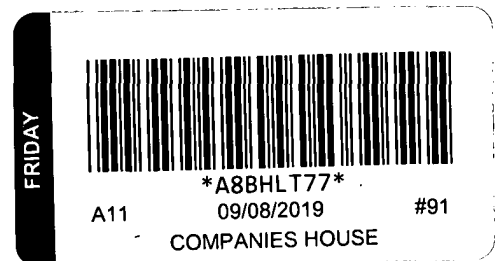


**Registered number 07568820**  
**Charity number 1143234**

**JOHN BOWLEY  
AND SHERWOOD ALMSHOUSES**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2018**



**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**

<b>Company registration number</b>	07568820
<b>Charity registration number</b>	1143234
<b>Charity linked by uniting direction</b>	210959
<b>Trustees</b>	Mrs K Findlay Cllr R Wallace Mrs R I Braid Mr T S McNeice (Chairman) Mr A J Dunning Cllr R West Cllr P West Mr N Jones (Appointed 11 May 2018) Cllr S Wallace (Resigned 11 May 2018) Mr S A Warren (Resigned 26 September 2018)
<b>Company secretary</b>	Mrs T Pearson
<b>Clerk to the trustees</b>	Mrs T Pearson
<b>Registered office</b>	Henwood House Henwood Ashford Kent TN24 8DH
<b>Bankers</b>	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
<b>Auditors</b>	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The trustees present their report and financial statements for the year ended 31 December 2018.

### **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 (charity number 114234-1). 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:

Mrs K Findlay

Cllr R Wallace\*

Mrs R I Braid

Mr T S McNeice (Chairman)

Mr A J Dunning

Cllr R West\*

Cllr P West\*

Mr N Jones (appointed 11 May 2018)\*

Cllr S Wallace (resigned 11 May 2018)\*

Mr S A Warren (resigned 26 September 2018)

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

### **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 five 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**

- Low voids
- Ongoing work to the gardens
- Updated flat 9, replaced communal heaters at John Bowley, replaced hall lights at John Bowley with sensor lights, replaced six electric economy 7 boilers at John Bowley with unvented cylinders

### **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 £88,539 an increase of £1,340 over the prior year.

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

Weekly maintenance contributions for John Bowley House currently stand at £99.80 to £108.17 per week for each of the eight single bedroom flats and £102.43 to £119.10 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 £94.70 to £108.17 per week. These figures include the Lifeline subscription which is partially subsidised by Kent County Council for residents claiming housing benefit.

### **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 quinquennial inspection was undertaken in 2017 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.

### **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.

## **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2015. 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.

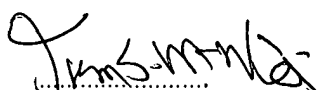
#### **Statement of disclosure of information to auditors**

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.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The trustees report was approved by the trustees on 10 July 2019 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 (continued)**

#### **Opinion**

We have audited the financial statements of John Bowley and Sherwood Almshouses for the year ended 31 December 2018 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, 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 The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2014).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, 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 2015.

#### **Basis for opinion**

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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; 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.

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.

#### **Responsibilities of trustees**

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 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.

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.

In preparing the financial statements, the trustees are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

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

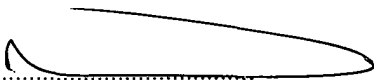
#### **Auditors' responsibilities for the audit of the financial statements**

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

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

#### **Use of our report**

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.



**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: 10 July 2019

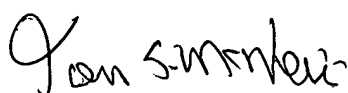
Magee Gammon Corporate Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Turnover</b>	3		90,858		89,518
<b>Operating expenditure</b>					
Management expenses	4	34,509		31,626	
Repairs and maintenance		33,762		23,674	
Service costs	5	4,309		6,453	
			(72,580)		(61,753)
			18,278		27,765
<b>Other income</b>	6		429		4,671
<b>Operating surplus</b>	8		18,707		32,436
Interest receivable and other income	7		1,206		854
<b>Surplus for the year</b>			19,913		33,290
Revaluation of investments	13		(2,580)		2,892
<b>Total comprehensive income for the year</b>			17,333		36,182

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 2018

	Revenue reserve £	Designated reserves £	Restricted reserve £
<b>Balance at 1 January 2018</b>	329,810	200,000	50,785
Surplus / (deficit) from statement of comprehensive income	45,561	(27,841)	(387)
	<hr/> 375,371	<hr/> 172,159	<hr/> 50,398
Transfers between reserves	(31,528)	31,528	-
<b>Balance at 31 December 2018</b>	<hr/> 343,843	<hr/> 203,687	<hr/> 50,398

	Unrestricted funds £	Restricted funds £
<b>Balance at 1 January 2018</b>	529,810	50,785
Surplus / (Deficit) from statement of comprehensive income	17,720	(387)
	<hr/> 547,530	<hr/> 50,398
Transfers between funds	-	-
<b>Balance at 31 December 2018</b>	<hr/> 547,530	<hr/> 50,398

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF FINANCIAL POSITION AS AT ENDED 31 DECEMBER 2018

	Notes	2018	2017
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	12	676,985	662,622
Investments	13	40,976	43,556
		<u>717,961</u>	<u>706,178</u>
<b>Current assets</b>			
Trade and other debtors	14	9,488	8,146
Cash and cash equivalents		55,928	52,574
		<u>65,416</u>	<u>60,720</u>
<b>Creditors: amounts falling due within one year</b>	15	(9,181)	(7,716)
		<u>56,235</u>	<u>53,004</u>
<b>Net current assets</b>			
		<u>774,196</u>	<u>759,182</u>
<b>Total assets less current liabilities</b>			
		<u>597,928</u>	<u>580,595</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(176,268)	(178,587)
		<u>597,928</u>	<u>580,595</u>
<b>Total net assets</b>			
		<u>597,928</u>	<u>580,595</u>

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## STATEMENT OF FINANCIAL POSITION (continued) AS AT YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
		£	£
<b>Reserves</b>			
Revenue reserve		343,843	329,810
Designated reserves	19	203,687	200,000
Restricted reserves	18	50,398	50,785
		<u>597,928</u>	<u>580,595</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

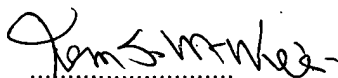
For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006.

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 10 July 2019.

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 2018

	Notes	2018	2017
		£	£
<b>Net cash generated from operating activities</b>	20	22,317	34,900
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(18,992)	(21,695)
Interest received		29	20
		<u>(18,963)</u>	<u>(21,675)</u>
<b>Cash flow from financing activities</b>			
Interest paid		-	-
Repayment of borrowings		-	-
		<u>-</u>	<u>-</u>
<b>Net change in cash and cash equivalents</b>		<u>3,354</u>	<u>13,225</u>
Cash and cash equivalents at beginning of the year		<u>52,574</u>	<u>39,349</u>
<b>Cash and cash equivalents at end of the year</b>		<u>55,928</u>	<u>52,574</u>

# **JOHN BOWLEY AND SHERWOOD ALMSHOUSES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **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 2015. 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.



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## JOHN BOWLEY AND SHERWOOD ALMSHOUSES

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

#### 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	Not depreciated
Fixtures, fittings and equipment	15% 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 2018

### 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

	2018 £	2017 £
Weekly maintenance contributions	88,539	87,199
Social housing grant utilised in year	2,319	2,319
	90,858	89,518

### 4. Management expenses

	2018 £	2017 £
Water rates	462	128
Light and heat	1,576	1,860
Insurances	2,738	2,475
Cleaning	2,232	1,844
Telephone	396	489
Administration	22,476	21,302
Depreciation	4,629	3,528
	34,509	31,626

### 5. Service costs

	2018 £	2017 £
Audit and accountancy	3,293	3,250
Subscriptions	736	605
Professional fees	280	2,598
	4,309	6,453

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

### 6. Other income

	2018	2017
	£	£
Non-government grants and donations	429	4,671

### 7. Interest receivable and other income

	2018	2017
	£	£
Dividends received	877	835
Other income	300	-
Bank interest received	29	19
	1,206	854

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 £624 (2017 - £599).

### 8. Operating surplus

	2018	2017
	£	£
Operating surplus as stated after charging:		
Auditor's remuneration	3,293	3,250
Depreciation	3,754	3,528

### 9. Auditors' remuneration

	2018	2017
	£	£
Fees payable for the audit of the charity's financial statements	3,293	3,250
Fees payable for other services	348	330

### 10. Staff costs

During the year, the charity continued to employ a part-time Clerk working 27 hours (2017 – 27 hours) per week. No employee received remuneration above £60,000 (2017 – none).

Staff costs for the year amounted to:

	2018	2017
	£	£
Wages and salaries	17,291	16,518
Pension costs	199	107
	17,490	16,625

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

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

No trustees received any remuneration during the year (2017 - £nil).

No trustees received any benefits in kind during the year (2017 - £nil).

No trustees received any reimbursement of expenses during the year (2017 - £nil).

At 31 December 2018, 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 (2017 - £nil).

### 12. Tangible fixed assets

	Housing property improvements £	Housing properties for letting £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	97,774	548,967	25,026	671,767
Additions	10,247	-	8,745	18,992
At 31 December 2018	108,021	548,967	33,771	690,759
<b>Depreciation</b>				
At 1 January 2018	-	-	9,145	9,145
Charge for the year	-	-	4,629	4,629
At 31 December 2018	-	-	13,774	13,774
<b>Net book value</b>				
At 31 December 2018	108,021	548,967	19,997	676,985
At 31 December 2017	97,774	548,967	15,881	662,622

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 1143234-1, formerly 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 2018

### 13. Investments

	2018 £	2017 £
The market value of investments as at 31 December 2018 is as follows:		
NAA: Common Investment Fund – 843 income units	671	751
Charinco: Common Investment Fund – 309.166 accumulation units	14,908	14,930
Charinco: Common Investment Fund – 720 income units	1,339	1,405
Charishare: Common Investment Fund – 2,753.536 income units	15,877	18,058
COIF: 571 income units	8,181	8,412
	<u>40,976</u>	<u>43,556</u>

The cost of investments as at 31 December 2018 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 – 2753.536 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 2018 are UK listed investments in managed funds.

Market value at 1 January 2018	43,556	40,664
Unrealised (deficit) / surplus	(2,580)	2,892
	<u>40,976</u>	<u>43,556</u>

### 14. Trade and other debtors

	2018 £	2017 £
Arrears of maintenance contributions	5,654	4,825
Other debtors	516	-
Prepayments and accrued income	3,318	3,321
	<u>9,488</u>	<u>8,146</u>

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

	2018	2017
Trade creditors	463	-
Accruals and deferred income	8,425	7,700
Other creditors	293	16
	<u>9,181</u>	<u>7,716</u>

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018	2017
	£	£
Accruals and deferred income	176,268	178,587

### 17. Deferred income

	2018	2017
	£	£
Balance brought forward	180,906	183,225
Released in year	2,319	(2,319)
Balance carried forward	178,587	180,906

Deferred income represents a capital grant received for the construction of John Bowley House. The grant is being released over the estimated useful life of the property in accordance with FRS 102.

### 18. Restricted reserves

	Property valuation reserve	Sherwood Alms-houses gardens	Total
	£	£	£
At 1 January 2018	49,850	935	50,785
Deficit for the year	-	(387)	(387)
Transfers between funds	-	-	-
At 31 December 2018	49,850	548	50,398

#### 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 1143234-1, formerly 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.

#### Sherwood Almshouses Gardens

Donations were received from the Shepway District Council of £429 towards the cost of garden works in Sherwood Almshouses.

# JOHN BOWLEY AND SHERWOOD ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

### 19. Designated reserves

	Cyclical maintenance fund £	Extra- ordinary repair fund £	Total £
At 1 January 2018	30,000	170,000	200,000
Deficit for the year	(27,841)	-	(27,841)
Transfers between funds	38,088	12,432	50,520
Transfers for capital spend	(10,247)	(8,745)	(18,992)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	30,000	173,687	203,687
	<hr/>	<hr/>	<hr/>

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

	2018 £	2017 £
<b>Cash flow from operating activities</b>		
Surplus for the year	19,913	33,290
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	4,629	3,528
Increase in trade and other debtors	(1,342)	(1,043)
Increase in trade and other creditors	1,465	1,464
Government grants utilised in the year	(2,319)	(2,319)
Interest payable	-	-
Interest received	(29)	(20)
	<hr/>	<hr/>
At 31 December	22,317	34,900
	<hr/>	<hr/>