

**THE COTTON DISTRICTS CONVALESCENT FUND
AND
THE BARNES SAMARITAN CHARITY**

Charity number: 224727

Annual Report and Accounts

Year ended 31 December 2020

**THE COTTON DISTRICTS CONVALESCENT FUND
AND
THE BARNES SAMARITAN CHARITY**

GOVERNORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference and Administration Details

The Registered charity number is 224727

Governors	The Right Honourable The Earl of Derby Mrs S Birtles JP DL Mr PH Townley FRICS Mrs M Lucas JP Doctor H Weinstock Doctor S Chouksey JP Ms J O'Connor JP Mr M Hardacre Rev Canon A. Servant Mr P Nott	Ex- Officio Chairman Treasurer Vice Chairman
Auditors	Royce Peeling Green Limited, The Copper Room, Deva Centre, Trinity Way, Manchester M3 7BG	
Bankers	Royal Bank of Scotland PLC., St Ann Street, Manchester M60 2SS	CCLA Investment Management Limited, COIF Charity Funds Senator House, 85 Queen Victoria Street London EC4V 4ET
Stockbrokers	Brewin Dolphin Securities Limited, 1 The Avenue, Spinningfields Square Manchester M3 3AP	

Secretary and Principal Address

Nicholas Stockton BA., FCA.,
Azets
5th Floor
Ship Canal House
98 King Street
Manchester M2 4WU

Structure, Governance and Management

The Charity is regulated by a Scheme of the Charity Commissioners dated 8 April 1975, together with further Schemes dated 21 May 1998, 5 January 2001 and 2 March 2007. From 8 April 1975 the two previously separate Charities operated with common Governors and shared administration. From 2 March 2007 the two Charities were formally recognised as one Charity. Governors are appointed by invitation for a period of five years. They may be re-elected for further periods of five years.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Objectives and Activities

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the donation-making policy for the year.

In fulfilling the objects of the Charity a convalescent holiday is provided to approved applicants living in the area of benefit. Account is taken of the applicants' medical condition and ability to pay. In addition, support has continued to be given to persons in need, living in the area of benefit and who are sick, convalescent, disabled or infirm.

Achievements and performance

During 2020 the COVID-19 pandemic severely impacted the ability of applicants to go on holiday. The Charity focused its efforts and certain funds on making charitable donations to other charities who have struggled for funding during the pandemic.

The following table shows the number of beneficiaries in recent years, their cost to the Fund and their contribution to our costs.

	2016	2017	2018	2019	2020
Number of holiday beneficiaries	14	5	7	8	2
	£	£	£	£	£
Total cost of convalescence	3,240	1,240	1,790	2,490	798
Contributions by beneficiaries	320	240	240	240	0
Net cost to the Fund	2,920	1,000	1,550	2,250	798

All of the grant recipients were in receipt of £45 - £50 per month, representing a weekly grant of £10.96. At 31 December 2020, 15 of the recipients were male and 18 were female.

The number of beneficiaries in recent years and their cost to the Fund is as follows:

	2016	2017	2018	2019	2020
Number of grant cases at start of year	38	38	37	33	31
Number of grant cases admitted	7	16	12	8	15
Number of deaths	0	0	0	0	0
Number discontinued	7	17	16	10	13
Number of grant cases at year end	38	37	33	31	33
Yearly amount distributed	£23,455	£22,978	£28,554	£20,751	£72,648

The amount distributed of £72,648 includes one-off payments totalling £48,573 (2019 - £1,311).

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Governors' Responsibilities

The Governors prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the results for the year. In preparing those accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Governors are responsible for maintaining 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 accounts comply with the requirements of the Schemes. 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. Furthermore, the Governors are not aware of any relevant audit information of which the charity's auditors are unaware.

Financial Review

	2020 £	2019 £
Investment income compared with the previous year was as follows:	34,890	41,484

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Total investment income decreased 15.90% to £34,890. The net cost of convalescence decreased by £1,692 to £798. Further to the decrease in total income of £6,834, there was an increase in expenditure of £50,153 resulting in an overall deficit for the year of £57,483 compared to a deficit of £496 in 2019.

Holding Reserves

The level of reserves necessary to ensure sufficient funds are available to meet normal cash flow outlays when they fall due is considered to be up to £30,000.

Investment Policy

The Governors have an active policy which seeks to maximise income whilst maintaining underlying capital values.

Risk management

The Governors have assessed the major risks to which the charity is exposed. See note b) on the accounting policies.

Plans for the future

The Governors plan to continue the activities previously outlined, in the forthcoming years, subject to satisfactory funding arrangements.

The Report was approved by the Board of Governors on behalf by

2021 and signed on its

S. Birtles

Chairman

**THE COTTON DISTRICTS CONVALESCENT FUND
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Opinion

We have audited the financial statements of The Cotton Districts Convalescent Fund And the Barnes Samaritan Charity (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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.

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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 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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

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.

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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 the 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. Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and 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 Act.

We evaluated the 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 were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

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Use of our report

This report is made solely to the charity's trustees, as a body, Charities Act 2011, 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.

Royce Peeling Green Limited
Chartered Accountants
Statutory Auditor

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The Copper Room
Deva City Office Park
Trinity Way
Manchester
M3 7BG

THE COTTON DISTRICTS CONVALESCENT FUND
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds £	2020 Permanent Endowments £	Total £	2019 Total £
Income and endowments					
Income from investments		34,890	0	34,890	41,484
Beneficiary contributions		0	0	0	240
Total income and endowments		34,890	0	34,890	41,724
Expenditure on Raising funds					
Stockbroker's management fees		0	7,520	7,520	9,020
Expenditure on Charitable activities					
Recipients' accommodation		798	0	798	2,490
Payments to beneficiaries		72,648	0	72,648	20,751
		73,446	0	73,446	23,241
Governance Costs					
Secretarial and accountancy charges		8,160	0	8,160	8,160
Data protection fee		35	0	35	35
Audit fee	3	1,440	0	1,440	1,440
Governors' travelling expenses	4	0	0	0	0
Governors' indemnity insurance		235	0	235	235
Website costs		1,525	0	1,525	0
Sundry expenses		12	0	12	89
		11,407	0	11,407	9,959
Net (losses) / gains on investments					
Realised (losses) / gains on sale of investments		0	(13,988)	(13,988)	7,680
Equalisation	2	0	(129)	(129)	(214)
Unrealised (losses) / gains on investments	2	0	(37,608)	(37,608)	103,069
		0	(51,725)	(51,725)	110,535
Net movement in funds		(49,963)	(59,245)	(109,208)	110,039
Total funds brought forward		134,959	1,077,027	1,211,986	1,101,947
Total Funds carried forward		84,996	1,017,782	1,102,778	1,211,986
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**THE COTTON DISTRICTS CONVALESCENT FUND
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BALANCE SHEET AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
		Unrestricted Funds £	Permanent Endowments £	Total £	Total £
Fixed Assets					
Investments	2	0	1,031,667	1,031,667	1,108,124
Current Assets					
Debtors		1,301	30,928	32,229	15,723
Cash at bank		64,470	(42,917)	21,553	67,842
Cash at COIF		26,000	0	26,000	26,000
Total Current Assets		91,771	(11,989)	79,782	109,565
Creditors: payable within one year					
Creditors and accruals		(6,775)	(1,896)	(8,671)	(5,703)
Net Current Assets		84,996	(13,885)	71,111	103,862
Net Assets		84,996	1,017,782	1,102,778	1,211,986
		=====	=====	=====	=====
Capital Funds					
Permanent endowments		0	1,017,782	1,017,782	1,077,027
Income Funds					
Unrestricted		84,996	0	84,996	134,959
		84,996	1,017,782	1,102,778	1,211,986
		=====	=====	=====	=====

Approved by the Board of Governors on

2021 and signed on its behalf by

S. Birtles

Chairman

**THE COTTON DISTRICTS CONVALESCENT FUND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies

a) Basis of accounting

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

b) Going concern

For the majority of the financial year there has been a pandemic in relation to COVID-19, and the Governors have considered its impact on the Charity. The Charity is not reliant on donations for its income, which comes from the dividends received from its investment portfolio. The Governors are mindful that the level of this dividend income may fall, depending on the continued impact of COVID-19 on world economies. However, at the year end, the Charity had significant cash reserves. The charity continues to hold cash reserves, and whilst the overall impact of COVID-19 is very difficult to predict, the Governors consider that these should be sufficient to ensure the Charity can continue to provide monthly support to its beneficiaries for the foreseeable future. As such, the financial statements are prepared on the going concern basis.

c) Income recognition

All income is recognised once the charity has entitlement to the income.

d) Recognition of expenditure

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities.

e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Fund accounting

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity.

g) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market 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 revaluation and disposals throughout the year.

h) Permanent endowments

The permanent endowment is an 'investment' permanent endowment. It is capital which can be used to provide an income for the charity and which, other than for management fees, cannot itself be spent as income.

2 Fixed Asset Investments

Quoted Investments	2020 Total £	2019 Total £
Market value at 1 January	1,108,124	1,004,143
Add acquisitions at cost	189,000	190,287
Less disposals	(213,229)	(196,841)
Realised (losses) / gains	(13,988)	7,680
Movement of unrealised (losses) / gains	(37,608)	103,069
Fees	(503)	-
Equalisation	(129)	(214)
Market value at 31 December	1,031,667	1,108,124
Historical cost at 1 January	990,831	988,324
Add acquisitions at cost	189,000	190,287
Less disposals	(213,229)	(196,841)
Realised gains	13,031	9,275
Fees	(502)	-
Equalisation	(129)	(214)
Historical cost at 31 December	979,002	990,831

Individual investment holdings in excess of 5% of the total portfolio value are:

	£
UK unit trusts:	
Artemis FD managers global	67,643
Majedie asset management income	61,666
BNY Mellon FD manager	64,731
Pimco Global	52,626
JP Morgan Funds	75,902
Merian GBL US equity	60,686
	383,254
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

3 Auditor's Fees for Reporting on the Accounts

	2020	2019
	£	£
Remuneration paid to the Auditor	1,440	1,440
	=====	=====

4 Governors' Remuneration and Expenses

None of the Governors have received any remuneration during the year, out of the funds of the Charity (2019 - £nil), and none have chosen to claim reimbursement of expenses to attend Governors' meetings.

5 Staff Numbers

No staff were employed by the charity during the year.