

The Cutbush and Corrall Charity

England & Wales · Charity number 213463

Details

Other names	CUTBUSH AND CORRALL CHARITY, MARY DUKE'S ALMSHOUSE CHARITY, THE CUTBUSH AND CORRALL CHARITY (INCORPORATING THE QUESTED ALMSHOUSE CHARITY), CUTBUSH & CORRALL CHARITY
Status	Registered
Legal form	Other
Registered	1963-02-15
Register	View on the Charity Commission register

Contact

Address	College Farm College Avenue Maidstone ME15 6YJ
Phone	01622765612
Website	http://www.cutbushandcorrall.co.uk/

Activities

Objects: • For the public benefit, the relief of those in need by reason of financial hardship or other disadvantage who are aged 50 years or older and are resident in (or have a connection with) the Borough of Maidstone by providing almshouse accommodation, and items, services or facilities calculated to relieve the needs of such persons • For the public benefit, to advance in life young people (less than 24 years) who are resident in (or have a connection with) the Borough of Maidstone by providing a sum per year considered by trustees to be appropriate taking all relevant matters into consideration for the payment of professional fees, tools, training or educational courses, books, travelling or other expenses or by way of apprenticeship, work experience or any help or aid, whether similar or dissimilar to these examples • such charitable purposes for the benefit of the residents as the trustees decide.

Activities: Provision of almshouses for the use of poor persons of not less than 50 years of age who have connections with the Borough of Maidstone, Kent

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People

Geography

- **Area of benefit:** COUNTY OF KENT
- Bexley
- Bromley
- Kent
- Lewisham
- Southwark

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,096,109	£806,530	£12,172,435	10
2023-12-31	£876,235	£777,037	£11,790,494	9
2022-12-31	£811,869	£770,082	£11,864,040	9
2021-12-31	£772,317	£738,589	£12,556,913	8
2020-12-31	£781,771	£668,113	£12,010,441	7

Trustees

Name	Role	Appointed
Caroline Highwood	Chair	
DEBBIE SMITH		2018-06-20
DENISE JUNE JOY		2015-10-15
DINESH KHADKA		2025-02-06
GRAEME PROUD		2017-04-20
Liz Haggart		2020-10-15
MR WILLIAM COCKCROFT DL		2014-04-17
Rory Silkin		2013-07-18
SUSAN RACHEL DARBYSHIRE		

Linked charities

- ANNE WILLES (213463-1)
- THE CUTBUSH CHARITY (213463-2)
- THE CORRALL CHARITY (213463-3)
- ALMSHOUSE CHARITY OF SIR JOHN BANKS (213463-4)

The Cutbush and Corral Charity

England & Wales - Charity number 213463

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2024
for
THE CUTBUSH & CORRALL CHARITY**

THE CUTBUSH & CORRALL CHARITY

**Contents of the Financial Statements
for the Year Ended 31 December 2024**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 28
Detailed Statement of Financial Activities	29 to 30

THE CUTBUSH & CORRALL CHARITY

**Reference and Administrative Details
for the Year Ended 31 December 2024**

TRUSTEES

C Highwood
L Haggart
D Smith
G Proud
D Joy
W Cockcroft
S Morris
S Darbyshire
R Silkin
D Khadka (appointed 6.2.25)

PRINCIPAL ADDRESS

College Farm
College Avenue
Maidstone
Kent
ME15 6YJ

REGISTERED CHARITY NUMBER 213463

AUDITORS

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2024

The trustees present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objects as set out in the governing document (15 November 2010 and amended 25 March 2025) are:

- (a) The relief of poverty by the provision of almshouse accommodation for the beneficiaries; and
- (b) Such charitable purposes for the benefit of the residents as the trustees decide

The beneficiaries of the Charity will be persons in need by reason of age, ill health, disability, financial hardship or other disadvantage of not less than fifty years of age. Most beneficiaries will be inhabitants of the Borough of Maidstone, and there is provision to favour residents of Harrietsham, applicants over the age of 60 years, Freemen of the Fishmongers Livery Company and members of the Unitarian Church in the allocation of certain almshouses.

Public benefit

The Trustees have paid due regard to the guidance on public benefit published by the Charity Commission when reviewing the aims and objectives of the charity and in planning future activities.

The Trustees believe that the activities undertaken in the year for achieving the objectives of the Charity have met the public benefit requirement.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2024, there was an increase in interest from local people wanting to apply for an almshouse (74 expressions of interest received compared to 66 in 2023). The Board of Trustees approved 22 new applicants (including one couple) with sixteen being appointed as beneficiaries of the Charity during the year. There was movement in and out of 22 almshouses during the twelve-month period (compared to 22 in 2023 and 14 in 2022). A decision was made to pause processing of new applications during the final quarter of the year, and approved applicants who had been waiting for an offer were prioritised as vacant properties were allocated.

Progress continued to be made in terms of broadening the range and appeal of community activities and encouraging resident participation. In December 2024, a record number of residents (108) attended the Christmas meal arranged by the Charity indicating cohesion within the almshouse community and a willingness for neighbours to spend time together socially.

Feedback from the Resident Survey undertaken in August 2024, indicated high levels of satisfaction (in excess 88% very satisfied) in terms of the service provided and ease of dealing with the Charity, repairs and maintenance and support provided by workers.

A major review of the Weekly Maintenance Charges (WMC) took place toward the end of 2023 and following a period of consultation with residents early in 2024 and after due notice new WMC rates were introduced on 1 April 2024. The new WMC rates provide the Charity with a significant and sustainable increase in annual income and reduces the Charity's previous reliance on income from investments to support operating costs.

The Charity has ensured that residents have not suffered hardship because of the increase to WMCs by providing a rebate to those individuals who would be adversely affected financially (currently rebates are provided to thirteen households).

During their Board Meeting 14 November 2024, Trustees resolved that it is in the best interest of the Charity to become a Charitable Incorporated Organisation (CIO) and a small working group (two Trustees and the Clerk & Chief Officer) will drive the process of transfer forward with a target date to complete December 2026.

As part of the CIO transfer process, Trustees reviewed and updated the Charity's objects to better reflect the needs and circumstances of individuals that require the Charity's support and to provide a clearer description of the people that the Charity can support. Trustees believe the proposed new objects maintain the spirit of the benefactors wishes and will be workable now and for the foreseeable future.

A new Independent Living Policy was ratified by Trustees (6 February 2025), the policy sets out the Charity's approach to independent living and the actions the Charity will take when a beneficiary is no longer able to live independently in their home. The process of developing the new policy provided staff and trustees the opportunity to galvanise their understanding of what it means to be able to live independently, the point at which it becomes untenable for a beneficiary to continue living safely in their home and the stage at which Trustees will take appropriate steps to set aside a beneficiary's appointment.

Work to convert a two-bedroom detached bungalow on the College Walk site into a pair of semi-detached one-bedroom bungalows started on site August 2024 and is due to complete mid-May 2025. Planning consent to convert the three remaining bungalows on College Walk remains in place.

Trustees completed their review of risk management arrangements and identified risks with along with necessary to reduce the level of risk to an acceptable level are now all recorded on the Charity's risk register. The Board retains overall responsibility for risk management and the item now features prominently on every Board agenda. The process of monitoring and reviewing progress continues to develop.

The 2023 Audit Report revealed no critically important internal control weaknesses. Three deficiencies in internal control were identified as serious and have been addressed as follows:

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2024

- Income Recording - a copy of every residents' letter of appointment is held on the Charity's Resident database and a record kept of the date of appointment. A process has been implemented to ensure that the Head of Finance & Resources is informed of the date almshouses are vacated (the start of a void period).
- Housing Benefit Claim recognition - Year end procedures have been updated to ensure housing benefit is accrued at year end.
- Expenditure Invoices - a more proactive approach to ensure supporting invoices are available for inspection was taken.

Finally, (though the weakness was not significant):

- Fixed Asset Additions - copy invoices of all invoices relevant to component replacement were held on separate file and forwarded to the Auditor at year end so that the Fixed Asset Register could be updated to reflect the year-end position.

FINANCIAL REVIEW

Financial position

It is the general policy of the Trustees to make sure that the level of weekly maintenance contributions meets the costs of running the charity as identified in the Statement of Financial Activities.

In 2024 the weekly maintenance contributions amounted to £962,987 (2023: £740,357) and the cost of running the charity was £806,530 (2023: £777,037). The net surplus for the year after adjusting for gains and losses on investments amounted to £381,941 (2023: net surplus £223,400).

The Accumulated Income Fund is an unrestricted fund made up of accumulated surpluses of income and expenditure. The Charity aims to hold approximately 6 months of expenditure as cash and / or easily accessible reserves in this fund. Cash reserves held at the year-end exceeded this amount.

Total funds at the year-end amounted to £12,172,435 (2023: £11,790,494), of which £2,221,573 (2023: £2,211,645) were held as permanent endowment funds, £1,366,020 (2023: £1,381,904) held as restricted funds and £1,246,313 (2023: £1,232,758) held as designated funds. Unrestricted general funds amounted to £7,338,528, after deducting fixed assets held for the charity's own use reserves amounted to £431,386.

The investments held as fixed assets have produced an income of £123,764 (2023: £129,891) for the year and there was a net increase in their market value of £92,362 (2023: increase £124,202) after taking into account the additions and disposals in the year.

Investment policy and objectives

The Charity invests its reserves (after retention of the required cash reserves) in a diverse range of stock exchange and property funds with exposure to the UK and worldwide economies. Investment income from the Permanent Endowment Fund and Extraordinary Repair funds is transferred to the Accumulated Income Fund to be used for the Charity's operations and secondly reinvested when surpluses occur.

In August 2025, Trustees agreed it was in the best interest of the Charity to transfer Canaccord Genuity's management of the Charity's investments from an "advisory" basis to a "discretionary portfolio management basis". The discretionary portfolio management basis allows the Investment Manager to be proactive in taking investment decisions and should reduce the cost of transactions as an annual management fee applies.

In the second half of the year there was some extra-ordinary trading activity to achieve the correct investment profile and to streamline the portfolio and rid the Charity of under-performing investments.

The Charity has instructed Canaccord Genuity to adopt a risk profile "6" (on scale of 1-9), with Trustee's accepting a very high proportion of equity risk in return for returns close to equities, alongside moderately lower losses compared with equities at times of market stress.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

FUTURE PLANS

In 2025, Trustees will review and revise the Charity's existing Investment & Reserves Policy with a view to setting out the purpose and objectives of the Charity's investments. The new policy will provide a sufficient steer to inform the Charity's Investment Manager's decisions - Canaccord Genuity now working under a discretionary portfolio management arrangement.

Work to transfer to a Charitable Incorporated Body (CIO) will continue in 2025 with a target date for completing the transfer at year end 2026. Approval from the Charity Commission to update the Charity's objects (already agreed by Trustees) will be sought before the Charity engages professional specialist support to facilitate the transition. This will include registering all the Charity's properties with HM Land registry.

As the new Independent Living policy is embedded in practice, staff will take every opportunity to ensure beneficiaries are supported to maintain their independence and remain in control of the important decisions that can affect their quality of life and their ability to remain safely in their almshouse.

Trustees have made a commitment to continue to comply with the Government's Minimum Energy Efficiency Standards (MEES) which will likely entail every almshouse achieving an Energy Performance Rating (EPC) C by 2030. In 2025, a retrofit survey of each almshouse archetype will be undertaken. The results of the retrofit survey and a new Quinquennial Report will help to determine the most cost-effective way to improve energy efficiency across the portfolio all the time prioritising the hardest to heat homes.

In May 2025, the conversion of a detached two-bedroom bungalow on College Walk into two one-bedroomed semi-detached bungalows will be completed. This will increase the number of almshouses to 155. Planning permission to convert the remaining three bungalows into six similar properties remains in place but no building work is planned in 2025.

Trustees have identified room for improvement in terms of the Charity's governance and this issue will be prioritised in 2025 to ensure the Charity is meeting best practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Cutbush and Corral Charity is a charity registered by the Charity Commission and governed by the Scheme dated 15 November 2010 (as amended 16 July 2020, 7 June 2023, and 25 March 2025). It is an unincorporated association.

Recruitment and appointment of new trustees

There are ten Trustees when the Board is complete. There are eight co-optative Trustees whose term of office endures for five years. They are voted onto the Board by a simple majority of votes cast by the existing Trustees at a special meeting of the Trustees. The remaining two Trustees are nominative Trustees whose term of office endures for four years and who are appointed by Maidstone Borough Council. The Trustees holding office during the year are detailed on page 1. Candidature for a co-optative Trustee is formulated following a skills audit undertaken by the Trustees.

Organisational structure

The Trustees meet as a Board four times a year as well as at any special meeting convened. Some Trustees' duties are delegated to sub-committees comprising usually four Trustees, the Clerk and Chief Officer and other staff as appropriate. Any such sub-committee reports to the Board for their actions and recommendations to be considered. Sub-committees may deal with issues like processing of applications for almshouses, scrutiny of the budget and buildings maintenance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Clerk and Chief Officer is responsible for the implementation of the Trustees' decisions and has overall responsibility for the management of the Charity. During the year, the Clerk and Chief Officer is supported by three senior managers (Head of Finance and Resources, Care and Support Manager and Head of Operations) and a small team of support staff. The Clerk and Chief Officer has authority to take decisions herself relating to day to day management items but is always accountable for any such decisions to the Trustees.

Induction and training of new trustees

All new Trustees are given an induction pack by the Clerk and Chief Officer to include a copy of the Charity Commission Scheme, previous year's Accounts, Minutes of the last Trustees Meeting and a Residents Handbook. The responsibilities of a Charity Trustee are also explained by the Clerk and Chief Officer. In addition, the Clerk and Chief Officer ensures that the new Trustee is familiarised (in general terms) with the housing stock and the day-to-day workings of the Charity.

The Trustees are offered the opportunity of training at the seminars organised for this purpose by the Almshouse Association

Key management remuneration

Staff salaries are set by the Board of Trustees in accordance with the Charity's Pay Policy.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Major risks to which the charity is exposed as identified by the Trustees are reviewed on a regular basis and systems or procedures are in place to manage those risks.

Trustees review the Charity's risk register at every Board meeting and make necessary adjustments to risk scores in accordance with perceived likelihood and impact. During 2022 Trustees identified two issues that carried high risk to the Charity:

During 2024 Trustees identified two issues that carried high risk to the Charity:

"Financial loss as a consequence of inappropriate or speculative investment, unforeseen severe adverse investment conditions, lack of diversity, cash flow difficulties arising from lack of liquidity" - to address this risk and allow a more proactive and responsive management of the Charity's investment portfolio, Trustees agreed to move from an advisory management to a discretionary portfolio management arrangement. This change was implemented in July 2024 with the Charity's investment manager (currently Canaccord Genuity). During the second half of the year, Canaccord Genuity started to restructure the investment portfolio with the aim of achieving between 60% and 80% of investments held in equities whilst maintaining the Charity's risk profile at 6. Trustees are satisfied that the current portfolio management arrangement provides the Charity some protection in these turbulent economic times.

"Difficulty recruiting local volunteer Trustees with requisite time, skills & experience results in sub-optimal Board effectiveness" - The Board has had a nominative Trustee vacancy since March 2023 and at the end of 2024, the Charity's longest serving Trustee had served 24 years on the Board (appointed in 2001). The average period of Trustee tenure was 12 years. Only three of the Charity's nine incumbent Trustees have served less than nine years on the Board. Trustees are aware that it is to the Charity's benefit to have progressive refreshing of the Board and in 2025 will focus on addressing this issue and several other shortcomings identified during the process of reviewing governance risks including board effectiveness, decision-making, risk and control.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

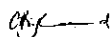
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including 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 Charity 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.

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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 19 May 2025 and signed on its behalf by:



caroline (May 19, 2025, 11:51am)

Trustee

Opinion

We have audited the financial statements of The Cutbush & Corrall Charity (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 Independent 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).
- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, and Management Override of Controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the charity's recognition of income to the terms of the underlying licenses to occupy and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Our approach was also to check that all restricted income was properly identified and separately accounted for. This included reviewing journal adjustments and unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the trustees with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

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. 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 Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

Date: *20th May 2025*

THE CUTBUSH & CORRALL CHARITY

Statement of Financial Activities
for the Year Ended 31 December 2024

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	141	-	-	141	1,499
Charitable activities	4					
Housing		965,846	-	-	965,846	742,507
Investment income	3	129,522	-	-	129,522	131,679
Other income		600	-	-	600	550
Total		1,096,109	-	-	1,096,109	876,235
EXPENDITURE ON						
Raising funds	5	3,475	-	4,466	7,941	5,901
Charitable activities	6					
Housing		782,705	15,884	-	798,589	771,136
Total		786,180	15,884	4,466	806,530	777,037
Net gains on investments		84,051	-	8,311	92,362	124,202
NET INCOME/(EXPENDITURE)		393,980	(15,884)	3,845	381,941	223,400
Transfers between funds	18	(6,083)	-	6,083	-	-
Net movement in funds		387,897	(15,884)	9,928	381,941	223,400
RECONCILIATION OF FUNDS						
Total funds brought forward		8,196,945	1,381,904	2,211,645	11,790,494	11,567,094
TOTAL FUNDS CARRIED FORWARD		8,584,842	1,366,020	2,221,573	12,172,435	11,790,494

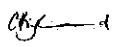
The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Balance Sheet
31 December 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	13	8,449,579	8,362,490
Investments	14	<u>3,426,632</u>	<u>3,324,275</u>
		11,876,211	11,686,765
CURRENT ASSETS			
Debtors	15	23,566	22,138
Cash at bank and in hand		<u>346,397</u>	<u>169,815</u>
		369,963	191,953
CREDITORS			
Amounts falling due within one year	16	(73,739)	(88,224)
NET CURRENT ASSETS		<u>296,224</u>	<u>103,729</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,172,435</u>	<u>11,790,494</u>
NET ASSETS		<u>12,172,435</u>	<u>11,790,494</u>
FUNDS	18		
Unrestricted funds		8,584,842	8,196,945
Restricted funds		1,366,020	1,381,904
Endowment funds		<u>2,221,573</u>	<u>2,211,645</u>
TOTAL FUNDS		<u>12,172,435</u>	<u>11,790,494</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 19.May.2025..... and were signed on its behalf by:


.....
.caroline.(May.19.2025.11:51am).....
Trustee

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Cash Flow Statement
for the Year Ended 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>286,632</u>	<u>92,923</u>
Net cash provided by operating activities		<u>286,632</u>	<u>92,923</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(226,815)	(993,073)
Purchase of fixed asset investments		(1,135,644)	-
Sale of fixed asset investments		1,261,443	406,547
Interest received		5,758	1,788
Dividends received		114,170	115,959
Movement in investment manager cash		<u>(128,962)</u>	<u>370</u>
Net cash used in investing activities		<u>(110,050)</u>	<u>(468,409)</u>
Change in cash and cash equivalents in the reporting period		176,582	(375,486)
Cash and cash equivalents at the beginning of the reporting period		<u>169,815</u>	<u>545,301</u>
Cash and cash equivalents at the end of the reporting period		<u>346,397</u>	<u>169,815</u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	381,941	223,400
Adjustments for:		
Depreciation charges	138,276	109,530
Gain on investments	(92,362)	(124,202)
Loss on disposal of fixed assets	1,450	2,821
Interest received	(5,758)	(1,788)
Dividends received	(114,170)	(115,959)
Accumulated dividends	(9,593)	(16,779)
Decrease in debtors	1,333	6,391
(Decrease)/increase in creditors	(14,485)	9,509
Net cash provided by operations	<u>286,632</u>	<u>92,923</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank and in hand	<u>169,815</u>	<u>176,582</u>	<u>346,397</u>
	<u>169,815</u>	<u>176,582</u>	<u>346,397</u>
Total	<u>169,815</u>	<u>176,582</u>	<u>346,397</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The Cutbush & Corall Charity is a charity governed by a scheme dated 15 November 2010, as amended on 16 July 2020, and registered as a charity with the Charity Commission of England and Wales. The address of the registered office is given on Page 1.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

1. ACCOUNTING POLICIES - continued

Income

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised in the period in which they are received, unless there are conditions that have not been met before the charity is entitled to the resource.

Weekly maintenance contributions and deposit interest are included in the financial statements based on the period for which they relate.

Income from investments in the form of dividends and interest is included in the financial statements when declared.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds comprises the costs relating to the investments.

Expenditure on charitable activities includes the costs of running and maintaining the almshouses and providing services and benefits to the residents.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, personnel, payroll, and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30
Mechanical systems	30

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Kitchens

20

Boilers

15

Computer Equipment

Computer Equipment is stated at depreciated cost. Depreciation is provided at 20% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Investments

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

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

1. ACCOUNTING POLICIES - continued

Debtors

Recoupment Order

The charity is subject to a Recoupment Order made by the Charity Commission on 13 May 1993 in respect of historic payments made out of the permanent endowment, which were expended on Phase 11, Cutbush & Corral Court. Payment of up to £555,000 was permitted but it was agreed with the Charity Commission that only £365,000 was used. The recoupment period is 60 years and £6,083.33 per annum is therefore set aside and invested in shares each year. The income arising from these investments will not form part of the permanent endowment itself, and can be expended by the charity against the general fund.

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	<u>141</u>	<u>1,499</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Investment income	123,764	129,891
Deposit account interest	<u>5,758</u>	<u>1,788</u>
	<u>129,522</u>	<u>131,679</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Housing Activities	Housing	962,987	740,357
Residents' activities	Housing	2,712	2,091
Room Hire	Housing	<u>147</u>	<u>59</u>
		<u>965,846</u>	<u>742,507</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

5. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Support costs	<u>-</u>	<u>5,901</u>

Investment management costs

	2024	2023
	£	£
Portfolio management	<u>7,941</u>	<u>-</u>
Aggregate amounts	<u>7,941</u>	<u>5,901</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Housing	<u>658,474</u>	<u>140,115</u>	<u>798,589</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	219,320	186,829
Christmas bounties to individuals	7,250	7,300
Water, light, heat and insurance	65,100	91,224
Rates re. empty properties	1,778	17,075
Gardening	37,555	35,941
Property repairs and maintenance	152,763	154,179
Sundries	8,422	13,208
Residents' trips and activities	5,392	3,441
Professional fees	5,882	10,517
Christmas party	6,801	4,636
Tea party	4,415	-
Telephone	2,775	3,786
Motor running expenses	7,782	9,198
Depreciation	131,789	104,216
Loss on sale of assets	<u>1,450</u>	<u>2,821</u>
	<u>658,474</u>	<u>644,371</u>

THE CUTBUSH & CORRALL CHARITY

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Housing	<u>128,577</u>	<u>11,538</u>	<u>140,115</u>

Support costs, included in the above, are as follows:

	2024	2023
	Housing	Total
	£	activities
	£	£
Wages	83,102	80,040
Water, light, heat and insurance	5,829	2,873
Telephone	3,973	3,056
Sundries	7,113	6,608
Repairs and improvements	6,438	2,453
Professional fees	5,638	8,398
Staff training	2,398	1,949
Computer expenses	5,628	6,073
Bank charges	1,971	2,451
Depreciation of tangible and heritage assets	6,487	5,314
Auditors' remuneration	10,000	8,012
Auditors' remuneration for non audit work	960	4,320
Trustee indemnity insurance	578	1,060
Trustees' expenses	-	59
	<u>140,115</u>	<u>132,666</u>

9. OTHER

	2024	2023
	£	£
Support costs	<u>140,115</u>	<u>132,666</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2024 £	2023 £
Travel	<u>-</u>	<u>59</u>

Expenses were reimbursed to 0 Trustees in the year (2023: 2).

11. STAFF COSTS

	2024 £	2023 £
Gross Salaries	268,987	239,483
Social Security	19,669	16,335
Pensions	12,141	11,051
Other Employee Benefits	<u>1,625</u>	<u>-</u>
	<u>302,422</u>	<u>266,869</u>
	2024 No.	2023 No.
Housing activities	2	2
Management and administration	<u>7</u>	<u>7</u>
	<u>9</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Clerk & Chief Executive Officer, Head of Finance and Head of Operations, along with the Trustees. The total remuneration of key management personnel during the year was £131,919 (2023 - £116,590).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,499	-	-	1,499
Charitable activities				
Housing	742,507	-	-	742,507
Investment income	131,679	-	-	131,679
Other income	<u>550</u>	<u>-</u>	<u>-</u>	<u>550</u>
Total	<u>876,235</u>	<u>-</u>	<u>-</u>	<u>876,235</u>

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
Raising funds	5,901	-	-	5,901
Charitable activities				
Housing	<u>755,252</u>	<u>15,884</u>	<u>-</u>	<u>771,136</u>
Total	<u>761,153</u>	<u>15,884</u>	<u>-</u>	<u>777,037</u>
Net gains on investments	<u>75,297</u>	<u>-</u>	<u>48,905</u>	<u>124,202</u>
NET INCOME/(EXPENDITURE)	190,379	(15,884)	48,905	223,400
Transfers between funds	<u>(6,083)</u>	<u>-</u>	<u>6,083</u>	<u>-</u>
Net movement in funds	184,296	(15,884)	54,988	223,400
RECONCILIATION OF FUNDS				
Total funds brought forward				
As previously reported	8,118,988	1,588,395	2,156,657	11,864,040
Prior year adjustment	<u>(106,339)</u>	<u>(190,607)</u>	<u>-</u>	<u>(296,946)</u>
As restated	<u>8,012,649</u>	<u>1,397,788</u>	<u>2,156,657</u>	<u>11,567,094</u>
TOTAL FUNDS CARRIED FORWARD	<u>8,196,945</u>	<u>1,381,904</u>	<u>2,211,645</u>	<u>11,790,494</u>

13. TANGIBLE FIXED ASSETS

	Housing properties £	Other Freehold Property £	Computer equipment £	Totals £
COST				
At 1 January 2024	10,239,797	216,293	19,254	10,475,344
Additions	223,487	2,224	1,104	226,815
Disposals	(23,325)	(4,374)	-	(27,699)
At 31 December 2024	<u>10,439,959</u>	<u>214,143</u>	<u>20,358</u>	<u>10,674,460</u>
DEPRECIATION				
At 1 January 2024	2,054,583	49,314	8,957	2,112,854
Charge for year	131,789	2,766	3,721	138,276
Eliminated on disposal	(21,875)	(4,374)	-	(26,249)
At 31 December 2024	<u>2,164,497</u>	<u>47,706</u>	<u>12,678</u>	<u>2,224,881</u>
NET BOOK VALUE				
At 31 December 2024	<u>8,275,462</u>	<u>166,437</u>	<u>7,680</u>	<u>8,449,579</u>
At 31 December 2023	<u>8,185,214</u>	<u>166,979</u>	<u>10,297</u>	<u>8,362,490</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	3,324,275
Additions	1,142,477
Disposals	(1,253,167)
Revaluations	84,085
Movement in cash	<u>128,962</u>
At 31 December 2024	<u>3,426,632</u>
NET BOOK VALUE	
At 31 December 2024	<u>3,426,632</u>
At 31 December 2023	<u>3,324,275</u>

There were no investment assets outside the UK.

The carrying amount of financial assets at fair value through income and expenditure within Investments is £3,287,405 (2023: £3,314,010). Included within Investments is cash of £143,416 (2023: £11,693)

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	3,006	5,058
Other debtors	-	1,429
Prepayments and accrued income	<u>20,560</u>	<u>15,651</u>
	<u>23,566</u>	<u>22,138</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	26,412	18,521
Taxation and social security	936	6,603
Other creditors	<u>46,391</u>	<u>63,100</u>
	<u>73,739</u>	<u>88,224</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted fund £	Endowment fund £	2024 Total funds £	2023 Total funds £
Fixed assets	6,907,142	1,366,020	176,417	8,449,579	8,362,490
Investments	1,516,659	-	1,909,973	3,426,632	3,324,275
Current assets	231,981	-	137,982	369,963	191,953
Current liabilities	<u>(70,940)</u>	<u>-</u>	<u>(2,799)</u>	<u>(73,739)</u>	<u>(88,224)</u>
	<u>8,584,842</u>	<u>1,366,020</u>	<u>2,221,573</u>	<u>12,172,435</u>	<u>11,790,494</u>

18. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	6,964,187	291,340	83,002	7,338,529
Extraordinary repairs fund	1,045,650	110,142	-	1,155,792
Development fund	187,108	(7,502)	(89,085)	90,521
	<u>8,196,945</u>	<u>393,980</u>	<u>(6,083)</u>	<u>8,584,842</u>
Restricted funds				
Grant Income fund	1,381,904	(15,884)	-	1,366,020
Endowment funds				
Endowment funds	2,211,645	3,845	6,083	2,221,573
	<u>2,211,645</u>	<u>3,845</u>	<u>6,083</u>	<u>2,221,573</u>
TOTAL FUNDS	<u>11,790,494</u>	<u>381,941</u>	<u>-</u>	<u>12,172,435</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,096,109	(783,468)	(21,301)	291,340
Extraordinary repairs fund	-	(2,712)	112,854	110,142
Development fund	-	-	(7,502)	(7,502)
	<u>1,096,109</u>	<u>(786,180)</u>	<u>84,051</u>	<u>393,980</u>
Restricted funds				
Grant Income fund	-	(15,884)	-	(15,884)
Endowment funds				
Endowment funds	-	(4,466)	8,311	3,845
	<u>-</u>	<u>(4,466)</u>	<u>8,311</u>	<u>3,845</u>
TOTAL FUNDS	<u>1,096,109</u>	<u>(806,530)</u>	<u>92,362</u>	<u>381,941</u>

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds					
General fund	6,249,297	(106,339)	133,815	687,414	6,964,187
Extraordinary repairs fund	1,201,488	-	48,068	(203,906)	1,045,650
Development fund	<u>668,203</u>	<u>-</u>	<u>8,496</u>	<u>(489,591)</u>	<u>187,108</u>
	8,118,988	(106,339)	190,379	(6,083)	8,196,945
Restricted funds					
Grant Income fund	1,588,395	(190,607)	(15,884)	-	1,381,904
Endowment funds					
Endowment funds	<u>2,156,657</u>	<u>-</u>	<u>48,905</u>	<u>6,083</u>	<u>2,211,645</u>
TOTAL FUNDS	<u>11,864,040</u>	<u>(296,946)</u>	<u>223,400</u>	<u>-</u>	<u>11,790,494</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	876,235	(761,153)	18,733	133,815
Extraordinary repairs fund	-	-	48,068	48,068
Development fund	<u>-</u>	<u>-</u>	<u>8,496</u>	<u>8,496</u>
	876,235	(761,153)	75,297	190,379
Restricted funds				
Grant Income fund	-	(15,884)	-	(15,884)
Endowment funds				
Endowment funds	<u>-</u>	<u>-</u>	<u>48,905</u>	<u>48,905</u>
TOTAL FUNDS	<u>876,235</u>	<u>(777,037)</u>	<u>124,202</u>	<u>223,400</u>

The Extraordinary Repair Fund is maintained out of the income of the charity for the purpose of providing for the extraordinary repair, improvement or rebuilding of the homes and other property belonging to the charity. The Trustees have decided that the balance on this fund is to be held at approximately £1,000,000. An annual transfer is made to this fund from the accumulated income fund if the Trustees consider it necessary.

18. MOVEMENT IN FUNDS - continued

The Development Fund represents amounts set aside for future almshouse developments. Transfers to this fund are made at the discretion of the Trustees.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met. The movement in the period reflects the depreciation on housing properties to write off the grant over the life of the components of the properties to which the grants relate.

The Permanent Endowment Fund is held on trust to be retained for the benefit of the charity as a capital fund. The annual transfer in to the Permanent Endowment Fund amounting to £6,083 (2023: £6,083) has been made in accordance with a Recoupment Order, as described in the accounting policies.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2024.

20. CONTINGENT ASSET

In the prior year, VAT amounting to £125,044 was incorrectly charged to the Charity by a construction company that has subsequently gone into administration. The construction company applied the incorrect VAT rate to the VAT invoices that it issued for the work by charging 20% VAT on the supply rather than the 5% VAT that was due. Cutbush and Corral have paid this VAT to the contractor. HMRC have advised that the Charity must pursue a claim for the overpaid VAT with the receiver. The Charity has commenced this process, but the outcome will not be decided until after the date that the financial statements are authorised for issue. The entity's advisers have indicated that it is more likely than not (but not virtually certain) that the entity will receive a refund. The current estimate of recoverable VAT is approximately half of the amount due.

THE CUTBUSH & CORRALL CHARITY**Detailed Statement of Financial Activities
for the Year Ended 31 December 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	141	1,499
Investment income		
Investment income	123,764	129,891
Deposit account interest	<u>5,758</u>	<u>1,788</u>
	129,522	131,679
Charitable activities		
Housing Activities	962,987	740,357
Residents' activities	2,712	2,091
Room Hire	<u>147</u>	<u>59</u>
	965,846	742,507
Other income		
Other income	<u>600</u>	<u>550</u>
Total incoming resources	1,096,109	876,235
EXPENDITURE		
Investment management costs		
Portfolio management	7,941	-
Charitable activities		
Wages	219,320	186,829
Christmas bounties to individuals	7,250	7,300
Water, light, heat and insurance	65,100	91,224
Rates re. empty properties	1,778	17,075
Gardening	37,555	35,941
Property repairs and maintenance	152,763	154,179
Sundries	8,422	13,208
Residents' trips and activities	5,392	3,441
Professional fees	5,882	10,517
Christmas party	6,801	4,636
Tea party	4,415	-
Telephone	2,775	3,786
Motor running expenses	7,782	9,198
Depreciation of Almshouses	131,789	104,216
Carried forward	657,024	641,550

This page does not form part of the statutory financial statements

THE CUTBUSH & CORRALL CHARITY

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2024**

	2024 £	2023 £
Charitable activities		
Brought forward	657,024	641,550
Loss on sale of tangible fixed assets	<u>1,450</u>	<u>2,821</u>
	658,474	644,371
Support costs		
Management		
Wages	83,102	80,040
Water, light, heat and insurance	5,829	2,873
Telephone	3,973	3,056
Sundries	7,113	6,608
Repairs and improvements	6,438	2,453
Professional fees	5,638	8,398
Staff training	2,398	1,949
Computer expenses	5,628	6,073
Bank charges	1,971	2,451
Depreciation of freehold property	2,766	-
Depreciation	-	5,314
Depreciation of computer equipment	<u>3,721</u>	<u>-</u>
	128,577	119,215
Governance costs		
Auditors' remuneration	10,000	8,012
Auditors' remuneration for non-audit work	960	4,320
Trustee indemnity insurance	578	1,060
Trustees' expenses	<u>-</u>	<u>59</u>
	11,538	13,451
Total resources expended	<u>806,530</u>	<u>777,037</u>
Net income before gains and losses	289,579	99,198
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>8,276</u>	<u>3,526</u>
Net income	<u>297,855</u>	<u>102,724</u>

This page does not form part of the statutory financial statements



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The Cutbush and Corral Charity

England & Wales - Charity number 213463

Accounts

REGISTERED CHARITY NUMBER: 213463

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2023
for
THE CUTBUSH & CORRALL CHARITY**

THE CUTBUSH & CORRALL CHARITY

Contents of the Financial Statements for the Year Ended 31 December 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 27

THE CUTBUSH & CORRALL CHARITY

**Reference and Administrative Details
for the Year Ended 31 December 2023**

TRUSTEES

C Highwood
L Haggart
D Smith
G Proud
D Joy
W Cockcroft
S Morris
S Darbyshire
R Silkin

PRINCIPAL ADDRESS

College Farm
College Avenue
Maidstone
Kent
ME15 6YJ

REGISTERED CHARITY NUMBER 213463

AUDITORS

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objects as set out in the governing document (15 November 2010 and amended 7 June 2023) are:

- (a) The relief of poverty by the provision of almshouse accommodation for the beneficiaries; and
- (b) Such charitable purposes for the benefit of the residents as the trustees decide.

The beneficiaries of the Charity will be persons in need by reason of age, ill health, disability, financial hardship or other disadvantage of not less than fifty years of age. Most beneficiaries will be inhabitants of the Borough of Maidstone, and there is provision to favour residents of Harrietsham, applicants over the age of 60 years, Freemen of the Fishmongers Livery Company and members of the Unitarian Church in the allocation of certain almshouses.

Public benefit

The Trustees have paid due regard to the guidance on public benefit published by the Charity Commission when reviewing the objects of the charity and in planning future activities.

The Trustees believe that the activities undertaken in the year for achieving the objects of the Charity have met the public benefit requirement.

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the first half of the year three new staff members joined the team and two existing staff took on new roles, ending a period of instability in terms of vacancies and retention. For the first time in a long period there was a full complement of staff with new recruits settling into their respective roles well. This had a positive impact in terms of workload management and staff morale.

The new Resident Services Co-Ordinator managed to meet every resident personally before the end of the year, seeking suggestions and ideas about how to increase involvement in community activities and reduce social isolation. The monthly Resident Newsletter received a facelift and the range and number of activities increased. The Day Room and Farmhouse remain available to residents as "warm hubs", monthly breakfast and lunch clubs were introduced and there were some well attended one-off events including trips to the seaside, a Christmas Lunch and a Royal visit.

Trustees and staff committed to the Charity's new Strategic Plan (2023 - 2028), achievement of the five objectives will steer the work of the Charity over the coming years:

- To ensure the Charity is "fit for purpose": able to meet both current needs and future challenges.
- To focus on meeting people's housing and well-being needs as well as alleviating poverty.
- To repurpose heritage buildings for the wider community
- To develop new age-appropriate accommodation and adapt existing almshouses where possible.
- To adopt energy efficient technologies and do our bit for the environment.

Early in the year, Trustees started a review of the Weekly Maintenance Contribution (WMC) to ensure the Charity remains financially viable and able to meet its long-term strategic objectives. Trustees agreed to consult residents (in January 2024) on a proposal to introduce changes on 1 April 2024 based on guidance issued by the Almshouse Association to set the WMC in relation to the Equivalent Fair Rent as assessed by the Valuation Office Agency.

Interest from local people wanting to apply for an almshouse remained buoyant (66 expressions of interest received in 2023 compared to 81 in 2022). The Board of Trustees approved 20 new applicants with 16 being appointed as beneficiaries of the Charity during the year. There was movement in and or out of 22 almshouses over the twelve-month period (compared to 14 and 18 in 2022 and 2021 respectively).

There was a slight delay to the planned completion of the twelve new one-bedroom flats on College Road with handover taking place 5 October 2023 followed soon after by a celebratory event attended by HRH Princess Royal.

A number of approved applicants were ready to move into the new flats and only two of the twelve new almshouses remained unoccupied as the year ended.

As planned, risk management arrangements were reviewed. Operational and financial risks are now identified on a new risk register along with risk scores, mitigation and necessary actions. The management of identified risks is prioritised by Trustees at each Board meeting.

Significant deficiencies in internal control that were identified in the Audit Report 2022 were addressed during the year as follows:

Bank reconciliations: reconciliations are now regularly reviewed and approved by the Clerk & Chief Officer.

Property Title Deeds: Trustees have considered the risk associated with almshouses that are not registered with HM Land Registry and whether it would be beneficial to register these properties with HM Land Registry. A decision has been made to postpone registration until a decision has been made as to whether the Charity should become a Charitable Incorporated Organisation (CIO).

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

FINANCIAL REVIEW

Financial position

It is the general policy of the Trustees to make sure that the level of weekly maintenance contributions meets the costs of running the charity as identified in the Statement of Financial Activities.

In 2023 the weekly maintenance contributions amounted to £740,357 (2022: £677,237) and the cost of running the charity was £777,037 (2022: £750,683). The net surplus for the year after adjusting for gains and losses on investments amounted to £223,400 (2022: net deficit £673,474).

The Accumulated Income Fund is an unrestricted fund made up of accumulated surpluses of income and expenditure. The Charity aims to hold approximately 6 months of expenditure as cash and / or easily accessible reserves in this fund. Cash reserves held at the year-end exceeded this amount.

Total reserves at the year-end amounted to £11,790,494 (2022: £11,567,094), of which £2,211,645 (2022: £2,156,657) were held as permanent endowment funds, £1,381,904 (2022: £1,397,788) held as restricted funds and £1,232,758 (2022: £1,869,691) held as designated funds.

The charity has continued to make further investments to provide for future extraordinary repair, improvement or rebuilding of the homes and properties belonging to the Charity and also as part of a Recoupment Order made by the Charities Commission. The Trustees take advice from their investment advisers, Canaccord Genuity Wealth Management in making these investments.

In accordance with the Trustees wishes the Charity's investment advisors (Canaccord Genuity Wealth Management) has been instructed to aim to maintain a 40:60 split of the permanent endowment fund between property and other types of investments.

The investments held as fixed assets have produced an income of £129,891 (2022: £125,586) for the year and there was a net increase in their market value of £124,202 (2022: decrease £734,660) after taking into account the additions and disposals in the year.

Going concern

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

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

FUTURE PLANS

Plans are in place to address the outstanding deficiencies identified in the Audit Report 2022, in particular vesting with the Official Custodian and registering Thomas Robert Gardens with HM Land Registry, developing the fixed asset register and treatment of capitalisation and depreciation.

Work on the review of risk management arrangements in respect of external, regulatory and compliance risks will continue and the exploration of the benefits of becoming a Charitable Incorporated Organisation will commence (postponed in 2023).

It is becoming clear that the crisis in health & social care continues to impact older people in a negative way. Unfortunately, the Charity's 2023 attempt to engage local decision makers in a dialogue about this important issue met with a very pause response. In 2024, attention will be given to develop an Independent Living Policy that describes the support the Charity can provide to help residents to live independently in their almshouse and the actions that will be taken when it is no longer safe for residents to remain in their home.

Subject to the results of consultation with residents (January and February 2024), Trustees will decide whether to introduce the proposed change to the WMC on 1 April 2024. If the proposal goes ahead, the Charity will move to a sounder financial footing and become less reliant on investment income to meet operational costs.

In terms of the Charity's five-year strategic plan; Trustees have already identified an opportunity to convert a vacant two-bedroom bungalow on the College Walk site into two one-bedroom almshouses. This opportunity will be assessed in terms of cost and benefit and if it proves feasible the conversion project will proceed with the likelihood that the remaining three bungalows will be converted later, thereby increasing the number of almshouses from 154 to 158.

Improvements to the College Road flatlets (some of the Charity's least energy efficient properties) are planned with the intention to replace the existing Crittall windows with new double-glazed units (subject to planning permission).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Cutbush and Corral Charity is a charity registered by the Charity Commission and governed by the Scheme dated 15 November 2010 (as amended 7 June 2023). It is an unincorporated association.

Recruitment and appointment of new trustees

There are ten Trustees when the Board is complete. There are eight co-optative Trustees whose term of office endures for five years. They are voted onto the Board by a simple majority of votes cast by the existing Trustees at a special meeting of the Trustees. The remaining two Trustees are nominative Trustees whose term of office endures for four years and who are appointed by Maidstone Borough Council. The Trustees holding office during the year are detailed on page 1. Candidature for a co-optative Trustee is formulated following a skills audit undertaken by the Trustees.

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees meet as a Board four times a year as well as at any special meeting convened. Some Trustees' duties are delegated to sub-committees comprising usually four Trustees, the Clerk and Chief Officer and other staff as appropriate. Any such sub-committee reports to the Board for their actions and recommendations to be considered. Sub-committees may deal with issues like processing of applications for almshouses, scrutiny of the budget and buildings maintenance.

The Clerk and Chief Officer is responsible for the implementation of the Trustees' decisions and has overall responsibility for the management of the Charity. During the year, the Clerk and Chief Officer is supported by two senior managers (Head of Finance and Resources and Head of Operations) and a small team of support staff. The Clerk and Chief Officer has authority to take decisions herself relating to day to day management items but is always accountable for any such decisions to the Trustees.

Induction and training of new trustees

All new Trustees are given an induction pack by the Clerk and Chief Officer to include a copy of the Charity Commission Scheme, previous year's Accounts, Minutes of the last Trustees Meeting and a Residents Handbook. The responsibilities of a Charity Trustee are also explained by the Clerk and Chief Officer. In addition the Clerk and Chief Officer ensures that the new Trustee is familiarised (in general terms) with the housing stock and the day to day workings of the Charity.

The Trustees are offered the opportunity of training at the seminars organised for this purpose by the Almshouse Association.

Key management remuneration

Staff salaries are set by the Board of Trustees in accordance with the Charity's Pay Policy.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Major risks to which the charity is exposed as identified by the Trustees are reviewed on a regular basis and systems or procedures are in place to manage those risks.

Trustees review the Charity's risk register at every Board meeting and make necessary adjustments to risk scores in accordance with perceived likelihood and impact.

During 2023 Trustees identified two issues that carried high risk to the Charity:

- "Failure of vulnerable adult protection measures" - trustees are satisfied that the Charity's "Safeguarding Vulnerable Adults Policy" is fit for purpose and that the Charity's staff have the training and support they need to deal with safeguarding issues. The Clerk & Chief Officer reports all safeguarding matters to the Board of Trustees. However, Trustees are aware that the crisis in health & social care is impacting on the level and quality of support available to its most vulnerable residents and agree that the associated risk remains high.

- "Difficulty recruiting local volunteer Trustees with requisite time, skills & experience results in sub-optimal Board effectiveness. This issue will be prioritised in 2024 as part of the general review of existing governance arrangements.

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management (continued)

Trustees are near to completing the process of refining the way the Charity manages risk and introduced a new method of recording and managing the risks faced by the Charity. This is based on Charity Commission guidance and tailored to the identified risks faced by the Charity. The new risk report includes a description of the potential impact and existing controls along with actions required to mitigate risk further. The Clerk & Chief Officer will ensure action is taken to ensure risks are controlled effectively.

Trustees have identified risks associated with an over-reliance on investment income to support operating costs and have concerns that income from weekly maintenance charges will be insufficient to maintain the high-quality service to residents and achieve longer term strategic objectives. Work to mitigate this risk will be progressed in 2024.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including 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 Charity 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.

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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

07 Oct 2024

Approved by order of the board of trustees on and signed on its behalf by:



caroline (Mon, 7th Oct 2024 13:58:09 BST)

.....
C Highwood – Chair of Trustees

Report of the Independent Auditors to the Trustees of The Cutbush & Corrall Charity

Opinion

We have audited the financial statements of The Cutbush & Corrall Charity (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the 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.
-

Report of the Independent Auditors to the Trustees of The Cutbush & Corrall Charity

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 Independent 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).
- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, and Management Override of Controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the charity's recognition of income to the terms of the underlying licenses to occupy and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Our approach was also to check that all restricted income was properly identified and separately accounted for. This included reviewing journal adjustments and unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the trustees with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

**Report of the Independent Auditors to the Trustees of
The Cutbush & Corral Charity**

Our responsibilities for the audit of the financial statements (continued)

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. 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 Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

Date: *17th October 2024*

THE CUTBUSH & CORRALL CHARITY

Statement of Financial Activities for the Year Ended 31 December 2023

		Unrestricted funds	Restricted fund	Endowment fund	2023 Total funds	2022 Total funds as restated
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,499	-	-	1,499	1,000
Charitable activities	4					
Housing		742,507	-	-	742,507	679,457
Investment income	3	131,679	-	-	131,679	129,612
Other income		550	-	-	550	1,800
Total		876,235	-	-	876,235	811,869
EXPENDITURE ON						
Raising funds	5	5,901	-	-	5,901	4,653
Charitable activities	6					
Housing		755,252	15,884	-	771,136	746,030
Total		761,153	15,884	-	777,037	750,683
Net gains/(losses) on investments		75,297	-	48,905	124,202	(734,660)
NET INCOME/(EXPENDITURE)		190,379	(15,884)	48,905	223,400	(673,474)
Transfers between funds	18	(6,083)	-	6,083	-	-
Net movement in funds		184,296	(15,884)	54,988	223,400	(673,474)
RECONCILIATION OF FUNDS						
Total funds brought forward						
As previously reported		8,118,988	1,588,395	2,156,657	11,864,040	12,240,568
Prior year adjustment	12	(106,339)	(190,607)	-	(296,946)	-
As restated		8,012,649	1,397,788	2,156,657	11,567,094	12,240,568
TOTAL FUNDS CARRIED FORWARD		8,196,945	1,381,904	2,211,645	11,790,494	11,567,094

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Balance Sheet 31 December 2023

		2023	2022
		£	as restated £
FIXED ASSETS	Notes		
Tangible assets	13	8,362,490	7,481,768
Investments	14	<u>3,324,275</u>	<u>3,590,211</u>
		11,686,765	11,071,979
CURRENT ASSETS			
Debtors	15	22,138	28,529
Cash at bank and in hand		<u>169,815</u>	<u>545,301</u>
		191,953	573,830
CREDITORS			
Amounts falling due within one year	16	(88,224)	(78,715)
NET CURRENT ASSETS		<u>103,729</u>	<u>495,115</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,790,494</u>	<u>11,567,094</u>
NET ASSETS		<u>11,790,494</u>	<u>11,567,094</u>
FUNDS	18		
Unrestricted funds		8,196,945	8,012,649
Restricted funds		1,381,904	1,397,788
Endowment funds		<u>2,211,645</u>	<u>2,156,657</u>
TOTAL FUNDS		<u>11,790,494</u>	<u>11,567,094</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 07-Oct-2024 and were signed on its behalf by:

Caroline
caroline (Mon, 7th Oct 2024 13:58:09 BST)
.....
C Highwood – Chair of Trustees

S Morris
Stephen Morris (Thu, 10th Oct 2024
12:55:25 BST)
.....
S Morris – Trustee

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

**Cash Flow Statement
for the Year Ended 31 December 2023**

		2023	2022
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>92,923</u>	<u>86,795</u>
Net cash provided by operating activities		<u>92,923</u>	<u>86,795</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(993,073)	(278,748)
Purchase of fixed asset investments		-	(368,068)
Sale of fixed asset investments		406,547	126,270
Interest received		1,788	4,026
Dividends received		115,959	115,630
Movement in investment manager cash		<u>370</u>	<u>235,803</u>
Net cash used in investing activities		<u>(468,409)</u>	<u>(165,087)</u>
Change in cash and cash equivalents in the reporting period		(375,486)	(78,292)
Cash and cash equivalents at the beginning of the reporting period		<u>545,301</u>	<u>623,593</u>
Cash and cash equivalents at the end of the reporting period		<u><u>169,815</u></u>	<u><u>545,301</u></u>

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Notes to the Cash Flow Statement for the Year Ended 31 December 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022 as restated
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	223,400	(673,474)
Adjustments for:		
Depreciation charges	109,530	108,148
(Gain)/losses on investments	(124,202)	734,660
Loss on disposal of fixed assets	2,821	6,801
Interest received	(1,788)	(4,026)
Dividends received	(115,959)	(112,291)
Accumulated dividends	(16,779)	(13,295)
Decrease/(increase) in debtors	6,391	1,604
Increase in creditors	9,509	38,668
Net cash provided by operations	<u>92,923</u>	<u>86,795</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank and in hand	<u>545,301</u>	<u>(375,486)</u>	<u>169,815</u>
	<u>545,301</u>	<u>(375,486)</u>	<u>169,815</u>
Total	<u>545,301</u>	<u>(375,486)</u>	<u>169,815</u>

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The Cutbush & Corall Charity is a charity governed by a scheme dated 15 November 2010, as amended on 16 July 2020, and registered as a charity with the Charity Commission of England and Wales. The address of the registered office is given on Page 1.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Income

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised in the period in which they are received, unless there are conditions that have not been met before the charity is entitled to the resource.

Weekly maintenance contributions and deposit interest are included in the financial statements based on the period for which they relate.

Income from investments in the form of dividends and interest is included in the financial statements when declared.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds comprises the costs relating to the investments.

Expenditure on charitable activities includes the costs of running and maintaining the almshouses and providing services and benefits to the residents.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, personnel, payroll, and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified, and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Mechanical systems	30
Kitchens	20
Boilers	15

Computer Equipment

Computer Equipment is stated at depreciated cost. Depreciation is provided at 20% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Investments

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

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Debtors

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Recoupment Order

The charity is subject to a Recoupment Order made by the Charity Commission on 13 May 1993 in respect of historic payments made out of the permanent endowment, which were expended on Phase 11, Cutbush & Corral Court. Payment of up to £555,000 was permitted but it was agreed with the Charity Commission that only £365,000 was used. The recoupment period is 60 years and £6,083.33 per annum is therefore set aside and invested in shares each year. The income arising from these investments will not form part of the permanent endowment itself and can be expended by the charity against the general fund.

2. DONATIONS AND LEGACIES

	2023	2022 as restated
	£	£
Donations	1,499	-
Legacies	-	1,000
	<u>1,499</u>	<u>1,000</u>

3. INVESTMENT INCOME

	2023	2022 as restated
	£	£
Investment income	129,891	125,586
Deposit account interest	<u>1,788</u>	<u>4,026</u>
	<u>131,679</u>	<u>129,612</u>

THE CUTBUSH & CORRALL CHARITY

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

4. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022 as restated
		£	£
Housing Activities	Housing	740,357	677,237
Residents' activities	Housing	2,091	2,102
Room Hire	Housing	59	118
		<u>742,507</u>	<u>679,457</u>

5. RAISING FUNDS

Raising donations and legacies

	2023	2022 as restated
	£	£
Support costs	<u>5,901</u>	<u>4,563</u>

Investment management costs

	2023	2022 as restated
	£	£
Portfolio management	<u>-</u>	<u>90</u>
Aggregate amounts	<u>5,901</u>	<u>4,653</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Housing	<u>644,371</u>	<u>126,765</u>	<u>771,136</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022 as restated
	£	£
Staff costs	186,829	180,241
Christmas bounties to individuals	7,300	6,950
Water, light, heat and insurance	91,224	83,515
Rates re. empty properties	17,075	10,801
Gardening	35,941	40,956
Property repairs and maintenance	154,179	126,906
Sundries	13,208	6,395
Residents' trips and activities	3,441	3,579
Professional fees	10,517	12,310
Summer party	-	5,682
Christmas party .	4,636	3,654
Telephone	3,786	2,106
Motor running expenses	9,198	7,435
Depreciation	104,216	103,123
Loss on sale of assets	2,821	6,801
	<u>644,371</u>	<u>600,454</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Raising donations and legacies	5,889	12	5,901
Housing	<u>113,326</u>	<u>13,439</u>	<u>126,765</u>
	<u>119,215</u>	<u>13,451</u>	<u>132,666</u>

Support costs, included in the above, are as follows:

			2023	2022 as restated
	Raising donations and legacies £	Housing £	Total activities £	Total activities £
Wages	800	79,240	80,040	81,820
Water, light, heat and insurance	29	2,844	2,873	20,076
Telephone	31	3,025	3,056	3,570
Sundries	330	6,278	6,608	4,431
Repairs and improvements	25	2,428	2,453	3,603
Professional fees	<u>4,535</u>	<u>3,863</u>	<u>8,398</u>	<u>1,988</u>
Carried forward	5,750	97,678	103,428	115,488

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

8. SUPPORT COSTS - continued

	Raising Donations and legacies £	Housing £	2023 Total activities £	2022 as restated Total activities £
Brought forward	5,750	97,678	103,428	115,488
Staff training	-	1,949	1,949	1,101
Computer expenses	61	6,012	6,073	4,828
Bank charges	25	2,426	2,451	2,428
Depreciation of tangible and heritage assets	53	5,261	5,314	5,025
Auditors' remuneration	-	8,012	8,012	11,700
Auditors' remuneration for non-audit work	-	4,320	4,320	8,990
Trustee indemnity insurance	11	1,049	1,060	579
Trustees' expenses	<u>1</u>	<u>58</u>	<u>59</u>	<u>-</u>
	<u>5,901</u>	<u>126,765</u>	<u>132,666</u>	<u>150,139</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2023 £	2022 £
Travel	<u>59</u>	<u>-</u>

Expenses were reimbursed to 2 Trustees in the year (2022: 0).

10. STAFF COSTS

	2023 £	2022 £
Gross Salaries	239,483	230,923
Social Security	16,335	19,649
Pensions	<u>11,051</u>	<u>11,489</u>
	<u>266,869</u>	<u>262,061</u>
	2023 No.	2022 No.
Housing activities	2	2
Management and administration	<u>7</u>	<u>7</u>
	<u>9</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Clerk & Chief Executive Officer, Head of Finance and Head of Operations, along with the Trustees. The total remuneration of key management personnel during the year was £116,590 (2022: £115,086).

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated £
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,000	-	-	1,000
Charitable activities				
Housing	679,457	-	-	679,457
Investment income	129,612	-	-	129,612
Other income	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
Total	<u>811,869</u>	<u>-</u>	<u>-</u>	<u>811,869</u>
EXPENDITURE ON				
Raising funds	4,653	-	-	4,653
Charitable activities				
Housing	<u>730,146</u>	<u>15,884</u>	<u>-</u>	<u>746,030</u>
Total	<u>734,799</u>	<u>15,884</u>	<u>-</u>	<u>750,683</u>
Net gains/(losses) on investments	<u>(337,625)</u>	<u>-</u>	<u>(397,035)</u>	<u>(734,660)</u>
NET INCOME/(EXPENDITURE)	<u>(260,555)</u>	<u>(15,884)</u>	<u>(397,035)</u>	<u>(673,474)</u>
Transfers between funds	<u>(6,083)</u>	<u>-</u>	<u>6,083</u>	<u>-</u>
Net movement in funds	<u>(266,638)</u>	<u>(15,884)</u>	<u>(390,952)</u>	<u>(673,474)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>8,279,287</u>	<u>1,413,672</u>	<u>2,547,609</u>	<u>12,240,568</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>8,012,649</u></u>	<u><u>1,397,788</u></u>	<u><u>2,156,657</u></u>	<u><u>11,567,094</u></u>

12. PRIOR YEAR ADJUSTMENT

In accordance with the Charities SORP, where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives. In compliance with this, the comparatives have been restated to recognise the refurbishment of the housing properties under component accounting upon transition to FRS 102. The effect of the adjustment was to reduce opening funds by £296,946, being the increase in cost of fixed assets amounting to £26,149 net of accumulated depreciation of £323,095. The impact on the Statement of Financial Activities for the year ended 31 December 2022 was a reduction of charitable activity expenditure of £19,399, being a decrease of repair costs amounting to £39,467, net of increased depreciation of £13,267 and the loss on disposal of housing components of £6,801.

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

12. PRIOR YEAR ADJUSTMENT (continued)

Restricted funds at 31 December 2022 have been reduced by £190,607 which reflects the accumulated depreciation applicable to the social housing grant element of housing properties. Unrestricted funds have been reduced by £106,339.

13. TANGIBLE FIXED ASSETS

	Housing properties £	Other Freehold Property £	Computer equipment £	Totals £
COST				
At 1 January 2023	9,271,672	208,295	17,381	9,497,348
Additions	983,202	7,998	1,873	993,073
Disposals	(15,077)	-	-	(15,077)
At 31 December 2023	<u>10,239,797</u>	<u>216,293</u>	<u>19,254</u>	<u>10,475,344</u>
DEPRECIATION				
At 1 January 2023	1,962,623	46,696	6,261	2,015,580
Charge for year	104,216	2,618	2,696	109,530
Eliminated on disposal	(12,256)	-	-	(12,256)
At 31 December 2023	<u>2,054,583</u>	<u>49,314</u>	<u>8,957</u>	<u>2,112,854</u>
NET BOOK VALUE				
At 31 December 2023	<u>8,185,214</u>	<u>166,979</u>	<u>10,297</u>	<u>8,362,490</u>
At 31 December 2022	<u>7,309,049</u>	<u>161,599</u>	<u>11,120</u>	<u>7,481,768</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	3,590,211
Additions	16,779
Disposals	(403,022)
Revaluations	120,676
Movement in cash	(369)
At 31 December 2023	<u>3,324,275</u>
NET BOOK VALUE	
At 31 December 2023	<u>3,324,275</u>
At 31 December 2022	<u>3,590,211</u>

There were no investment assets outside the UK.

THE CUTBUSH & CORRALL CHARITY

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022 as restated
	£	£
Trade debtors	5,058	4,423
Other debtors	1,429	4,276
Prepayments and accrued income	<u>15,651</u>	<u>19,830</u>
	<u>22,138</u>	<u>28,529</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022 as restated
	£	£
Trade creditors	18,521	37,118
Taxation and social security	6,603	5,036
Other creditors	<u>63,100</u>	<u>36,561</u>
	<u>88,224</u>	<u>78,715</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted fund	Endowment fund	2023 Total funds	2022 as restated Total funds
	£	£	£	£	£
Fixed assets	6,798,086	1,381,904	182,500	8,362,490	7,481,768
Investments	1,427,029	-	1,897,246	3,324,275	3,590,211
Current assets	60,054	-	131,899	191,953	573,830
Current liabilities	<u>(88,224)</u>	-	-	<u>(88,224)</u>	<u>(78,715)</u>
	<u>8,196,945</u>	<u>1,381,904</u>	<u>2,211,645</u>	<u>11,790,494</u>	<u>11,567,094</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS

	At 1.1.23 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds					
General fund	6,249,297	(106,339)	133,815	687,414	6,964,187
Extraordinary repairs fund	1,201,488	-	48,068	(203,906)	1,045,650
Development fund	<u>668,203</u>	<u>-</u>	<u>8,496</u>	<u>(489,591)</u>	<u>187,108</u>
	8,118,988	(106,339)	190,379	(6,083)	8,196,945
Restricted funds					
Grant Income fund	1,588,395	(190,607)	(15,884)	-	1,381,904
Endowment funds					
Endowment funds	<u>2,156,657</u>	<u>-</u>	<u>48,905</u>	<u>6,083</u>	<u>2,211,645</u>
TOTAL FUNDS	11,864,040	(296,946)	223,400	-	11,790,494

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	876,235	(761,153)	18,733	133,815
Extraordinary repairs fund	-	-	48,068	48,068
Development fund	<u>-</u>	<u>-</u>	<u>8,496</u>	<u>8,496</u>
	876,235	(761,153)	75,297	190,379
Restricted funds				
Grant Income fund	-	(15,884)	-	(15,884)
Endowment funds				
Endowment funds	<u>-</u>	<u>-</u>	<u>48,905</u>	<u>48,905</u>
TOTAL FUNDS	<u>876,235</u>	<u>(777,037)</u>	<u>124,202</u>	<u>223,400</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	6,167,942	(3,547)	(21,438)	6,142,957
Extraordinary repairs fund	1,408,948	(207,459)	-	1,201,489
Development fund	702,397	(49,549)	15,355	668,203
	8,279,287	(260,555)	(6,083)	8,012,649
Restricted funds				
Grant Income fund	1,413,672	(15,884)	-	1,397,788
Endowment funds				
Endowment funds	2,547,609	(397,035)	6,083	2,156,657
TOTAL FUNDS	<u>12,240,568</u>	<u>(673,474)</u>	<u>-</u>	<u>11,567,094</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	811,869	(734,799)	(80,617)	(3,547)
Extraordinary repairs fund	-	-	(207,459)	(207,459)
Development fund	-	-	(49,549)	(49,549)
	811,869	(734,799)	(337,625)	(260,555)
Restricted funds				
Grant Income fund	-	(15,884)	-	(15,884)
Endowment funds				
Endowment funds	-	-	(397,035)	(397,035)
TOTAL FUNDS	<u>811,869</u>	<u>(750,683)</u>	<u>(734,660)</u>	<u>(673,474)</u>

The Extraordinary Repair Fund is maintained out of the income of the charity for the purpose of providing for the extraordinary repair, improvement or rebuilding of the homes and other property belonging to the charity. The Trustees have decided that the balance on this fund is to be held at approximately £1,000,000. An annual transfer is made to this fund from the accumulated income fund if the Trustees consider it necessary.

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - continued

The Development Fund represents amounts set aside for future almshouse developments. Transfers to this fund are made at the discretion of the Trustees.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met. The movement in the period reflects the depreciation on housing properties to write off the grant over the life of the components of the properties to which the grants relate.

The Permanent Endowment Fund is held on trust to be retained for the benefit of the charity as a capital fund. The annual transfer into the Permanent Endowment Fund amounting to £6,083 (2022: £6,083) has been made in accordance with a Recoupment Order, as described in the accounting policies.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

20. CONTINGENT ASSET

During the reporting period, VAT amounting to £125,044 was incorrectly charged to the Charity by a construction company that has subsequently gone into administration. The construction company applied the incorrect VAT rate to the VAT invoices that it issued for the work by charging 20% VAT on the supply rather than the 5% VAT that was due. Cutbush and Corral have paid this VAT to the contractor. HMRC have advised that the Charity must pursue a claim for the overpaid VAT with the receiver. The Charity has commenced this process, but the outcome will not be decided until after the date that the financial statements are authorised for issue. The entity's advisers have indicated that it is more likely than not (but not virtually certain) that the entity will receive its full refund.

REGISTERED CHARITY NUMBER: 213463

**Report of the Trustees and
Financial Statements for the Year Ended 31 December 2023
for
THE CUTBUSH & CORRALL CHARITY**

THE CUTBUSH & CORRALL CHARITY

Contents of the Financial Statements for the Year Ended 31 December 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 27

THE CUTBUSH & CORRALL CHARITY

**Reference and Administrative Details
for the Year Ended 31 December 2023**

TRUSTEES

C Highwood
L Haggart
D Smith
G Proud
D Joy
W Cockcroft
S Morris
S Darbyshire
R Silkin

PRINCIPAL ADDRESS

College Farm
College Avenue
Maidstone
Kent
ME15 6YJ

REGISTERED CHARITY NUMBER 213463

AUDITORS

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objects as set out in the governing document (15 November 2010 and amended 7 June 2023) are:

- (a) The relief of poverty by the provision of almshouse accommodation for the beneficiaries; and
- (b) Such charitable purposes for the benefit of the residents as the trustees decide.

The beneficiaries of the Charity will be persons in need by reason of age, ill health, disability, financial hardship or other disadvantage of not less than fifty years of age. Most beneficiaries will be inhabitants of the Borough of Maidstone, and there is provision to favour residents of Harrietsham, applicants over the age of 60 years, Freemen of the Fishmongers Livery Company and members of the Unitarian Church in the allocation of certain almshouses.

Public benefit

The Trustees have paid due regard to the guidance on public benefit published by the Charity Commission when reviewing the objects of the charity and in planning future activities.

The Trustees believe that the activities undertaken in the year for achieving the objects of the Charity have met the public benefit requirement.

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the first half of the year three new staff members joined the team and two existing staff took on new roles, ending a period of instability in terms of vacancies and retention. For the first time in a long period there was a full complement of staff with new recruits settling into their respective roles well. This had a positive impact in terms of workload management and staff morale.

The new Resident Services Co-Ordinator managed to meet every resident personally before the end of the year, seeking suggestions and ideas about how to increase involvement in community activities and reduce social isolation. The monthly Resident Newsletter received a facelift and the range and number of activities increased. The Day Room and Farmhouse remain available to residents as "warm hubs", monthly breakfast and lunch clubs were introduced and there were some well attended one-off events including trips to the seaside, a Christmas Lunch and a Royal visit.

Trustees and staff committed to the Charity's new Strategic Plan (2023 - 2028), achievement of the five objectives will steer the work of the Charity over the coming years:

- To ensure the Charity is "fit for purpose": able to meet both current needs and future challenges.
- To focus on meeting people's housing and well-being needs as well as alleviating poverty.
- To repurpose heritage buildings for the wider community
- To develop new age-appropriate accommodation and adapt existing almshouses where possible.
- To adopt energy efficient technologies and do our bit for the environment.

Early in the year, Trustees started a review of the Weekly Maintenance Contribution (WMC) to ensure the Charity remains financially viable and able to meet its long-term strategic objectives. Trustees agreed to consult residents (in January 2024) on a proposal to introduce changes on 1 April 2024 based on guidance issued by the Almshouse Association to set the WMC in relation to the Equivalent Fair Rent as assessed by the Valuation Office Agency.

Interest from local people wanting to apply for an almshouse remained buoyant (66 expressions of interest received in 2023 compared to 81 in 2022). The Board of Trustees approved 20 new applicants with 16 being appointed as beneficiaries of the Charity during the year. There was movement in and or out of 22 almshouses over the twelve-month period (compared to 14 and 18 in 2022 and 2021 respectively).

There was a slight delay to the planned completion of the twelve new one-bedroom flats on College Road with handover taking place 5 October 2023 followed soon after by a celebratory event attended by HRH Princess Royal.

A number of approved applicants were ready to move into the new flats and only two of the twelve new almshouses remained unoccupied as the year ended.

As planned, risk management arrangements were reviewed. Operational and financial risks are now identified on a new risk register along with risk scores, mitigation and necessary actions. The management of identified risks is prioritised by Trustees at each Board meeting.

Significant deficiencies in internal control that were identified in the Audit Report 2022 were addressed during the year as follows:

Bank reconciliations: reconciliations are now regularly reviewed and approved by the Clerk & Chief Officer.

Property Title Deeds: Trustees have considered the risk associated with almshouses that are not registered with HM Land Registry and whether it would be beneficial to register these properties with HM Land Registry. A decision has been made to postpone registration until a decision has been made as to whether the Charity should become a Charitable Incorporated Organisation (CIO).

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

FINANCIAL REVIEW

Financial position

It is the general policy of the Trustees to make sure that the level of weekly maintenance contributions meets the costs of running the charity as identified in the Statement of Financial Activities.

In 2023 the weekly maintenance contributions amounted to £740,357 (2022: £677,237) and the cost of running the charity was £777,037 (2022: £750,683). The net surplus for the year after adjusting for gains and losses on investments amounted to £223,400 (2022: net deficit £673,474).

The Accumulated Income Fund is an unrestricted fund made up of accumulated surpluses of income and expenditure. The Charity aims to hold approximately 6 months of expenditure as cash and / or easily accessible reserves in this fund. Cash reserves held at the year-end exceeded this amount.

Total reserves at the year-end amounted to £11,790,494 (2022: £11,567,094), of which £2,211,645 (2022: £2,156,657) were held as permanent endowment funds, £1,381,904 (2022: £1,397,788) held as restricted funds and £1,232,758 (2022: £1,869,691) held as designated funds.

The charity has continued to make further investments to provide for future extraordinary repair, improvement or rebuilding of the homes and properties belonging to the Charity and also as part of a Recoupment Order made by the Charities Commission. The Trustees take advice from their investment advisers, Canaccord Genuity Wealth Management in making these investments.

In accordance with the Trustees wishes the Charity's investment advisors (Canaccord Genuity Wealth Management) has been instructed to aim to maintain a 40:60 split of the permanent endowment fund between property and other types of investments.

The investments held as fixed assets have produced an income of £129,891 (2022: £125,586) for the year and there was a net increase in their market value of £124,202 (2022: decrease £734,660) after taking into account the additions and disposals in the year.

Going concern

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

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

FUTURE PLANS

Plans are in place to address the outstanding deficiencies identified in the Audit Report 2022, in particular vesting with the Official Custodian and registering Thomas Robert Gardens with HM Land Registry, developing the fixed asset register and treatment of capitalisation and depreciation.

Work on the review of risk management arrangements in respect of external, regulatory and compliance risks will continue and the exploration of the benefits of becoming a Charitable Incorporated Organisation will commence (postponed in 2023).

It is becoming clear that the crisis in health & social care continues to impact older people in a negative way. Unfortunately, the Charity's 2023 attempt to engage local decision makers in a dialogue about this important issue met with a very pause response. In 2024, attention will be given to develop an Independent Living Policy that describes the support the Charity can provide to help residents to live independently in their almshouse and the actions that will be taken when it is no longer safe for residents to remain in their home.

Subject to the results of consultation with residents (January and February 2024), Trustees will decide whether to introduce the proposed change to the WMC on 1 April 2024. If the proposal goes ahead, the Charity will move to a sounder financial footing and become less reliant on investment income to meet operational costs.

In terms of the Charity's five-year strategic plan; Trustees have already identified an opportunity to convert a vacant two-bedroom bungalow on the College Walk site into two one-bedroom almshouses. This opportunity will be assessed in terms of cost and benefit and if it proves feasible the conversion project will proceed with the likelihood that the remaining three bungalows will be converted later, thereby increasing the number of almshouses from 154 to 158.

Improvements to the College Road flatlets (some of the Charity's least energy efficient properties) are planned with the intention to replace the existing Crittall windows with new double-glazed units (subject to planning permission).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Cutbush and Corral Charity is a charity registered by the Charity Commission and governed by the Scheme dated 15 November 2010 (as amended 7 June 2023). It is an unincorporated association.

Recruitment and appointment of new trustees

There are ten Trustees when the Board is complete. There are eight co-optative Trustees whose term of office endures for five years. They are voted onto the Board by a simple majority of votes cast by the existing Trustees at a special meeting of the Trustees. The remaining two Trustees are nominative Trustees whose term of office endures for four years and who are appointed by Maidstone Borough Council. The Trustees holding office during the year are detailed on page 1. Candidature for a co-optative Trustee is formulated following a skills audit undertaken by the Trustees.

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees meet as a Board four times a year as well as at any special meeting convened. Some Trustees' duties are delegated to sub-committees comprising usually four Trustees, the Clerk and Chief Officer and other staff as appropriate. Any such sub-committee reports to the Board for their actions and recommendations to be considered. Sub-committees may deal with issues like processing of applications for almshouses, scrutiny of the budget and buildings maintenance.

The Clerk and Chief Officer is responsible for the implementation of the Trustees' decisions and has overall responsibility for the management of the Charity. During the year, the Clerk and Chief Officer is supported by two senior managers (Head of Finance and Resources and Head of Operations) and a small team of support staff. The Clerk and Chief Officer has authority to take decisions herself relating to day to day management items but is always accountable for any such decisions to the Trustees.

Induction and training of new trustees

All new Trustees are given an induction pack by the Clerk and Chief Officer to include a copy of the Charity Commission Scheme, previous year's Accounts, Minutes of the last Trustees Meeting and a Residents Handbook. The responsibilities of a Charity Trustee are also explained by the Clerk and Chief Officer. In addition the Clerk and Chief Officer ensures that the new Trustee is familiarised (in general terms) with the housing stock and the day to day workings of the Charity.

The Trustees are offered the opportunity of training at the seminars organised for this purpose by the Almshouse Association.

Key management remuneration

Staff salaries are set by the Board of Trustees in accordance with the Charity's Pay Policy.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Major risks to which the charity is exposed as identified by the Trustees are reviewed on a regular basis and systems or procedures are in place to manage those risks.

Trustees review the Charity's risk register at every Board meeting and make necessary adjustments to risk scores in accordance with perceived likelihood and impact.

During 2023 Trustees identified two issues that carried high risk to the Charity:

- "Failure of vulnerable adult protection measures" - trustees are satisfied that the Charity's "Safeguarding Vulnerable Adults Policy" is fit for purpose and that the Charity's staff have the training and support they need to deal with safeguarding issues. The Clerk & Chief Officer reports all safeguarding matters to the Board of Trustees. However, Trustees are aware that the crisis in health & social care is impacting on the level and quality of support available to its most vulnerable residents and agree that the associated risk remains high.

- "Difficulty recruiting local volunteer Trustees with requisite time, skills & experience results in sub-optimal Board effectiveness. This issue will be prioritised in 2024 as part of the general review of existing governance arrangements.

THE CUTBUSH & CORRALL CHARITY

Report of the Trustees for the Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management (continued)

Trustees are near to completing the process of refining the way the Charity manages risk and introduced a new method of recording and managing the risks faced by the Charity. This is based on Charity Commission guidance and tailored to the identified risks faced by the Charity. The new risk report includes a description of the potential impact and existing controls along with actions required to mitigate risk further. The Clerk & Chief Officer will ensure action is taken to ensure risks are controlled effectively.

Trustees have identified risks associated with an over-reliance on investment income to support operating costs and have concerns that income from weekly maintenance charges will be insufficient to maintain the high-quality service to residents and achieve longer term strategic objectives. Work to mitigate this risk will be progressed in 2024.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including 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 Charity 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.

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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

07 Oct 2024

Approved by order of the board of trustees on and signed on its behalf by:



caroline (Mon, 7th Oct 2024 13:58:09 BST)

.....
C Highwood – Chair of Trustees

Report of the Independent Auditors to the Trustees of The Cutbush & Corrall Charity

Opinion

We have audited the financial statements of The Cutbush & Corrall Charity (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the 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.
-

Report of the Independent Auditors to the Trustees of The Cutbush & Corrall Charity

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 Independent 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).
- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, and Management Override of Controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the charity's recognition of income to the terms of the underlying licenses to occupy and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Our approach was also to check that all restricted income was properly identified and separately accounted for. This included reviewing journal adjustments and unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the trustees with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

**Report of the Independent Auditors to the Trustees of
The Cutbush & Corrall Charity**

Our responsibilities for the audit of the financial statements (continued)

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. 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 Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditors
Office Suite 1
Haslemere House
Lower Street
Haslemere
Surrey
GU27 2PE

Date: *17th October 2024*

THE CUTBUSH & CORRALL CHARITY

Statement of Financial Activities for the Year Ended 31 December 2023

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2023 Total funds £	2022 Total funds as restated £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,499	-	-	1,499	1,000
Charitable activities	4					
Housing		742,507	-	-	742,507	679,457
Investment income	3	131,679	-	-	131,679	129,612
Other income		550	-	-	550	1,800
Total		876,235	-	-	876,235	811,869
EXPENDITURE ON						
Raising funds	5	5,901	-	-	5,901	4,653
Charitable activities	6					
Housing		755,252	15,884	-	771,136	746,030
Total		761,153	15,884	-	777,037	750,683
Net gains/(losses) on investments		75,297	-	48,905	124,202	(734,660)
NET INCOME/(EXPENDITURE)		190,379	(15,884)	48,905	223,400	(673,474)
Transfers between funds	18	(6,083)	-	6,083	-	-
Net movement in funds		184,296	(15,884)	54,988	223,400	(673,474)
RECONCILIATION OF FUNDS						
Total funds brought forward						
As previously reported		8,118,988	1,588,395	2,156,657	11,864,040	12,240,568
Prior year adjustment	12	(106,339)	(190,607)	-	(296,946)	-
As restated		8,012,649	1,397,788	2,156,657	11,567,094	12,240,568
TOTAL FUNDS CARRIED FORWARD		8,196,945	1,381,904	2,211,645	11,790,494	11,567,094

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Balance Sheet 31 December 2023

		2023 £	2022 as restated £
FIXED ASSETS	Notes		
Tangible assets	13	8,362,490	7,481,768
Investments	14	<u>3,324,275</u>	<u>3,590,211</u>
		11,686,765	11,071,979
CURRENT ASSETS			
Debtors	15	22,138	28,529
Cash at bank and in hand		<u>169,815</u>	<u>545,301</u>
		191,953	573,830
CREDITORS			
Amounts falling due within one year	16	(88,224)	(78,715)
NET CURRENT ASSETS		<u>103,729</u>	<u>495,115</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,790,494</u>	<u>11,567,094</u>
NET ASSETS		<u>11,790,494</u>	<u>11,567,094</u>
FUNDS	18		
Unrestricted funds		8,196,945	8,012,649
Restricted funds		1,381,904	1,397,788
Endowment funds		<u>2,211,645</u>	<u>2,156,657</u>
TOTAL FUNDS		<u>11,790,494</u>	<u>11,567,094</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 07-Oct-2024..... and were signed on its behalf by:

Caroline
caroline (Mon, 7th Oct 2024 13:58:09 BST)
.....
C Highwood – Chair of Trustees

S Morris
Stephen Morris (Thu, 10th Oct 2024 12:55:25 BST)
.....
S Morris – Trustee

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

**Cash Flow Statement
for the Year Ended 31 December 2023**

		2023	2022
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>92,923</u>	<u>86,795</u>
Net cash provided by operating activities		<u>92,923</u>	<u>86,795</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(993,073)	(278,748)
Purchase of fixed asset investments		-	(368,068)
Sale of fixed asset investments		406,547	126,270
Interest received		1,788	4,026
Dividends received		115,959	115,630
Movement in investment manager cash		<u>370</u>	<u>235,803</u>
Net cash used in investing activities		<u>(468,409)</u>	<u>(165,087)</u>
Change in cash and cash equivalents in the reporting period		(375,486)	(78,292)
Cash and cash equivalents at the beginning of the reporting period		<u>545,301</u>	<u>623,593</u>
Cash and cash equivalents at the end of the reporting period		<u><u>169,815</u></u>	<u><u>545,301</u></u>

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Notes to the Cash Flow Statement for the Year Ended 31 December 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022 as restated
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	223,400	(673,474)
Adjustments for:		
Depreciation charges	109,530	108,148
(Gain)/losses on investments	(124,202)	734,660
Loss on disposal of fixed assets	2,821	6,801
Interest received	(1,788)	(4,026)
Dividends received	(115,959)	(112,291)
Accumulated dividends	(16,779)	(13,295)
Decrease/(increase) in debtors	6,391	1,604
Increase in creditors	9,509	38,668
Net cash provided by operations	<u>92,923</u>	<u>86,795</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank and in hand	<u>545,301</u>	<u>(375,486)</u>	<u>169,815</u>
	<u>545,301</u>	<u>(375,486)</u>	<u>169,815</u>
Total	<u>545,301</u>	<u>(375,486)</u>	<u>169,815</u>

The notes form part of these financial statements

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The Cutbush & Corall Charity is a charity governed by a scheme dated 15 November 2010, as amended on 16 July 2020, and registered as a charity with the Charity Commission of England and Wales. The address of the registered office is given on Page 1.

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

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The financial statements are presented in sterling, which is the functional currency of the Charity and are rounded to the nearest pound.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Income

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

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Income

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised in the period in which they are received, unless there are conditions that have not been met before the charity is entitled to the resource.

Weekly maintenance contributions and deposit interest are included in the financial statements based on the period for which they relate.

Income from investments in the form of dividends and interest is included in the financial statements when declared.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds comprises the costs relating to the investments.

Expenditure on charitable activities includes the costs of running and maintaining the almshouses and providing services and benefits to the residents.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, personnel, payroll, and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified, and the depreciation rate applied to each component are set out below:

	Years
Fabric	100
Roof	70
Electrics	40
Windows and doors	30
Bathrooms	30

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Mechanical systems	30
Kitchens	20
Boilers	15

Computer Equipment

Computer Equipment is stated at depreciated cost. Depreciation is provided at 20% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Investments

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

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES - continued

Debtors

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Recoupment Order

The charity is subject to a Recoupment Order made by the Charity Commission on 13 May 1993 in respect of historic payments made out of the permanent endowment, which were expended on Phase 11, Cutbush & Corral Court. Payment of up to £555,000 was permitted but it was agreed with the Charity Commission that only £365,000 was used. The recoupment period is 60 years and £6,083.33 per annum is therefore set aside and invested in shares each year. The income arising from these investments will not form part of the permanent endowment itself and can be expended by the charity against the general fund.

2. DONATIONS AND LEGACIES

	2023	2022 as restated
	£	£
Donations	1,499	-
Legacies	-	1,000
	<u>1,499</u>	<u>1,000</u>

3. INVESTMENT INCOME

	2023	2022 as restated
	£	£
Investment Income	129,891	125,586
Deposit account interest	<u>1,788</u>	<u>4,026</u>
	<u>131,679</u>	<u>129,612</u>

THE CUTBUSH & CORRALL CHARITY

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

4. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022 as restated
	Activity	£	£
Housing Activities	Housing	740,357	677,237
Residents' activities	Housing	2,091	2,102
Room Hire	Housing	59	118
		<u>742,507</u>	<u>679,457</u>

5. RAISING FUNDS

Raising donations and legacies

	2023	2022 as restated
	£	£
Support costs	<u>5,901</u>	<u>4,563</u>

Investment management costs

	2023	2022 as restated
	£	£
Portfolio management	<u>-</u>	<u>90</u>
Aggregate amounts	<u>5,901</u>	<u>4,653</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Housing	<u>644,371</u>	<u>126,765</u>	<u>771,136</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022 as restated
	£	£
Staff costs	186,829	180,241
Christmas bounties to individuals	7,300	6,950
Water, light, heat and insurance	91,224	83,515
Rates re. empty properties	17,075	10,801
Gardening	35,941	40,956
Property repairs and maintenance	154,179	126,906
Sundries	13,208	6,395
Residents' trips and activities	3,441	3,579
Professional fees	10,517	12,310
Summer party	-	5,682
Christmas party .	4,636	3,654
Telephone	3,786	2,106
Motor running expenses	9,198	7,435
Depreciation	104,216	103,123
Loss on sale of assets	2,821	6,801
	<u>644,371</u>	<u>600,454</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Raising donations and legacies	5,889	12	5,901
Housing	<u>113,326</u>	<u>13,439</u>	<u>126,765</u>
	<u>119,215</u>	<u>13,451</u>	<u>132,666</u>

Support costs, included in the above, are as follows:

			2023	2022 as restated
	Raising donations and legacies £	Housing £	Total activities £	Total activities £
Wages	800	79,240	80,040	81,820
Water, light, heat and insurance	29	2,844	2,873	20,076
Telephone	31	3,025	3,056	3,570
Sundries	330	6,278	6,608	4,431
Repairs and improvements	25	2,428	2,453	3,603
Professional fees	<u>4,535</u>	<u>3,863</u>	<u>8,398</u>	<u>1,988</u>
Carried forward	5,750	97,678	103,428	115,488

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

8. SUPPORT COSTS - continued

	Raising Donations and legacies £	Housing £	2023 Total activities £	2022 as restated Total activities £
Brought forward	5,750	97,678	103,428	115,488
Staff training	-	1,949	1,949	1,101
Computer expenses	61	6,012	6,073	4,828
Bank charges	25	2,426	2,451	2,428
Depreciation of tangible and heritage assets	53	5,261	5,314	5,025
Auditors' remuneration	-	8,012	8,012	11,700
Auditors' remuneration for non-audit work	-	4,320	4,320	8,990
Trustee indemnity insurance	11	1,049	1,060	579
Trustees' expenses	1	58	59	-
	<u>5,901</u>	<u>126,765</u>	<u>132,666</u>	<u>150,139</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

Total expenses reimbursed to trustees in the year were as follows:

	2023 £	2022 £
Travel	<u>59</u>	<u>-</u>

Expenses were reimbursed to 2 Trustees in the year (2022: 0).

10. STAFF COSTS

	2023 £	2022 £
Gross Salaries	239,483	230,923
Social Security	16,335	19,649
Pensions	<u>11,051</u>	<u>11,489</u>
	<u>266,869</u>	<u>262,061</u>
	2023 No.	2022 No.
Housing activities	2	2
Management and administration	<u>7</u>	<u>7</u>
	<u>9</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Clerk & Chief Executive Officer, Head of Finance and Head of Operations, along with the Trustees. The total remuneration of key management personnel during the year was £116,590 (2022: £115,086).

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Endowment fund	Total funds as restated £
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,000	-	-	1,000
Charitable activities				
Housing	679,457	-	-	679,457
Investment income	129,612	-	-	129,612
Other income	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
Total	<u>811,869</u>	<u>-</u>	<u>-</u>	<u>811,869</u>
EXPENDITURE ON				
Raising funds	4,653	-	-	4,653
Charitable activities				
Housing	<u>730,146</u>	<u>15,884</u>	<u>-</u>	<u>746,030</u>
Total	<u>734,799</u>	<u>15,884</u>	<u>-</u>	<u>750,683</u>
Net gains/(losses) on investments	<u>(337,625)</u>	<u>-</u>	<u>(397,035)</u>	<u>(734,660)</u>
NET INCOME/(EXPENDITURE)	<u>(260,555)</u>	<u>(15,884)</u>	<u>(397,035)</u>	<u>(673,474)</u>
Transfers between funds	<u>(6,083)</u>	<u>-</u>	<u>6,083</u>	<u>-</u>
Net movement in funds	<u>(266,638)</u>	<u>(15,884)</u>	<u>(390,952)</u>	<u>(673,474)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>8,279,287</u>	<u>1,413,672</u>	<u>2,547,609</u>	<u>12,240,568</u>
TOTAL FUNDS CARRIED FORWARD	<u>8,012,649</u>	<u>1,397,788</u>	<u>2,156,657</u>	<u>11,567,094</u>

12. PRIOR YEAR ADJUSTMENT

In accordance with the Charities SORP, where an asset comprises components with materially different useful economic lives, those assets are separately identified and depreciated over those individual lives. In compliance with this, the comparatives have been restated to recognise the refurbishment of the housing properties under component accounting upon transition to FRS 102. The effect of the adjustment was to reduce opening funds by £296,946, being the increase in cost of fixed assets amounting to £26,149 net of accumulated depreciation of £323,095. The impact on the Statement of Financial Activities for the year ended 31 December 2022 was a reduction of charitable activity expenditure of £19,399, being a decrease of repair costs amounting to £39,467, net of increased depreciation of £13,267 and the loss on disposal of housing components of £6,801.

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

12. PRIOR YEAR ADJUSTMENT (continued)

Restricted funds at 31 December 2022 have been reduced by £190,607 which reflects the accumulated depreciation applicable to the social housing grant element of housing properties. Unrestricted funds have been reduced by £106,339.

13. TANGIBLE FIXED ASSETS

	Housing properties £	Other Freehold Property £	Computer equipment £	Totals £
COST				
At 1 January 2023	9,271,672	208,295	17,381	9,497,348
Additions	983,202	7,998	1,873	993,073
Disposals	(15,077)	-	-	(15,077)
At 31 December 2023	<u>10,239,797</u>	<u>216,293</u>	<u>19,254</u>	<u>10,475,344</u>
DEPRECIATION				
At 1 January 2023	1,962,623	46,696	6,261	2,015,580
Charge for year	104,216	2,618	2,696	109,530
Eliminated on disposal	(12,256)	-	-	(12,256)
At 31 December 2023	<u>2,054,583</u>	<u>49,314</u>	<u>8,957</u>	<u>2,112,854</u>
NET BOOK VALUE				
At 31 December 2023	<u>8,185,214</u>	<u>166,979</u>	<u>10,297</u>	<u>8,362,490</u>
At 31 December 2022	<u>7,309,049</u>	<u>161,599</u>	<u>11,120</u>	<u>7,481,768</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	3,590,211
Additions	16,779
Disposals	(403,022)
Revaluations	120,676
Movement in cash	(369)
At 31 December 2023	<u>3,324,275</u>
NET BOOK VALUE	
At 31 December 2023	<u>3,324,275</u>
At 31 December 2022	<u>3,590,211</u>

There were no investment assets outside the UK.

THE CUTBUSH & CORRALL CHARITY

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2023**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022 as restated
	£	£
Trade debtors	5,058	4,423
Other debtors	1,429	4,276
Prepayments and accrued income	<u>15,651</u>	<u>19,830</u>
	<u>22,138</u>	<u>28,529</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022 as restated
	£	£
Trade creditors	18,521	37,118
Taxation and social security	6,603	5,036
Other creditors	<u>63,100</u>	<u>36,561</u>
	<u>88,224</u>	<u>78,715</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted fund	Endowment fund	2023 Total funds	2022 as restated Total funds
	£	£	£	£	£
Fixed assets	6,798,086	1,381,904	182,500	8,362,490	7,481,768
Investments	1,427,029	-	1,897,246	3,324,275	3,590,211
Current assets	60,054	-	131,899	191,953	573,830
Current liabilities	<u>(88,224)</u>	-	-	<u>(88,224)</u>	<u>(78,715)</u>
	<u>8,196,945</u>	<u>1,381,904</u>	<u>2,211,645</u>	<u>11,790,494</u>	<u>11,567,094</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS

	At 1.1.23 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds					
General fund	6,249,297	(106,339)	133,815	687,414	6,964,187
Extraordinary repairs fund	1,201,488	-	48,068	(203,906)	1,045,650
Development fund	<u>668,203</u>	<u>-</u>	<u>8,496</u>	<u>(489,591)</u>	<u>187,108</u>
	8,118,988	(106,339)	190,379	(6,083)	8,196,945
Restricted funds					
Grant Income fund	1,588,395	(190,607)	(15,884)	-	1,381,904
Endowment funds					
Endowment funds	<u>2,156,657</u>	<u>-</u>	<u>48,905</u>	<u>6,083</u>	<u>2,211,645</u>
TOTAL FUNDS	11,864,040	(296,946)	223,400	-	11,790,494

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	876,235	(761,153)	18,733	133,815
Extraordinary repairs fund	-	-	48,068	48,068
Development fund	<u>-</u>	<u>-</u>	<u>8,496</u>	<u>8,496</u>
	876,235	(761,153)	75,297	190,379
Restricted funds				
Grant Income fund	-	(15,884)	-	(15,884)
Endowment funds				
Endowment funds	<u>-</u>	<u>-</u>	<u>48,905</u>	<u>48,905</u>
TOTAL FUNDS	<u>876,235</u>	<u>(777,037)</u>	<u>124,202</u>	<u>223,400</u>

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	6,167,942	(3,547)	(21,438)	6,142,957
Extraordinary repairs fund	1,408,948	(207,459)	-	1,201,489
Development fund	702,397	(49,549)	15,355	668,203
	8,279,287	(260,555)	(6,083)	8,012,649
Restricted funds				
Grant Income fund	1,413,672	(15,884)	-	1,397,788
Endowment funds				
Endowment funds	2,547,609	(397,035)	6,083	2,156,657
TOTAL FUNDS	<u>12,240,568</u>	<u>(673,474)</u>	<u>-</u>	<u>11,567,094</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	811,869	(734,799)	(80,617)	(3,547)
Extraordinary repairs fund	-	-	(207,459)	(207,459)
Development fund	-	-	(49,549)	(49,549)
	811,869	(734,799)	(337,625)	(260,555)
Restricted funds				
Grant Income fund	-	(15,884)	-	(15,884)
Endowment funds				
Endowment funds	-	-	(397,035)	(397,035)
TOTAL FUNDS	<u>811,869</u>	<u>(750,683)</u>	<u>(734,660)</u>	<u>(673,474)</u>

The Extraordinary Repair Fund is maintained out of the income of the charity for the purpose of providing for the extraordinary repair, improvement or rebuilding of the homes and other property belonging to the charity. The Trustees have decided that the balance on this fund is to be held at approximately £1,000,000. An annual transfer is made to this fund from the accumulated income fund if the Trustees consider it necessary.

THE CUTBUSH & CORRALL CHARITY

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - continued

The Development Fund represents amounts set aside for future almshouse developments. Transfers to this fund are made at the discretion of the Trustees.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met. The movement in the period reflects the depreciation on housing properties to write off the grant over the life of the components of the properties to which the grants relate.

The Permanent Endowment Fund is held on trust to be retained for the benefit of the charity as a capital fund. The annual transfer into the Permanent Endowment Fund amounting to £6,083 (2022: £6,083) has been made in accordance with a Recoupment Order, as described in the accounting policies.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

20. CONTINGENT ASSET

During the reporting period, VAT amounting to £125,044 was incorrectly charged to the Charity by a construction company that has subsequently gone into administration. The construction company applied the incorrect VAT rate to the VAT invoices that it issued for the work by charging 20% VAT on the supply rather than the 5% VAT that was due. Cutbush and Corral have paid this VAT to the contractor. HMRC have advised that the Charity must pursue a claim for the overpaid VAT with the receiver. The Charity has commenced this process, but the outcome will not be decided until after the date that the financial statements are authorised for issue. The entity's advisers have indicated that it is more likely than not (but not virtually certain) that the entity will receive its full refund.



The Cutbush and Corrall Charity

Audit Findings Report

Year Ended 31 December 2023



The Cutbush and Corrall Charity: Audit Findings Report for the year ended 31 December 2023

The Board of Trustees

The Cutbush and Corrall Charity

11 July 2024

Dear Trustees

The Cutbush and Corrall Charity

Audit findings for the year ended 31 December 2023

This Audit Findings Report highlights the significant findings arising from the audit and sets out the key matters which we are required to formally report to those charged with governance in accordance with International Standard on Auditing (UK) 260.

As you will appreciate, our audit procedures are designed primarily to enable us to form an opinion on the accounts as a whole. Our procedures include such tests of the accounting records and internal control systems as are, in our opinion, necessary for audit purposes. Consequently, whilst our procedures may identify certain weaknesses which may exist, the audit procedures in themselves should not be relied upon to reveal all the weaknesses which may exist in the system.

This report has been prepared for your sole use and we assume no responsibility to any other party in respect of its contents. The report should not be disclosed to any third party without our prior written consent.

This report is not exhaustive and deals with only the more significant matters which came to our attention during the audit. Other matters of lesser significance have been discussed with the relevant staff during the course of our audit work.

We would like to take this opportunity to express our appreciation to management and staff for their assistance and co-operation during the course of our audit. If you have any queries on any of the points in this letter, please do not hesitate to contact us.

Yours Sincerely

Knox Cropper LLP

Contents

Audit Overview	Page 3
Materiality and Audit Adjustments	Page 6
Key Audit Risks and Conclusions	Page 7
Internal Control Observations and Recommendations	Page 9
Emerging Issues	Page 11
Letter of Representation	Page 13

Audit Overview

General

The purpose of our audit is to gather sufficient evidence to allow us to conclude that the transactions and balances disclosed in the accounts are unlikely to be materially misstated, to establish that disclosures reflected in the accounts comply with the requirements of legislation and relevant accounting standards, to assess whether the accounting policies adopted are appropriate and consistently applied and to assess whether judgments exercised and estimates made in the preparation of the accounts are fair and reasonable.

Audit Report

We confirm that we have completed the audit to our satisfaction and intend to issue an unqualified audit opinion on the Financial Statements. This means that we have no material reservations over the figures or information disclosed in the financial statements.

The wording of our audit report is in accordance with the standard text for unqualified audit reports prescribed by the Financial Reporting Council. Our report also includes a section which is specific to this audit setting out our response to the risk of material misstatement in respect of irregularities arising from non-compliance with laws and regulations, including fraud.

Estimates and Judgments

The key estimates and judgements made by management affecting the financial statements are as follows.:

- Identification of housing property components and attributed estimated useful lives.

Following the restatement of housing properties under component accounting rules, we have concluded that management have exercised judgments and calculated estimates in a fair and reasonable way.

Accounting Policies and Disclosures

The accounting policies which have been adopted in the financial statements are in accordance with Generally Accepted Accounting Practice and are, in all material respects, appropriate to the organisation's operations and in compliance with FRS 102 and the Charity Statement of Recommended Practice 2019.

Adequate consideration was given to the potential impact of changes in legislation and accounting standards which arose during the year. No significant changes arose during the current year which affected the financial statements and therefore the form and content of the accounts are largely consistent with the preceding year.

You are aware that fixed assets have been restated to comply with FRS 102, which requires the major components of an item of property, plant and equipment which have significantly different patterns of consumption of economic benefits to be separately recognised. This includes items such as the roof, boilers, bathrooms and kitchens in a property. In this case, FRS 102:17.16 requires that the initial cost of the asset is allocated to its major components with each component then depreciated separately over its useful life. We have therefore amended the policy to comply with this treatment.

Professional Ethics and Independence

We confirm our compliance with Ethical Standards issued by the Financial Reporting Council. There are no matters in relation to our audit engagement which we consider should be brought to your attention.

We also confirm that we have evaluated our firm's independence in connection with the audit and implemented appropriate safeguards to ensure there are no factors affecting our independence or objectivity and thus our ability to continue to act as auditor. These included:

- The self-review threat arising from our assistance with the preparation of the financial statements;
- The self-review and management threat arising from processing journal adjustments;

These however have been properly addressed by appropriate safeguards, namely:

- A review by a second manager independent of the audit;
- Journal adjustments being approved by the Trustees in writing;

Other Audit Matters

In accordance with UK auditing standards, we confirm the following matters in relation to our audit of the financial statements:

- a) We have not identified or been made aware of any incidents of fraud or suspected fraud. We would emphasise that our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.
- b) We have not identified or been made aware of any incidents of non-compliance with laws and regulations which could have a material impact on the financial statements.
- c) We have not identified or been made aware of any related party transactions other than matters which have been disclosed in the financial statements.
- d) We have received all requested third-party confirmations which represent an essential element of our audit evidence.
- e) Apart from the matters set out in this report, there were no significant matters discussed with management during the audit which we are required to bring to your attention. There were no significant disagreements with management, or any limitations placed on the scope of our work. No significant difficulties were encountered during the audit.

Materiality and Audit Adjustments

Materiality

Materiality is used both to plan the nature and extent of audit testing and to evaluate the effect of misstatement. In accordance with ISA (UK) 260 'Communication with those charged with governance', we are obliged to include details in this report of all unadjusted errors which are below materiality unless they are clearly trivial. Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Omissions or misstatements are regarded as material if they would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement.

Our assessment of materiality for the charitable company for the year ended 31 December 2023 was calculated as follows:

	Parent £	Explanation
Overall Materiality for the Financial Statements	17,415	Accounts materially misstated where total errors exceed this value
Performance Materiality	13,061	Work performed to capture individual errors at this level.
Triviality Level	870	Unadjusted errors above this level are reported.

Audit Adjustments

All material adjustments arising from our audit work have been discussed with management and appropriately reflected in the financial statements. The adjustments agreed are included in an appendix to this letter.

We confirm that no further misstatements were detected during the audit which remain uncorrected in the financial statements other than matters which are both individually and cumulatively below performance materiality. A schedule of unadjusted errors is also included with this report.

The Cutbush and Corrall Charity: Audit Findings Report for the year ended 31 December 2023

Key Audit Risks and Conclusions

The following schedule sets out the key risks which we identified as part of our audit planning. It sets out our approach to ensuring that these risks did not give rise to any material misstatement in the financial statements and our audit findings.

	Risk	Audit Approach	Audit Findings
1	Completeness of income Under ISA (UK) 240 there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the Charity could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported revenue position.	Rental income will be reviewed against expected rents in the year and tested to underlying data on a sample basis. We will review the underlying documentation for grants and contracts receivable to ensure that all income to which the charity is entitled, and which can be ascertained with reasonable precision has been included.	We are satisfied following the review of income documentation and audit procedures performed that income is recognised correctly.
2	Management override of Controls Under ISA (UK) 240 there is a presumed risk that management and Trustees have the ability to process transactions or make adjustments to financial records outside of the normal financial control processes. Such transactions could lead to a material misstatement.	Due to the size and nature of the entity, the potential for management override of controls is considered a significant risk. This will be addressed by the review of journal entries processed in the accounting records, and the investigation of all significant and unusual transactions identified from our review of the accounting records.	We are satisfied that journals processed in the accounting records were routine in nature and appropriate to the activities of a housing charity.
3	Macro-Economic Conditions The wider economic environment is providing several challenges which are both directly and indirectly impacting the Charity. Increases in Consumer Prices Index will have an effect on the Charity's direct costs as well as income collection as more tenants struggle to pay their WMC. Major changes to the benefits system have also come into force in the last few years, including the Benefit Cap, the bedroom tax and the rollout of Universal Credit.	We will review budgets and cash flow forecasts to ensure that there are no issues or concerns with cash levels. We will review the WMC Arrears list, identifying long outstanding and large balances. We will enquire as to whether these amounts have been recovered post year end and, if not, the likelihood that they will be recovered. We will review the current doubtful debt provision to see whether	We have not identified any issues with going concern over the course of our audit. The charity recorded a surplus of £223k in 2023 and retains £170k of cash and £3.324m of Investments. There are no indications of any impairment issues in the year. There has been a slight increase in WMC debtors in 2023. We have considered the recoverability of debtor balances and reviewed the actions taken by the Charity to receive these amounts. It

The Cutbush and Corrall Charity: Audit Findings Report for the year ended 31 December 2023

This introduces additional audit risks in us arriving at our audit opinion, including:

- Going concern including reduced future cash flows;
- Increase in arrears as benefit claims requiring processing by local authorities in the current situation increase; and
- Impact in performance in voids as filling void properties is more difficult in the current situation.

4 Housing Properties

Component accounting has not been adopted on fixed asset properties. There is a further risk that property components are treated as revenue items and not correctly identified in the accounting records. This will include both property additions and disposals and the accounting treatment of replacement components.

5 Identification of all related party transactions

The risk of material misstatement of related party relationships and transactions can arise due to a failure by entities to identify or disclose related party relationships and transactions, whether by lack of understanding or knowledge of relationships that fall within the definition, or by using unidentified related parties to cover up fraudulent activities or financial reporting.

this appears adequate based on our arrears review.

We will review occupancy rates and the impact of voids on the Charity's ability to perform refurbishment work on void properties.

We will perform component accounting calculations and restate housing properties in compliance with FRS 102:17.16, which requires the initial cost of the asset to be allocated to its major components with each component then depreciated separately over its useful life.

Additions will be checked to ensure that they have been correctly categorised and are genuine additions.

We will review the details of related party transactions prepared by the Board of Trustees and obtain representation from the Board that the register accurately and completely discloses all related party transactions. We will review our audit work to identify any previously unidentified related parties and related party transactions.

appears that reasonable steps are being taken to manage debtor balances.

Void losses decreased in the year from £47,903 to £44,292 and are consistent with the circumstances leading to the void periods.

We will continue to review the latest performance and forecasts up to the point of signing the financial statements.

Housing properties have been restated under component accounting using the guidance issued by the National Housing Federation in respect of component apportionment and useful economic lives.

Minor adjustments were also made in the year for fixed asset additions posted as revenue expenditure. We are satisfied that component replacements are now fairly stated.

No additional related party transactions were identified during the course of our work. We are satisfied disclosure of related party transactions in the financial statements is complete.

The Cutbush and Corrall Charity: Audit Findings Report for the year ended 31 December 2023

Internal Control Observations and Recommendations

We are required to report to you, in writing, significant deficiencies in the internal controls and the internal control environment that we have identified during the course of our audit. These matters are limited to those which we have concluded are of sufficient importance to be reported to you. Our audit cannot necessarily be expected to disclose all deficiencies in the system and, as a result, the matters reported may not be the only ones which exist.

We have categorised the internal control deficiencies using a colour-scale rating system. The key to which is as follows:

Control weakness is not significant but we recommend that it be addressed to comply with good practice	
Control weakness is serious and needs to be addressed	
Control weakness is of critical importance and needs to be addressed as a priority	

Matters Arising in the Current Year

Risk Rating	Observation	Recommendation	Management Response
	1 Income Recording Our testing of income identified 3 licensees who were not recorded on the new starter list. We also noted that Housing benefit relating to the final two weeks of December had not been accrued.	Whilst we were able to confirm the dates of beginning and end of licenses from the void records, we recommend that the recording of new licensees is kept up to date and checked for completeness. Consideration should be given to the correct cut-off in respect of housing benefit claim recognition.	Our Inform System which holds all resident details is accurate and holds all the relevant information. The list provided for audit was created manually and omitted 3 residents. Next year a report will be created directly from Inform to ensure you receive the correct information. We are satisfied that income was materially accurate in the accounting records.

2 Expenditure Invoices

Our detailed testing of expenditure revealed 3 instances where no supporting invoice was available for inspection. We increased our sample as a result and are able to conclude satisfactorily over this area.

We recommend that where invoices are not received for expenditure items, suppliers are contacted to obtain copies to complete the audit trail.

Extra effort will be made to ensure all supporting invoices are present in order to produce a complete audit trail.

3 Fixed Asset Additions

Where housing components are replaced, they are initially posted to repairs expenditure codes within the nominal ledger.

We recommend that component replacements are separately identifiable by posting them to a different nominal code. This will enhance the year-end accounting process and make management information more in line with the year-end position.

A separate nominal code will be used in Xero for component replacements going forward.

Emerging Issues

Proposed changes to Financial Reporting

The Charity SORP and Financial Reporting Standard 102 (FRS 102), on which the SORP is based, are both in the process of being updated, with changes expected to be implemented for accounting periods beginning on or after 1 January 2026. Key proposed changes include:

- Leases: All leases, with few exceptions, must be capitalised.
- Revenue Recognition: A new five-step model will impact how grants and contracts are recognised.
- Additional SORP Changes: Larger charities will need to include sustainability reporting, while smaller charities will have a simplified reporting regime.

National Cyber Security Strategy 2022-2030

The government's National Cyber Security Strategy aims to enhance the UK's digital security. A draft Code of Practice on cyber-security governance was published in January 2024 to help directors and senior leaders strengthen their defences against cyber threats, placing cyber security on par with financial and legal risks. It covers regular cyber-awareness training for staff, regularly updating organisational comprehensive plans for responding and recovering from cyber breaches, advocating for regular penetration testing to identify and address vulnerabilities and encouraging organisations to obtain "Cyber Essentials" certification.

Changes on Holiday pay process

A recent court decision has simplified the rules for holiday pay, particularly for workers with irregular hours. The Supreme Court has confirmed that holiday pay liabilities can be retroactive for up to two years, necessitating careful planning by employers to avoid errors. New regulations define irregular hours and part-year workers, specifying that leave must be accrued at 12.07% of hours worked and can be paid in instalments, though this is optional. The regulations also detail how leave can be carried forward for workers who are sick or on statutory leave like maternity or paternity, allowing unused leave and pay to be carried forward to the next leave year. These changes aim to provide clarity and simplify the holiday pay process for both employers and employees.

Class 1A NIC on benefit in kind

Starting April 2026, payroll benefits and paying Class 1A NIC on BIK via payroll will be mandatory, aiming to simplify tax reporting and reduce administrative burdens.

Office of Financial Sanctions Implementation's (OFSI) guidance

All UK entities, including charities, must comply with financial sanctions. The OFSI provides guidance on ensuring compliance, particularly important given the increased sanctions due to the Ukraine conflict.

<https://www.gov.uk/government/publications/financial-sanctions-fags>

Know your donor – key questions for trustees

All charities should know their donors and think carefully about whether or not to accept donations. Charity Commission's Compliance Toolkit and Know Your Donor Questions provide useful tools for due diligence for charities to assess the risks of accepting a donation, including reputational risks.

<https://www.gov.uk/government/collections/protecting-charities-from-harm-compliance-toolkit#chapter-2:-charities:-due-diligence,-monitoring-and-verifying-the-end-use-of-charitable-funds>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/550694/Tool_6.pdf

My Charity Commission Account

Launched in 2023, My Charity Commission Account provides trustees, managers, and accountants with tailored support and information, facilitating access to online services such as updating charity details and submitting annual returns.

<https://www.gov.uk/guidance/setting-up-my-charity-commission-account>

Letter of Representation

International auditing standards require us to obtain, from the directors, a number of specific representations and also confirmation of any other material representation given to us during the course of our audit which forms part of our audit evidence. The representations should be made on the basis of enquiries of management and staff with relevant knowledge and expertise.

The following is the full list of representations which we will require to be formally provided to us in a letter, signed on behalf of the directors, prior to signing our audit report.

Confirmation of Responsibilities

1. We have fulfilled our responsibilities as trustees under the Charities Act 2011 (“the Act”) for preparing financial statements which give a true and fair view in accordance with the financial reporting framework (FRS 102 and the Charity SORP).
2. We confirm that all accounting records have been made available to you for the purpose of your audit, in accordance with your terms of engagement, and that all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and Directors’ meetings, have been made available to you. We have given you unrestricted access to persons within the Association in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
 - so far as each Director is aware, there is no relevant audit information of which you as auditors are unaware; and
 - each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Estimates and Judgments

4. We confirm that the methods, significant assumptions and source data used by us in making accounting estimates, and their disclosure in the financial statements, are appropriate and in compliance with the recognition, measurement and disclosure requirements of FRS 102.
5. We confirm that all known actual or possible litigation and claims, the implication of which should be considered when preparing the financial statements, have been disclosed to you and have been accounted for and disclosed in accordance with FRS102 and the Act.

Post Balance Sheet Events and Commitments

6. We confirm that there have been no events since the balance sheet date which necessitate revision of the figures in the financial statements, or inclusion of a note thereto, other than those matters which have already been disclosed or included in the financial statements.
7. We confirm that the Charity has not contracted for any capital expenditure other than as disclosed in the financial statements.
8. We confirm that we have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Related Parties

9. We confirm that we are aware of the definition of a related party as set out in FRS102 and the Charities SORP.
10. We confirm that we have disclosed to you all related parties and related party transactions relevant to the charity and that we are not aware of further related party transactions other than those already disclosed in the financial statements in accordance with the requirements of FRS102 and the Act.
11. We confirm that the charity/company has not had, at any time during the year, an arrangement, transaction or agreement to provide credit facilities for trustees, nor to provide guarantees of any kind on behalf of the trustees, except as disclosed in the financial statements.

Laws, Regulations and Contractual Agreements

12. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its operations, non-compliance with which could affect the financial statements.
13. The charity has complied with all aspects of contractual and other agreements that could have a material effect on the financial statements in the event of non-compliance.

Internal Control and Fraud

14. We acknowledge our responsibility for the design and implementation of controls to prevent and detect fraud and we confirm that we have assessed the risk that the financial statements may be materially misstated as a result of fraud and that we have made this assessment available to you. We also confirm that, to the best of our knowledge and belief, there have been no significant deficiencies in internal control during the year.
15. We confirm that we have disclosed to you our knowledge of any actual or suspected instances of fraud involving management, employees with a significant role in internal control, and others where the fraud could have a material effect on the financial statements. We also confirm that we have disclosed to you our knowledge of any allegations of fraud or suspected fraud, affecting the financial statements, which have been communicated by employees, former employees, regulators or others.

Going Concern

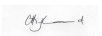
16. We confirm that, having considered financial projections which reflect the charity's expectations and intentions for a period of at least twelve months from the date on which the financial statements are expected to be approved, in our opinion, the charity's financial statements should be prepared on the going concern basis.

Uncorrected Misstatements

17. We confirm that, in our opinion, the effects of any uncorrected misstatements which have been set out in the Audit Findings Report, are immaterial, both individually and in aggregate, to the financial statements as a whole.
18. All grants, donations and other incoming resources, receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms and conditions in the application of such incoming resources.
19. We confirm that we have informed you of the details of all correspondence with the charity's regulators during the year and, in particular, the details of all Serious Incident Reports that we have made to the Charity Commission
20. We have reviewed the journal adjustments processed during the course of the audit and confirm our approval of these as set out in the annexe to this letter.

The Cutbush and Corrall Charity: Audit Findings Report for the year ended 31 December 2023

Signed for and on behalf of the Trustees of The Cutbush and Corrall Charity



caroline (Mon, 7th Oct 2024 13:58:09 BST)

07 Oct 2024

Trustee

Date

The Cutbush and Corrall Charity

England & Wales - Charity number 213463

Accounts

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE CUTBUSH & CORRALL CHARITY

CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 9
Independent auditors' report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 36

THE CUTBUSH & CORRALL CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Mr W L Cockcroft DL (co-opted)
Mrs S R Darbyshire (co-opted)
Miss C E Highwood, Chairman (co-opted)
Mr S Morris (co-opted), Vice Chairman (co-opted)
Mr R L F Silkin (co-opted)
Mr G Proud (co-opted)
Mrs E Haggart (co-opted)
Mr C English (nominated)
Mrs D Joy (nominated)
Miss D Smith (co-opted)

**Charity registered
number**

213463

Principal office

College Farm
College Avenue
Maidstone
Kent
ME15 6YJ

Independent auditors

MHA
Statutory Auditors
Maidstone
United Kingdom

Bankers

National Westminster Bank plc
3 High Street
Maidstone
Kent
ME14 1HJ

Solicitors

Brachers LLP
Somerfield House
59 London Road
Maidstone
Kent
ME16 8JH

THE CUTBUSH & CORRALL CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Investment Advisors Canaccord Genuity Wealth Management
88 Wood Street
London
EC2V 7QR

Property Advisors J A Warner Ltd
The Guard House, Church Lane
The Historic Dockyard
Chatham
Kent
ME4 4TE

Clerk and Chief Officer Mrs E Abi-Aad

**Head of Finance &
Resources** Mrs N Weal

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and the financial statements for the year ended 31 December 2022. The Trustees' have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) in preparing the Trustees' Report and financial statements of the Charity.

Objectives and activities

a. Objectives and Activities

The Charity's objectives as set out in the governing document are:

To provide almshouses for the use of persons in need by reason of age, ill health, disability, financial hardship or other disadvantage of not less than fifty years of age, most of whom are inhabitants of the Borough of Maidstone, and in the case of the Harrietsham almshouses, of not less than sixty years of age who are resident in Harrietsham, six of the beneficiaries being Freemen of the Fishmongers Livery Company;

To assist young persons under the age of twenty four years in need of financial assistance who are preparing for, entering upon or engaged in any trade, occupation or profession by provision of tools or books, payment of fees, travelling expenses or other such means as will fit them to earn their own living or advance them in life.

Such charitable purposes for the benefit of the almshouse residents as the trustees decide.

The Charity's aims are:

The relief of poverty by the provision of almshouse accommodation for the beneficiaries and such charitable purposes for the benefit of the residents as the Trustees decide.

To maintain the almshouses in good repair and condition and updated where necessary to be in line with modern day expectations.

To acquire more land upon which there would or could be erected more almshouses to be constructed to as high a standard as the Trustees consider financially prudent.

To maximise development or redevelopment opportunities as the Trustees consider financially prudent.

Wherever possible to maintain and increase the underlying value of the Charity's non-almshouse properties and assets consistent with appropriate professional advice.

b. Activities undertaken to achieve objectives

The first aim stated above is achieved through the structure of the Charity as detailed in the "Organisational Structure and decision-making policies" section below.

The second aim is achieved through the attention given by the management team of the Charity to the maintenance of the almshouses and upgrading them wherever possible. The process includes implementing the recommendations of the Charity's quinquennial report and further, when a property becomes empty, replacing the bathroom and kitchen and heating system where appropriate.

The third and fourth aims are achieved by the vigilance of the management team of the Charity in identifying new potential sites for development.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

c. Main activities undertaken to further the charity's purposes for the public benefit

The Trustees have paid due regard to the guidance on public benefit published by the Charity Commission when reviewing the aims and objectives of the charity and in planning future activities.

The Trustees believe that the activities undertaken in the year for achieving the objectives of the Charity have met the public benefit requirement.

Achievements and performance

a. Main achievements of the charity

During the course of the year, day-to-day operations returned to near normal as both staff and residents learned to live safely with respiratory infections including COVID-19. The staff team returned to work at the Farmhouse when the requirement for social distancing diminished. For a short period there was a full complement of staff at work (including an appointment to the new role of Head of Operations) but for various reasons, this was short lived and staff turnover/ vacancies undoubtedly added to the workload of the team and some planned work streams were delayed (e.g. governance arrangements and strategic development). Nevertheless, much was achieved during the period.

Trustees 'surgeries' were re-introduced, and comments boxes provided at various sites to make it easier for residents to make their views known. The Head of Operations made a concerted effort to raise the profile of the Charity within the community reaching out to organisations able to signpost individuals who may have needed the Charity's support. This work contributed to a 33% increase in the number of people expressing an interest in applying for an almshouse (81 enquiries in 2022 compared to 61 in 2021). The Maintenance Team worked hard to ensure vacant almshouses were refurbished quickly and ten individuals were appointed as beneficiaries of the Charity.

A review of the Charity's risk management arrangements was started, and a new process put in place to mitigate identified risks associated with finances.

After a lengthy process, planning permission was approved to convert six relatively large almshouses on the College Road site in 12 one-bedroom flats. Construction work expected to last 10 months began in September. Residents living in adjacent properties proved very patient given the disruption.

Inevitably, income from weekly maintenance charges (WMC) was adversely affected as seven almshouses were left unoccupied during the construction phase. In percentage terms, loss of income due to voids equated to 6.5% of actual WMC in 2022 compared to 4.8% in 2021 and 2.2% in 2020.

Staff organised well attended events to celebrate the Queen's Jubilee and day trips to Broadstairs and Ramsgate. Almost 100 individuals attended both the bi-annual Summer Party and the Christmas Dinner. To combat the increased energy costs, the Charity provided open access for residents to use the Day Room and Farmhouse as warm spaces during working hours.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

In the autumn the Charity undertook the second Resident Satisfaction Survey which provided useful feedback on the Charity's performance from a resident's perspective. The findings are summarised in the table below which shows the percentage of respondents who rated their satisfaction with various elements of service they received between 8 and 10 (with 1 being 'very dissatisfied' and 10 being 'very satisfied')

	2020	2022
How satisfied are you with the service provided by Cutbush & Corral?	75%	86%
How satisfied are you with the overall quality of your home?	81%	89%
How satisfied are you that Cutbush and Corral provides a home that is safe and secure?	90%	91%
How satisfied are you that Cutbush & Corral is easy to deal with?	70%	88%
How satisfied are you with the way Cutbush & Corral deals with repairs and maintenance?	80%	84%
How satisfied are you that your WMC provides value for money?	80%	90%
How satisfied are you with the service provided by the care & support team?	65%	88%
How satisfied are you that Cutbush & Corral gives the opportunity to make your views known?	66%	81%

Worryingly, the crisis in health & social care adversely affected too many residents who were either discharged from hospital too early or could not garner the support they needed from health professionals and/ or social services. Trustees were grateful that staff were prepared and able to offer more than the usual 'light touch' support for these vulnerable residents at the time it was needed.

Financial review

a. Going concern

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

b. Permanent Endowment Funds

A Permanent Endowment Fund is held on trust to be retained for the benefit of the Charity as a capital fund, and is therefore held as investments and tangible fixed assets. During the year, net losses on investments amounting to £397,035 (2021: net gains of £294,734) were recognised in the fund. A transfer from the accumulated income fund to the permanent endowment fund amounting to £6,083 (2021: £6,083) was made in respect of the Recoupment Order made by the Charities Commission on 13 May 1993.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

c. Financial review

It is the general policy of the Trustees to make sure that the level of weekly maintenance contributions meets the costs of running the charity as identified in the Statement of Financial Activities. In 2022 the weekly maintenance contributions amounted to £677,237 (2021: £665,142) and the cost of running the charity was £770,082 (2021: £738,589). The net deficit for the year after adjusting for gains and losses on investments amounted to £692,873 (2021: net surplus £546,472).

The Accumulated Income Fund is an unrestricted fund made up of accumulated surpluses of income and expenditure. The Charity aims to hold approximately 6 months of expenditure as cash and / or easily accessible reserves in this fund. Cash reserves held at the year end exceeded this amount.

Total reserves at the year end amounted to £11,864,040 (2021: £12,556,913), of which £2,156,657 (2021: £2,547,609) were held as restricted permanent endowment funds, £1,588,395 (2021: £1,588,395) held as restricted funds and £1,869,692 (2021: £2,111,345) held as designated funds. The charity has continued to make further investments to provide for future extraordinary repair, improvement or rebuilding of the homes and properties belonging to the Charity and also as part of a Recoupment Order made by the Charities Commission as detailed in note 2.13 to the accounts. The Trustees take advice from their investment advisers, Canaccord Genuity Wealth Management in making these investments.

In accordance with the Trustees wishes the Charity's broker (Canaccord Genuity Wealth Management) has been instructed to aim to maintain a 40:60 split of the permanent endowment fund between property and other types of investments.

The investments held as fixed assets have produced an income of £125,586 (2021: £104,449) for the year and there was a net decrease in their market value of £734,660 (2021: increase £512,744) after taking into account the additions and disposals in the year.

d. Funds held as custodian trustee on behalf of others

The Charity does not hold any assets as custodian for any third parties.

e. Fundraising standards information

The Charity does not undertake any fundraising activities itself, nor does any other person on behalf of the charity. Neither the Charity or any other person acting on behalf of the Charity was subject to any voluntary scheme or voluntary standard for regulating fundraising. As such, there were no failures to comply with any such scheme and the Charity did not receive any complaints during the year in relation to fundraising activities.

Structure, governance and management

a. Constitution

The Cutbush and Corral Charity is a charity registered by the Charity Commission and governed by the Scheme dated 15 November 2010 (as amended 16 July 2020). It is an unincorporated association.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

There are ten Trustees when the Board is complete. There are eight co-optative Trustees whose term of office endures for five years. They are voted onto the Board by a simple majority of votes cast by the existing Trustees at a special meeting of the Trustees. The remaining two Trustees are nominative Trustees whose term of office endures for four years and who are appointed by Maidstone Borough Council. The Trustees holding office during the year are detailed on page 1. Candidature for a co-optative Trustee is formulated following a skills audit undertaken by the Trustees.

c. Organisational structure and decision-making policies

The Trustees meet four times a year as well as at any special meeting convened. Some Trustees' duties are delegated to sub-committees comprising usually four Trustees and the Clerk and Chief Officer. Any such sub-committee reports to the Main Board for their actions and decisions to be noted or sanctioned, as the case may be. Such sub-committees may deal with issues like the selection of residents, decisions regarding buildings and oversight of finances.

The Clerk and Chief Officer is responsible for the implementation of the Trustees' decisions and has overall responsibility for the management of the Charity. During the year, the Clerk and Chief Officer is supported by three senior managers (Head of Finance and Resources, Care and Support Manager and Head of Operations) and a small team of support staff. The Clerk and Chief Officer has authority to take decisions herself relating to day to day management items but is always accountable for any such decisions to the Trustees.

d. Policies adopted for the induction and training of Trustees

All new Trustees are given an induction pack by the Clerk and Chief Officer to include a copy of the Charity Commission Schemes, previous year's Accounts, Minutes of the last Trustees Meeting and a Residents Handbook. The responsibilities of a Charity Trustee are also explained by the Clerk and Chief Officer. In addition the Clerk and Chief Officer ensures that the new Trustee is familiarised (in general terms) with the housing stock and the day to day workings of the Charity.

The Trustees are offered the opportunity of training at the seminars organised for this purpose by the Almshouse Association.

e. Pay policy for key management personnel

The salaries of the key management personnel are set by the Trustees at the Trustees' meetings having regard to their responsibilities and levels of inflation.

f. Related party relationships

There are no related parties, other connected charities or organisations that the Charity is required to co-operate or transact with in pursuit of its charitable objectives. There were no related party transactions during the year.

g. Risk management

Major risks to which the charity is exposed as identified by the Trustees are reviewed on a regular basis and systems or procedures are in place to manage those risks.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

Trustees review the Charity's risk register at every Board meeting and make necessary adjustments to risk scores in accordance with perceived likelihood and impact. During 2022 Trustees identified two issues that carried high risk to the Charity:

- "overstretch of the senior management team" - to address this issue Trustees prioritised the implementation of a revised staff structure to include a full-time Head of Operations post (to take on the management of day-to-day operations and allow the Clerk & Chief Officer to focus on strategy development and governance arrangements) thereby reducing the overall risk from high to medium.
- "failure of vulnerable adult protection measures" – trustees are satisfied that the Charity's "Safeguarding Vulnerable Adults Policy" is fit for purpose and that the Charity's staff have the training and support they need to deal with safeguarding issues. The Clerk & Chief Officer reports all safeguarding matters to the Board of Trustees. However, Trustees are aware that the crisis in health & social care is impacting on the level and quality of support available to its most vulnerable residents and agree that the associated risk remains high.

Trustees have started the process of refining the way the Charity manages risk and introduced a new method of recording and managing the risks faced by the Charity. This is based on Charity Commission guidance and tailored to the identified risks faced by the Charity. The report includes a description of the potential impact and existing controls along with actions required to mitigate risk further.

Trustees have identified risks associated with an over-reliance on investment income to support operating costs and have concerns that income from weekly maintenance charges will be insufficient to maintain the high-quality service to residents and achieve longer term strategic objectives. Work to mitigate these risks will be prioritised in 2023.

Plans for future periods

Following a delay in completing the review of the weekly maintenance charge, a workshop is planned early in the year to provide Trustees the opportunity to consider relevant information and decide upon any changes required to ensure both the sustainability of the Charity and its ability to achieve strategic objectives.

Recruitment will take place to back fill vacant posts (Head of Operations, Cleaner/ Caretaker and Care & Support Manager).

Trustees are keen to let decision makers know what real life is like for vulnerable older people in the hope that they can influence the debate around the care / NHS conundrum. Internally, the job description for the existing Care & Support Manager role will be reviewed to reflect the fact that residents are remaining longer at home than ever before and inevitably require a range of support services to ensure they are able to do so safely. The new role will also have a renewed focus on community development activities designed to combat loneliness and enhance the well-being of residents.

Work on the review of risk management arrangements will continue in respect of governance, operational, external, regulatory and compliance risks. Trustees are keen to explore the benefits of becoming a Charitable Incorporated Organisation and this piece of work will be prioritised before the year end.

Work to raise the profile of the Charity locally will continue with a view to attracting interest from individuals most in need of the Charity's support. As twelve new one-bedroom flats should be available from August 2023, staff and Trustees will be working to process suitable applicants during the preceding months, so that appointed beneficiaries can move into the new almshouses as soon as they are ready for occupation. An opening event will be planned to celebrate the creation of six additional homes, the first addition to the Charity's housing stock in almost ten years.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity Commission Scheme. 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.

Disclosure of information to auditors

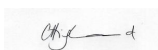
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditors

The auditors, MHA, have indicated their willingness to continue in office. A resolution to reappoint the Auditors will be put to the Trustees at the Annual General Meeting.

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



caroline (Sep 13, 2023, 9:36pm)

.....
Miss C E Highwood
Chairman of Trustees

Date:

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY

Opinion

We have audited the financial statements of The Cutbush & Corral Charity (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY
(CONTINUED)**

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

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

- Reviewing minutes of meetings of those charged with governance;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Enquiry of management, those charged with governance around actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

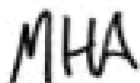
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA
Statutory Auditors
Maidstone, United Kingdom

Date: 2 October 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

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

THE CUTBUSH & CORRALL CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	4	1,000	-	-	1,000	2,000
Charitable activities	5	679,339	-	-	679,339	665,446
Investments	6	129,589	-	-	129,589	104,871
Other income	7	1,941	-	-	1,941	-
Total income		811,869	-	-	811,869	772,317
Expenditure						
Investment management costs	8	90	-	-	90	-
Expenditure on:	9					
Charitable activities		769,992	-	-	769,992	738,589
Total expenditure		770,082	-	-	770,082	738,589
Net income/(expenditure) before gains/(losses)		41,787	-	-	41,787	33,728
Net gains/(losses) on investments		(337,625)	-	(397,035)	(734,660)	512,744
Net income/(expenditure)		(295,838)	-	(397,035)	(692,873)	546,472
Transfers between funds	19,20	(6,083)	-	6,083	-	-
Net movement in funds		(301,921)	-	(390,952)	(692,873)	546,472
Reconciliation of funds:						
Total funds brought forward		8,420,909	1,588,395	2,547,609	12,556,913	12,010,441
Net movement		(301,921)	-	(390,952)	(692,873)	546,472
Total funds carried forward		8,118,988	1,588,395	2,156,657	11,864,040	12,556,913

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

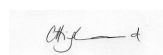
The notes on pages 17 to 36 form part of these financial statements.

THE CUTBUSH & CORRALL CHARITY

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	7,778,714	7,634,314
Investments	15	3,590,211	4,305,582
		11,368,925	11,939,896
Current assets			
Debtors	16	28,529	33,471
Cash at bank and in hand		545,301	623,593
		573,830	657,064
Creditors: amounts falling due within one year	17	(78,715)	(40,047)
Net current assets		495,115	617,017
Total net assets		11,864,040	12,556,913
Charity funds			
Endowment funds	19	2,156,657	2,547,609
Restricted funds	19	1,588,395	1,588,395
Unrestricted funds			
Designated funds	19	1,869,692	2,111,345
General funds	19	6,249,296	6,309,564
Total unrestricted funds	19	8,118,988	8,420,909
Total funds		11,864,040	12,556,913

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



 Miss C E Highwood
 Trustee

Date: 18 Aug 2023



 Mr S Morris
 Trustee

01 Sep 2023

The notes on pages 17 to 36 form part of these financial statements.

THE CUTBUSH & CORRALL CHARITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash generated from operating activities	22	50,689	23,802
Cash flows from investing activities			
Dividends, interests and rents from investments		129,589	104,871
Purchase of property, plant and equipment		(239,281)	(105,235)
Proceeds from sale of investments		369,404	-
Purchase of investments		(388,693)	(40,792)
Net cash used in investing activities		(128,981)	(41,156)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(78,292)	(17,354)
Cash and cash equivalents at the beginning of the year		623,593	640,947
Cash and cash equivalents at the end of the year	23	545,301	623,593

The notes on pages 17 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The charity is registered with the Charity Commission in England and Wales (Charity number 213463) and governed by the Scheme dated 15 November 2010 as amended on 16 July 2020. The registered address is given on the administrative details page of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost unless otherwise stated in the relevant accounting policy note. The financial statements are prepared on a going concern basis and there are no material uncertainties that cast significant doubt on the charity's ability to continue as a going concern.

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

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

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The Trustees have prepared a detailed income and expenditure budget for 1 year after the balance sheet date, and high level forecasts for a further 3 years. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to continue as a going concern.

2.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Income (continued)

Donations are recognised in the period in which they are received, unless there are conditions that have not been met before the charity is entitled to the resource.

Weekly maintenance contributions and deposit interest are included in the financial statements based on the period for which they relate.

Income from investments in the form of dividends and interest is included in the financial statements when declared.

2.4 Expenditure

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

Costs of raising funds comprises the costs relating to the investments.

Expenditure on charitable activities includes the costs of running and maintaining the almshouses and providing services and benefits to the residents.

2.5 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

2.6 Interest receivable

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Freehold almshouses and other freehold properties are included at their depreciated cost in the balance sheet each year. The period over which each of the properties is depreciated varies from 75 years to 300 years depending on the age and condition of the properties concerned. All land and buildings are depreciated.

Included in land and buildings are certain almshouses gifted to the charity which are included in tangible fixed assets at no cost.

The computer equipment is stated at depreciated cost. Depreciation is provided at 20% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

Plant and equipment is stated at depreciated cost. Depreciation is provided at 10% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

2.8 Investments

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value, and subsequently measured at fair value using the closing quoted market price. All gains and losses are recognised in the Statement of Financial Activities as they arise. The Statement of Financial Activities includes net gains and losses arising on revaluations and disposals throughout the year.

2.9 Debtors

Other debtors are recognised at the settlement amount due when the charity has legal entitlement, after any performance obligations have been met, the amount can be measured reliably, and it is probable the amount will be received. Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

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

2.11 Creditors and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.12 Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Recoupment Order

The charity is subject to a Recoupment Order made by the Charities Commission on 13 May 1993 in respect of historic payments made out of the permanent endowment expended on Phase 11, Cutbush & Corral Court. Payment of up to £555,000 was permitted, but it was agreed with the Charity Commission that only £365,000 was used. The recoupment period is 60 years and, therefore, £6,083.33 per annum is set aside and invested in shares each year. The income arising from these investments will not form part of the permanent endowment itself, but can be expended by the charity against the General Fund.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.15 Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. Differences between contributions payable and amounts paid are shown as either accruals or prepayments.

2.16 Fund accounting

The Accumulated Income Fund comprises unrestricted funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds comprise monies raised for a restricted purpose, as outlined in the notes to the financial statements.

Designated funds comprise of unrestricted funds set aside for specific uses at the discretion of the Trustees. Further explanation is included in the notes to the financial statements.

The Permanent Endowment Fund is a restricted fund held on trust to be retained for the benefit of the charity as a capital fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) were made in the process of applying the above accounting policies that have the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions:

The estimated useful lives of freehold almshouses and freehold other property recognised as tangible fixed assets, are based on the expected useful economic lives of those assets. All land and buildings are depreciated as explained in accounting policy 2.7.

Key sources of estimation uncertainty:

Tangible fixed asset investments are measured at fair value through income and expenditure, based on active market quoted prices. The fair value recognised at the balance sheet date is subject to estimation uncertainty, as the market prices are likely to fluctuate in future periods.

There are no further significant assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Legacies	1,000	1,000	2,000
<i>Total 2021</i>	2,000	2,000	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Weekly maintenance contributions	677,237	677,237	665,142
Residents' trips and activities	2,102	2,102	304
Total 2022	<u>679,339</u>	<u>679,339</u>	<u>665,446</u>
<i>Total 2021</i>	<u>665,446</u>	<u>665,446</u>	

6. Income from investments

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Dividends and interest receivable	125,586	125,586	104,449
Deposit interest receivable	4,003	4,003	422
Total 2022	<u>129,589</u>	<u>129,589</u>	<u>104,871</u>
<i>Total 2021</i>	<u>104,871</u>	<u>104,871</u>	

7. Other income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
HMRC interest	23	23	-
Room hire	118	118	-
Sale of doors	1,800	1,800	-
Total 2022	<u>1,941</u>	<u>1,941</u>	<u>-</u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Investment management costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment management fees	90	90	-
<i>Total 2021</i>	-	-	

9. Analysis of expenditure

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	622,036	143,393	765,429	735,252
Raising funds	-	4,563	4,563	3,337
Total 2022	622,036	147,956	769,992	738,589
<i>Total 2021</i>	608,344	130,245	738,589	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure (continued)

Analysis of direct costs

	Charitable activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	180,241	180,241	130,029
Christmas Bounties to individuals	6,950	6,950	6,950
Water, light, heat and insurance	83,515	83,515	64,884
Repairs and improvements	166,373	166,373	228,822
Gardening	40,956	40,956	44,493
Professional Fees	12,310	12,310	12,419
Sundries	6,395	6,395	8,496
Summer Party	5,682	5,682	-
Christmas Party	3,654	3,654	2,627
Residents' trips/activities/discretionary payments	3,579	3,579	6,526
Telephone	2,106	2,106	1,257
Rates re. Empty Properties	10,801	10,801	4,973
Motor running expenses	7,435	7,435	5,400
Depreciation Charge	89,611	89,611	89,533
Bank Charges	2,428	2,428	1,935
Total 2022	<u>622,036</u>	<u>622,036</u>	<u>608,344</u>
<i>Total 2021</i>	<u>608,344</u>	<u>608,344</u>	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure (continued)

Analysis of support costs

	Charitable activities 2022 £	Raising funds 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs (by estimated time spent)	81,002	818	81,820	78,065
Water, light, heat and insurance (by estimated usage)	19,875	201	20,076	6,033
Repairs and improvements (by estimated usage)	3,567	36	3,603	4,501
Professional Fees (by estimated time spent)	912	1,076	1,988	864
Sundries (by estimated usage)	4,209	222	4,431	9,430
Telephone (by estimated usage)	3,534	36	3,570	2,280
Staff training (by nature of training)	1,101	-	1,101	930
Governance costs (see below)	19,195	2,074	21,269	19,434
Depreciation (by estimated usage)	5,217	53	5,270	2,092
Computer expenses (by estimated usage)	4,781	47	4,828	6,616
Total 2022	143,393	4,563	147,956	130,245
<i>Total 2021</i>	<i>126,908</i>	<i>3,337</i>	<i>130,245</i>	

10. Governance costs

	Charitable activities 2022 £	Raising funds 2022 £	Total funds 2022 £	Total funds 2021 £
Auditors' remuneration - statutory audit services (by estimated time spent)	10,530	1,170	11,700	7,384
Auditors' remuneration - other services (by estimated time spent)	8,091	899	8,990	11,536
Trustee' indemnity insurance (by estimated usage)	574	5	579	514
Total 2022	19,195	2,074	21,269	19,434
<i>Total 2021</i>	<i>17,537</i>	<i>1,897</i>	<i>19,434</i>	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Auditors' remuneration

	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	11,700	7,384
Fees payable to the charity's auditor in respect of: All non-audit services not included above - accounts preparation, tax compliance and general advice	8,990	11,536

12. Staff costs

	2022 £	2021 £
Wages and salaries	230,923	187,392
Social security costs	19,649	11,827
Contribution to defined contribution pension schemes	11,489	8,875
	262,061	208,094

The average number of persons employed by the charity during the year was as follows:

	2022 No.	2021 No.
Charitable activities	7	6
Management and Administration of the Charity	2	2
	9	8

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

Key management personnel comprises of the Trustees, none of whom received any remuneration or other benefits during the year (2021 - £NIL), per note 13 below.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

THE CUTBUSH & CORRALL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets

	Freehold Almshouses £	Freehold Other Property £	Plant and equipment £	Computer Equipment £	Total £
Cost or valuation					
At 1 January 2022	9,018,369	208,295	-	5,254	9,231,918
Additions	211,601	-	15,553	12,127	239,281
At 31 December 2022	9,229,970	208,295	15,553	17,381	9,471,199
Depreciation					
At 1 January 2022	1,573,190	20,827	-	3,587	1,597,604
Charge for the year	89,611	1,041	1,555	2,674	94,881
At 31 December 2022	1,662,801	21,868	1,555	6,261	1,692,485
Net book value					
At 31 December 2022	7,567,169	186,427	13,998	11,120	7,778,714
At 31 December 2021	7,445,179	187,468	-	1,667	7,634,314

Included in land and buildings are certain almshouses gifted to the charity which are included in tangible fixed assets at no cost. All land and buildings are depreciated - see accounting policy 2.7.

Some freehold almshouses are held in the name of the Official Custodian for Charities on behalf of the charity. Capital expenditure on these properties is recognised as tangible fixed assets on the basis that the charity has control and will receive future economic benefit.

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	4,305,582
Additions	388,693
Disposals	(369,404)
Revaluations	(734,660)
At 31 December 2022	<u>3,590,211</u>
Net book value	
At 31 December 2022	3,590,211
At 31 December 2021	<u>4,305,582</u>

16. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	8,699	19,069
Prepayments and accrued income	19,830	14,402
	<u>28,529</u>	<u>33,471</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	37,118	11,082
Other taxation and social security	5,036	5,312
Other creditors	1,339	1,473
Accruals and deferred income	35,222	22,180
	<u>78,715</u>	<u>40,047</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	3,590,211	4,305,582

Financial assets measured at fair value through income and expenditure comprise fixed asset investments valued at their fair value of £3,590,211 (2021: £4,305,582) at the year end.

Income receivable during the year in respect of financial assets measured at fair value through profit and loss amounted to £125,586 (2021: £104,449). Net losses recognised in respect of the same assets amounted to £734,660 (2021: net gains - £512,744).

Fixed asset investments are a form of basic financial instrument and measurement is based on active market quoted prices at the balance sheet date. As the investments are in an active market, they are exposed to market risk. The market risk is managed by the Charity by outsourcing portfolio management to professional fund managers.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	1,408,948	-	-	-	(207,459)	1,201,489
Development fund	702,397	-	-	15,355	(49,549)	668,203
	<u>2,111,345</u>	<u>-</u>	<u>-</u>	<u>15,355</u>	<u>(257,008)</u>	<u>1,869,692</u>
General funds						
Accumulated income fund	6,309,564	811,869	(770,082)	(21,438)	(80,617)	6,249,296
Total Unrestricted funds	<u>8,420,909</u>	<u>811,869</u>	<u>(770,082)</u>	<u>(6,083)</u>	<u>(337,625)</u>	<u>8,118,988</u>
Endowment funds						
Permanent endowment	2,547,609	-	-	6,083	(397,035)	2,156,657
Restricted funds						
Grant income fund	1,588,395	-	-	-	-	1,588,395
Total of funds	<u>12,556,913</u>	<u>811,869</u>	<u>(770,082)</u>	<u>-</u>	<u>(734,660)</u>	<u>11,864,040</u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	1,244,277	-	-	-	164,671	1,408,948
Development fund	502,342	-	-	185,818	14,237	702,397
	<u>1,746,619</u>	<u>-</u>	<u>-</u>	<u>185,818</u>	<u>178,908</u>	<u>2,111,345</u>
General funds						
Accumulated income fund	<u>6,428,635</u>	<u>772,317</u>	<u>(738,589)</u>	<u>(191,901)</u>	<u>39,102</u>	<u>6,309,564</u>
Total Unrestricted funds	<u>8,175,254</u>	<u>772,317</u>	<u>(738,589)</u>	<u>(6,083)</u>	<u>218,010</u>	<u>8,420,909</u>
Endowment funds						
Permanent endowment	<u>2,246,792</u>	<u>-</u>	<u>-</u>	<u>6,083</u>	<u>294,734</u>	<u>2,547,609</u>
Restricted funds						
Grant income fund	<u>1,588,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,395</u>
Total of funds	<u><u>12,010,441</u></u>	<u><u>772,317</u></u>	<u><u>(738,589)</u></u>	<u><u>-</u></u>	<u><u>512,744</u></u>	<u><u>12,556,913</u></u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	2,111,345	-	-	15,355	(257,008)	1,869,692
General funds	6,309,564	811,869	(770,082)	(21,438)	(80,617)	6,249,296
Endowment funds	2,547,609	-	-	6,083	(397,035)	2,156,657
Restricted funds	1,588,395	-	-	-	-	1,588,395
	<u>12,556,913</u>	<u>811,869</u>	<u>(770,082)</u>	<u>-</u>	<u>(734,660)</u>	<u>11,864,040</u>

Summary of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	1,746,619	-	-	185,818	178,908	2,111,345
General funds	6,428,635	772,317	(738,589)	(191,901)	39,102	6,309,564
Endowment funds	2,246,792	-	-	6,083	294,734	2,547,609
Restricted funds	1,588,395	-	-	-	-	1,588,395
	<u>12,010,441</u>	<u>772,317</u>	<u>(738,589)</u>	<u>-</u>	<u>512,744</u>	<u>12,556,913</u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Summary of funds (continued)

The Extraordinary Repair Fund is maintained out of the income of the charity for the purpose of providing for the extraordinary repair, improvement or rebuilding of the homes and other property belonging to the charity. The Trustees have decided that the balance on this fund is to be held at approximately £1,000,000. An annual transfer is made to this fund from the accumulated income fund if the Trustees consider it necessary.

The Development Fund represents amounts set aside for future almshouse developments. £15,355 (2021: £185,818) has been transferred to this fund from the Accumulated Income Fund during the year as agreed by the Trustees.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met.

The Permanent Endowment Fund is a restricted fund held on trust to be retained for the benefit of the charity as a capital fund. The annual transfer in to the Permanent Endowment Fund amounting to £6,083 (2021: £6,083) has been made in accordance with a Recoupment Order. See note 2.13 for more information.

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	6,001,736	1,588,395	188,583	7,778,714
Fixed asset investments	1,632,659	-	1,957,552	3,590,211
Current assets	563,308	-	10,522	573,830
Creditors due within one year	(78,715)	-	-	(78,715)
Total	8,118,988	1,588,395	2,156,657	11,864,040

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	5,851,252	1,588,395	194,667	7,634,314
Fixed asset investments	1,958,723	-	2,346,859	4,305,582
Current assets	650,981	-	6,083	657,064
Creditors due within one year	(40,047)	-	-	(40,047)
Total	8,420,909	1,588,395	2,547,609	12,556,913

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(692,873)	546,472
Adjustments for:		
Depreciation charges	94,881	91,625
(Gains)/losses on investments	734,660	(512,744)
Dividends, interests and rents from investments	(129,589)	(104,871)
Decrease/(increase) in debtors	4,942	(5,182)
Increase in creditors	38,668	8,502
Net cash provided by operating activities	50,689	23,802

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Deposit Fund	292,900	457,269
Bank Current Account	252,259	165,928
Cash in Hand	142	396
Total cash and cash equivalents	545,301	623,593

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

24. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	623,593	(78,292)	545,301
	<u>623,593</u>	<u>(78,292)</u>	<u>545,301</u>

25. Commitments

At 31 December 2022, the charity had capital commitments relating to the conversion of existing freehold almshouses into flats, amounting to approximately £821,000 (2021: £Nil).

26. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £11,489 (2021: £8,875).

The defined contribution expense is allocated to unrestricted funds, of which £35 (2021: £32) has been allocated to raising funds and £11,454 (2021: £8,843) has been allocated to charitable activities on the basis of the time spent on each activity by staff members.

27. Operating lease commitments

At 31 December 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	4,396	-
Later than 1 year and not later than 5 years	6,595	-
	<u>10,991</u>	<u>-</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022 £	2021 £
Operating lease rentals	2,198	-
	<u>2,198</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

28. Related party transactions

During the year the charity paid £nil (2021: £1,854) for cleaning services provided by M Brown, who is daughter of Mrs E Abi-Aad, the Charity's Chief Officer and Clerk. At the year end, £162 was owed by the Charity to M Brown recognised in creditors (2021: £288).

29. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the year end and the date of approval of these accounts which require disclosure.

The Cutbush and Corral Charity

England & Wales - Charity number 213463

Accounts

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE CUTBUSH & CORRALL CHARITY

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 8
Independent auditors' report on the financial statements	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 32

THE CUTBUSH & CORRALL CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Mr W L Cockcroft DL (co-opted) Mrs S R Darbyshire (co-opted) Miss C E Highwood, Chairman (co-opted) Mr S Morris (co-opted), Vice Chairman (co-opted) Mr R L F Silkin (co-opted) Mr G Proud (co-opted) Mrs E Haggart (co-opted) Mr C English (nomination expired August 2020 but renominated in February 2021) Mrs D Joy (nominated) Miss D Smith (co-opted on 21 January 2021)
Charity registered number	213463
Principal office	College Farm College Avenue Maidstone Kent ME15 6YJ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA
Bankers	National Westminster Bank plc 3 High Street Maidstone Kent ME14 1XU
Solicitors	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH

THE CUTBUSH & CORRALL CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Investment Advisors Canaccord Genuity Wealth Management
41 Lothbury
London
EC2R 7AE

Property Advisors J A Warner Ltd
The Guard House, Church Lane
The Historic Dockyard
Chatham
Kent
ME4 4TE

Clerk and Chief Officer Mrs E Abi-Aad

**Head of Finance &
Resources** Mrs N Weal

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the financial statements for the year ended 31 December 2021. The Trustees' have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) in preparing the Trustees' Report and financial statements of the Charity.

Objectives and activities

a. Objectives and Activities

The Charity's objectives as set out in the governing document are:

To provide almshouses for the use of persons in need by reason of age, ill health, disability, financial hardship or other disadvantage of not less than fifty years of age, most of whom are inhabitants of the Borough of Maidstone, and in the case of the Harrietsham almshouses, of not less than sixty years of age who are resident in Harrietsham, six of the beneficiaries being Freemen of the Fishmongers Livery Company;

To assist young persons under the age of twenty four years in need of financial assistance who are preparing for, entering upon or engaged in any trade, occupation or profession by provision of tools or books, payment of fees, travelling expenses or other such means as will fit them to earn their own living or advance them in life.

Such charitable purposes for the benefit of the almshouse residents as the trustees decide.

The Charity's aims are:

The relief of poverty by the provision of almshouse accommodation for the beneficiaries and such charitable purposes for the benefit of the residents as the Trustees decide.

To maintain the almshouses in good repair and condition and updated where necessary to be in line with modern day expectations.

To acquire more land upon which there would or could be erected more almshouses to be constructed to as high a standard as the Trustees consider financially prudent.

To maximise development or redevelopment opportunities as the Trustees consider financially prudent.

Wherever possible to maintain and increase the underlying value of the Charity's non-almshouse properties and assets consistent with appropriate professional advice.

b. Activities undertaken to achieve objectives

The first aim stated above is achieved through the structure of the Charity as detailed in the "Organisational Structure and decision-making policies" section below.

The second aim is achieved through the attention given by the management team of the Charity to the maintenance of the almshouses and upgrading them wherever possible. The process includes implementing the recommendations of the Charity's quinquennial report and further, when a property becomes empty, replacing the bathroom and kitchen and heating system where appropriate.

The third and fourth aims are achieved by the vigilance of the management team of the Charity in identifying new potential sites for development.

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities (continued)

c. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees have paid due regard to the guidance on public benefit published by the Charity Commission when reviewing the aims and objectives of the charity and in planning future activities.

The Trustees believe that the activities undertaken in the year for achieving the objectives of the Charity have met the public benefit requirement.

Achievements and performance

a. Main achievements of the Charity

Using the Government's roadmap (22 February 2021) to navigate out of the country's third national lockdown through the easing of restrictions during spring & summer, and the tightening of the rules that came with the winter plan and finally Plan B as the NHS came under pressure at the end of the year proved both time consuming and challenging. COVID Secure Workplace risk assessments were reviewed and updated regularly with the Charity's staff taking necessary precautions to keep themselves and residents safe as COVID transmission rates raised and declined.

Only the Finance Manager was able to work effectively from home and so a temporary office was set up (in a vacant almshouse 24 College Road) to accommodate the Care & Support team and allow their work to continue in a socially distant way.

In response to the prospect of staff having to work remotely for a sustained period, the Charity moved quickly to develop a bespoke online record keeping system (In-Form). Transfer of paper files took place at the end of 2020 and team members have been using the online system since the start of the year. It has proved an efficient tool and helped improve management of individual casework.

As and when allowed home visits to residents resumed (either indoors or on the doorstep) and when possible, social activities were facilitated. These small and larger outside gatherings were much appreciated by residents who enjoyed the opportunities to spend time with their neighbours be it having an ice cream delivered on a sunny day, a BBQ on site, watching the Euros on an outdoor screen, a trip to the seaside (Dover & Eastbourne) or the not so traditional Christmas dinner "Turkish not Turkey" at a local restaurant. Whilst a few residents and staff contracted COVID-19, the team is unaware of any individual having to be admitted to hospital for treatment.

COVID-19 impacted the work of the Maintenance Team as for lengthy periods they were only able to undertake urgent, necessary works (like leaks, loss of heat or power) in resident's homes. When restrictions eased the list of routine maintenance tasks to be undertaken increased. Nevertheless, the backlog of important electrical installation inspections was addressed by the end of the year (57 inspections being undertaken in 2021).

In May, Trustees seized the opportunity to visit five vacant almshouses (in various states of refurbishment), to see for themselves the range of property types, the differences in style, quality and suitability for the Charity's beneficiaries.

One Green Homes Grant application was successful in attracting £5,000 contribution toward the cost of installing an air source heat pump at 72 Mote Road – unfortunately 12 similar bids for the fund failed to progress through the extremely bureaucratic application process.

At the end of the year all the Charity's almshouses are believed to meet (or exceed) an Energy Performance Certificate E rating (there remain 23 uncertified almshouses - all of which are modern and more energy efficient than most homes). Whilst the Charity is not bound by the Minimum Energy Efficiency Standards (MEES) regulations which apply to private landlords, it remains committed to improving energy efficiency standards across the board, to alleviate fuel poverty amongst residents.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Knowing the need to address issues raised over recent years (primarily accessibility and prohibitively expensive energy costs) by occupants living in the College Road almshouses, the Charity gained planning consent in October to convert the six houses into twelve one bedroomed flats. Following individual consultation, all remaining occupants were transferred to more suitable almshouses leaving the site ready for the construction phase of development.

Discounting £15,900 income lost as a result of the College Road almshouses being left vacant, void costs amounted to £18,300 equating to 2.2% of budgeted income.

Being satisfied that the Charity had made significant progress during the previous 5 years in terms of the development and implementation of policies and procedures, embedding health & safety practices, improving almshouse maintenance, increasing occupancy levels, record keeping and standards of support for beneficiaries, Trustees sought to address the identified risk "overstretch of the senior management team".

At the beginning of the year, a new Finance Sub-committee was established to advise the Board of Trustees with regard to its duty to oversee the Charity's financial affairs and in October Trustees approved a new staff structure which will ensure there is capacity within the team to enter a new phase of strategic development.

Financial review**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies. The economic impact of COVID-19 has been considered as part of the going concern assessment.

b. Permanent Endowment Funds

A Permanent Endowment Fund is held on trust to be retained for the benefit of the Charity as a capital fund, and is therefore held as investments and tangible fixed assets. During the year, net gains on investments amounting to £294,734 (2020 losses of £237,786) were recognised in the fund. A transfer from the accumulated income fund to the permanent endowment fund amounting to £6,083 (2020: £6,083) was made in respect of the Recoupment Order made by the Charities Commission on 13 May 1993.

c. Financial review

It is the general policy of the Trustees to make sure that the level of weekly maintenance contributions meets the costs of running the Charity as identified in the Statement of Financial Activities. In 2021 the weekly maintenance contributions amounted to £665,142 (2020: £674,037) and the cost of running the Charity was £738,589 (2020: £668,113). In general terms the Trustees' policy was successful. The net surplus for the year after adjusting for gains and losses on investments amounted to £546,472 (2020: net deficit £1,994).

The Accumulated Income Fund is an unrestricted fund made up of accumulated surpluses of income and expenditure. The Charity aims to hold approximately 6 months of expenditure as cash and / or easily accessible reserves in this fund. Cash reserves held at the year end exceeded this amount.

Total reserves at the year end amounted to £12,556,913 (2020: £12,010,441), of which £2,547,609 (2020: £2,246,792) were held as restricted permanent endowment funds, £1,588,395 (2020: £1,588,395) held as restricted funds and £2,111,345 (2020: £1,746,619) held as designated funds. The charity has continued to

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

make further investments to provide for future extraordinary repair, improvement or rebuilding of the homes and properties belonging to the Charity and also as part of a Recoupment Order made by the Charities Commission as detailed in note 2.13 to the accounts. The Trustees take advice from their investment advisers, Canaccord Genuity Wealth Management in making these investments.

In accordance with the Trustees wishes the Charity's broker (Canaccord Genuity Wealth Management) has been instructed to aim to maintain a 40:60 split of the permanent endowment fund between property and other types of investments.

The investments held as fixed assets have produced an income of £104,449 (2020: £104,904) for the year and there was a net increase in their market value of £512,744 (2020: decrease £188,288) after taking into account the additions and disposals in the year.

d. Funds held as custodian trustee on behalf of others

The Charity does not hold any assets as custodian for any third parties.

e. Fundraising standards information

The Charity does not undertake any fundraising activities itself, nor does any other person on behalf of the charity. Neither the Charity or any other person acting on behalf of the Charity was subject to any voluntary scheme or voluntary standard for regulating fundraising. As such, there were no failures to comply with any such scheme and the Charity did not receive any complaints during the year in relation to fundraising activities.

Structure, governance and management

a. Constitution

The Cutbush and Corral Charity is a charity registered by the Charity Commission and governed by the Scheme dated 15 November 2010 (as amended 16 July 2020). It is an unincorporated association.

b. Methods of appointment or election of Trustees

There are ten Trustees when the Board is complete. During 2020 there was a transition from six to eight co-optative Trustees whose term of office endures for five years. They are voted onto the Board by a simple majority of votes cast by the existing Trustees at a special meeting of the Trustees. The remaining two Trustees are nominative Trustees whose term of office endures for four years and who are appointed by Maidstone Borough Council. The Trustees holding office during the year are detailed on page 1. Candidature for a co-optative Trustee is formulated following a skills audit undertaken by the Trustees.

c. Organisational structure and decision-making policies

The Trustees meet four times a year as well as at any special meeting convened. Some Trustees' duties are delegated to sub-committees comprising usually four Trustees and the Clerk and Chief Officer. Any such sub-committee reports to the Main Board for their actions and decisions to be noted or sanctioned, as the case may be. Such sub-committees may deal with issues like the selection of residents, decisions regarding buildings and oversight of finances.

The Clerk and Chief Officer is responsible for the implementation of the Trustees' decisions and has overall responsibility for the management of the Charity. During the year, the Clerk and Chief Officer is supported by three senior managers (Finance and Office Manager, Care and Support Manager and Maintenance Supervisor) and a small team of support staff. The Clerk and Chief Officer has authority to take decisions herself relating to day to day management items but is always accountable for any such decisions to the Trustees.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

All new Trustees are given an induction pack by the Clerk and Chief Officer to include a copy of the Charity Commission Schemes, previous year's Accounts, Minutes of the last Trustees Meeting and a Residents Handbook. The responsibilities of a Charity Trustee are also explained by the Clerk and Chief Officer. In addition the Clerk and Chief Officer ensures that the new Trustee is familiarised (in general terms) with the housing stock and the day to day workings of the Charity.

The Trustees are offered the opportunity of training at the seminars organised for this purpose by the Almshouse Association.

e. Pay policy for key management personnel

The salaries of the key management personnel are set by the Trustees at the Trustees' meetings having regard to their responsibilities and levels of inflation.

f. Related party relationships

There are no related parties, other connected charities or organisations that the Charity is required to co-operate with in pursuit of its charitable objectives.

g. Risk management

Major risks to which the charity is exposed as identified by the Trustees are reviewed on a regular basis and systems or procedures are in place to manage those risks.

Plans for future periods

During a Strategy Awayday (8 September 2021), Trustees reached a number of key agreements:

- To revise the Charity's objects to focus on meeting people's housing and well-being needs rather than alleviating poverty
- To meet the needs of aging residents for practical and social support
- To introduce age-appropriate adaptations and environmental improvements to existing buildings when opportunities present
- To repurpose heritage buildings for wider community use with a view to financing the construction of new purpose built almshouses
- To develop new age-friendly almshouses that will allow our aging population to live well for longer

The new Head of Operations (takes up post April 2022) will play a key role in the Charity as it develops. The postholder will assume responsibility for much of the day-to-day management of the Charity's activities, thereby enabling the Clerk & Chief Officer to focus on governance arrangements and the Charity's strategic development.

Plans are in place (August 2022) for work to commence on the conversion of the College Road houses into flats. This is the first major capital project (circa £1 million) that the Charity has undertaken since the development of the Thomas Robert Garden flats in 2014. Trustees are aware that financing the project will prove challenging (particularly in light of the potentially negative effects of the Ukraine situation on the Charity's investment portfolio). As result, the completion of the review of Weekly Maintenance Charge (which stalled in 2021) will become a primary focus to ensure the Charity is optimising income from this source thus ensuring

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods (continued)

current operations can be sustained and the longer-term strategy achieved.

Statement of Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity Commission Scheme. 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.

Disclosure of information to auditors

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

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

Auditors

The auditors, MHA MacIntyre Hudson, have indicated their willingness to continue in office. A resolution to reappoint the Auditors will be put to the Trustees at the Annual General Meeting.

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



caroline (May 25, 2022, 4:30pm)

.....
Miss C E Highwood
Chairman of Trustees

Date:

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY

Opinion

We have audited the financial statements of The Cutbush & Corral Charity (the 'charity') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY (CONTINUED)

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:

- Reviewing minutes of meetings of those charged with governance;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Enquiry of management, those charged with governance around actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

Statutory Auditors
Maidstone
United Kingdom

Date:

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE CUTBUSH & CORRALL CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	4	2,000	-	-	2,000	-
Charitable activities	5	665,446	-	-	665,446	674,176
Investments	6	104,871	-	-	104,871	105,642
Other income	7	-	-	-	-	1,953
Total income		772,317	-	-	772,317	781,771
Expenditure						
Expenditure on:						
Raising funds		-	-	-	-	2,821
Charitable activities		738,589	-	-	738,589	665,292
Total expenditure		738,589	-	-	738,589	668,113
Net (expenditure)/ income before gains/(losses)		33,728	-	-	33,728	113,658
Net gains/(losses) on investments		218,010	-	294,734	512,744	(115,652)
Net income/ (expenditure)		251,738	-	294,734	546,472	(1,994)
Transfers between funds	18	(6,083)	-	6,083	-	-
Net movement in funds		245,655	-	300,817	546,472	(1,994)
Reconciliation of funds:						
Total funds brought forward		8,175,254	1,588,395	2,246,792	12,010,441	12,012,435
Net movement		245,655	-	300,817	546,472	(1,994)
Total funds carried forward		8,420,909	1,588,395	2,547,609	12,556,913	12,010,441

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

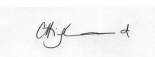
The notes on pages 15 to 32 form part of these financial statements.

THE CUTBUSH & CORRALL CHARITY

BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	7,634,314	7,620,704
Investments	14	4,305,582	3,752,046
		11,939,896	11,372,750
Current assets			
Debtors	15	33,471	28,289
Cash at bank and in hand		623,593	640,947
		657,064	669,236
Creditors: amounts falling due within one year	16	(40,047)	(31,545)
Net current assets		617,017	637,691
Total net assets		12,556,913	12,010,441
Charity funds			
Endowment funds	18	2,547,609	2,246,792
Restricted funds	18	1,588,395	1,588,395
Unrestricted funds			
Designated funds	18	2,111,345	1,746,619
General funds	18	6,309,564	6,428,635
Total unrestricted funds	18	8,420,909	8,175,254
Total funds		12,556,913	12,010,441

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


 caroline (May 25, 2022, 4:30pm)

Miss C E Highwood
 Trustee

Date: 25 May 2022


 Stephen (Jun 10, 2022, 6:10am)

Mr S Morris
 Trustee

25 May 2022

The notes on pages 15 to 32 form part of these financial statements.

THE CUTBUSH & CORRALL CHARITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	21	23,802	100,305
Cash flows from investing activities			
Dividends, interests and rents from investments		104,871	105,813
Purchase of property, plant and equipment		(105,235)	(14,046)
Proceeds from sale of investments		-	132,636
Purchase of investments		(40,792)	(130,000)
Net cash (used in)/provided by investing activities		(41,156)	94,403
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(17,354)	194,708
Cash and cash equivalents at the beginning of the year		640,947	446,239
Cash and cash equivalents at the end of the year	22	623,593	640,947

The notes on pages 15 to 32 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

The charity is a charity registered by the Charity Commission in England and Wales and governed by the Scheme dated 15 November 2010. The registered address is given on the administrative details page of these financial statements. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

Compliance with Accounting Standards

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) - (Charities SORP FRS102) (as updated through Update Bulletin 1 published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011 and applicable regulations. There were no material departures from those standards.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Cutbush and Corral Charity (incorporating the Quested Almshouse Charity) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost unless otherwise stated in the relevant accounting policy note. The financial statements are prepared on a going concern basis and there are no material uncertainties that cast significant doubt on the charity's ability to continue as a going concern.

2.2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised in the period in which they are received, unless there are conditions that have not been met before the charity is entitled to the resource.

Weekly maintenance contributions, rents receivable and deposit interest are included in the financial statements based on the period for which they are due.

Income from investments in the form of dividends and interest is included in the financial statements when declared.

Income from government and other grants, whether capital or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be reliably measured and is not deferred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.2 Income (continued)

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

2.3 Expenditure

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

Costs of raising funds comprises the costs relating to the investment properties and investments.

Expenditure on charitable activities includes the costs of running and maintaining the almshouses and providing services and benefits to the residents.

2.4 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

The almshouses and other properties are included at their depreciated cost in the balance sheet each year. The period over which each of the properties is depreciated varies from 75 years to 300 years depending on the age and condition of the properties concerned.

The costs of Almshouses for which depreciation is calculated includes the value of land. This is a departure from UK GAAP and the Charities SORP (FRS 102) which requires the value of land to be removed for depreciation calculations due to its high residual value. The Trustees are of the view that this accurately reflects the nature of assets because it is unlikely the almshouses will ever be sold.

The computer equipment is stated at cost less depreciation. Depreciation is provided at 20% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

2.7 Investments

Investments are valued at fair value at 31 December each year, and realised and unrealised gains or losses are shown in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Investment properties

Investment properties are valued at their fair value at the balance sheet date.

2.9 Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

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

2.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2.12 Financial instruments

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

2.13 Recoupment Order

The Charity is subject to a Recoupment Order made by the Charities Commission on 13 May 1993 in respect of payments out of the permanent endowment expended on Phase 11, Cutbush & Corral Court. Payment of up to £555,000 was permitted, but it has been agreed with the Charity Commissioners that only £365,000 has been used. The recoupment period is 60 years and therefore, £6,083.33 per annum has been set aside and invested in shares each year. The income arising from these investments will not form part of the permanent endowment itself, but can be expended by the charity as General Fund income.

2.14 Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 Fund accounting

The Accumulated Income Fund comprises unrestricted funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

The Extraordinary Repair Fund and the Development Fund are designated funds, set aside by the Trustees out of unrestricted general funds for specific future purposes.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met.

The Permanent Endowment Fund is a restricted fund held on trust to be retained for the benefit of the Charity as a capital fund.

The income from assets held in all of the above funds forms part of the unrestricted funds.

Further explanation of the nature and purpose of the designated funds is included in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) made in the process of applying the above accounting policies that have the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions:

The estimated useful lives of the almshouses and other properties.

There are no further key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Legacies	2,000	2,000	-

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Weekly maintenance contributions	665,142	665,142	674,037
Residents' Trips and Activities	304	304	139
Total 2021	<u>665,446</u>	<u>665,446</u>	<u>674,176</u>
<i>Total 2020</i>	<u>674,176</u>	<u>674,176</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Rent receivable - St Mary's Romney Marsh	-	-	300
Dividends and interest receivable	104,449	104,449	104,904
Deposit interest receivable	422	422	438
Total 2021	<u>104,871</u>	<u>104,871</u>	<u>105,642</u>
<i>Total 2020</i>	<u>105,642</u>	<u>105,642</u>	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
HMRC interest	-	-	3
Government grants -apprenticeship grant	-	-	1,000
Room hire	-	-	35
Government grants - Coronavirus job retention scheme	-	-	915
Total 2021	-	-	1,953
<i>Total 2020</i>	<i>1,953</i>	<i>1,953</i>	

8. Analysis of expenditure

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Charitable activities	608,344	126,908	735,252	665,292
Raising funds	-	3,337	3,337	2,821
Total 2021	608,344	130,245	738,589	668,113
<i>Total 2020</i>	<i>553,286</i>	<i>114,827</i>	<i>668,113</i>	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure (continued)

Analysis of direct costs

	Charitable activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	130,029	130,029	113,691
Christmas Bounties to individuals	6,950	6,950	6,800
Water, light, heat and insurance	64,884	64,884	68,433
Repairs and improvements	228,822	228,822	181,367
Gardening	44,493	44,493	41,916
Professional Fees	12,419	12,419	31,944
Sundries	8,496	8,496	3,912
Christmas Party	2,627	2,627	-
Residents' trips/activities/discretionary payments	6,526	6,526	1,398
Telephone	1,257	1,257	2,527
Rates re. Empty Properties	4,973	4,973	2,958
Motor running expenses	5,400	5,400	7,343
Depreciation Charge	89,533	89,533	89,335
Bank Charges	1,935	1,935	1,662
Total 2021	<u>608,344</u>	<u>608,344</u>	<u>553,286</u>
<i>Total 2020</i>	<u>553,286</u>	<u>553,286</u>	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure (continued)

Analysis of support costs

	Charitable activities 2021 £	Raising funds 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs (by estimated time spent)	77,355	710	78,065	73,757
Water, light, heat and insurance (by estimated usage)	5,973	60	6,033	3,081
Repairs and improvements (by estimated usage)	4,456	45	4,501	3,609
Professional Fees (by estimated time spent)	821	43	864	791
Sundries (by estimated usage)	8,958	472	9,430	6,966
Telephone (by estimated usage)	2,257	23	2,280	3,045
Insurance (by estimated usage)	-	-	-	87
Staff training (by nature of training)	930	-	930	320
Governance costs (see below)	17,537	1,897	19,434	16,688
Depreciation (by estimated usage)	2,071	21	2,092	2,092
Computer expenses (by estimated usage)	6,550	66	6,616	4,391
Total 2021	126,908	3,337	130,245	114,827
<i>Total 2020</i>	<i>112,006</i>	<i>2,821</i>	<i>114,827</i>	

9. Governance costs

	Charitable activities 2021 £	Raising funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditors' remuneration - statutory audit services (by estimated time spent)	6,646	738	7,384	6,908
Auditors' remuneration - other services (by estimated time spent)	10,382	1,154	11,536	9,291
Trustee' indemnity insurance (by estimated usage)	509	5	514	489
Total 2021	17,537	1,897	19,434	16,688
<i>Total 2020</i>	<i>15,063</i>	<i>1,625</i>	<i>16,688</i>	

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	7,384	6,908
Fees payable to the Charity's auditor in respect of: All non-audit services not included above - accounts preparation, tax compliance and general advice	11,536	9,291

11. Staff costs

	2021 £	2020 £
Wages and salaries	187,392	168,903
Social security costs	11,827	10,799
Contribution to defined contribution pension schemes	8,875	7,746
	208,094	187,448

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Charitable activities	6	5
Management and Administration of the Charity	2	2
	8	7

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

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Tangible fixed assets

	Freehold Almshouses £	Freehold Other Property £	Computer Equipment £	Total £
Cost or valuation				
At 1 January 2021	8,913,134	208,295	5,254	9,126,683
Additions	105,235	-	-	105,235
At 31 December 2021	9,018,369	208,295	5,254	9,231,918
Depreciation				
At 1 January 2021	1,483,658	19,785	2,536	1,505,979
Charge for the year	89,532	1,042	1,051	91,625
At 31 December 2021	1,573,190	20,827	3,587	1,597,604
Net book value				
At 31 December 2021	7,445,179	187,468	1,667	7,634,314
At 31 December 2020	7,429,476	188,510	2,718	7,620,704

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	3,752,046
Additions	40,792
Revaluations	512,744
At 31 December 2021	<u>4,305,582</u>
Net book value	
At 31 December 2021	<u>4,305,582</u>
At 31 December 2020	<u>3,752,046</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	19,069	13,866
Prepayments and accrued income	14,402	14,423
	<u>33,471</u>	<u>28,289</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	11,082	-
Other taxation and social security	5,312	4,013
Other creditors	1,473	-
Accruals and deferred income	22,180	27,532
	<u>40,047</u>	<u>31,545</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	4,305,582	3,752,046

Financial assets measured at fair value through income and expenditure comprise fixed asset investments valued at their fair value of £4,305,582 at the year end.

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	1,244,277	-	-	-	164,671	1,408,948
Development fund	502,342	-	-	185,818	14,237	702,397
	<u>1,746,619</u>	<u>-</u>	<u>-</u>	<u>185,818</u>	<u>178,908</u>	<u>2,111,345</u>
General funds						
Accumulated income fund	6,428,635	772,317	(738,589)	(191,901)	39,102	6,309,564
Total Unrestricted funds	<u>8,175,254</u>	<u>772,317</u>	<u>(738,589)</u>	<u>(6,083)</u>	<u>218,010</u>	<u>8,420,909</u>
Endowment funds						
Permanent endowment	2,246,792	-	-	6,083	294,734	2,547,609
Restricted funds						
Grant income fund	1,588,395	-	-	-	-	1,588,395
Total of funds	<u>12,010,441</u>	<u>772,317</u>	<u>(738,589)</u>	<u>-</u>	<u>512,744</u>	<u>12,556,913</u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	1,178,652	-	-	-	65,625	1,244,277
Development fund	171,727	-	-	319,576	11,039	502,342
	<u>1,350,379</u>	<u>-</u>	<u>-</u>	<u>319,576</u>	<u>76,664</u>	<u>1,746,619</u>
General funds						
Accumulated income fund	6,545,166	781,771	(668,113)	(325,659)	95,470	6,428,635
Fair value reserve	50,000	-	-	-	(50,000)	-
	<u>6,595,166</u>	<u>781,771</u>	<u>(668,113)</u>	<u>(325,659)</u>	<u>45,470</u>	<u>6,428,635</u>
Total Unrestricted funds	<u>7,945,545</u>	<u>781,771</u>	<u>(668,113)</u>	<u>(6,083)</u>	<u>122,134</u>	<u>8,175,254</u>
Endowment funds						
Permanent endowment	<u>2,478,495</u>	<u>-</u>	<u>-</u>	<u>6,083</u>	<u>(237,786)</u>	<u>2,246,792</u>
Restricted funds						
Grant income fund	<u>1,588,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,395</u>
Total of funds	<u>12,012,435</u>	<u>781,771</u>	<u>(668,113)</u>	<u>-</u>	<u>(115,652)</u>	<u>12,010,441</u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	1,746,619	-	-	185,818	178,908	2,111,345
General funds	6,428,635	772,317	(738,589)	(191,901)	39,102	6,309,564
Endowment funds	2,246,792	-	-	6,083	294,734	2,547,609
Restricted funds	1,588,395	-	-	-	-	1,588,395
	<u>12,010,441</u>	<u>772,317</u>	<u>(738,589)</u>	<u>-</u>	<u>512,744</u>	<u>12,556,913</u>

Summary of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	1,350,379	-	-	319,576	76,664	1,746,619
General funds	6,595,166	781,771	(668,113)	(325,659)	45,470	6,428,635
Endowment funds	2,478,495	-	-	6,083	(237,786)	2,246,792
Restricted funds	1,588,395	-	-	-	-	1,588,395
	<u>12,012,435</u>	<u>781,771</u>	<u>(668,113)</u>	<u>-</u>	<u>(115,652)</u>	<u>12,010,441</u>

THE CUTBUSH & CORRALL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

19. Summary of funds (continued)

The Extraordinary Repair Fund is maintained out of the income of the Charity for the purpose of providing for the extraordinary repair, improvement or rebuilding of the homes and other property belonging to the Charity. The Trustees have decided that the balance on this fund is to be held at approximately £1,000,000. An annual transfer is made to this fund from the accumulated income fund if the Trustees consider it necessary.

The Development Fund represents amounts set aside for future almshouse developments. £185,818 (2020: £319,576) has been transferred to this fund from the Accumulated Income Fund during the year as agreed by the Trustees.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met.

The Permanent Endowment Fund is a restricted fund held on trust to be retained for the benefit of the Charity as a capital fund. The annual transfer in to the Permanent Endowment Fund amounting to £6,083 (2020: £6,083) has been made in accordance with a Recoupment Order. See note 2.13 for more information.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,851,252	1,588,395	194,667	7,634,314
Fixed asset investments	1,958,723	-	2,346,859	4,305,582
Current assets	650,981	-	6,083	657,064
Creditors due within one year	(40,047)	-	-	(40,047)
Total	8,420,909	1,588,395	2,547,609	12,556,913

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	5,831,559	1,588,395	200,750	7,620,704
Fixed asset investments	1,740,624	-	2,011,422	3,752,046
Current assets	634,616	-	34,620	669,236
Creditors due within one year	(31,545)	-	-	(31,545)
Total	8,175,254	1,588,395	2,246,792	12,010,441

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	546,472	(1,994)
Adjustments for:		
Depreciation charges	91,625	91,427
(Gains)/losses on investments	(512,744)	115,652
Dividends, interests and rents from investments	(104,871)	(105,642)
Increase in debtors	(5,182)	(3,768)
Increase in creditors	8,502	4,630
Net cash provided by operating activities	23,802	100,305

22. Analysis of cash and cash equivalents

	2021 £	2020 £
COIF Charities Deposit Fund	167,052	167,032
Bank Current Account	456,145	472,959
Cash in Hand	396	956
Total cash and cash equivalents	623,593	640,947

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

23. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	640,947	(17,354)	623,593
	<u>640,947</u>	<u>(17,354)</u>	<u>623,593</u>

24. Commitments

At 31 December 2021 the Charity had no capital commitments (2020: £Nil).

25. Contingent liabilities

On the 13th July 2020 the Charity sold some land known as St Mary in the Marsh. Transfer of title deeds after completion of sale was declined by HM Land Registry due to a restriction within the title deeds, that required the Charity to obtain authorisation by an order of the court or of the Charity Commission, in order to dispose. This is an ongoing matter that the Trustees are trying to resolve. Should the outcome be that the transaction is reversed, the Charity could be liable to repay the sale proceeds, which amount to £140,000. As the outcome of this matter is uncertain, no liability has been recognised on the balance sheet.

26. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £8,875 (2020: £7,746).

The defined contribution expense is allocated to unrestricted funds, of which £32 (2020: £29) has been allocated to raising funds and £8,843 (2020: £7,717) has been allocated to charitable activities on the basis of the time spent on each activity by staff members.

27. Related party transactions

During the year the Charity paid £1,854 (2020: £1,930) for cleaning services provided by M Brown, who is daughter of Mrs E Abi-Aad, the Charity's Chief Officer and Clerk. This arm's-length arrangement was subject to assessment and approval by the Trustees.

28. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the year end and the date of approval of these accounts which require disclosure.



Audit Findings Report

Prepared for

The Cutbush and Corrall Charity

Audit for the year ended 31 December 2021

For Presentation to the Finance Committee & Trustees

Now, for tomorrow

Contents & key contacts

Introduction.....	1
Independence & responsibilities.....	2
Matters arising from the audit.....	3
Audit findings.....	5
Audit misstatements.....	9

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1 - Introduction

We have pleasure in setting out in this report our comments and recommendations on various matters which came to our attention during the course of the audit of the financial statements of The Cutbush and Corrall Charity (also referred to as 'the Charity') for the year ended 31 December 2021.

In order to comply with the provisions of International Standards on Auditing we are required to report to you our audit findings and in particular:

- The nature and the scope of audit work we have undertaken
- Views about the qualitative aspects of your accounting practices and financial reporting
- Unadjusted and adjusted misstatements
- Matters specifically required by Auditing Standards to be communicated to those charged with governance (such as fraud and error)
- Expected modifications to our auditor's report
- Material weaknesses in the accounting and internal control systems and
- Any other relevant and material matters relating to the audit.

This report has been prepared for the sole use of the finance department, on behalf of the Trustees in line with the Charity's governance structure, and must not be shown to third parties without our prior consent. No responsibilities are accepted by MHA MacIntyre Hudson towards any party acting or refraining from action as a result of this report.

We would be grateful if you will in due course advise us what action you propose to take on the recommendations in the report and also if you would like our further assistance on these or any other matters.

Finally, we would like to express our thanks to all the Charity's officers and staff who assisted us in carrying out our work – particularly Liz Abi-Aad and her team.

MHA MacIntyre Hudson
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*Charity*Finance

Rated in top 5 for overall service in 2017 survey of auditors

2 - Independence & responsibilities

2.1 Independence

Auditing Standards require us to communicate at least once a year regarding all relationships between MHA MacIntyre Hudson and the Charity that may reasonably be thought to have a bearing on our independence and objectivity.

We have reviewed our independence, including consideration of whether:

- The firm is dependent on the Charity as a client due to the significance of the audit fee to the firm
- The firm is owed significant overdue fees
- There is any actual or threatened litigation between the firm and the Charity
- Any benefits have been received by the audit team which are not modest
- The firm has any mutual business interest with the Charity
- Any members of the audit team have any personal or family connections with the Charity or officers; or
- Independence is impaired through the provision of services other than the statutory audit.

During the audit we have provided non-audit services to the Charity in the form of accountancy services. We have assisted in the completion process of the Financial Statements, in doing so we have not undertaken a management function and our work has been purely mechanical. The accountancy services were also provided by a separate team and department, the accounts process is managed by an accounts manager who is independent from the audit team, and we consider informed management to be in place. We also assist with the Charity's tax compliance work when required. This service is provided by the accounts manager who has no involvement with the audit work. Other than the aforementioned, we have not identified any further threats to our independence and have concluded that the identified safeguards operated as expected. We can therefore confirm that MHA MacIntyre Hudson is

independent within the meaning of regulatory and professional requirements.

2.2 Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included the examination of the transactions and the controls thereon of the Charity. The work we have done was not primarily directed towards identifying weaknesses in the Charity's accounting systems other than those that would affect our audit opinion, nor to the detection of fraud.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist or improvements that could be made.

To a certain extent the content of this paper comprises general information that has been provided by, or is based on discussions with, management and staff. Except to the extent necessary for the purposes of the audit, this information has not been independently verified.

2.3 Responsibilities

The Trustees are responsible for preparing the Trustees' Report and Financial Statements. MHA MacIntyre Hudson as auditors of the Charity are responsible for forming an opinion on those Financial Statements, as detailed in our engagement letter.

3 - Matters arising from the audit

3.1. Audit Approach

In the conduct of our audit, we have not had to significantly alter or change our audit plan, which we communicated to you in our Audit Planning Letter dated 28 March 2022.

3.2. Matters identified at the planning stage

The key areas of audit focus which we had identified as part of our overall audit strategy and how they have been resolved, are as follows:

	Audit area and key risks as presented	Our approach as presented	Resolution
1	Revenue Recognition	Revenue could be materially misstated due to cut-off errors, where weekly maintenance contributions receive either side of the year end are allocated to the incorrect accounting period. Income could be misappropriated if not recognised in full in the financial statements, which could indicate fraud.	We reviewed cut-off for a sample of transactions to check whether revenue received either side of the year end is recognised in the correct accounting period. We also performed a proof in total of weekly maintenance contributions and tested a sample of contracts.
2	Management Override	Risk of the Charity's management overriding the entity's controls to manipulate the financial statements or commit fraud.	We tested a sample of material journals that do not appear to be part of the routine transaction cycle. We reviewed significant accounting estimates and judgments made by management when preparing the financial statements.

3 - Matters arising from the audit

	Audit area and key risks as presented	Our approach as presented	Resolution
3	Previous sale of land at St Mary in the Marsh	HM Land Registry have declined to process the recent sale of this land by the Charity, due to restrictive covenants outlined in the title deeds that have not been met. There is risk of the transaction being reversed and the Charity repaying the proceeds.	We obtained copies of correspondence between the Charity and relevant parties to assess the likelihood of a liability arising.

3.3. Matters identified during the audit

We have identified recommendations in section 4.5 of this report. We have not identified any further significant matters during the course of the audit.

3.4. Audit Status

The audit work on the financial statements is now substantially complete and we anticipate issuing an unqualified audit opinion for the year ended 31 December 2021 for the Charity, following:

- Receipt of approved Trustees Report and Financial Statements signed by the Board;
- Receipt of a signed letter of representation (provided under a separate cover);
- Receipt of outstanding bank confirmations.

3.5. Letter of representation

We have forwarded a letter of representation for your review and approval, as part of your overall review of the Trustees' Report and Financial Statements. It is important that this is then reviewed and approved by "those charged with governance". We have included non-standard representations related to:

- Restricted fund balances as at the year end;
- Accuracy of useful economic life estimates used for depreciating tangible fixed assets, in respect of the almshouses;
- Trustees' assessment of the likelihood of a liability arising in respect of the previous sale of land at St Mary in the Marsh.

4 - Audit findings

4.1 Audit misstatements

In accordance with International Standards on Auditing we are required to report any material adjusted audit misstatements arising from our work. We are also required to report any unadjusted audit misstatements and why they are unadjusted, other than those that are “clearly trivial”. These are both set out in Section 5.

4.2 Risk of fraud and error in the financial statements

We are required under International Standards on Auditing to consider fraud risk throughout the audit. In particular, we must consider management arrangements for preventing and detecting fraud and error.

Fraud risks may include asset sales at under value, suppliers over billing for goods or services, misappropriation of assets and cheque frauds, as well as manipulation of financial results.

Our work has not identified any matters which we wish to draw to your attention.

4.3 Accounting policies

Financial Reporting Standard FRS102 and FRS102 Charities SORP, requires that entities should review their accounting policies regularly to ensure that they are appropriate to their particular circumstances for the purpose of giving a true and fair view.

We have reviewed the Charity’s accounting policies, as stated in the financial statements, and confirm that they are appropriate to provide relevant, reliable, comparable and understandable information whilst recommendations have been made below for how improvements could, in our opinion, be made.

4.4 Accounting estimates

As auditors, we are aware that the selected basis of an accounting estimate may have a significant impact on the financial statements so in our work we need to identify all accounting estimates and the basis of the estimate and, where we consider there to be a high estimation uncertainty, we must ensure our audit work challenges the basis of the estimate.

We are also required to consider the outcome of accounting estimates in prior periods as a basis for our risk assessment in the current year.

In the Charity’s accounts significant accounting estimates are made in respect of depreciation of fixed assets.

We have reviewed the accounting estimates for the Charity and conclude that they have been calculated on a basis that is consistent with our knowledge of the Charity and expectations.

4 - Audit findings

4.5 Significant deficiencies in internal control

We have set out below significant deficiencies in internal control which came to our attention during the course of our audit work, as defined by ISAs. This does not constitute a comprehensive statement of all deficiencies that may exist in internal controls or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed. An audit is not designed to identify all matters that may be relevant to you and accordingly the audit does not ordinarily identify all such matters.

We have prioritised our recommendations into the following categories:

- **High Priority** – matters that we consider fundamental, against which management should take action as soon as possible;
- **Medium Priority** – matters that we consider significant, that should be addressed within a reasonable / defined timeframe; and
- **Low Priority** – matters that merit attention and would improve overall control or are options to promote better or more efficient practice.

	Observation & Risk	Recommendation	Management Response
1	Sale of Land at St Mary's in the Marsh High Priority During the year ended 31 December 2020, the Charity sold this property, however the Land Registry have declined the request for transferring the title deeds to the new proprietor, due to the restriction on the Title Deeds that the Land Registry states requires authorisation from the Charity Commission or by order of the court. There is a risk that the Charity could be liable to repay the proceeds to the new proprietor in the event the transaction is reversed. We acknowledge that this matter is ongoing with the Charity's solicitor.	From our work we observe that the Trustees are seeking to resolve this matter and taking the appropriate legal advice. We have not further recommendations to make, as full disclosure has been made in the accounts of the contingent liability.	The Charity's solicitor is currently dealing with this matter.

4 - Audit findings

	Observation & Risk	Recommendation	Management Response
2	Useful Economic Lives of Tangible Fixed assets Low Priority The accounting policy adopted by the Charity in respect of depreciation on tangible fixed assets is that the useful economic lives of those assets range from 75-300 years, which extends beyond that which would normally be estimated in comparable charities. This is not technically incorrect however. We also note that the value of land has not been excluded when calculating depreciation. Accounting standards require that the value of land should be excluded when calculating depreciation on freehold property.	We recommend the Trustees revisit the estimate of the useful expected life, and deduct the value of land before charging depreciation on tangible fixed assets. The value of land can be arrived at by completing surveyors' valuations or can be estimated by the Trustees using internal research, such as comparable analysis with similar property / land available on the market, providing the data is reliable.	The Charity will address this issue during 2022.
3	Land Registry Title Deeds Low Priority Some title deeds for properties owned by the Charity that are filed with HM Land Registry have the incorrect proprietor address (the Charity).	We recommend the Charity investigates the incorrect addresses for all title deeds and updates HM Land Registry where required.	The Charity will address discrepancies on the Land Registry.

4 - Audit findings

	Observation & Risk	Recommendation	Management Response
4	Charity Commission Register Search - Linked Charities Low Priority As part of our search of the Charity Commission register, we found there were 4 linked Charities. We understand these Charities are dormant and that all activities are enacted within the Cutbush & Corrall Charity.	We recommend the Charity seeks to strike off the dormant charities and updates the Charity Commission Register to delink them dormant Charities. The procedure for strike off depends on the governing deed for each charity, and delinking can then be done by submitting a written request to the Charity Commission.	The Charity will look into the issue.

4.6 Matters from last year re-raised

Three points raised in our audit findings report last year have not been resolved: Sale of land at St Mary's in the Marsh, incorrect address registered on title deeds and linked Charities registered with the Charity Commission.

4.7 Matters from last year now resolved

One matter raised last year was resolved and no longer included in our recommendations. This was in respect of Charity's business risk register, which required updating and reformatting.

5 - Audit misstatements

We are required to report all adjustments that management have corrected that we believe should be communicated to the Trustees to assist them in fulfilling their governance responsibilities. We are also required to communicate all unadjusted misstatements, other than those that we believe are clearly trivial, to Trustees.

ADJUSTED MISSTATEMENTS

Audit adjustments have been agreed and posted to the financial statements as listed on the separate schedule of audit adjustments. This does not include adjustments made by the accounts production department during the process of preparing the financial statements.

UNADJUSTED MISSTATEMENTS

Unadjusted differences have been agreed by the Trustees that these are immaterial to the end users of the financial statements and do not require adjusting.

Conclusion



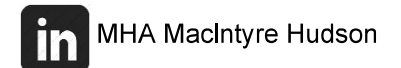
Duncan Cochrane-Dyet BSc BFP FCA
(0)1227 250 404

E: Duncan.Cochrane-Dyet@mhllp.co.uk

Your organisation is a highly valued client of our firm and we would like to thank you for entrusting us with your professional advisory services.

We take a genuine interest in the success of our clients and value constructive feedback on all aspects of our services and continually seek improvement opportunities. If you have any questions or would like to discuss any of the matters covered in our Audit Findings Management Letter, please do not hesitate to contact us.

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Now, for tomorrow



The Cutbush and Corral Charity

England & Wales - Charity number 213463

Accounts

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE CUTBUSH & CORRALL CHARITY

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 9
Independent auditors' report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 38

THE CUTBUSH & CORRALL CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Mr W L Cockcroft DL (co-opted) Mrs S R Darbyshire (co-opted) Miss C E Highwood, Chairman (co-opted) Mr S Morris (co-opted), Vice Chairman (co-opted) Mr R L F Silkin (co-opted) Mr G Proud (co-opted) Mrs E Haggart (co-opted on 15 October 2020) Mr C English (nomination expired August 2020 but renominated in February 2021) Mrs D Joy (nominated) Miss D Smith (nominated but resigned on 30 October 2020 and co-opted on 21 January 2021)
Charity registered number	213463
Principal office	College Farm College Avenue Maidstone Kent ME15 6YJ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA
Bankers	National Westminster Bank plc 3 High Street Maidstone Kent ME14 1XU
Solicitors	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH

THE CUTBUSH & CORRALL CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Investment Advisors Canaccord Genuity Wealth Management
41 Lothbury
London
EC2R 7AE

Property Advisors J A Warner Ltd
The Guard House, Church Lane
The Historic Dockyard
Chatham
Kent
ME4 4TE

Clerk and Chief Officer Mrs E Abi-Aad

Finance Officer Mrs N Weal

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the financial statements for the year ended 31 December 2020. The Trustees' have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) in preparing the Trustees' Report and financial statements of the Charity.

Objectives and activities

a. Objectives and Activities

The Charity's objectives as set out in the governing document are:

To provide almshouses for the use of persons in need by reason of age, ill health, disability, financial hardship or other disadvantage of not less than fifty years of age, most of whom are inhabitants of the Borough of Maidstone, and in the case of the Harrietsham almshouses, of not less than sixty years of age who are resident in Harrietsham, six of the beneficiaries being Freemen of the Fishmongers Livery Company;

To assist young persons under the age of twenty four years in need of financial assistance who are preparing for, entering upon or engaged in any trade, occupation or profession by provision of tools or books, payment of fees, travelling expenses or other such means as will fit them to earn their own living or advance them in life.

Such charitable purposes for the benefit of the almshouse residents as the trustees decide.

The Charity's aims are:

The relief of poverty by the provision of almshouse accommodation for the beneficiaries and such charitable purposes for the benefit of the residents as the Trustees decide.

To maintain the almshouses in good repair and condition and updated where necessary to be in line with modern day expectations.

To acquire more land upon which there would or could be erected more almshouses to be constructed to as high a standard as the Trustees consider financially prudent.

To maximise development or redevelopment opportunities as the Trustees consider financially prudent.

Wherever possible to maintain and increase the underlying value of the Charity's non-almshouse properties and assets consistent with appropriate professional advice.

b. Activities undertaken to achieve objectives

The first aim stated above is achieved through the structure of the Charity as detailed in the "Organisational Structure and decision-making policies" section below.

The second aim is achieved through the attention given by the management team of the Charity to the maintenance of the almshouses and upgrading them wherever possible. The process includes implementing the recommendations of the Charity's quinquennial report and further, when a property becomes empty, replacing the bathroom and kitchen and heating system where appropriate.

The third and fourth aims are achieved by the vigilance of the management team of the Charity in identifying new potential sites for development.

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

Objectives and activities (continued)**c. Main activities undertaken to further the Charity's purposes for the public benefit**

The Trustees have paid due regard to the guidance on public benefit published by the Charity Commission when reviewing the aims and objectives of the charity and in planning future activities.

The Trustees believe that the activities undertaken in the year for achieving the objectives of the Charity have met the public benefit requirement.

Achievements and performance**a. Main achievements of the Charity**

Whilst much overused, the term 'unprecedented' aptly describes 2020 in terms of the way the Charity operated during the global pandemic. Throughout the crisis, the Charity followed Government Guidance in order to keep staff and residents as safe as possible. Until COVID secure arrangements were in place the majority of staff worked from home, taking time to keep in regular touch with every resident, making sure they were coping practically and emotionally.

Staff gradually, returned to the workplace and have maintained a visible presence within the almshouse community, visiting various sites on a regular basis (meeting and greeting residents on their doorstep in a socially distant way). Residents were reassured to know that staff were always on hand if and when needed. Throughout the period all social activities were cancelled and it is only now as restrictions ease that plans are being made to re-introduce social gatherings safely.

Given the pause in activity – the decision was made not to recruit to two part-time vacancies within the Care & Support team and these posts remained unfilled until April 2021.

The maintenance team continued to undertake essential repairs (like heating, lighting and leaks) so that resident's health and safety was not compromised. However, all non-essential maintenance tasks were paused in order to reduce the risk of transmission amongst the Charity's vulnerable community.

The maintenance team continued to work hard and efficiently to ensure the length of time properties were empty was minimised (achieving an average nine week turn around). This resulted in a void rate (excluding 14, 16 & 24 College Road empty and awaiting conversion) of 1% (compared to 1% in 2019 and 2% in 2018). In total there was movement in and out of twelve properties.

There were opportunities too, Trustees moved swiftly to using tele-conferencing technology thereby ensuring the business of the Board was attended to in a timely way. All Board and Sub-Committee meetings were held virtually. A new, secure database that can be accessed remotely by staff was developed and populated providing up-to-date, easily accessible information about residents and the support they receive from the Charity's staff. Remote access to electronic files was enabled via a secure, cloud-based server and electronic signature software is now used to authorise payments, contracts etc.

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

Achievements and performance (continued)

The first Resident Satisfaction survey was undertaken in August 2020 with the vast majority (75% plus) of residents reporting high levels of satisfaction in terms of:

- Service provided by the Charity
- Quality of your home
- Safety & security
- Ease of dealing with the Charity
- Repairs & maintenance
- Value for money

When it became apparent that the six ragstone houses on the College Road site were not fit for purpose (being uneconomic in terms of heating costs especially for single people), Trustees agreed that priority for developing new almshouses should shift from the Harrietsham site to exploring the possibility of converting six relatively large houses into 12 one-bedroomed flats. Planning permission for this development will be sought in 2021 – in the meantime three houses will remain unoccupied in readiness for building work to begin at the earliest opportunity.

Following much bureaucratic dealing, the Borough Council agreed to reduce the number of nominations they make to the Board and a long-standing Trustee vacancy was filled when Liz Haggart was co-opted as a Trustee on 15 October 2020 and the make-up of the Board made complete.

Trustees reviewed car parking on various sites in December agreeing that the management arrangements (contracted out) had worked well and should be maintained.

The Trustees would like to place formally on record their gratitude to the Clerk and Chief Officer, and all the other staff, for their magnificent response to the challenging and difficult circumstances of the year.

Financial review**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies. The economic impact of COVID-19 has been considered as part of the going concern assessment.

b. Permanent Endowment Funds

A Permanent Endowment Fund is held on trust to be retained for the benefit of the Charity as a capital fund, and is therefore held as investments and tangible fixed assets. During the year, net losses on investments amounting to £237,786 (2019 gains of £220,780) were recognised in the fund. A transfer from the accumulated income fund to the permanent endowment fund amounting to £6,083 (2019: £6,083) was made in respect of the Recoupment Order made by the Charities Commission on 13 May 1993.

THE CUTBUSH & CORRALL CHARITY

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

c. Financial review

It is the general policy of the Trustees to make sure that the level of weekly maintenance contributions meets the costs of running the Charity as identified in the Statement of Financial Activities. In 2020 the weekly maintenance contributions amounted to £674,037 (2019: £666,477) and the cost of running the Charity was £668,113 (2019: £701,478). In general terms the Trustees' policy was successful. The net deficit for the year after adjusting for gains and losses on investments amounted to £1,994 (2019: net surplus £546,482).

The Accumulated Income Fund is an unrestricted fund made up of accumulated surpluses of income and expenditure. The Charity aims to hold approximately 6 months of expenditure as cash and / or easily accessible reserves in this fund. Cash reserves held at the year end exceeded this amount.

Total reserves at the year end amounted to £12,010,441 (2019: £12,012,435), of which £2,246,792 (2019: £2,478,495) were held as restricted permanent endowment funds, £1,588,395 (2019: £1,588,395) held as restricted funds and £1,746,619 (2019: £1,350,379) held as designated funds. The charity has continued to make further investments to provide for future extraordinary repair, improvement or rebuilding of the homes and properties belonging to the Charity and also as part of a Recoupment Order made by the Charities Commission as detailed in note 2.13 to the accounts. The Trustees take advice from their investment advisers, Canaccord Genuity Wealth Management in making these investments.

In accordance with the Trustees wishes the Charity's broker (Canaccord Genuity Wealth Management) has been instructed to aim to maintain a 40:60 split of the permanent endowment fund between property and other types of investments.

The investments held as fixed assets have produced an income of £104,904 (2019: £115,062) for the year and there was a net decrease in their market value of £188,288 (2019: increase £459,715) after taking into account the additions and disposals in the year.

d. Funds held as custodian trustee on behalf of others

The Charity does not hold any assets as custodian for any third parties.

e. Fundraising standards information

The Charity does not undertake any fundraising activities itself, nor does any other person on behalf of the charity. Neither the Charity or any other person acting on behalf of the Charity was subject to any voluntary scheme or voluntary standard for regulating fundraising. As such, there were no failures to comply with any such scheme and the Charity did not receive any complaints during the year in relation to fundraising activities.

Structure, governance and management

a. Constitution

The Cutbush and Corral Charity is a charity registered by the Charity Commission and governed by the Scheme dated 15 November 2010. It is an unincorporated association.

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

Structure, governance and management (continued)**b. Methods of appointment or election of Trustees**

There are ten Trustees when the Board is complete. During 2020 there was a transition from six to eight co-optative Trustees whose term of office endures for five years. They are voted onto the Board by a simple majority of votes cast by the existing Trustees at a special meeting of the Trustees. The remaining two Trustees are nominative Trustees whose term of office endures for four years and who are appointed by Maidstone Borough Council. The Trustees holding office during the year are detailed on page 1. Candidature for a co-optative Trustee is formulated following a skills audit undertaken by the Trustees.

c. Organisational structure and decision-making policies

The Trustees meet four times a year as well as at any special meeting convened. Some Trustees' duties are delegated to sub-committees comprising usually four Trustees and the Clerk and Chief Officer. Any such sub-committee reports to the Main Board for their actions and decisions to be noted or sanctioned, as the case may be. Such sub-committees may deal with issues such as the selection of residents and any decisions regarding buildings.

The Clerk and Chief Officer is responsible for the implementation of the Trustees' decisions and has overall responsibility for the management of the Charity. The Clerk and Chief Officer is supported by three senior managers (Finance and Office Manager, Care and Support Manager and Maintenance Supervisor) and a small team of support staff. The Clerk and Chief Officer has authority to take decisions herself relating to day to day management items but is always accountable for any such decisions to the Trustees.

d. Policies adopted for the induction and training of Trustees

All new Trustees are given an induction pack by the Clerk and Chief Officer to include a copy of the Charity Commission Schemes, previous year's Accounts, Minutes of the last Trustees Meeting and a Residents Handbook. The responsibilities of a Charity Trustee are also explained by the Clerk and Chief Officer. In addition the Clerk and Chief Officer ensures that the new Trustee is familiarised (in general terms) with the housing stock and the day to day workings of the Charity.

The Trustees are offered the opportunity of training at the seminars organised for this purpose by the Almshouse Association.

e. Pay policy for key management personnel

The salaries of the key management personnel are set by the Trustees at the Trustees' meetings having regard to their responsibilities and levels of inflation.

f. Related party relationships

There are no related parties, other connected charities or organisations that the Charity is required to co-operate with in pursuit of its charitable objectives.

g. Risk management

Major risks to which the charity is exposed as identified by the Trustees are reviewed on a regular basis and systems or procedures are in place to manage those risks.

THE CUTBUSH & CORRALL CHARITY

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

Plans for future periods

Thankfully, there have been no known COVID cases within the staff team or amongst residents, however the year in lockdown has been challenging and the longer-term impact on individuals' mental well-being and the management of existing and new health conditions is yet to be understood. As restrictions ease, the Charity's Care & Support team will focus on re-engaging the community especially those individuals who have been most isolated.

Toward the end of 2020, Trustees met to consider Terms of Reference for a new Finance Sub-Committee having realised that additional, dedicated time is required to attend to finance matters especially as the Charity seeks to develop more almshouses. The purpose of the Sub-Committees is to advise the Board of Trustees on its duty to oversee the Charity's financial affairs.

The review of weekly maintenance charges started in 2019 will continue so that Trustees can be assured that the correct level of income is generated to allow the Charity to continue to achieve its aims & objectives.

Subject to consent, there are plans in place to convert six houses on the College Road site into 12 one bedroomed flats (increasing the number of almshouses from 148 to 154) and better meeting the needs of the Charity's beneficiaries who have struggled to cover the cost of heating these particular properties. The Charity is keen to ensure that all its almshouses are as energy efficient as possible and hopes to access funding through the Government's Green Homes Grant to meet the cost of installing air source heat pumps in nine almshouses on the College Walk and Mote Road sites.

Demand for the secure, affordable accommodation that the Charity provides continues to outstrip supply. At the beginning of the year there were four vacant almshouses and nine applicants approved by the Board of Trustees plus eight existing beneficiaries (seeking a transfer to more suitable accommodation); the needs of each must be considered before any almshouse that is ready for occupation is allocated. This year the Resident Sub-Committee intends to consider ways in which the Charity can promote its' work with a view to attracting interest from individuals who are likely to gain the most benefit from living in the almshouse community.

THE CUTBUSH & CORRALL CHARITY

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

Statement of Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity Commission Scheme. 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.

Disclosure of information to auditors

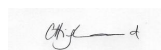
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditors

The auditors, MHA MacIntyre Hudson, have indicated their willingness to continue in office. A resolution to reappoint the Auditors will be put to the Trustees at the Annual General Meeting.

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



Caroline (Jul 29, 2021, 4:18pm).....

Miss C E Highwood
Chairman of Trustees

Date: 29 Jul 2021

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY

Opinion

We have audited the financial statements of The Cutbush & Corral Charity (the 'charity') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY
(CONTINUED)

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

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

Reviewing minutes of meetings of those charged with governance;

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Enquiry of management, those charged with governance around actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

THE CUTBUSH & CORRALL CHARITY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CUTBUSH & CORRALL CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5DA

Date: 16 August 2021

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE CUTBUSH & CORRALL CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	4	-	-	-	-	1,000
Charitable activities	5	674,176	-	-	674,176	668,830
Investments	6	105,642	-	-	105,642	117,205
Other income	7	1,953	-	-	1,953	1,210
Total income and endowments		781,771	-	-	781,771	788,245
Expenditure						
Expenditure on:	8					
Raising funds		2,821	-	-	2,821	6,922
Charitable activities		665,292	-	-	665,292	694,556
Total expenditure	8	668,113	-	-	668,113	701,478
Net income before net gains/(losses) on investments		113,658	-	-	113,658	86,767
Net gains/(losses) on investments	14,15	122,134	-	(237,786)	(115,652)	459,715
Net income/ (expenditure)		235,792	-	(237,786)	(1,994)	546,482
Transfers between funds	19	(6,083)	-	6,083	-	-
Net movement in funds		229,709	-	(231,703)	(1,994)	546,482
Reconciliation of funds:						
Total funds brought forward		7,945,545	1,588,395	2,478,495	12,012,435	11,465,953
Net movement in funds		229,709	-	(231,703)	(1,994)	546,482
Total funds carried forward		8,175,254	1,588,395	2,246,792	12,010,441	12,012,435

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

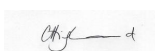
The notes on pages 17 to 38 form part of these financial statements.

THE CUTBUSH & CORRALL CHARITY

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	7,620,704	7,698,085
Investments	15	3,752,046	3,810,334
Investment property	14	-	60,000
		11,372,750	11,568,419
Current assets			
Debtors	16	28,289	24,692
Cash at bank and in hand	23	640,947	446,239
		669,236	470,931
Creditors: amounts falling due within one year	17	(31,545)	(26,915)
Net current assets		637,691	444,016
Total net assets		12,010,441	12,012,435
Charity funds			
Endowment funds	19	2,246,792	2,478,495
Restricted funds	19	1,588,395	1,588,395
Unrestricted funds			
Designated funds	19	1,746,619	1,350,379
General funds	19	6,428,635	6,595,166
Total unrestricted funds	19	8,175,254	7,945,545
Total funds		12,010,441	12,012,435

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



 Miss C E Highwood
 Trustee

Date: 29 Jul 2021

S. Morris

 Stephen (Jul 29, 2021 7:26pm)
 Mr S Morris
 Trustee

29 Jul 2021

The notes on pages 17 to 38 form part of these financial statements.

THE CUTBUSH & CORRALL CHARITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	22	100,305	78,454
Cash flows from investing activities			
Dividends, interests and rents from investments		105,813	124,817
Purchase of property, plant and equipment		(14,046)	-
Proceeds from sale of investments		132,636	-
Purchase of investments		(130,000)	(5,879)
Net cash provided by investing activities		94,403	118,938
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		194,708	197,392
Cash and cash equivalents at the beginning of the year		446,239	248,847
Cash and cash equivalents at the end of the year	23	640,947	446,239

The notes on pages 17 to 38 form part of these financial statements

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

1. General information

The charity is a charity registered by the Charity Commission in England and Wales and governed by the Scheme dated 15 November 2010. The registered address is given on the administrative details page of these financial statements. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

Compliance with Accounting Standards

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) - (Charities SORP FRS102) (as updated through Update Bulletin 1 published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011 and applicable regulations. There were no material departures from those standards.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Cutbush and Corral Charity (incorporating the Quested Almshouse Charity) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost unless otherwise stated in the relevant accounting policy note. The financial statements are prepared on a going concern basis and there are no material uncertainties that cast significant doubt on the charity's ability to continue as a going concern. The Trustees have considered the impact of Covid-19 as part of their going concern assessment.

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

2. Accounting policies (continued)

2.2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised in the period in which they are received, unless there are conditions that have not been met before the charity is entitled to the resource.

Weekly maintenance contributions, rents receivable and deposit interest are included in the financial statements based on the period for which they are due.

Income from investments in the form of dividends and interest is included in the financial statements when declared.

Income from government and other grants, whether capital or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be reliably measured and is not deferred.

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

2.3 Expenditure

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

Costs of raising funds comprises the costs relating to the investment properties and investments.

Expenditure on charitable activities includes the costs of running and maintaining the almshouses and providing services and benefits to the residents.

2.4 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

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

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

The almshouses and other properties are included at their depreciated cost in the balance sheet each year. The period over which each of the properties is depreciated varies from 75 years to 300 years depending on the age and condition of the properties concerned.

The costs of Almshouses for which depreciation is calculated includes the value of land. This is a departure from UK GAAP and the Charities SORP (FRS 102) which requires the value of land to be removed for depreciation calculations due to its high residual value. The Trustees are of the view that this accurately reflects the nature of assets because it is unlikely the almshouses will ever be sold.

The computer equipment is stated at cost less depreciation. Depreciation is provided at 20% on a straight line basis to write off the cost of fixed assets over their expected useful lives.

2.7 Investments

Investments are valued at fair value at 31 December each year, and realised and unrealised gains or losses are shown in the Statement of Financial Activities.

2.8 Investment properties

Investment properties are valued at their fair value at the balance sheet date.

2.9 Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

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

2.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

2. Accounting policies (continued)

2.12 Financial instruments

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

2.13 Recoupment Order

The Charity is subject to a Recoupment Order made by the Charities Commission on 13 May 1993 in respect of payments out of the permanent endowment expended on Phase 11, Cutbush & Corral Court. Payment of up to £555,000 was permitted, but it has been agreed with the Charity Commissioners that only £365,000 has been used. The recoupment period is 60 years and therefore, £6,083.33 per annum has been set aside and invested in shares each year. The income arising from these investments will not form part of the permanent endowment itself, but can be expended by the charity as General Fund income.

2.14 Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2.15 Fund accounting

The Accumulated Income Fund comprises unrestricted funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

The Extraordinary Repair Fund and the Development Fund are designated funds, set aside by the Trustees out of unrestricted general funds for specific future purposes.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met.

The Permanent Endowment Fund is a restricted fund held on trust to be retained for the benefit of the Charity as a capital fund.

The income from assets held in all of the above funds forms part of the unrestricted funds.

Further explanation of the nature and purpose of the designated funds is included in the notes to the financial statements.

The Fair Value Reserve represents the unrealised gains on the investment property due to changes in the market value from the original cost.

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

3. Critical accounting estimates and areas of judgement

The following judgements (apart from those involving estimates) made in the process of applying the above accounting policies that have the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions:

The estimated useful lives of the almshouses and other properties.

There are no further key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Legacies	-	-

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Legacies	1,000	1,000

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Weekly maintenance contributions	674,037	674,037
Residents' Trips and Activities	139	139
Total 2020	674,176	674,176

THE CUTBUSH & CORRALL CHARITY

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

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Weekly maintenance contributions	666,477	666,477
Residents' Trips and Activities	2,353	2,353
<i>Total 2019</i>	<u>668,830</u>	<u>668,830</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Rent receivable - St Mary's Romney Marsh	300	300
Dividends and interest receivable	104,904	104,904
Deposit interest receivable	438	438
Total 2020	<u>105,642</u>	<u>105,642</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rent receivable - St Mary's Romney Marsh	1,200	1,200
Dividends and interest receivable	115,062	115,062
Deposit interest receivable	943	943
<i>Total 2019</i>	<u>117,205</u>	<u>117,205</u>

THE CUTBUSH & CORRALL CHARITY

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

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
HMRC interest	3	3
Government grants -apprenticeship grant	1,000	1,000
Room hire	35	35
Government grants - Coronavirus job retention scheme	915	915
Total 2020	1,953	1,953

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
HMRC interest	56	56
Government grants -apprenticeship grant	500	500
Room hire	172	172
Other income	482	482
<i>Total 2019</i>	<i>1,210</i>	<i>1,210</i>

8. Analysis of expenditure

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activities	553,286	112,006	665,292
Raising funds	-	2,821	2,821
Total 2020	553,286	114,827	668,113

THE CUTBUSH & CORRALL CHARITY

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

8. Analysis of expenditure (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Charitable activities	601,486	93,070	694,556
Raising funds	700	6,222	6,922
<i>Total 2019</i>	<u>602,186</u>	<u>99,292</u>	<u>701,478</u>

Analysis of direct costs

	Charitable activities 2020 £	Raising funds 2020 £	Total funds 2020 £
Staff costs	113,691	-	113,691
Christmas Bounties to individuals	6,800	-	6,800
Water, light, heat and insurance	68,433	-	68,433
Repairs and improvements	181,367	-	181,367
Gardening	41,916	-	41,916
Professional Fees	31,944	-	31,944
Sundries	3,912	-	3,912
Residents' trips/activities/discretionary payments	1,398	-	1,398
Telephone	2,527	-	2,527
Rates re. Empty Properties	2,958	-	2,958
Motor running expenses	7,343	-	7,343
Depreciation Charge	89,335	-	89,335
Bank Charges	1,662	-	1,662
Total 2020	<u>553,286</u>	<u>-</u>	<u>553,286</u>

THE CUTBUSH & CORRALL CHARITY

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

8. Analysis of expenditure (continued)

Analysis of direct costs (continued)

	<i>Charitable Activities 2019 £</i>	<i>Raising funds 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	123,630	-	123,630
Christmas Bounties to individuals	7,200	-	7,200
Water, light, heat and insurance	66,045	-	66,045
Repairs and improvements	246,262	-	246,262
Gardening	30,077	-	30,077
Professional Fees	14,973	700	15,673
Sundries	3,638	-	3,638
Garden Party expenses	3,868	-	3,868
Christmas Party Expenses	2,148	-	2,148
Residents' trips/activities/discretionary payments	2,084	-	2,084
Telephone	1,789	-	1,789
Rates re. Empty Properties	172	-	172
Motor running expenses	5,060	-	5,060
Legal fees	2,400	-	2,400
Depreciation	89,321	-	89,321
Bank charges	1,811	-	1,811
Advertising	1,008	-	1,008
<i>Total 2019</i>	<u>601,486</u>	<u>700</u>	<u>602,186</u>

THE CUTBUSH & CORRALL CHARITY

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

8. Analysis of expenditure (continued)

Analysis of support costs

	Charitable activities 2020 £	Raising funds 2020 £	Total funds 2020 £
Staff costs (by estimated time spent)	73,112	645	73,757
Water, light, heat and insurance (by estimated usage)	3,050	31	3,081
Repairs and improvements (by estimated usage)	3,573	36	3,609
Professional Fees (by estimated time spent)	751	40	791
Sundries (by estimated usage)	6,618	348	6,966
Telephone (by estimated usage)	3,015	30	3,045
Insurance (by estimated usage)	86	1	87
Staff training (by nature of training)	320	-	320
Depreciation (by estimated usage)	2,071	21	2,092
Computer expenses (by estimated usage)	4,347	44	4,391
Governance costs (see below)	15,063	1,625	16,688
Total 2020	112,006	2,821	114,827

	Charitable activities 2019 £	Raising funds 2019 £	Total funds 2019 £
Staff costs (by estimated time spent)	56,803	2,599	59,402
Water, light, heat and insurance (by estimated usage)	1,617	16	1,633
Repairs and improvements (by estimated usage)	5,847	59	5,906
Professional Fees (by estimated time spent)	432	288	720
Sundries (by estimated usage)	1,558	1,582	3,140
Telephone (by estimated usage)	4,968	50	5,018
Insurance (by estimated usage)	158	18	176
Staff training (by nature of training)	4,429	-	4,429
Depreciation (by estimated usage)	1,667	17	1,684
Computer expenses (by estimated usage)	2,524	26	2,550
Governance costs (see below)	13,067	1,567	14,634
Total 2019	93,070	6,222	99,292

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

9. Governance costs

	Charitable activities 2020 £	Raising funds 2020 £	Total funds 2020 £
Auditors' remuneration - statutory audit services (by estimated time spent)	6,217	691	6,908
Auditors' remuneration - other services (by estimated time spent)	8,362	929	9,291
Trustee' indemnity insurance (by estimated usage)	484	5	489
Total 2020	15,063	1,625	16,688
	Charitable activities 2019 £	Raising funds 2019 £	Total funds 2019 £
Auditors' remuneration - statutory audit services (by estimated time spent)	6,147	683	6,830
Auditors' remuneration - other services (by estimated time spent)	6,559	729	7,288
Trustee' indemnity insurance (by estimated usage)	361	155	516
Total 2019	13,067	1,567	14,634

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,908	6,830
Fees payable to the Charity's auditor in respect of: All non-audit services not included above - accounts preparation, tax compliance and general advice	9,291	7,288

THE CUTBUSH & CORRALL CHARITY

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

11. Staff costs

	2020 £	2019 £
Wages and salaries	168,903	164,351
Social security costs	10,799	10,834
Contribution to defined contribution pension schemes	7,746	7,847
	<u>187,448</u>	<u>183,032</u>

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Charitable activities	5	6
Management and Administration of the Charity	2	2
	<u>7</u>	<u>8</u>

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

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been reimbursed (2019 - £NIL).

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

13. Tangible fixed assets

	Freehold Almshouses £	Freehold Other Property £	Computer Equipment £	Total £
Cost or valuation				
At 1 January 2020	8,901,128	208,295	3,214	9,112,637
Additions	12,006	-	2,040	14,046
At 31 December 2020	8,913,134	208,295	5,254	9,126,683
Depreciation				
At 1 January 2020	1,394,323	18,744	1,485	1,414,552
Charge for the year	89,335	1,041	1,051	91,427
At 31 December 2020	1,483,658	19,785	2,536	1,505,979
Net book value				
At 31 December 2020	7,429,476	188,510	2,718	7,620,704
At 31 December 2019	7,506,805	189,551	1,729	7,698,085

14. Investment property

	Investment property £
At 1 January 2020	60,000
Disposals	(60,000)
At 31 December 2020	-

The fair value of the land at the start of the year was valued at the Trustees' best estimates available at the time of preparing the 2019 financial statements. The Trustees had agreed to sell the investment property for a price of £140,000 but exchange of contracts had not taken place at the date of signing off the 2019 financial statements. Due to uncertainty arising from the Covid-19 pandemic no gain was recognised in the 2019 accounts. The investment property was sold for the agreed price of £140,000 less costs in 2020 and the net gain on the sale was £72,636.

THE CUTBUSH & CORRALL CHARITY

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

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	3,810,334
Additions	130,000
Revaluations	(188,288)
At 31 December 2020	3,752,046
Net book value	
At 31 December 2020	3,752,046
<i>At 31 December 2019</i>	<i>3,810,334</i>

16. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	13,866	12,608
Prepayments and accrued income	14,423	12,084
	28,289	24,692

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	4,013	1,417
Other creditors	-	1,086
Accruals and deferred income	27,532	24,412
	31,545	26,915

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

18. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	3,752,046	3,870,334

Financial assets measured at fair value through income and expenditure comprise fixed asset investments valued at their fair value of £3,752,046 at the year end (2019 fixed asset investments valued at their fair value of £3,810,334 and investment property valued at the trustees' estimate of fair value of £60,000).

THE CUTBUSH & CORRALL CHARITY

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

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	1,178,652	-	-	-	65,625	1,244,277
Development fund	171,727	-	-	319,576	11,039	502,342
	<u>1,350,379</u>	<u>-</u>	<u>-</u>	<u>319,576</u>	<u>76,664</u>	<u>1,746,619</u>
General funds						
Accumulated income fund	6,545,166	781,771	(668,113)	(325,659)	95,470	6,428,635
Fair value reserve	50,000	-	-	-	(50,000)	-
	<u>6,595,166</u>	<u>781,771</u>	<u>(668,113)</u>	<u>(325,659)</u>	<u>45,470</u>	<u>6,428,635</u>
Total Unrestricted funds	<u>7,945,545</u>	<u>781,771</u>	<u>(668,113)</u>	<u>(6,083)</u>	<u>122,134</u>	<u>8,175,254</u>
Endowment funds						
Permanent endowment	2,478,495	-	-	6,083	(237,786)	2,246,792
Restricted funds						
Grant income fund	1,588,395	-	-	-	-	1,588,395
Total of funds	<u>12,012,435</u>	<u>781,771</u>	<u>(668,113)</u>	<u>-</u>	<u>(115,652)</u>	<u>12,010,441</u>

THE CUTBUSH & CORRALL CHARITY

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

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
Unrestricted funds						
Designated funds						
Extraordinary repair fund	998,564	-	-	-	180,088	1,178,652
Development fund	133,564	-	-	38,163	-	171,727
	<u>1,132,128</u>	<u>-</u>	<u>-</u>	<u>38,163</u>	<u>180,088</u>	<u>1,350,379</u>
General funds						
Accumulated income fund	6,443,798	788,245	(701,478)	(44,246)	58,847	6,545,166
Fair value reserve	50,000	-	-	-	-	50,000
	<u>6,493,798</u>	<u>788,245</u>	<u>(701,478)</u>	<u>(44,246)</u>	<u>58,847</u>	<u>6,595,166</u>
Total Unrestricted funds	<u>7,625,926</u>	<u>788,245</u>	<u>(701,478)</u>	<u>(6,083)</u>	<u>238,935</u>	<u>7,945,545</u>
Endowment funds						
Permanent endowment	<u>2,251,632</u>	<u>-</u>	<u>-</u>	<u>6,083</u>	<u>220,780</u>	<u>2,478,495</u>
Restricted funds						
Grant income fund	<u>1,588,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,395</u>
Total of funds	<u><u>11,465,953</u></u>	<u><u>788,245</u></u>	<u><u>(701,478)</u></u>	<u><u>-</u></u>	<u><u>459,715</u></u>	<u><u>12,012,435</u></u>

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

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	1,350,379	-	-	319,576	76,664	1,746,619
General funds	6,595,166	781,771	(668,113)	(325,659)	45,470	6,428,635
Endowment funds	2,478,495	-	-	6,083	(237,786)	2,246,792
Restricted funds	1,588,395	-	-	-	-	1,588,395
	<u>12,012,435</u>	<u>781,771</u>	<u>(668,113)</u>	<u>-</u>	<u>(115,652)</u>	<u>12,010,441</u>

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

20. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
Designated funds	1,132,128	-	-	38,163	180,088	1,350,379
General funds	6,493,798	788,245	(701,478)	(44,246)	58,847	6,595,166
Endowment funds	2,251,632	-	-	6,083	220,780	2,478,495
Restricted funds	1,588,395	-	-	-	-	1,588,395
	<u>11,465,953</u>	<u>788,245</u>	<u>(701,478)</u>	<u>-</u>	<u>459,715</u>	<u>12,012,435</u>

The Extraordinary Repair Fund is maintained out of the income of the Charity for the purpose of providing for the extraordinary repair, improvement or rebuilding of the homes and other property belonging to the Charity. The Trustees have decided that the balance on this fund is to be held at approximately £1,000,000. An annual transfer is made to this fund from the accumulated income fund if the Trustees consider it necessary.

The Development Fund represents amounts set aside for future almshouse developments. £319,576 (2019: £38,163) has been transferred to this fund from the Accumulated Income Fund during the year, comprising £130,000 (2019: £nil) from the proceeds of the sale of the investment property during the year, and an additional amount of £189,576 (2019: £38,163) as agreed by the Trustees.

The Restricted Grant Income Fund represents grant monies received from the Homes and Communities Agency towards the building costs of the new almshouses at Huntsmans Cottage and the renovation of the almshouses at Harrietsham and St Faith's Street. The charity has undertaken to continually provide services in accordance with the Standards of Almshouse Management and the grants are repayable if the conditions are not met.

The Permanent Endowment Fund is a restricted fund held on trust to be retained for the benefit of the Charity as a capital fund. The annual transfer out of the Permanent Endowment Fund amounting to £6,083 (2019: £6,083) has been made in accordance with a Recoupment Order. See note 2.13 for more information.

The Fair Value Reserve represents the unrealised gains on investment properties due to changes in the fair value from the original cost.

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	5,831,559	1,588,395	200,750	7,620,704
Fixed asset investments	1,740,624	-	2,011,422	3,752,046
Current assets	634,616	-	34,620	669,236
Creditors due within one year	(31,545)	-	-	(31,545)
Total	8,175,254	1,588,395	2,246,792	12,010,441

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	5,902,857	1,588,395	206,833	7,698,085
Fixed asset investments	1,561,126	-	2,249,208	3,810,334
Investment property	60,000	-	-	60,000
Current assets	448,477	-	22,454	470,931
Creditors due within one year	(26,915)	-	-	(26,915)
Total	7,945,545	1,588,395	2,478,495	12,012,435

THE CUTBUSH & CORRALL CHARITY

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

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

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(1,994)	546,482
Adjustments for:		
Depreciation charges	91,427	91,005
(Gains)/losses on investments	115,652	(459,715)
Dividends, interests and rents from investments	(105,642)	(117,205)
Decrease/(increase) in debtors	(3,768)	17,560
Increase in creditors	4,630	327
Net cash provided by operating activities	100,305	78,454

23. Analysis of cash and cash equivalents

	2020 £	2019 £
COIF Charities Deposit Fund	167,032	166,594
Bank Current Account	472,959	279,227
Cash in Hand	956	418
Total cash and cash equivalents	640,947	446,239

24. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	446,239	194,708	640,947
Debt due within 1 year	(1,086)	1,086	-
	445,153	195,794	640,947

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

25. Commitments

At 31 December 2020 the Charity had no capital commitments (2019: £Nil).

26. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £7,746 (2019: £7,847).

The defined contribution expense is allocated to unrestricted funds, of which £29 (2019: £116) has been allocated to raising funds and £7,717 (2019: £7,731) has been allocated to charitable activities on the basis of the time spent on each activity by staff members.

27. Related party transactions

During the year the Charity paid £1,930 (2019: £128) for cleaning services provided by M Brown, who is daughter of Mrs E Abi-Aad, the Charity's Chief Officer and Clerk. This arm's-length arrangement was subject to assessment and approval by the Trustees.

28. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the year end and the date of approval of these accounts which require disclosure.