks on fire equipment and gas appliances in the properties are undertaken. The general state of repair of the properties is reviewed by the Board of Trustees;
- (b) Mr WJ Collins ensures that he remains up to date with the requirements of the Regulator of Social Housing, the Charities Commission and the National Association of Almshouses and draws any relevant information to the attention of the trustees.
- (c) the charity's total income from maintenance contributions is reconciled annually and all major expenditure requires prior approval at a meeting of the trustees. Day to day expenditure over £1,000 requires two signatures.

The trustees consider that the above measures enable them to meet the Value for Money and the Governance and Financial Viability Standards.

The trustees do not consider that the Covid-19 pandemic has had any significant financial effect on the charity, and are confident this will continue to be the case.

MARKET VALUE OF LAND AND BUILDINGS

The trustees consider that the market value of freehold land and buildings is in excess of the amount shown in the financial statements but, as these assets are used in the charity's activities and no disposals are envisaged, the excess has not been quantified.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Charity law and registered social housing legislation 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 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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

THE HONYWOOD AND DOUGLAS CHARITY

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019. They also have a general responsibility for taking reasonable steps to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by order of the Board of Trustees on 11 August 2021 and signed on their behalf by:

.....
Mr A Barr - Chairman

THE HONYWOOD AND DOUGLAS CHARITY

**ACCOUNTANTS' REPORT TO THE BOARD OF TRUSTEES ON THE UNAUDITED ACCOUNTS OF THE
HONYWOOD AND DOUGLAS CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

We report on the accounts for the year ended 31 December 2020.

Respective responsibilities of the Board of Trustees and reporting accountants

The Board of Trustees of the Registered Social Housing Provider is responsible for the preparation of the accounts, and they consider that the Registered Social Housing Provider is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the accounting records kept by the Registered Social Housing Provider and making such enquiries of the officers of the Registered Social Housing Provider as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

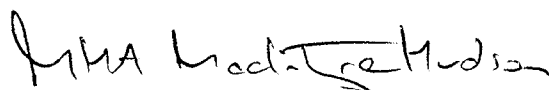
- the accounts for year ended 31 December 2020 are in accordance with the accounting records kept by the Registered Social Housing Provider under paragraph 135(2)(a) of the Housing and Regeneration Act 2008;

- having regard only to, and on the basis of the information contained in the accounting records:

(1) the accounts comply with the requirements of the Charities Act 2011;

(2) the Registered Social Housing Provider has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 December 2020 specified in section 136(3) of the Housing and Regeneration Act 2008;

- the accounts comply with the requirements of the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.



MHA MacIntyre Hudson

Chartered Accountants

Victoria Court

17-21 Ashford Road

Maidstone

Kent

ME14 5DA

Date:

14th September 2021

THE HONYWOOD AND DOUGLAS CHARITY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Maintenance contributions		123,850	121,870
Investment income		666	911
Gross income		124,516	122,781
Operating expenditure		(113,424)	(113,835)
Surplus for the financial year		11,092	8,946
		11,092	8,946
Other comprehensive income for the year			
Gains/(losses) on revaluation of investments		(4,461)	52,652
Total comprehensive income for the year		6,631	61,598

All income and expenditure has arisen from continuing activities.

Approved by the Board of Trustees on 11 August 2021 and signed on their behalf by:

.....
Mrs S Greenwood - Trustee

.....
Mr A Barr - Chairman

The notes on pages 9 to 15 form part of these financial statements.

THE HONYWOOD AND DOUGLAS CHARITY
REGISTERED NUMBER: 211272

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Tangible assets	7	623,470	636,782
Investments	8	96,944	100,130
		<u>720,414</u>	<u>736,912</u>
Current assets			
Debtors	9	12,853	12,081
Current asset investments	10	15,792	17,067
Bank and cash balances		69,462	35,291
		<u>98,107</u>	<u>64,439</u>
Creditors: amounts falling due within one year	11	(18,528)	(7,989)
Net current assets		<u>79,579</u>	<u>56,450</u>
Total assets less current liabilities		<u>799,993</u>	<u>793,362</u>
Net assets		<u>799,993</u>	<u>793,362</u>
Capital and reserves			
Unrestricted funds		799,993	793,362
		<u>799,993</u>	<u>793,362</u>

The financial statements were approved by the Board of Trustees on 11 August 2021 and were signed on its behalf by:

.....
Mrs S Greenwood - Trustee

.....
Mr A Barr - Chairman

The notes on pages 9 to 15 form part of these financial statements.

THE HONYWOOD AND DOUGLAS CHARITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Cash flows from operating activities		
Profit for the financial year	11,092	8,946
Adjustments for:		
Depreciation of tangible assets	24,918	24,918
Interest received	(666)	(911)
(Increase)/decrease in debtors	(772)	4,394
Increase in creditors	10,539	1,822
Net cash generated from operating activities	45,111	39,169
Cash flows from investing activities		
Purchase of tangible fixed assets	(11,606)	(341,787)
Sale of unlisted and other investments	-	300,000
Income from investments	5	250
Dividends received	661	661
Net cash from investing activities	(10,940)	(40,876)
Cash flows from financing activities		
Repayment of other loans	-	(787)
Net cash used in financing activities	-	(787)
Net increase/(decrease) in cash and cash equivalents	34,171	(2,494)
Cash and cash equivalents at beginning of year	35,291	37,785
Cash and cash equivalents at the end of year	69,462	35,291
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	69,462	35,291
	69,462	35,291

The notes on pages 9 to 15 form part of these financial statements.

THE HONYWOOD AND DOUGLAS CHARITY

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash in bank and in hand	35,291	34,171	69,462
	<u>35,291</u>	<u>34,171</u>	<u>69,462</u>

The notes on pages 9 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

The charity is registered in England with the Regulator of Social Housing as a Registered Social Housing Provider and as a charity. The registered address is The Homestead, Headcorn Road, Grafty Green, Maidstone, ME17 2AP. Details of its principal activities are shown on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice for Registered Social Housing Providers 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

The financial statements are prepared on a going concern basis and under the historical cost convention as modified by the revaluation of investments.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover represents maintenance contributions and service charge income receivable in the year, net of maintenance contributions and service charge losses from voids.

2.3 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost, less accumulated depreciation and Social Housing Grants.

Freehold land is not depreciated.

Housing properties in the course of construction are stated at cost and are not depreciated.

Depreciation is provided on all other tangible fixed assets to write off the cost, less estimated residual value, over the estimated useful life as follows :

Almshouses and conversions - by equal instalments over 25 years
Refurbishment, kitchens and bathrooms - by equal instalments over 15 years
Integral features - by equal instalments over 10 years
Fixtures - by equal instalments over 5 years

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include costs of architects, surveyors and project administrators.

2.4 Taxation

The charity is exempt from tax on its charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Extraordinary repair fund

The extraordinary repair fund is maintained for the purpose of providing for the extraordinary repair or rebuilding of the Almshouses.

2.6 Investments

Investments are carried at market value or, where this is not readily available, at the Trustees' estimate of market value. Investments held for the long term are included in fixed assets. Investments held as part of short term treasury management are included in current assets.

2.7 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

2.8 Grants

Grants towards capital expenditure are deducted from the cost of the asset.

2.9 Loans and borrowings

Loans and borrowings are considered to be basic financial instruments and, as such, are measured at amortised cost.

2.10 Cyclical repairs and maintenance

Due to the establishment of a regular programme of repair and maintenance, provision for future works is not made and actual costs are charged to the income and expenditure account when incurred.

2.11 Major repairs

Provisions are made for future major repair costs on all housing properties, in so far as this is not eligible for grants from the Homes and Community Agency or local authorities. Provisions are only recognised to the extent that they represent a present obligation as a result of a past event, a payment is likely to be made and a reliable estimate can be made.

2.12 Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by the trustees in preparing these financial statements, nor have they identified any key sources of estimation uncertainty.

THE HONYWOOD AND DOUGLAS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Investment Income

	2020 £	2019 £
Dividends received	661	661
Interest receivable	5	250
	<u>666</u>	<u>911</u>

4. Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

5. Operating Surplus

	2020 £	2019 £
Honoraria	14,690	14,245
Depreciation	<u>24,918</u>	<u>24,918</u>

6. Turnover

Turnover comprises maintenance contributions receivable in respect of the housing properties, Douglas and Honywood Almshouses. During the year there were twenty six units of accommodation available for housing older people, twenty one at Douglas and five at Honywood.

	2020 £	2019 £
Turnover comprises:		
Maintenance contributions	111,810	110,140
Charge for heating	12,040	11,730
	<u>123,850</u>	<u>121,870</u>

Losses arising from voids amounted to £4,360 (2019 : £3,360).

THE HONYWOOD AND DOUGLAS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2020	1,153,501	2,440	1,155,941
Additions	11,606	-	11,606
At 31 December 2020	<u>1,165,107</u>	<u>2,440</u>	<u>1,167,547</u>
Depreciation			
At 1 January 2020	516,719	2,440	519,159
Charge for the year on owned assets	24,918	-	24,918
At 31 December 2020	<u>541,637</u>	<u>2,440</u>	<u>544,077</u>
Net book value			
At 31 December 2020	<u>623,470</u>	<u>-</u>	<u>623,470</u>
At 31 December 2019	<u>636,782</u>	<u>-</u>	<u>636,782</u>

Freehold property cost amounts to £1,527,734 (2019: £1,516,128) before Social Housing Grants of £362,627 (2019: £362,627), bringing the net property cost to £1,165,107 (2019: £1,153,501).

The Social Housing Grants are unsecured but would be repayable in the event of the sale of the Almshouses.

Included under Freehold Properties are kitchens, bathrooms and other fixtures with a total cost of £206,759 and net book value at the year end of £36,772. Of these, assets costing £188,314 and with a net book value of £36,772 are depreciated over 15 years. The estimated life of the remaining assets is considered to be 10 years.

During the year all expenditure relating to repairs and maintenance of the existing Almshouses was charged to the Income and Expenditure Account.

THE HONYWOOD AND DOUGLAS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Fixed asset investments

	Shares £
Cost or valuation of accumulation shares	
At 1 January 2020	100,130
Revaluations	(3,186)
At 31 December 2020	<u>96,944</u>

There were no investment assets outside the UK.

The historical cost of the accumulation shares is £64,215.

9. Debtors

	2020 £	2019 £
Other debtors	-	88
Rent arrears	1,715	1,405
Maintenance contribution accrued income	11,138	10,588
	<u>12,853</u>	<u>12,081</u>

10. Current asset investments

	2020 £	2019 £
Income shares	<u>15,792</u>	<u>17,067</u>

The historical cost of the income shares is £11,599.

During the year there were no purchases or sales of income shares. The market value of the shares held decreased by £1,275 (2019: £2,034 increase).

THE HONYWOOD AND DOUGLAS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other creditors	6,346	2,338
Accruals and deferred income	12,182	5,651
	<u>18,528</u>	<u>7,989</u>

12. Movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	693,232	9,817	-	703,049
Extraordinary repair fund	100,130	(3,186)	-	96,944
	<u>793,362</u>	<u>6,631</u>	<u>-</u>	<u>799,993</u>
Total funds				

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movements in funds £
Unrestricted funds				
General fund	124,516	(113,424)	(1,275)	9,817
Extraordinary repair fund	-	-	(3,186)	(3,186)
	<u>124,516</u>	<u>(113,424)</u>	<u>(4,461)</u>	<u>6,631</u>

THE HONYWOOD AND DOUGLAS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Comparatives for movements in funds

	At 1/1/19 £	Net movement in funds £	Transfers between funds £	At 31/12/19 £
Unrestricted funds				
General fund	382,252	10,980	300,000	693,232
Extraordinary repair fund	349,512	50,618	(300,000)	100,130
Total funds	<u>731,764</u>	<u>61,598</u>	<u>-</u>	<u>793,362</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movements in funds £
Unrestricted funds				
General fund	122,781	(113,835)	2,034	10,980
Extraordinary repair fund	-	-	50,618	50,618
	<u>122,781</u>	<u>(113,835)</u>	<u>52,652</u>	<u>61,598</u>

The extraordinary repair fund was established under the Trust Deed dated 5 July 1996 for the purpose of providing for the extraordinary repair, improvement or rebuilding of the almshouses of the charity.

Last year, £300,000 of the fund was used to acquire additional land on which new almshouses will be constructed

No extraordinary repair costs arose during this year, nor were any necessary improvements identified by the trustees.

THE HONYWOOD AND DOUGLAS CHARITY

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Maintenance contributions		123,850	121,870
Investment income		666	911
Total incoming resources		<u>124,516</u>	<u>122,781</u>
Less: overheads			
Operating expenditure		(113,424)	(113,835)
Operating surplus		<u>11,092</u>	<u>8,946</u>
Net income for the year		<u>11,092</u>	<u>8,946</u>

THE HONYWOOD AND DOUGLAS CHARITY

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Income		
Maintenance contributions	123,850	121,870
	<u>123,850</u>	<u>121,870</u>
	2020 £	2019 £
Investment income		
Dividends received	661	661
Interest receivable	5	250
	<u>666</u>	<u>911</u>
	2020 £	2019 £
Expenditure		
Printing and stationery	161	254
Legal and professional	1,758	-
Accountancy fees	1,656	1,584
Bank charges	150	158
Sundry expenses	988	652
Water and sewerage	6,306	5,719
Electricity	1,202	1,291
Gas	10,605	10,967
Insurances	3,332	2,672
Depreciation	24,918	24,918
Monitoring lifelines	668	1,022
23 High Street - running costs	1,964	-
Day to day maintenance	17,548	16,262
Cyclical and major maintenance	24,501	31,316
Christmas alms	2,340	2,175
Honoraria	14,690	14,245
Home and Communities Agency subscription	300	300
NAA subscription	56	33
Housing ombudsman subscription	281	267
	<u>113,424</u>	<u>113,835</u>