

**Registered number 07568820**  
**Charity number 1143234**

**JOHN BOWLEY  
AND SHERWOOD ALMSHOUSES**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2015**



**MAGEE GAMMON**  
Chartered Accountants  
Henwood House  
Henwood  
Ashford  
Kent  
TN24 8DH

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

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# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## LEGAL AND ADMINISTRATIVE DETAILS

**Company registration number** 07568820

**Charity registration number** 1143234

**Charity linked by uniting direction** 210959

**Trustees**

Mr D J Dickinson	(Deceased 9 June 2015)
Mrs K Findlay	(Appointed 15 July 2015)
Cllr R Wallace	(Appointed 16 May 2015)
Mrs R I Braid	
Mr T S McNeice (Chairman)	
Cllr J D F Collier	(Resigned 16 May 2015)
Mr A J Dunning	
Cllr S L Wallace	(Resigned 16 May 2015)
Cllr R West	
Cllr P West	(Appointed 16 May 2015)
Cllr D Monk	(Appointed 16 May 2015)

**Company secretary** Mrs T Pearson

**Clerk to the trustees** Mrs T Pearson

**Registered office**

Henwood House  
Henwood  
Ashford  
Kent  
TN24 8DH

**Bankers**

CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

The Co-Operative Bank Plc  
PO Box 2790  
9 Prescott Street  
London  
E1 8SG

**Auditors**

Magee Gammon Corporate Limited  
Henwood House  
Henwood  
Ashford  
Kent  
TN24 8DH

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The trustees present their report and financial statements for the year ended 31 December 2015.

### **Constitution**

John Bowley and Sherwood Almshouses (charity number 210959) was constituted under a scheme document dated 14 March 2007. During the year ended 31 December 2012, the trustees undertook the process of incorporation and all assets and liabilities of the charity, except those relating to donations made under permanent endowment, were transferred to the new corporate body (company registration number 07568820).

The corporate charity, also known as John Bowley and Sherwood Almshouses, was registered with the Charity Commission and issued with a new charity number, 1143234. John Bowley and Sherwood Almshouses (charity number 1143234) is constituted under a Memorandum of Association dated 17 March 2011.

The assets donated to John Bowley and Sherwood Almshouses (charity number 210959) under permanent endowment remain in that charity. Under a uniting direction, John Bowley and Sherwood Almshouses (charity number 210959) is linked to John Bowley and Sherwood Almshouses (charity number 1143234) as a constituent charity. The financial statements therefore reflect the financial transactions relating to both charities.

### **Trustees**

The charity is overseen by the trustees, who meet at least four times a year. They make all decisions regarding the conduct of the charity but the day-to-day administration is undertaken by the administrator / clerk to the trustees. The trustees who served during the year were as follows:

Mr D J Dickinson (deceased 9 June 2015)	179 Cheriton Road, Folkestone, Kent, CT19 5HG
Mrs K Findlay (appointed 15 July 2015)	23 Julian Road, Folkestone, Kent CT19 5HW
Cllr R Wallace*	4 Beachborough Road, Folkestone, Kent CT19 4AB
Mrs R I Braid	9 Avereng Road, Folkestone, Kent, CT19 5HT
Mr T S McNeice (Chairman)	19 Beachborough Road, Folkestone, Kent, CT19 4AA
Cllr J D F Collier* (resigned 16 May 2015)	3 Blenheim Place, Folkestone, Kent, CT20 3RJ
Mr A J Dunning	323 Canterbury Road, Densole, Folkestone, Kent, CT18 7BB
Cllr S L Wallace* (resigned 16 May 2015)	33 Penfold Street, Folkestone, Kent, CT19 6DG
Cllr R West*	9 Fairfax Close, Folkestone, Kent, CT20 3SL
Cllr P West* (appointed 16 May 2015)	9 Fairfax Close, Folkestone, Kent, CT20 3SL
Cllr D Monk* (appointed 16 May 2015)	23 Minter Avenue, Densole, Kent CT18 7DS

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015**

### **Appointment of trustees**

Under the Memorandum of Association dated 17 March 2011, the minimum number of trustees permitted is four, but there is no maximum. The trustees and members (as defined in the Memorandum of Association) have the power to appoint new trustees.

There were four nominated trustees (marked \* above) appointed by Folkestone Town Council, although there was no requirement for them to be town councillors. There were three co-opted trustees appointed by the trustees.

### **Misconduct**

The trustees have no financial interest in the conduct of the charity. Other interests, which may arise from time to time, such as the appointment of a relative of a trustee as a resident, are provided for in detailed Regulations that are reviewed and approved by The Tenant Services Authority. All affairs and transactions of the trustees are open to public scrutiny with the exception of the personal affairs of residents. All accounts are prepared and scrutinised by qualified accountants and independent auditors.

### **Objectives of the charity for the public benefit**

The objectives of the charity are the provision of housing accommodation for persons in need, hardship or distress residing or having immediate family residing in or near Folkestone, with a preference for those who are members of the Church of England. Those persons in need may be individuals of either sex, or a couple without discrimination towards civil partnerships.

The charity currently manages a block of twelve flats at John Bowley House, and four bungalows at Sherwood Trust Homes.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives, and in planning future activities.

### **Achievements and performance**

During the period under review, the charity continued a scheme of refurbishment at Sherwood Trust Homes, to bring the bungalows up to the Decent Home Standards.

Continued work in the Sherwood gardens this year included the relaying of patio slabs and repointing of the walls amongst other general upkeep.

The charity undertook various routine works during the period, at John Bowley House and the four bungalows at Sherwood Trust Homes, including an installation of a double scooter shed.

During the period under review, the trustees took the decision to settle the remaining balance of the mortgage early, thus decreasing the total interest payable by the charity.

### **Financial review**

The charity is mainly funded by the weekly maintenance contributions receivable for the letting of the twelve flats at John Bowley House, and the four bungalows at Sherwood Trust Homes. The total weekly maintenance contributions received during the year amounted to £85,973, an increase of £1,169 over the prior year.

## **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015**

Weekly maintenance contributions for John Bowley House currently stand at £102.56 to £104.21 per week for each of the eight single bedroom flats and £112.72 for each of the four two-bedroom flats. For Sherwood Trust Homes, the weekly maintenance contributions for each of the four flats currently stand at £88.65 to £104.21 per week. These figures include the Lifeline subscription which is partially subsidised by Kent County Council for residents claiming housing benefit.

The trustees are pleased to report that a grant amounting to £1,000 was received from The Ronald Cruickshanks Foundation towards the cost of a replacement carpet in the communal areas at John Bowley House.

#### **Future intentions**

The trustees will continue the scheme of refurbishment at Sherwood Trust Homes to ensure all four of the bungalows are brought up to the Decent Homes Standard. Although dependent on the availability of sufficient funds, the trustees intend to replace the windows and heating systems at John Bowley House.

Continued work on the Sherwood Trust Homes gardens are planned, as there is a need to level the patio slabs and block off the two entrances.

#### **Policy on reserves**

In accordance with the formal reserves policy, the charity sets aside money in an extraordinary repair fund and a cyclical repair fund. Reserves are being held to pay for any large unexpected costs for planned work, such as upgrading windows, adding solar panels and upgrading heating systems. The charity maintains reserve funds to meet unforeseen expenditure at least equivalent to one month's income. As balances permit, it seeks to add to its funds, which are invested in appropriate stocks in accordance with the National Scheme for Almshouses to meet long term capital replacement costs.

#### **Investment policy**

The charity maintains no investments other than those referred to under the "Policy on Reserves".

#### **Major risks**

The charity provides two Almshouse buildings, which are usually occupied fully by residents that it appoints in accordance with the criteria laid down. Risks are those typically associated with the buildings, those arising from the conduct of its appointed residents, and those from the misconduct of the administrator, the clerk to the trustees and the trustees. In these matters, the trustees are subject to regulation and annual scrutiny by The Homes and Communities Agency and the Charity Commission.

#### **Building risks**

The charity has comprehensive insurance cover to provide for risks to the fabric of the buildings and the replacement of fixtures and fittings damaged, other than by normal wear and tear, along with specific insurance cover for the scooter shed at Sherwood Trust Homes and the lift at John Bowley House. The trustees contracted 'In Touch' to carry out the quinquennial inspection in 2012 and the insurance is kept under review. The trustees' insurances include cover for legal costs arising from actions which may be brought against them and risks to third parties.

#### **Residents' risks**

On appointment, residents are required to sign an agreement, in a form common to Almshouses in the United Kingdom, setting out the limits of their personal liability and restrictions on their use of the property so that the interests of the trustees and other residents may be protected.

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### Statement of trustees' responsibilities

The registered housing legislation requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 2012. The trustees have general responsibility for taking reasonable steps to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

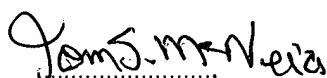
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

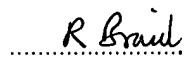
### Statement of disclosure of information to auditors

We, the trustees of the charity who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees report was approved by the trustees on 20 July 2016 and signed on their behalf by:

  
.....  
Mr T S McNeice  
Trustee

  
.....  
Mrs R I Braid  
Trustee

## **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

We have audited the financial statements of John Bowley and Sherwood Almshouses for the year ended 31 December 2015 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and the regulations made under section 154 of that Act, and section 137 of the Housing and Regeneration Act 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.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the statement of trustees' responsibilities set out on page 4, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed auditor under section 145 of the Charities Act 2011 and report in accordance with the regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015, and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 2012.



## **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF JOHN BOWLEY AND SHERWOOD ALMSHOUSES (continued)**

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

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 Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- the charitable company has not kept adequate accounting records;
- 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.



**Mr Andrew J Childs FCA (Senior Statutory Auditor)**  
**For and on behalf of Magee Gammon Corporate**  
**Limited**

**Chartered Accountants**  
**Statutory Auditor**

Henwood House  
Henwood  
Ashford  
Kent  
TN24 8DH

Date: 20 June 2016

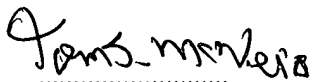
Magee Gammon Corporate Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014
		£	£	As restated £
<b>Turnover</b>	3		88,292	87,123
<b>Operating costs</b>				
Management expenses	4	25,477		22,581
Repairs and maintenance		19,595		18,074
Service costs	5	5,611		5,600
			(50,683)	(46,255)
			37,609	40,868
<b>Other income</b>	6		1,000	1,000
<b>Operating surplus / (deficit)</b>	9		38,609	41,868
Interest receivable and other income	7		855	733
Interest payable and similar charges	8		-	(426)
<b>Surplus / (deficit) for the year</b>			39,464	42,175
Revaluation of investments	14		663	1,812
<b>Total comprehensive income for the year</b>			40,127	43,987

On behalf of the trustees:



Mr T S McNeice  
Trustee



Mrs R I Braid  
Trustee

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Revenue reserve £	Designated reserves £	Investment revaluation reserve £	Restricted reserve £
<b>Balance at 1 January 2015 as previously reported</b>		291,862	56,000	11,594	49,850
Prior period adjustment	18	65,471	-	(11,594)	-
<b>Balance at 1 January 2015 as restated</b>		357,333	56,000	-	49,850
Total comprehensive income for the year		39,127	-	-	1,000
		396,460	56,000	-	50,850
Transfers between reserves		(113,000)	114,000	-	(1,000)
<b>Balance at 31 December 2015</b>		283,460	170,000	-	49,850

	Notes	Unrestricted funds £	Restricted funds £
<b>Balance at 1 January 2015 as previously reported</b>		359,456	49,850
Prior period adjustment	18	53,877	-
<b>Balance at 1 January 2015 as restated</b>		413,333	49,850
Surplus from statement of comprehensive income		39,127	1,000
		452,460	50,850
Transfers between funds		1,000	(1,000)
<b>Balance at 31 December 2015</b>		453,460	49,850

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF FINANCIAL POSITION AS AT ENDED 31 DECEMBER 2015

	Notes		2015		2014
		£	£	£	As restated £
<b>Fixed assets</b>					
Tangible fixed assets	13		604,968		587,523
Fixed asset investments	14		36,906		36,243
			<hr/>		<hr/>
			641,874		623,766
<b>Current assets</b>					
Debtors and prepayments	15	7,032		6,317	
Cash at bank and in hand		44,011		25,239	
		<hr/>		<hr/>	
		51,043		31,556	
<b>Creditors: amounts falling due within one year</b>	16	(6,382)		(6,595)	
		<hr/>		<hr/>	
<b>Net current assets</b>			44,661		24,961
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			686,535		648,727
<b>Creditors: amounts falling due after more than one year</b>	17		(183,225)		(185,544)
			<hr/>		<hr/>
<b>Total net assets</b>			503,310		463,183
			<hr/>		<hr/>

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF FINANCIAL POSITION (continued) AS AT YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		£	As restated £
<b>Reserves</b>			
Revenue reserve		283,460	357,333
Designated reserves	20	170,000	56,000
Restricted reserves	19	49,850	49,850
		<hr/>	<hr/>
		503,310	463,183
		<hr/>	<hr/>

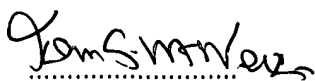
For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006.


The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with the section 476 of the Act.

The trustees/directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements were approved by the trustees and authorised for issue on 20 July 2016.

On behalf of the trustees:

  
.....  
Mr T S McNeice  
Trustee

  
.....  
Mrs R I Braid  
Trustee

**Company Registration No. 07568820**  
**Charity Registration No. 1143234**

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 As restated £
<b>Net cash generated from operating activities</b>	21	38,323	39,423
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(19,572)	(3,395)
Interest received		21	10
		<u>(19,551)</u>	<u>(3,385)</u>
<b>Cash flow from financing activities</b>			
Interest paid		-	(426)
Repayment of borrowings		-	(38,388)
		<u>-</u>	<u>(38,814)</u>
<b>Net change in cash and cash equivalents</b>		<u>18,772</u>	<u>(2,776)</u>
Cash and cash equivalents at beginning of the year		<u>25,239</u>	<u>28,015</u>
<b>Cash and cash equivalents at end of the year</b>		<u><u>44,011</u></u>	<u><u>25,239</u></u>

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

### **1. Accounting policies**

#### **1.1 Basis of preparation**

The charity is incorporated under the Companies Act 2006. The charity is a registered charity in accordance with the Charities Act 2011 and is a registered provider of social housing. The charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards, the Housing SORP 2014; Statement of Recommended Practice for social housing providers, and with The Accounting Determination for Social Housing in England from April 2012. The accounts are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of investments and certain fixed assets.

#### **1.2 Fund accounting**

Revenue reserves are unrestricted reserves 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 reserves are part of unrestricted reserves which have been earmarked by the trustees for a particular purpose. Such designations may be reversed by future trustees' decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Where a restricted reserve is represented by assets that are then revalued, the revaluation element is added to the restricted reserve.

#### **1.3 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.

Maintenance contributions receivable, including Supporting People income, are included in turnover, net of losses from voids.

Social Housing Grants relating to assets are recognised as income on a systematic basis over the expected life of the assets. The income arising is included in turnover.

Land donated or transferred at a price less than its open market value is included at its current value on the date it is received. The difference between the current value and the transfer price is taken to the property valuation reserve.

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

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015**

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

#### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

#### **1.5 Fixed assets**

At each balance sheet date, the trustees review the carrying amounts of the charity's freehold property and fixtures and fittings to determine whether there is any indication that any assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as expense in the SOFA immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised as income in the SOFA immediately.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Housing properties	Not depreciated
Housing property improvements	5-10% straight line basis

#### **1.6 Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The net gains and losses arising on revaluation and disposals throughout the year are included in the SOFA.

#### **1.7 Debtors**

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

#### **1.8 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.



# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### 1. Accounting policies (continued)

#### 1.9 Creditors and provisions

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

#### 1.10 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. Units in management

	Units at start	Units at end
Supported housing and housing for older people	16	16

### 3. Turnover

	2015 £	2014 £
Weekly maintenance contributions	85,973	84,804
Social housing grant utilised in year	2,319	2,319
	<u>88,292</u>	<u>87,123</u>

### 4. Management expenses

	2015 £	2014 £
Water rates	199	114
Light and heat	1,726	1,879
Insurances	2,255	2,100
Cleaning	1,994	1,682
Telephone	569	547
Administration	16,607	16,214
Depreciation	2,127	45
	<u>25,477</u>	<u>22,581</u>

### 5. Service costs

	2015 £	2014 £
Audit and accountancy	3,168	3,138
Subscriptions	200	194
Professional fees	2,243	2,268
	<u>5,611</u>	<u>5,600</u>

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### 6. Other income

	2015 £	2014 £
Non-government grants and donations	1,000	1,000

### 7. Interest receivable and other income

	2015 £	2014 £
Dividends received	834	723
Bank interest received	21	10
	855	733

Notional dividends only are declared on the holding of Charinco Common Investment Fund Accumulation Shares. The dividend is not distributed but is retained within the fund to increase the value of the shares. The amounts so treated during the year were £553 (2014 - £530).

### 8. Interest payable and similar charges

	2015 £	2014 £
Bank loan interest	-	426

### 9. Operating surplus

	2015 £	2014 £
Operating surplus as stated after charging:		
Auditor's remuneration	3,168	3,138
Depreciation	2,127	45

### 10. Auditors' remuneration

	2015 £	2014 £
Fees payable for the audit of the charity's financial statements	3,168	3,138
Fees payable for other services	774	624

### 11. Staff costs

During the year, the charity continued to employ a part-time Clerk working 20 hours (2014 – 20 hours) per week.

Staff costs for the year amounted to:

	2015 £	2014 £
Wages and salaries	11,640	11,241
Social security costs	119	463
	11,759	11,367

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### 12. Trustees' remuneration, expenses and transactions with related parties

No trustees received any remuneration during the year (2014 - £nil).

No trustees received any benefits in kind during the year (2014 - £nil).

No trustees received any reimbursement of expenses during the year (2014 - £nil).

At 31 December 2015, four trustees were councillors of Folkestone Town Council. All transactions with Folkestone Town Council were on an arms length basis, and none of the trustees were able to use their position to their advantage.

None of the trustees or other persons related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2014 - £nil).

### 13. Tangible fixed assets

	Housing property improvements £	Housing properties for letting £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	35,206	548,967	3,395	587,568
Additions	-	-	19,572	19,572
At 31 December 2015	35,206	548,967	22,967	607,140
<b>Depreciation</b>				
At 1 January 2015	-	-	45	45
Charge for the year	-	-	2,127	2,127
At 31 December 2015	-	-	2,172	2,172
<b>Net book value</b>				
At 31 December 2015	35,206	548,967	20,795	604,968
At 31 December 2014	35,206	548,967	3,350	587,523

A formal valuation of John Bowley House was carried out in October 2010 at which time the market value was estimated at £1,100,000. No formal valuation has been prepared for Sherwood Trust Homes but the trustees are of the opinion the market value is unlikely to be less than £500,000.

Housing properties for letting includes £49,850 in respect of donated land and buildings which remain the property of John Bowley and Sherwood Almshouses (charity number 210959). In accordance with guidance issued by the Charity Commission, the transactions are reflected in the account of John Bowley and Sherwood Almshouses (charity number 1143234) as the constituent charity under a uniting direction.

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### 14. Investments

	2015 £	2014 £
The market value of investments as at 31 December 2015 is as follows:		
NAA: Common Investment Fund – 843 income units	627	648
Charinco: Common Investment Fund – 309.166 accumulation units	13,480	13,337
Charinco: Common Investment Fund – 720 income units	1,369	1,412
Charishare: Common Investment Fund – 2,753.536 income units	14,426	13,889
COIF: 571 income units	7,004	6,957
	<u>36,906</u>	<u>36,243</u>

The cost of investments as at 31 December 2015 is as follows:

NAA: Common Investment Fund – 843 income units	-	-
Charinco: Common Investment Fund – 309.166 accumulation units	3,252	3,252
Charinco: Common Investment Fund – 720 income units	1,284	1,284
Charishare: Common Investment Fund – 2,753.536 income units	13,454	13,454
COIF: 571 income units	6,659	6,659
	<u>24,649</u>	<u>24,649</u>

All investments held at 31 December 2015 are UK listed investments in managed funds.

Market value at 1 January 2015	36,243	34,431
Unrealised surplus / (deficit)	663	1,812
	<u>36,906</u>	<u>36,243</u>

### 15. Debtors and prepayments

	2015 £	2014 £
Arrears of maintenance contributions	3,502	2,989
Prepayments and accrued income	3,530	3,328
	<u>7,032</u>	<u>6,317</u>

### 16. Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals and deferred income	6,382	6,595

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### 17. Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Accruals and deferred income	183,225	185,544

### 18. Prior period adjustment

In order to comply with the provisions of the Housing SORP 2014 Statement of Recommended Practice for social housing providers and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), certain transactions and balances arising in prior periods have been restated. The cumulative effects of the transitional adjustments are as follows:

	2015	2014
	£	£
Reversal of depreciation charged on housing properties	9,816	8,295
Recognition of Social housing grant under the accruals model	44,061	41,742
	53,877	50,037

An adjustment to transfer the balance of the investment revaluation reserve to the revenue reserve in the sum of £11,594 has also been made.

### 19. Restricted reserves

	Property valuation reserve	John Bowley House carpets	Total
	£	£	£
At 1 January 2015	49,850	-	49,850
Surplus for the year	-	1,000	1,000
Transfers between funds	-	(1,000)	(1,000)
At 31 December 2015	49,850	1,000	49,850

#### Property valuation reserve

The land and buildings were donated to the charity under permanent endowment. The restrictions placed upon the donations are therefore applied to the revaluation of the donated property.

Due to the restrictions on the original donations, the land and building and the related revaluation remain in the unincorporated charity known as John Bowley and Sherwood Almshouses (charity number 210959). In accordance with guidance issued by the Charity Commission, the transactions are reflected in the account of John Bowley and Sherwood Almshouses (charity number 1143234) as the constituent charity under a uniting direction.

#### John Bowley House carpets

A donation was received from The Ronald Cruickshanks Foundation for £1,000 as a contribution towards the cost of replacement carpets in the communal areas at John Bowley House. The full value of the grant was expended in line with the conditions during the year.

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

### 20. Designated reserves

	Cyclical maintenance fund £	Extra- ordinary repair fund £	Total £
At 1 January 2015	20,000	36,000	56,000
Transfers between funds	-	114,000	114,000
At 31 December 2015	20,000	150,000	170,000

### 21. Note to the statement of cash flows

	2015 £	2014 £
<b>Cash flow from operating activities</b>		
Surplus for the year	39,464	42,175
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	2,127	45
Increase in trade and other debtors	(715)	(319)
Decrease in trade and other creditors	(213)	(575)
Government grants utilised in the year	(2,319)	(2,319)
Interest payable	-	426
Interest received	(21)	(10)
At 31 December 2015	38,323	39,423