

**REGISTERED CHARITY NUMBER: 213463**

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

# **THE CUTBUSH & CORRALL CHARITY**

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# **THE CUTBUSH & CORRALL CHARITY**

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

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## **TRUSTEES**

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

## **PRINCIPAL ADDRESS**

College Farm  
College Avenue  
Maidstone  
Kent  
ME15 6YJ

**REGISTERED CHARITY NUMBER 213463**

## **AUDITORS**

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

## **THE CUTBUSH & CORRALL CHARITY**

### **Report of the Trustees for the Year Ended 31 December 2023**

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

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

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

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

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

##### **Public benefit**

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

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

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

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

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

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

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

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

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

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

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

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

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

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

## **THE CUTBUSH & CORRALL CHARITY**

### **Report of the Trustees for the Year Ended 31 December 2023**

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#### **FINANCIAL REVIEW**

##### **Financial position**

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

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

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

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

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

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

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

##### **Going concern**

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### FUTURE PLANS

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

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

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

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

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

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

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

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

##### Recruitment and appointment of new trustees

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Organisational structure

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

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

##### Induction and training of new trustees

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

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

##### Key management remuneration

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

##### Risk management

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

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

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

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

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

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



## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management (continued)

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

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

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

07 Oct 2024

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



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

.....  
C Highwood – Chair of Trustees

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

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### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

### **Matters on which we are required to report by exception**

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
  - sufficient accounting records have not been kept; or
  - the financial statements are not in agreement with the accounting records and returns; or
  - we have not received all the information and explanations we require for our audit.
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## **Report of the Independent Auditors to the Trustees of The Cutbush & Corrall Charity**

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### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

**Use of our report**

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

*Knox Cropper LLP*

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

Date: *17<sup>th</sup> October 2024*

# THE CUTBUSH & CORRALL CHARITY

## Statement of Financial Activities for the Year Ended 31 December 2023

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

The notes form part of these financial statements

# THE CUTBUSH & CORRALL CHARITY

## Balance Sheet 31 December 2023

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

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

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

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

The notes form part of these financial statements

**THE CUTBUSH & CORRALL CHARITY**

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

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

The notes form part of these financial statements

# THE CUTBUSH & CORRALL CHARITY

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

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

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

### 2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements



## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

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

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

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

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

##### **Going concern**

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

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

##### **Identification of housing property components**

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

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

##### **Income**

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES - continued

##### Income

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

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

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

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

##### Expenditure

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

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

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

##### Allocation and apportionment of costs

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

##### Tangible fixed assets

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

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Mechanical systems	30
Kitchens	20
Boilers	15

##### **Computer Equipment**

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

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **Fund accounting**

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

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

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

##### **Debtors**

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

##### **Cash at bank and in hand**

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

##### **Creditors and provisions**

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

##### **Financial instruments**

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

##### **Investments**

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES - continued

##### Debtors

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

##### Recoupment Order

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

#### 2. DONATIONS AND LEGACIES

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

#### 3. INVESTMENT INCOME

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

**THE CUTBUSH & CORRALL CHARITY**

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

**4. INCOME FROM CHARITABLE ACTIVITIES**

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

**5. RAISING FUNDS**

**Raising donations and legacies**

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

**Investment management costs**

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

**6. CHARITABLE ACTIVITIES COSTS**

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

# THE CUTBUSH & CORRALL CHARITY

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

### 7. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

### 8. SUPPORT COSTS

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

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

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

# THE CUTBUSH & CORRALL CHARITY

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

### 8. SUPPORT COSTS - continued

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

### 9. TRUSTEES' REMUNERATION AND BENEFITS

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

#### Trustees' expenses

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

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

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

### 10. STAFF COSTS

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

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

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

THE CUTBUSH & CORRALL CHARITY

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

12. PRIOR YEAR ADJUSTMENT

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



# THE CUTBUSH & CORRALL CHARITY

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

### 12. PRIOR YEAR ADJUSTMENT (continued)

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

### 13. TANGIBLE FIXED ASSETS

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

### 14. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

**THE CUTBUSH & CORRALL CHARITY**

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

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

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

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

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

THE CUTBUSH & CORRALL CHARITY

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

18. MOVEMENT IN FUNDS

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

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

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

# THE CUTBUSH & CORRALL CHARITY

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

### 18. MOVEMENT IN FUNDS - continued

#### Comparatives for movement in funds

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

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

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

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 18. MOVEMENT IN FUNDS - continued

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

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

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

#### 19. RELATED PARTY DISCLOSURES

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

#### 20. CONTINGENT ASSET

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

**REGISTERED CHARITY NUMBER: 213463**

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

# **THE CUTBUSH & CORRALL CHARITY**

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

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# **THE CUTBUSH & CORRALL CHARITY**

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

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## **TRUSTEES**

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

## **PRINCIPAL ADDRESS**

College Farm  
College Avenue  
Maidstone  
Kent  
ME15 6YJ

**REGISTERED CHARITY NUMBER 213463**

## **AUDITORS**

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



## **THE CUTBUSH & CORRALL CHARITY**

### **Report of the Trustees for the Year Ended 31 December 2023**

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

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

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

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

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

##### **Public benefit**

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

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

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

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

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

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

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

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

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

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

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

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

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

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

## **THE CUTBUSH & CORRALL CHARITY**

### **Report of the Trustees for the Year Ended 31 December 2023**

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#### **FINANCIAL REVIEW**

##### **Financial position**

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

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

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

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

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

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

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

##### **Going concern**

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### FUTURE PLANS

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

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

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

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

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

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

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

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

##### Recruitment and appointment of new trustees

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Organisational structure

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

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

##### Induction and training of new trustees

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

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

##### Key management remuneration

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

##### Risk management

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

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

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

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

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

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

## THE CUTBUSH & CORRALL CHARITY

### Report of the Trustees for the Year Ended 31 December 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Risk management (continued)

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

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

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

07 Oct 2024

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



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

.....  
C Highwood – Chair of Trustees

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

---

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

### **Matters on which we are required to report by exception**

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

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

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

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### **Responsibilities of trustees**

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

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

### **Our responsibilities for the audit of the financial statements**

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

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

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

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



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

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

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

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

**Use of our report**

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

*Knox Cropper LLP*

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

Date: *17<sup>th</sup> October 2024*

# THE CUTBUSH & CORRALL CHARITY

## Statement of Financial Activities for the Year Ended 31 December 2023

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

The notes form part of these financial statements

# THE CUTBUSH & CORRALL CHARITY

## Balance Sheet 31 December 2023

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

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

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

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

The notes form part of these financial statements

**THE CUTBUSH & CORRALL CHARITY**

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

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

The notes form part of these financial statements

# THE CUTBUSH & CORRALL CHARITY

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

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

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

### 2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements

## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

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

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

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

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

##### **Going concern**

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

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

##### **Identification of housing property components**

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

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

##### **Income**

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES - continued

##### Income

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

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

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

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

##### Expenditure

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

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

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

##### Allocation and apportionment of costs

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

##### Tangible fixed assets

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

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Mechanical systems	30
Kitchens	20
Boilers	15

##### **Computer Equipment**

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

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **Fund accounting**

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

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

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

##### **Debtors**

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

##### **Cash at bank and in hand**

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

##### **Creditors and provisions**

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

##### **Financial instruments**

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

##### **Investments**

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



## THE CUTBUSH & CORRALL CHARITY

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

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#### 1. ACCOUNTING POLICIES - continued

##### Debtors

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

##### Recoupment Order

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

#### 2. DONATIONS AND LEGACIES

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

#### 3. INVESTMENT INCOME

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

**THE CUTBUSH & CORRALL CHARITY**

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

**4. INCOME FROM CHARITABLE ACTIVITIES**

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

**5. RAISING FUNDS**

**Raising donations and legacies**

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

**Investment management costs**

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

**6. CHARITABLE ACTIVITIES COSTS**

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

# THE CUTBUSH & CORRALL CHARITY

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

### 7. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

### 8. SUPPORT COSTS

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

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

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

# THE CUTBUSH & CORRALL CHARITY

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

### 8. SUPPORT COSTS - continued

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

### 9. TRUSTEES' REMUNERATION AND BENEFITS

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

#### Trustees' expenses

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

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

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

### 10. STAFF COSTS

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

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

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

THE CUTBUSH & CORRALL CHARITY

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

12. PRIOR YEAR ADJUSTMENT

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

# THE CUTBUSH & CORRALL CHARITY

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

### 12. PRIOR YEAR ADJUSTMENT (continued)

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

### 13. TANGIBLE FIXED ASSETS

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

### 14. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

**THE CUTBUSH & CORRALL CHARITY**

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

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

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

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

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

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

THE CUTBUSH & CORRALL CHARITY

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

18. MOVEMENT IN FUNDS

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

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

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



THE CUTBUSH & CORRALL CHARITY

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

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

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

## THE CUTBUSH & CORRALL CHARITY

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

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#### 18. MOVEMENT IN FUNDS - continued

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

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

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

#### 19. RELATED PARTY DISCLOSURES

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

#### 20. CONTINGENT ASSET

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



## **The Cutbush and Corrall Charity**

### **Audit Findings Report**

**Year Ended 31 December 2023**



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

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The Board of Trustees

The Cutbush and Corrall Charity

11 July 2024

Dear Trustees

### **The Cutbush and Corrall Charity**

#### **Audit findings for the year ended 31 December 2023**

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

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

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

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

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

Yours Sincerely

*Knox Cropper LLP*

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### Audit Overview

#### General

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

#### Audit Report

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

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

#### Estimates and Judgments

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

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

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

### Accounting Policies and Disclosures

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

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

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

### Professional Ethics and Independence

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

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

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

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

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

### Other Audit Matters

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

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



### Materiality and Audit Adjustments

#### Materiality

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

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

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

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

#### Audit Adjustments

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

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

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

## Key Audit Risks and Conclusions

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

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

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

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

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

### 4 Housing Properties

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

### 5 Identification of all related party transactions

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

this appears adequate based on our arrears review.

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

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

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

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

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

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

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

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

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




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

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


### Internal Control Observations and Recommendations

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

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

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

### Matters Arising in the Current Year

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

### 2 Expenditure Invoices

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

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

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

### 3 Fixed Asset Additions

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

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

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

### Emerging Issues

#### Proposed changes to Financial Reporting

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

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

#### National Cyber Security Strategy 2022-2030

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

#### Changes on Holiday pay process

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

#### Class 1A NIC on benefit in kind

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

### **Office of Financial Sanctions Implementation's (OFSI) guidance**

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

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

### **Know your donor – key questions for trustees**

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

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

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/550694/Tool\\_6.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/550694/Tool_6.pdf)

### **My Charity Commission Account**

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

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

### Letter of Representation

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

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

#### **Confirmation of Responsibilities**

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

#### **Estimates and Judgments**

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



### **Post Balance Sheet Events and Commitments**

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

### **Related Parties**

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

### **Laws, Regulations and Contractual Agreements**

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

### **Internal Control and Fraud**

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

### **Going Concern**

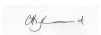
16. We confirm that, having considered financial projections which reflect the charity's expectations and intentions for a period of at least twelve months from the date on which the financial statements are expected to be approved, in our opinion, the charity's financial statements should be prepared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

### **Uncorrected Misstatements**

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

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

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



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

07 Oct 2024

Trustee

Date