

Trustee Report for the year ended 31<sup>st</sup> March 2023

### **Objectives and Activities**

The Charity's principal objective continues to be to promote the wellbeing of older people and to make later life a fulfilling and enjoyable experience.

The Foord Almshouses provides 73 self-contained flats within a ten-acre site at Priestfields, Rochester to enable independent living for elderly residents in need.

The Trustees have had regard to the Charity Commission's guidance on public benefit.

### **Achievements and Performance**

While mindful that the Coronavirus is still in circulation most services and day to day maintenance have returned to pre-pandemic levels.

Applications for accommodation have increased as the Clerk has developed a network of contacts.

No significant repairs were carried on the York Stone pathways in the Main Square, but it is accepted that this will be a rolling ongoing task due to the nature of the feature.

The 5 yearly External Redecoration (Phase 1) Main Square were carried out. The contractors undertook to ease all flat casement windows, which had begun to stick due to age and build up of paint over the years. Some had to be removed temporarily to undergo refurbishment before being replaced. The blue entrance double doors required considerable refurbishment, again, with one set being removed to undergo more substantial work.

The following works were also completed during this period: -

- Asbestos annual re-inspection and recommended remedial work
- Annual boiler and cooker inspections
- Re-wiring of vacated flats
- Additional Fire Detection to the lobby & loft of Flat 75
- Replacement of the Sub Mains relating to DB8/Support Team Office which included re-wiring, some asbestos removal and a complete refurbishment.

- A program to replace all existing Witches Hats with new Henley Fittings is underway as existing are becoming expensive to repair and the new fittings will be more cost effective with LED fittings.
- A Fire Risk Assessment was carried out in May 22. All recommendations have been addressed or are being addressed including reconfiguration work to flats 52 and 59 in the Annexe. Flats 50 and 61 declined the work being done and on the approval of the Fire Risk Assessor took the “de risking” the kitchen option, this included the removal of the cooker and additional smoke detection being fitted.
- A secondary double-glazing trial took place on Flat 79, which has proved to be successful. A program to roll this out across the site will be introduced as funds permit.

To ensure that there are sufficient trained staff to manage The Foord Almshouses appraisals continued to be undertaken and staff training included Asbestos Awareness, First Aid Training, Fire Awareness and Staff Fire Drills.

An external Health & Safety Audit was carried out in July 22. This included some suggested improvements which have been implemented. One improvement was to provide training for all key staff on Risk Assessments & COSHH. This was to enable them to carry out and complete their own RA & COSHH forms rather than the Clerk. The relevant training was carried out on site on Tuesday 28<sup>th</sup> March 2023.

In June 22 we were able to celebrate Queen Elizabeth’s Platinum Jubilee in the Main Square with entertainment on the Band Stand, food, refreshments & a raffle. A sunny lively day was enjoyed by all.

Once again it was agreed not to proceed with the Annual Founder’s Day Dinner in October and all Residents and Staff received a voucher which Trustees suggested could be used to celebrate Sir Thomas Hellyar Foord’s Birthday in the comfort and safety of their own homes.

Annual Trustee Visits to residents were carried out in March 22. We attempt to visit at least half the residents each year. All feedback was addressed, and residents received correspondence following the visit, outlining the plan of action or if not possible an explanation.

A Foord Almshouses website was created and is now fully functional and visible on The Foord Almshouses Google Business page and via a

Google search. The website contains lots of useful information including a contact page for anyone interested in applying for accommodation as well as photos and information on the history of Foord's.

### **b) Investment Policy and Performance**

The Trustees invest surplus funds in such a way that (i) investment risk is kept to a minimum but an acceptable annual return is secured and (ii) sufficient funds are held in the Extraordinary Repairs Fund and Cyclical Maintenance Fund.

Investment income was up by 3.2% on the previous year to £97,070 but remains lower than pre pandemic and Trustees do not expect a return to previous levels in the near future.

Losses on investments totalled £160,199 for the year end as the markets continued to experience volatility. Due to this volatility the Trustees are mindful of the timing of cashing investments however the majority of investments are held for the long term, and we hold sufficient cash to cover all projects currently approved.

### **Financial Review**

#### **A) Financial Summary**

The total deficit for the year before investment losses was £166,056. Total Income increased by 1.7% to £593,511 on the previous year. Expenditure increased from £590,278 to £759,566. Day to day expenditure was stable and the increase was due to the Phase 1 of the 5 yearly External Redecorations and Extraordinary Repair Projects. Investment losses totalled £160,199.

Reserves as at 31<sup>st</sup> March 2023:

General - £139,970

Unrestricted (CMF/ERF)- £836,322

Restricted - £2,682,633

Total Reserves - £3,658,926

#### **B) Reserves Policy**

It is the Trustees' view that a sum of between £80,000 and £130,000 should be held in general reserve at any one time. The Trustee will charge weekly contributions at a level that after receiving investment and other income, funding the general expenditure and making appropriate contributions to the ERF and CMF in any year, the reserve at the end of the financial year within that range. As at 31<sup>st</sup>

March 2023 the closing balance on general funds of £139,970 was slightly higher than the target range.

The reserves policy for the CMF is to build up a sufficient balance to meet the five-yearly external repairs and redecorations expenditure and other qualifying expenditure.

The reserves policy for the ERF is to ensure that there is a sufficient balance meet the planned extraordinary repairs in any year and to maintain balance of at least £6,000 per flat.

The Trustees review the reserves policy annually.

### **Structure, governance and management**

#### **a) Constitution**

The Charity, known as Foord Almshouses, was founded by the will of Thomas Hellyar Foord proved in the Principal Registry on 1 October 1917 and regulated by a Scheme of the Charity Commissioners dated 28 June 1927. A subsequent Scheme for the administration and management was approved in 5 August 1977 as amended by Schemes dated 15 March 2000 and 27 April 2004.

#### **b) Method of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Charity Commission Scheme.

#### **c. Organisational structure and decision-making**

The Trustees hold at least six Ordinary meetings a year at which all strategic and significant tactical decision are taken and ratified. In addition, the Buildings Sub Committee and Financial & Personnel Sub-Committee each meet twice per year.

Currently all Trustees sit on both these Committees.

### **Plans for the Future**

As per the rolling 10-year programme for both Cyclical and Extraordinary Maintenance works the Trustees intend to commence Phase 2 of the 5 yearly external refurbishments in Spring 2023.

The Trustees have no plans to extend activities by increasing the number of accommodation units.



**Charity number: 214466**

## **The Foord Almshouses**

**Trustees' report and financial statements**

**For the year ended 31 March 2023**

## **The Foord Almshouses**

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## **The Foord Almshouses**

### **Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 March 2023**

<b>Trustees</b>	Lynne Capeling Helen Colvin Michael Bailey (deceased 29 July 2023) Brian Byers Markham Chesterfield Julie Davis (resigned 15 May 2023) Albert Pilcher Vivienne Simmonds David Angier Alex Marlow Carol Bicker (appointed 15 May 2023)
<b>Charity registered number</b>	214466
<b>Principal office</b>	Priestfields Rochester Kent ME1 3AF
<b>Independent auditor</b>	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
<b>Bankers</b>	Lloyds Bank PLC 142 High Street Chatham Kent ME4 4DQ
<b>Investment adviser</b>	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA
<b>Investment adviser</b>	CCLA Senator House, 85 Queen Victoria Street London EC4V 4ET

## **The Foord Almshouses**

### **Trustees' report For the year ended 31 March 2023**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023.

#### **Objectives and activities**

##### **a. Policies and objectives**

The Charity's principal objective continues to be to promote the wellbeing of older people and to make later life a fulfilling and enjoyable experience.

The Foord Almshouses provides 73 self-contained flats within a ten-acre site at Priestfields, Rochester to enable independent living for elderly residents in need.

The Trustees have had regard to the Charity Commission's guidance on public benefit.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

#### **Achievements and performance**

##### **a. Review of activities**

While mindful that the Coronavirus is still in circulation most services and day to day maintenance have returned to pre-pandemic levels.

Applications for accommodation have increased as the Clerk has developed a network of contacts.

No significant repairs were carried on the York Stone pathways in the Main Square, but it is accepted that this will be a rolling ongoing task due to the nature of the feature.

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To ensure that there are sufficient trained staff to manage The Foord Almshouses appraisals continued to be undertaken and staff training included Asbestos Awareness, First Aid Training, Fire Awareness and Staff Fire Drills.

## **The Foord Almshouses**

### **Trustees' report (continued) For the year ended 31 March 2023**

#### **Achievements and performance (continued)**

An external Health & Safety Audit was carried out in July 22. This included some suggested improvements which have been implemented. One improvement was to provide training for all key staff on Risk Assessments & COSHH. This was to enable them to carry out and complete their own RA & COSHH forms rather than the Clerk. The relevant training was carried out on site on Tuesday 28th March 2023.

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#### **b. Investment policy and performance**

The Trustees invest surplus funds in such a way that (i) investment risk is kept to a minimum but an acceptable annual return is secured and (ii) sufficient funds are held in the Extraordinary Repairs Fund and Cyclical Maintenance Fund.

Investment income was up by 3.2% on the previous year to £97,070 but remains lower than pre pandemic and Trustees do not expect a return to previous levels in the near future.

Losses on investments totalled £160,197 for the year end as the markets continued to experience volatility. Due to this volatility the Trustees are mindful of the timing of cashing investments however the majority of investments are held for the long term, and we hold sufficient cash to cover all projects currently approved.

### **Financial review**

#### **a. Financial Summary**

The total deficit for the year before investment losses was £166,056.

Total Income increased by 1.9% on the previous year, to £593,512.

Expenditure increased from £590,278 to £759,568. Day to day expenditure was stable and the increase was due to the Phase 1 of the 5 yearly External Redecorations and Extraordinary Repair Projects.

Investment losses totalled £160,199.

Reserves as at 31st March 2023:

General – £139,971

Designated (CMF/ERF) - £836,323

Restricted - £2,682,633

Total Reserves - £3,658,927

## **The Foord Almshouses**

### **Trustees' report (continued) For the year ended 31 March 2023**

#### **b. Reserves policy**

It is the Trustees' view that a sum of between £80,000 and £130,000 should be held in general reserve at any one time. The Trustee will charge weekly contributions at a level that after receiving investment and other income, funding the general expenditure and making appropriate contributions to the ERF and CMF in any year, the reserve at the end of the financial year is within that range. As at 31st March 2023 the closing balance on general funds is £139,971.

The reserves policy for the CMF is to build up a sufficient balance to meet the five-yearly external repairs and redecorations expenditure and other qualifying expenditure.

The reserves policy for the ERF is to ensure that there is a sufficient balance to meet the planned extraordinary repairs in any year and to maintain a balance of at least £6,000 per flat.

The Trustees review the reserves policy annually.

### **Structure, governance and management**

#### **a. Constitution**

The Foord Almshouses is a registered charity, number 214466, and is constituted under a Trust deed. The Charity, known as Foord Almshouses, was founded by the will of Thomas Hellyar Foord proved in the Principal Registry on 1 October 1917 and regulated by a Scheme of the Charity Commissioners dated 28 June 1927. A subsequent Scheme for the administration and management was approved in 5 August 1977 as amended by Schemes dated 15 March 2000 and 27 April 2004.

#### **b. Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Charity Commission Scheme.

#### **c. Organisational structure and decision-making policies**

The Trustees hold at least six Ordinary meetings a year at which all strategic and significant tactical decision are taken and ratified. In addition, the Buildings Sub Committee and Financial & Personnel Sub-Committee each meet twice per year.

Currently all Trustees sit on both these Committees.

#### **d. Policies adopted for the induction and training of Trustees**

Where new trustees are appointed they are given a formal induction to the work of the Charity and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law. New trustees are nominated by members of the Board of Trustees, and appointed where they have the necessary skills to contribute to the Charity's management and development.

#### **e. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

## **The Foord Almshouses**

### **Trustees' report (continued) For the year ended 31 March 2023**

#### **Plans for future periods**

As per the rolling 10-year programme for both Cyclical and Extraordinary Maintenance works the Trustees intend to commence Phase 2 of the 5 yearly external refurbishments in Spring 2023.

The Trustees have no plans to extend activities by increasing the number of accommodation units.

#### **Statement of Trustees' responsibilities**

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

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

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

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

#### **Auditor**

The auditor, Kreston Reeves LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 5 September 2023 and signed on their behalf by:

**Brian Byers**  
Trustee



**Helen Colvin**  
Trustee



## **The Foord Almshouses**

### **Independent auditor's report to the Members of The Foord Almshouses**

#### **Opinion**

We have audited the financial statements of The Foord Almshouses (the 'charity') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

## **The Foord Almshouses**

### **Independent auditor's report to the Members of The Foord Almshouses (continued)**

#### **Other information**

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

We have nothing to report in this regard.

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

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

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

#### **Responsibilities of trustees**

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

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

## **The Foord Almshouses**

### **Independent auditor's report to the Members of The Foord Almshouses (continued)**

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### *Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, safeguarding and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019) and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase income or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud;
- Assessment of identified fraud risk factors;
- Review of cash expenditure to confirm no evidence of personal benefit;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business;
- Reading minutes of meetings of those charged with governance;
- Physical inspection of tangible assets;
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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



## **The Foord Almshouses**

### **Independent auditor's report to the Members of The Foord Almshouses (continued)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
Chatham Maritime

Date: 7 September 2023

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

## The Foord Almshouses

### Statement of financial activities For the year ended 31 March 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Charitable activities	4	-	496,192	496,192	489,277
Investments	5	-	97,070	97,070	94,082
Other income	6	-	250	250	-
<b>Total income</b>		<b>-</b>	<b>593,512</b>	<b>593,512</b>	<b>583,359</b>
<b>Expenditure on:</b>					
Raising funds	7	-	11,473	11,473	11,498
Charitable activities	8	-	748,095	748,095	578,780
<b>Total expenditure</b>		<b>-</b>	<b>759,568</b>	<b>759,568</b>	<b>590,278</b>
<b>Net expenditure before net (losses)/gains on investments</b>		<b>-</b>	<b>(166,056)</b>	<b>(166,056)</b>	<b>(6,919)</b>
Net (losses)/gains on investments		(138,036)	(22,161)	(160,197)	323,399
<b>Net movement in funds</b>		<b>(138,036)</b>	<b>(188,217)</b>	<b>(326,253)</b>	<b>316,480</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,820,669	1,164,511	3,985,180	3,668,700
Net movement in funds		(138,036)	(188,217)	(326,253)	316,480
<b>Total funds carried forward</b>		<b>2,682,633</b>	<b>976,294</b>	<b>3,658,927</b>	<b>3,985,180</b>

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

The notes on pages 13 to 25 form part of these financial statements.

# The Foord Almshouses

## Balance sheet As at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	2	2
Investments	12	3,446,049	3,719,507
		<u>3,446,051</u>	<u>3,719,509</u>
<b>Current assets</b>			
Debtors	13	16,257	13,314
Cash at bank and in hand		357,596	361,456
		<u>373,853</u>	<u>374,770</u>
Creditors: amounts falling due within one year	14	(160,977)	(109,099)
<b>Net current assets</b>		<u>212,876</u>	<u>265,671</u>
<b>Total net assets</b>		<u><u>3,658,927</u></u>	<u><u>3,985,180</u></u>
<b>Charity funds</b>			
Restricted funds	15	2,682,633	2,820,669
Unrestricted funds	15	976,294	1,164,511
<b>Total funds</b>		<u><u>3,658,927</u></u>	<u><u>3,985,180</u></u>

The financial statements were approved and authorised for issue by the Trustees on 5 September 2023 and signed on their behalf by:

Brian Byers  
Trustee



Helen Colvin  
Trustee



The notes on pages 13 to 25 form part of these financial statements.

## The Foord Almshouses

### Statement of cash flows For the year ended 31 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities (Note 18)	<b>(214,170)</b>	<b>(29,905)</b>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>97,070</b>	<b>94,082</b>
Proceeds from sale of investments	<b>473,221</b>	<b>191,746</b>
Purchase of investments	<b>(359,981)</b>	<b>(193,925)</b>
<b>Net cash provided by investing activities</b>	<b>210,310</b>	<b>91,903</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(3,860)</b>	<b>61,998</b>
Cash and cash equivalents at the beginning of the year	<b>361,456</b>	<b>299,458</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>357,596</b>	<b>361,456</b>

The notes on pages 13 to 25 form part of these financial statements

## **The Foord Almshouses**

### **Notes to the financial statements For the year ended 31 March 2023**

#### **1. General information**

Foord Almshouses is a registered charity, number 214466, and is constituted under a Trust deed. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal objective are set out on page 2 of these financial statements.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foord Almshouses meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

##### **2.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **2.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**Notes to the financial statements  
For the year ended 31 March 2023**

**2. Accounting policies (continued)**

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets comprise the freehold properties of the Almshouses and electrical installations, which are each included at a nominal value of £2. The actual cost of these assets is unknown.

The cost of furniture and equipment has been charged to the Statement of financial activities on acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

**2.7 Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

## **The Foord Almshouses**

### **Notes to the financial statements For the year ended 31 March 2023**

#### **2. Accounting policies (continued)**

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

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

##### **2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

##### **2.12 Financial instruments**

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

##### **2.13 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

##### **2.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

#### **3. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Weekly Charges	491,627	491,627	485,606
Visitors' Flats	2,380	2,380	1,544
Lunches (net)	2,185	2,185	2,127
	<u>496,192</u>	<u>496,192</u>	<u>489,277</u>
Total 2022	<u>489,277</u>	<u>489,277</u>	

#### 5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from listed investments	97,070	97,070	94,082
	<u>94,082</u>	<u>94,082</u>	
Total 2022	<u>94,082</u>	<u>94,082</u>	

#### 6. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Sale of equipment	250	250	-
	<u>250</u>	<u>250</u>	

#### 7. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	11,473	11,473	11,498
	<u>11,498</u>	<u>11,498</u>	
Total 2022	<u>11,498</u>	<u>11,498</u>	



## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 8. Analysis of expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Direct Costs	741,895	6,200	748,095	578,780
Total 2022	574,622	4,158	578,780	

#### Analysis of direct costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	161,781	161,781	145,478
Lifeline	23,948	23,948	27,727
Repairs and renewals	364,247	364,247	228,148
Gas	47,631	47,631	54,409
Electricity	23,347	23,347	20,105
Water rates	16,000	16,000	15,462
Insurance	15,454	15,454	15,290
Telephone	2,533	2,533	2,464
General expenses	10,390	10,390	13,133
Surveyors' fees	38,831	38,831	15,955
Founders day dinner	3,497	3,497	3,170
Garden contractors	32,976	32,976	31,913
Professional fees	1,260	1,260	1,368
	741,895	741,895	574,622
Total 2022	574,622	574,622	

#### Analysis of support costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Auditor's remuneration	6,200	6,200	4,158
Total 2022	4,158	4,158	

## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 9. Staff costs

	2023 £	2022 £
Wages and salaries	155,197	140,258
Social security costs	4,316	3,240
Pension costs	2,268	1,980
	<u>161,781</u>	<u>145,478</u>

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

2023 No.	2022 No.
<u>11</u>	<u>11</u>

The average headcount expressed as full-time equivalents was:

2023 No.	2022 No.
<u>7</u>	<u>7</u>

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

Remuneration and benefits received by key management personnel during the year amounted to £79,203 (2022: £69,273).

During the year ended 31 March 2023, Trustee expenses of £156 had been incurred to cover travel expenses (2022: £Nil).

#### 10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £156 were reimbursed or paid directly to 1 Trustee (2022 - £NIL)

# **The Foord Almshouses**

## **Notes to the financial statements For the year ended 31 March 2023**

### **11. Tangible fixed assets**

	<b>Freehold property £</b>
<b>Cost or valuation</b>	
At 1 April 2022	<u>2</u>
At 31 March 2023	<u>2</u>
<b>Net book value</b>	
At 31 March 2023	<u><u>2</u></u>
At 31 March 2022	<u><u>2</u></u>

### **12. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2022	3,719,507
Additions	359,981
Disposals	(494,957)
Revaluations	(138,482)
At 31 March 2023	<u><u>3,446,049</u></u>
<b>Net book value</b>	
At 31 March 2023	<u><u>3,446,049</u></u>
At 31 March 2022	<u><u>3,719,507</u></u>

## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 13. Debtors

	2023 £	2022 £
<b>Due within one year</b>		
Other debtors	4,607	247
Prepayments and accrued income	11,650	13,067
	<u>16,257</u>	<u>13,314</u>

#### 14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	160,977	109,099

## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 15. Statement of funds

##### Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Cyclical Maintenance funds	211,303	-	(176,248)	68,248	(13,530)	89,773
Extraordinary repairs fund	813,182	-	(65,027)	7,026	(8,631)	746,550
	<u>1,024,485</u>	<u>-</u>	<u>(241,275)</u>	<u>75,274</u>	<u>(22,161)</u>	<u>836,323</u>
<b>General funds</b>						
Income and expenditure account	<u>140,026</u>	<u>593,512</u>	<u>(518,293)</u>	<u>(75,274)</u>	<u>-</u>	<u>139,971</u>
<b>Total Unrestricted funds</b>	<u>1,164,511</u>	<u>593,512</u>	<u>(759,568)</u>	<u>-</u>	<u>(22,161)</u>	<u>976,294</u>
<b>Restricted funds</b>						
Capital fund	<u>2,820,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,036)</u>	<u>2,682,633</u>
<b>Total of funds</b>	<u>3,985,180</u>	<u>593,512</u>	<u>(759,568)</u>	<u>-</u>	<u>(160,197)</u>	<u>3,658,927</u>

##### Designated funds

Both the cyclical maintenance fund and the extraordinary repairs fund comprise the market value of some of the investments held by the Charity, plus monies held within the Broker's accounts. These funds are designated for the purpose of ensuring that the Charity has funds available in order to conduct both cyclical and extraordinary repair works as and when the need for them arises.

##### Restricted funds

The restricted capital fund is comprised of the remainder of the investments held by the Charity that are not designated balances.

# The Foord Almshouses

## Notes to the financial statements For the year ended 31 March 2023

### 15. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Cyclical Maintenance funds	140,781	-	(6,769)	67,769	9,522	211,303
Extraordinary repairs fund	786,694	-	(74,521)	9,521	91,488	813,182
	<u>927,475</u>	<u>-</u>	<u>(81,290)</u>	<u>77,290</u>	<u>101,010</u>	<u>1,024,485</u>
	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
<b>General funds</b>						
Income and expenditure account	142,945	583,359	(508,988)	(77,290)	-	140,026
<b>Total Unrestricted funds</b>	<u>1,070,420</u>	<u>583,359</u>	<u>(590,278)</u>	<u>-</u>	<u>101,010</u>	<u>1,164,511</u>
	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
<b>Restricted funds</b>						
Capital fund	2,598,280	-	-	-	222,389	2,820,669
<b>Total of funds</b>	<u>3,668,700</u>	<u>583,359</u>	<u>(590,278)</u>	<u>-</u>	<u>323,399</u>	<u>3,985,180</u>

## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 16. Summary of funds

##### Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	1,024,485	-	(241,275)	75,274	(22,161)	836,323
General funds	140,026	593,512	(518,293)	(75,274)	-	139,971
Restricted funds	2,820,669	-	-	-	(138,036)	2,682,633
	<u>3,985,180</u>	<u>593,512</u>	<u>(759,568)</u>	<u>-</u>	<u>(160,197)</u>	<u>3,658,927</u>

##### Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	927,475	-	(81,290)	77,290	101,010	1,024,485
General funds	142,945	583,359	(508,988)	(77,290)	-	140,026
Restricted funds	2,598,280	-	-	-	222,389	2,820,669
	<u>3,668,700</u>	<u>583,359</u>	<u>(590,278)</u>	<u>-</u>	<u>323,399</u>	<u>3,985,180</u>

#### 17. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	2	2
Fixed asset investments	2,631,407	814,642	3,446,049
Current assets	51,226	322,627	373,853
Creditors due within one year	-	(160,977)	(160,977)
<b>Total</b>	<u>2,682,633</u>	<u>976,294</u>	<u>3,658,927</u>

## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 17. Analysis of net assets between funds (continued)

##### Analysis of net assets between funds - prior year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	2	2
Fixed asset investments	2,768,022	951,485	3,719,507
Current assets	52,647	322,123	374,770
Creditors due within one year	-	(109,099)	(109,099)
<b>Total</b>	<b>2,820,669</b>	<b>1,164,511</b>	<b>3,985,180</b>

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

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(326,253)	316,480
<b>Adjustments for:</b>		
Gains/(losses) on investments	138,482	(323,399)
Dividends, interests and rents from investments	(97,070)	(94,082)
(Increase)/decrease in debtors	(2,943)	167
Increase in creditors	51,878	67,480
Profit from the sale of investments	21,736	3,449
<b>Net cash used in operating activities</b>	<b>(214,170)</b>	<b>(29,905)</b>

#### 19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	357,596	361,456
<b>Total cash and cash equivalents</b>	<b>357,596</b>	<b>361,456</b>



## The Foord Almshouses

### Notes to the financial statements For the year ended 31 March 2023

#### 20. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	361,456	(3,860)	357,596
	<u>361,456</u>	<u>(3,860)</u>	<u>357,596</u>

#### 21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £2,268 (2022: £1,980). As at 31 March 2023, contributions of £Nil were payable to the scheme (2022: £Nil).

#### 22. Related party transactions

There have been no related party transactions during the financial year (2022: £Nil). As at 31 March 2023, there are no balances outstanding with any related parties (2022: £Nil).

#### 23. Charity protection policy

The Trustees have purchased a charity protection policy.



For larger clients use of a suitable high definition picture background in order to provide a more client-specific look may be appropriate,

# The Foord Almshouses Key Audit Findings

For the year ended

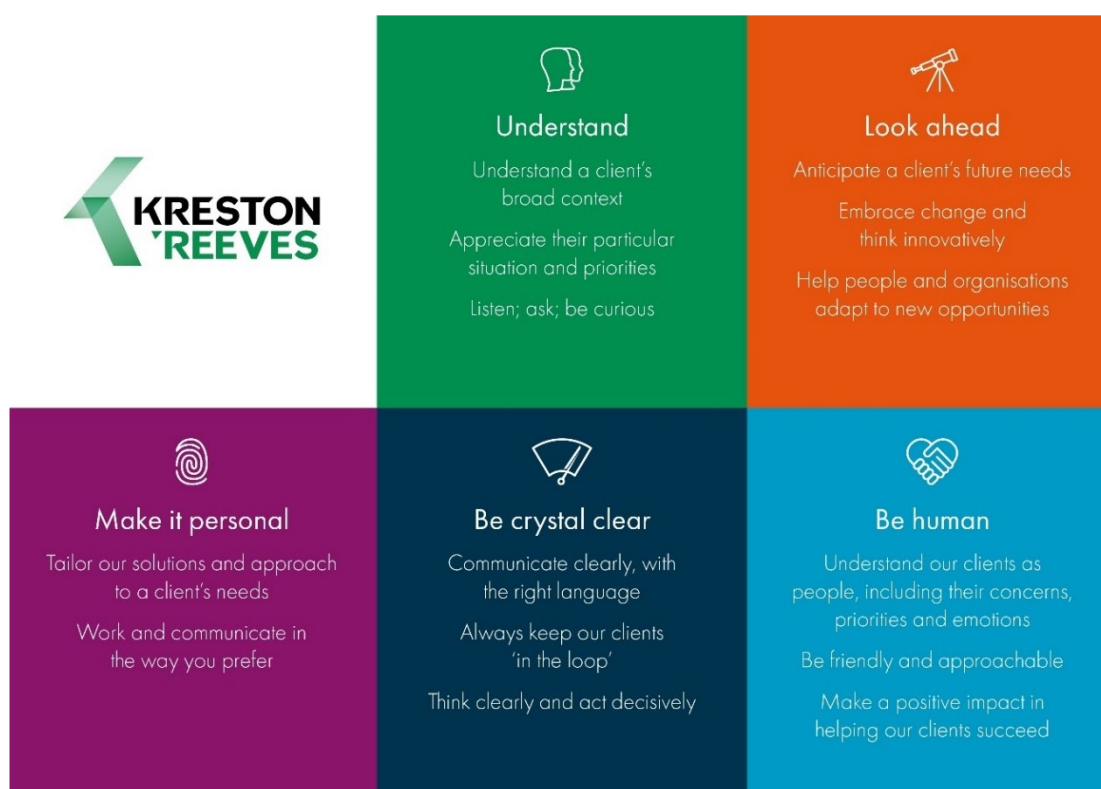
## 31 March 2023

Knowing all your business,  
tax and wealth needs

## Our values

Our values define who we are and how we do things at Kreston Reeves. They reflect our attitudes and behaviours and represent a promise of quality, personal service and commitment to our clients, communities and colleagues.

Collectively and individually we aim to:



## Our awards

We are regularly recognised and shortlisted in prestigious national, regional and industry awards. As well as receiving award recognition ourselves, it's important to us to help recognise and award the successes and growth stories of other businesses. We regularly support and sponsor awards such as Kent MegaGrowth and Sussex Super Growth Awards.



**The Foord Almshouses**  
**Key Audit Findings**  
**For the year ended 31 March 2023**



- 1.. Introduction and audit summary
- 2.. Commentary on results
3. Trend analysis
4. Audit report
5. Key audit matters
6. The accounting and internal control systems
7. Qualitative aspects of the Charity's accounting practices and financial reporting
8. Other matters relevant to the audit

**Appendices**

- |              |   |   |
|--------------|---|---|
| Appendix I   | - | Other matters required by International Standards on Auditing to be communicated to you |
| Appendix II  | - | Summary of adjusted misstatements   |
| Appendix III | - | Summary of recommendations regarding the accounting and internal control system         |

**1. Introduction and audit summary**

The purpose of this report is to bring to your attention our findings from the recent audit carried out on The Foord Almshouses. We appreciate that you will already be aware of most

**The Foord Almshouses  
Key Audit Findings  
For the year ended 31 March 2023**



of the matters contained in this report through earlier discussions you will have had with the audit team, but we hope that you will find this report a useful summary of those discussions.

We would like to take this opportunity to thank Jo Guise and the rest of your accounts team for the assistance they have provided to us during our audit.

Our audit has given us a unique opportunity to understand your activities and processes. We have used this opportunity to provide you a service that is of real positive benefit to you.

During our audit work this year we have performed the following tasks which we hope that you will have found to have been of benefit.

- We have assisted you with the preparation of the charity's financial statements and the trustees' annual report, ensuring that they comply with all statutory requirements and with accounting standards, including the Statement of Recommended Practice "Accounting and Reporting by Charities".
- We have reviewed the accounting policies that you have selected to ensure that they are meeting best practice in accounting for the sector in which the charity operates.
- We have advised you of planned changes in legislation that may be of relevance to you in order that you may prepare for their implementation. These are detailed at Section 7 of this report.

Should you have any questions regarding any of the issues raised in this report please contact Susan Robinson as the partner responsible for the audit of the charity, or any other member of the audit team, who will be happy to provide further explanations as required.

**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

**August 2023**

**The Foord Almshouses**  
**Key Audit Findings**  
**For the year ended 31 March 2023**



**2. Commentary on results**

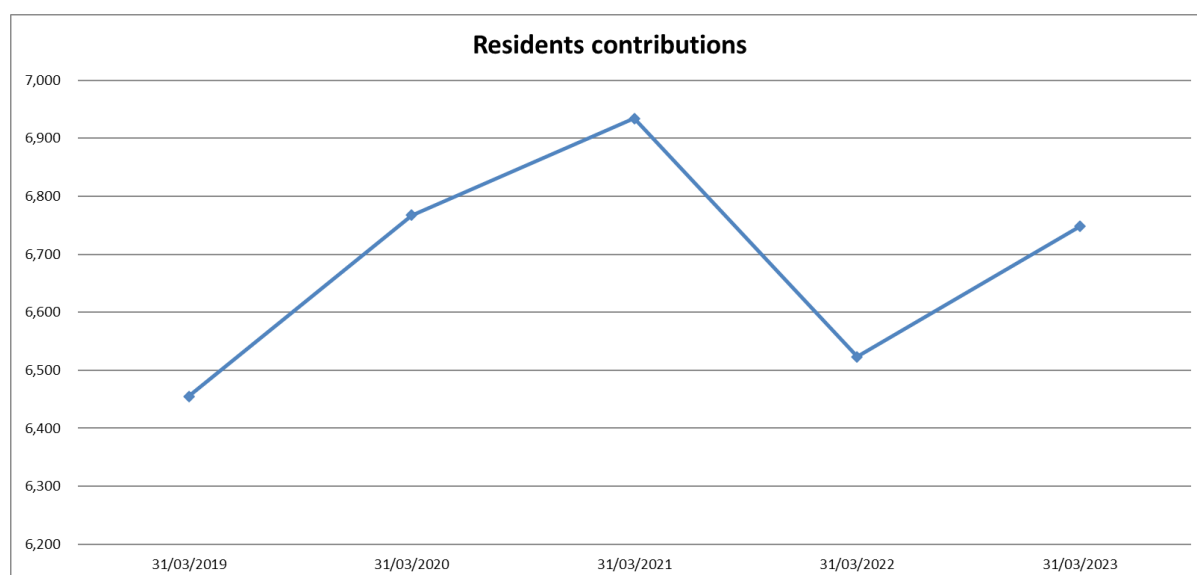
At the year end the Charity made an overall loss of £326,253. Losses on investments in the period were £160,197, so before losses on investments the Charity suffered a deficit of £166,056.

The Charity incurred higher repairs and renewals costs this year, totalling £364,247 compared to the prior year cost of £228,148. This is in line with planned expenditure.

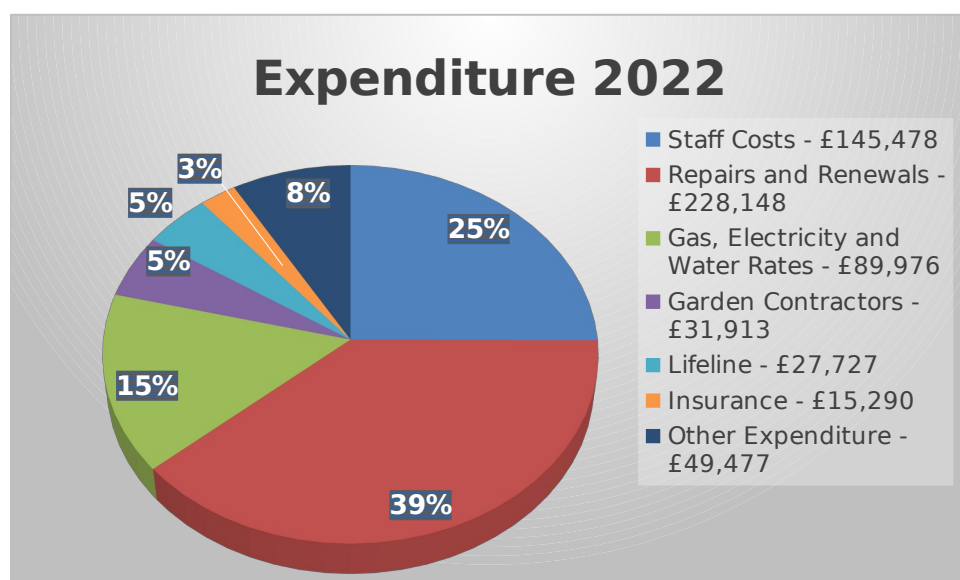
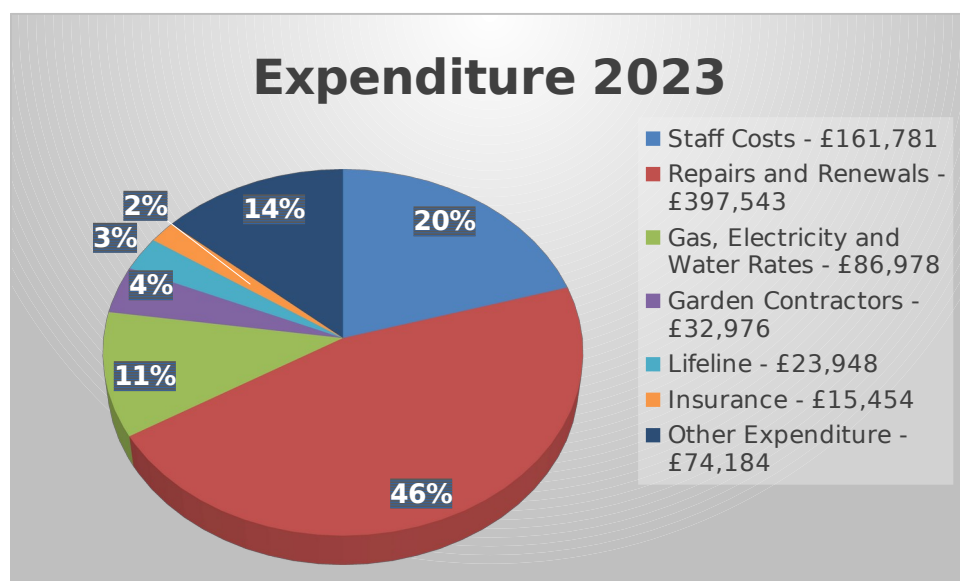
As a result of the overall deficit, the level of reserves held at the year end decreased from £3,985,180 to £3,658,927. This comprises £2,682,633 of restricted funds, £836,550 of designated funds and unrestricted general funds of £139,971.

The Charity's income remained broadly consistent at £593,512 this year compared to £583,359 in the prior year. The slight increase was due to a increase in weekly charges receivable from residents as rates were increased in year.

As the graph below demonstrates the average residents' contributions have been steadily increasing each year since 2018, due to the annual increases applied by the Trustees. There was a slight drop in the prior year due to higher voids while flats were being renovated which has recovered into this year.



The expenditure incurred by the Charity increased by £169,290 to £759,568 this year, with the most significant increase being the increase in the repairs and renewals expenditure noted above. The expenditure incurred this year is broken down as shown in the following pie chart:

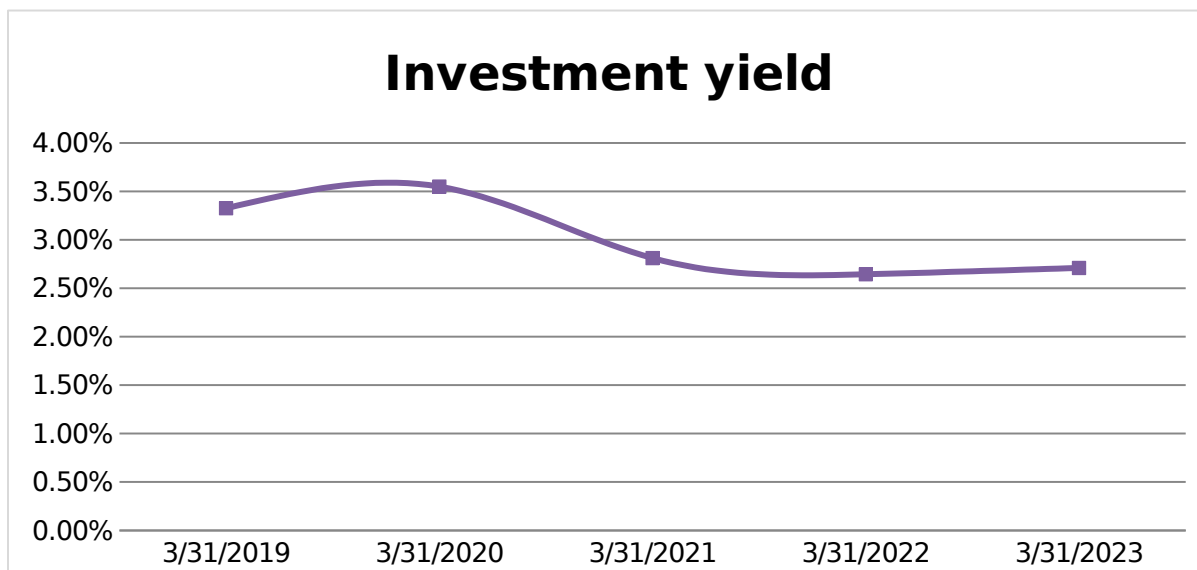


The most significant item on the Balance sheet continues to be the Charity's investments. As at 31 March 2023 these were valued at £3,446,049, which represents an decrease of £273,458 against the comparative figure.

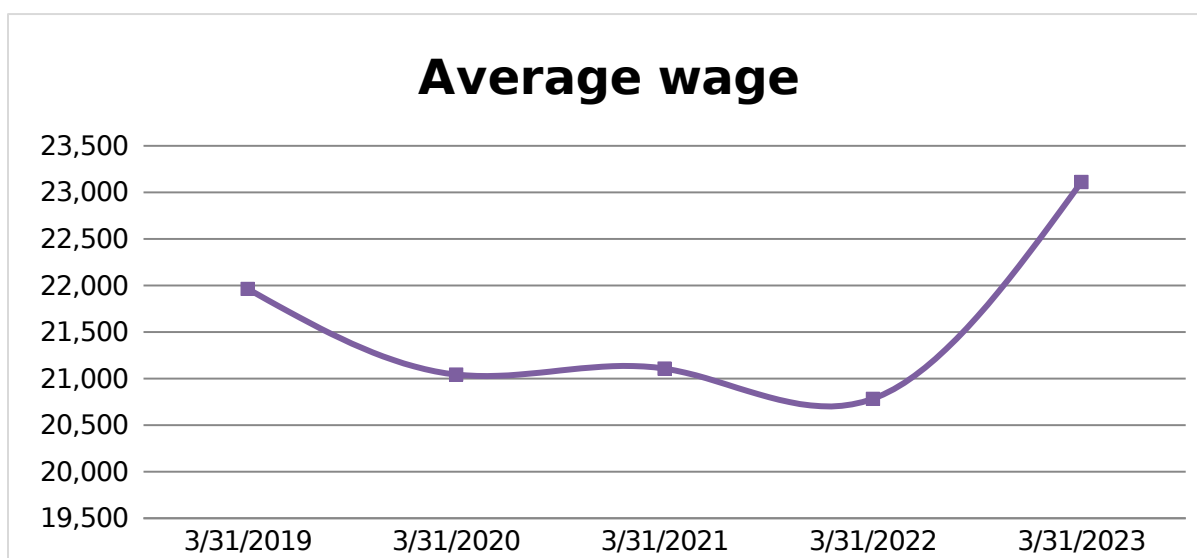
The closing cash at bank and in hand is £357,596 which is £3,860 lower than the balance held at the end of the previous financial year.

### 3. Trend Analysis

The graphs below demonstrate the fluctuations that the Charity has experienced over the past five years (2018 to 2022) in respect of investment yield and the average wage.



As can be seen from the above graph the investment yield slowly increased from 2018 to 2020, peaking at 3.55%. The yield has dropped since then and was 2.6% in 2022, and 2.71% in 2023.



The above figures are not unexpected following inflation and cost of living crisis in the UK. Average staff wages have increased this year.



#### **4. Audit report**

We can confirm that our audit has not revealed any matters which will require modifications to our audit report. Thus at this stage we expect that an unqualified audit opinion will be issued.

#### **5. Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of greatest significance in our audit of the financial statements. These include the significant risks of potential material misstatement that we identified during our planning of the audit and had the greatest impact on our overall audit strategy, which we advised you of in the Audit Plan issued to you prior to the commencement of our work.

We can now report to you how our audit addressed these areas of significant risk and the conclusions we formed.

- **Income recognition**

We performed detailed income reconciliations on material income streams, particularly the weekly contributions, as well as performing a walkthrough test on this income stream, and carried out analytical review to consider whether movements of income were within our expectations.

Testing has been completed and no issues have arisen because of testing.

- **Related party transactions**

We reviewed your 'Business Declaration Forms' and reviewed software and invoices for potential related party transactions.

From our review of declarations forms and from discussions with you, no related party transactions have been found requiring disclosure

- **Management override of controls**

International Standards on Auditing require us to treat the management override of controls in place as a significant risk on all assignments.

No issues have arisen throughout our audit testing.

## **6. The accounting and internal control systems**

We can confirm that we have found the charity's accounting and internal control systems to be appropriate to the charity's needs based upon the nature and complexity of your activities and the need for any systems to be cost effective. No matters have come to our attention during our audit to suggest that any serious error has arisen with these systems during the accounting period under review. Thus, we believe that the systems can be relied upon to produce financial statements that show a true and fair view.

Please note that the purpose of the audit was to enable us to express an opinion on the financial statements. Our audit did include consideration of internal control relevant to the preparation of the financial statements to design audit procedures that are appropriate in such circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. The matters being reported to you are limited to those deficiencies that we have identified during our audit, which was conducted on a test basis, and that we have concluded are of sufficient importance to merit being reported to you, but this does not represent a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention because of the audit procedures which we have performed.

## **7. Qualitative aspects of the charity's accounting practices and financial reporting**

As part of our audit we have considered and reviewed the Charity's accounting policies with UK Generally Accepted Accounting Practice, including the Statement of Recommended Practice *Accounting and Reporting by Charities* ("the SORP"), and we have not encountered any material departures. In our opinion the accounting policies selected are appropriate to the circumstances of the charity.

## **8. Other matters relevant to the audit**

### **The Charities Bill**

Following a review by the Law Commission of technical issues in charity law in 2017, a new Charities Bill was announced in the Queen's speech on 11 May 2021. Subsequently the Charities Bill received Royal Assent in February 2022. The Bill included the following proposed changes:

- charities and trustees will be able to amend their governing documents or Royal Charters more easily – remaining subject to the Commission and the Privy Council's approval in certain circumstances
- charities will have access to a much wider pool of professional advisors on land disposal, and to more straightforward rules on what advice they must receive, which could save them time and money when selling land
- charities will have more flexibility to make use of a 'permanent endowment' – this is money or property originally meant to be held by a charity forever. This includes a change which will allow trustees to borrow a sum of up to £25,000 of the value of their permanent endowment funds, without the Commission's approval
- trustees will be able to be paid for goods provided to a charity in certain circumstances, even if not expressly stated in the charity's governing document (currently trustees can only be paid for supply of services). From pencils to paint, this will allow charities the flexibility to access goods from trustees when it is in the best interests of the charity (e.g. if cheaper), without needing Commission permission
- charities will be able to take advantage of simpler and more proportionate rules on failed appeals. For example, if a charity appeal raises too little money, the charity will be able to spend donations below £120 on similar charitable purposes without needing to contact individual donors for permission

These changes will simplify many technical aspects within charity law and give Trustees more flexibility over the governance of their charities. In August 2022 the Charity Commission published their plan to bring the changes into force in three stages:

- Autumn 2022
- Spring 2023
- Autumn 2023

The changes that came into force on 31 October 2022 were:

- Paying trustees for providing goods or services to a charity – charities now have a statutory power to pay trustees for providing goods alone to a charity under certain circumstances.
- Fundraising appeals that do not raise enough or raise too much – there are now much simpler requirements for trustees to follow when either of these occur
- A new statutory power to amend Royal Charters with approval from the Privy Council

The following changes are being introduced in June 2023:

- Selling, leasing or otherwise disposing of charity land - Charities must comply with certain legal requirements before they dispose of charity land. Disposal can include selling, transferring or leasing charity land. The Act will simplify some of these legal requirements, including widening the category of designated advisers who can

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provide advice relating to disposals, confirming that a trustee, employees or office could provide this advice if they meet the requirements.

- In relation to permanent endowments, the Act will introduce new statutory powers which will enable charities to spend, in certain circumstances, from a 'smaller value' permanent endowment fund of £25,000 or less, without having to obtain authority from the Charity Commission and for certain charities it will allow them to borrow up to 35% of the value of their permanent endowment fund without authority from the Commission.
- Charities that cannot use the statutory powers will require Charity Commissions authority.
- A new statutory power will enable charities that have opted into a total return approach to investment to use permanent endowment to make social investments with a negative or uncertain financial return, provided any losses are offset by other gains.
- Currently the Charity Commission can direct a charity to change its name if it is too similar to another charity's name, or if it is misleading or offensive. The Act now gives the Commission to direct a charity to stop using a working name if it is too similar to another charity's name, or if it is misleading or offensive. The Commission can now delay the registration of a charity with an unsuitable name or delay the entry of an unsuitable name onto the Register of Charities and it can use its powers in relation to exempt charities in consultation with the principal regulator.

Further changes, in addition to those noted above, are due to come into force in the Autumn of 2023 and these will include some more relating to land transactions (selling, leasing or disposing of charity land):

- the provisions relating to disposals by liquidators, provisional liquidators, receivers, mortgagees or administrators
- the provisions relating to the taking out of mortgages by liquidators, provisional liquidators, receivers, mortgagees or administrators
- changes about what must be included in statements and certificates for both disposals and mortgages

**Appendix I – Other matters required by International Standards on Auditing to be communicated to you**

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*Audit report – further information*

Our audit report contains details of the scope of the audit of the financial statements conducted in accordance with legislative requirements and International Standards on Auditing. Further information on the scope of the audit is set out on the website of the Financial Reporting Council and can be found using the following link:

<https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

The original audit report will be signed by Susan Robinson, being the Senior Statutory Auditor for this assignment, for and on behalf of Kreston Reeves LLP. The financial statements incorporating the original audit report should be retained with the Charity's other permanent documents. Copies of the financial statements that require a signed audit report, including for filing with the Charities Commission, will be signed as Kreston Reeves LLP as the statutory auditor.

Our audit report has been drafted in accordance with International Standards on Auditing and the latest guidance from the Financial Reporting Council and our Institute. This involves the inclusion of a paragraph which clarifies what our responsibilities as auditors are. It does not affect our responsibilities to the charity or yourselves, nor does it mean we would be unwilling to accept responsibility to any third parties, providing that our specific agreement to do so is obtained beforehand.

*Independence*

We can confirm that we have re-evaluated our firm's independence in connection with the audit and can confirm that we are not aware of any factors affecting our independence or objectivity and thus our ability to continue to act as auditor of the charity.

*Letter of representation*

Before we can complete our audit we require from you a letter of representation on your headed notepaper. A draft version of such a letter accompanies this Memorandum. The letter will provide us with additional evidence in areas where we have relied upon representations from staff members during the audit. We suggest that this letter is signed by a representative member of the Board of Trustees and that you make your own enquiries of staff to verify that you support the representations that have been made.

*Liability*

This report has been drafted solely to report to you as trustees matters in relation to our audit. It has not been drafted with any third parties in mind and thus must not be disclosed to a third party, or quoted or referred to, without our written consent. We do not accept responsibility to any third party in respect of our audit or this report.

**The Foord Almshouses**  
**Key Audit Findings**  
**For the year ended 31 March 2023**



**Appendix II - Summary of adjusted misstatements**

	Impact on Deficit £
<b>Net movement in funds as per accounts presented for audit</b>	<u>(56)</u>
<b>Accounting adjustments</b>	
Losses on investments posted to fund codes	(326,197)
<b>Net movement in funds as per revised financial statements</b>	<u><u>(326,253)</u></u>

**The Foord Almshouses  
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For the year ended 31 March 2023**



**Appendix III – Summary of recommendations regarding the accounting and internal control system**

In order to assist management in using this report, we categorise our recommendations according to their level of importance:

- Importance 1** Major issues for the attention of senior management/potential significant implications for the charity
- Importance 2** Other recommendations to be dealt with
- Importance 3** Minor points representing best practice

**Expenditure invoices documented approval**

*Nature of problem*

During expenditure testing it was noted that not all invoices were signed as approved and processed by Jo Guise.

*Potential consequences*

This represents inconsistencies in the system procedures

*Recommendation for corrective action*

We would recommend that it is decided whether signed documentation for authorisation of purchases is required and if so consistently applied.

**Register of business interests**

*Nature of problem*

We have received your annual business interest declarations but noted that you don't keep a central register of these.

*Potential consequences*

There is no central point of reference in order to see the latest declaration. This could also be updated with any declarations made at the beginning of Trustee meetings

*Recommendation for corrective action*

We would recommend that a central business interest register is maintained by finance in order for them to be aware of all potential interests before entering into any new arrangements.

**The Foord Almshouses  
Key Audit Findings  
For the year ended 31 March 2023**







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