

THE CUTBUSH & CORRALL CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

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

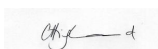
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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.

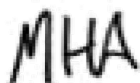
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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.

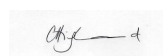
The notes on pages 17 to 36 form part of these financial statements.

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 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total 2021</i> | 2,000 | 2,000 | |
| | <hr/> | <hr/> | |

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 | |

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 £ | Total funds 2021 £ |
|--|---------------------------------------|-----------------------------|-----------------------------|
| 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 | 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 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 |

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.