

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE CUTBUSH & CORRALL CHARITY

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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

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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.

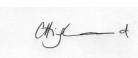
The notes on pages 15 to 32 form part of these financial statements.

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

S. Morris
 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 £	Total funds 2020 £
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 £	Total funds 2020 £
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>	

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 £	Total funds 2020 £
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	<u>11,536</u>	<u>9,291</u>

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
	<u>208,094</u>	<u>187,448</u>

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
	<u>8</u>	<u>7</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 (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><u>12,012,435</u></u>	<u><u>781,771</u></u>	<u><u>(668,113)</u></u>	<u><u>-</u></u>	<u><u>(115,652)</u></u>	<u><u>12,010,441</u></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

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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.

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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	<p>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.</p> <p>Income could be misappropriated if not recognised in full in the financial statements, which could indicate fraud.</p>	<p>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.</p> <p>We also performed a proof in total of weekly maintenance contributions and tested a sample of contracts.</p>
2	Management Override	<p>Risk of the Charity's management overriding the entity's controls to manipulate the financial statements or commit fraud.</p>	<p>We tested a sample of material journals that do not appear to be part of the routine transaction cycle.</p> <p>We reviewed significant accounting estimates and judgments made by management when preparing the financial statements.</p>

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	<p>Sale of Land at St Mary's in the Marsh</p> <p>High Priority</p> <p>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.</p>	<p>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.</p>	<p>The Charity's solicitor is currently dealing with this matter.</p>

4 - Audit findings

	Observation & Risk	Recommendation	Management Response
2	<p>Useful Economic Lives of Tangible Fixed assets</p> <p>Low Priority</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>The Charity will address this issue during 2022.</p>
3	<p>Land Registry Title Deeds</p> <p>Low Priority</p> <p>Some title deeds for properties owned by the Charity that are filed with HM Land Registry have the incorrect proprietor address (the Charity).</p>	<p>We recommend the Charity investigates the incorrect addresses for all title deeds and updates HM Land Registry where required.</p>	<p>The Charity will address discrepancies on the Land Registry.</p>

4 - Audit findings

	Observation & Risk	Recommendation	Management Response
4	<p>Charity Commission Register Search - Linked Charities</p> <p>Low Priority</p> <p>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.</p>	<p>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.</p>	<p>The Charity will look into the issue.</p>

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



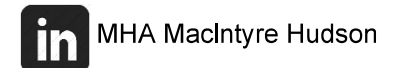
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Your organisation is a highly valued client of our firm and we would like to thank you for entrusting us with your professional advisory services.

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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