

The Charity of Sarah Bernard

Annual Report and Financial Statements
for the Year Ended 31 December 2019

Lambert Chapman LLP
Chartered Accountants and Registered Statutory Auditors
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

The Charity of Sarah Bernard

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 18

The Charity of Sarah Bernard

Reference and Administrative Details

Trustees	J H Simpson
	L Vohmann
	M K Gardiner
	M Carter
	G Cutmore
Principal Office	Grove Barn
	Oxen End
	Little Bardfield
	Essex
Charity Registration Number	CM7 4PX
	1181945
Bankers	CAF Bank
	25 Kings Hill Avenue
	West Malling
	Kent
Independent Examiner	ME19 4JQ
	N Forsyth FCA
	Lambert Chapman LLP
	Chartered Accountants and Registered Statutory Auditors
	3 Warners Mill
	Silks Way
	Braintree
	Essex
	CM7 3GB

The Charity of Sarah Bernard

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2019.

Trustees

J H Simpson (appointed 8 February 2019)
L Vohmann (appointed 8 February 2019)
M K Gardiner (appointed 8 February 2019)
M Carter (appointed 8 February 2019)
G Cutmore (appointed 8 February 2019)

Objectives and activities

Objects and aims

The charity's objective is the provision of housing for the benefit of poor widows or spinsters, poor married couples, bachelors or widowers who are resident in the ancient parish of Bardfield or within a distance of 10 miles from the boundary of the Parish.

Objectives, strategies and activities

The weekly maintenance contribution was reviewed and agreed to be increased to £106 per week with effect from 1st January 2020.

Works were completed as follows:-

No's 1, 2,3 and 4 were rewired and, at the same time, new kitchens were fitted. These works included safety features e.g. upgraded smoke alarms and safety lighting and each of the kitchens was equipped with integrated appliances.

Public benefit

The Trustees are aware of the requirement to act in public benefit and feel that this is being achieved through the work done in acting towards the aims of the Charity.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Charity of Sarah Bernard

Trustees' Report

Financial review

Policy on reserves

An Extraordinary Repair Fund was set up, initially within the Charity of Mrs Sarah Bernard, following a scheme of the Charity Commission in April 1963. This fund (designated as such) together with monies on account with CAF and COIF, represent accumulations of income which the Trustees consider appropriate by way of reserves.

The Trustees fully recognise the need to maintain an appropriate level of reserves. A policy has been adopted that reserves should be maintained at a sufficient level to cover:

1. the loss of 6 months' operating income;
2. the estimated costs of planned building projects identified over a five year cycle; and
3. the estimated costs of covering potential risks which are uninsured or specifically excluded from the Charity's insurance policies.

This policy is reviewed annually by the Trustees.

Taking into account the estimated cost of rewiring and new kitchens the reserves required exceeded the funds held and it was in order to maintain that level of reserves that external funding was sought.

The Trustees maintain detailed and prioritised Schedules for the maintenance and improvement of the Almshouses for the benefit of current and future residents.

The Schedules are based on regular inspections by the Trustees themselves and professional survey approximately every 5 years.

Trustees regularly monitor the cash position and that of the Charity's reserves and are satisfied that these conform to the Charity Commission Guidelines (CC19) and that current cash flows are sufficient to meet foreseeable needs and contingencies.

The Charity of Sarah Bernard

Trustees' Report

Structure, governance and management

Nature of governing document

The Charity constitutes a Charitable Incorporated Organisation and is controlled by its governing document which is a Foundation model constitution.

The Charity was previously registered as the "Charity of Mrs Sarah Bernard", charity registration number 209558. Further to the Trustees' decision in 2017 to transfer to a Charitable Incorporated Organisation, a draft constitution of the new charity, "The Charity of Sarah Bernard", was registered with the Charity Commission on 8th February 2019 and an Order of the Charity Commission dated 18th May 2019 authorised the transfer of assets (including permanent endowment) to the new charity. Before the end of the year new bank accounts had been set up and all assets dealt with as necessary, having the effect of transferring the functioning of the charity from the old charity to the new charity.

Organisational structure

The Charity is managed by the Charity Trustees who meet on a regular basis to discuss the Charity's activities and ensure that it continues to fulfil its objects.

Major risks and management of those risks

Risk management

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

To fulfil this duty the Trustees have created a schedule of the risks they have identified, noting action taken or required in respect of each risk individually. The schedule is kept under constant review and is in any event reviewed annually at a meeting of the Trustees. It is updated with any newly identified risks and/or action required as necessary.

The risks identified range from those relating to the trustee body itself and charitable activities to those relating to the financial activities of the charity and its legal obligations.

The annual report was approved by the trustees of the charity on 2 October 2020 and signed on its behalf by:

.....
J H Simpson
Trustee

The Charity of Sarah Bernard

Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 2 October 2020 and signed on its behalf by:

.....
J H Simpson
Trustee

The Charity of Sarah Bernard

Independent Examiner's Report to the trustees of The Charity of Sarah Bernard

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2019 which are set out on pages 7 to 18.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Charity of Sarah Bernard you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the The Charity of Sarah Bernard's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of The Charity of Sarah Bernard as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
N Forsyth FCA
Lambert Chapman LLP
Chartered Accountants and Registered Statutory Auditors

3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

8 October 2020

The Charity of Sarah Bernard

Statement of Financial Activities for the Year Ended 31 December 2019

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
Income and Endowments from:						
Donations and legacies	2	50	-	-	50	5,000
Charitable activities	3	22,770	-	-	22,770	24,085
Investment income	4	3,426	-	-	3,426	3,507
Total income		<u>26,246</u>	<u>-</u>	<u>-</u>	<u>26,246</u>	<u>32,592</u>
Expenditure on:						
Charitable activities	5	<u>(54,761)</u>	<u>(5,000)</u>	<u>-</u>	<u>(59,761)</u>	<u>(22,946)</u>
Total expenditure		<u>(54,761)</u>	<u>(5,000)</u>	<u>-</u>	<u>(59,761)</u>	<u>(22,946)</u>
Gains/losses on investment assets		<u>10,701</u>	<u>-</u>	<u>538</u>	<u>11,239</u>	<u>(9,779)</u>
Net (expenditure)/income		<u>(17,814)</u>	<u>(5,000)</u>	<u>538</u>	<u>(22,276)</u>	<u>(133)</u>
Net movement in funds		(17,814)	(5,000)	538	(22,276)	(133)
Reconciliation of funds						
Total funds brought forward		<u>83,373</u>	<u>5,000</u>	<u>3,980</u>	<u>92,353</u>	<u>92,486</u>
Total funds carried forward	17	<u>65,559</u>	<u>-</u>	<u>4,518</u>	<u>70,077</u>	<u>92,353</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 17.

The Charity of Sarah Bernard
(Registration number: 1181945)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	1	1
Current assets			
Debtors	12	1,184	1,142
Investments	13	87,682	85,192
Cash at bank and in hand	14	8,208	9,768
		97,074	96,102
Creditors: Amounts falling due within one year	15	(4,685)	(3,750)
Net current assets		92,389	92,352
Total assets less current liabilities		92,390	92,353
Creditors: Amounts falling due after more than one year	16	(22,313)	-
Net assets		70,077	92,353
Funds of the charity:			
Endowment funds		4,518	3,980
Restricted income funds			
Restricted funds		-	5,000
Unrestricted income funds			
Unrestricted funds		65,559	83,373
Total funds	17	70,077	92,353

The Charity of Sarah Bernard
(Registration number: 1181945)
Balance Sheet as at 31 December 2019

The financial statements on pages 7 to 18 were approved by the trustees, and authorised for issue on 2 October 2020 and signed on their behalf by:

.....
J H Simpson
Trustee

.....
L Vohmann
Trustee

.....
M K Gardiner
Trustee

.....
M Carter
Trustee

.....
G Cutmore
Trustee

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Exemption from preparing a cash flow statement

The charity has not included a cash flow statement in these financial statements as the income reported is below the threshold for this to be a requirement.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Judgements

Apart from those judgements involving estimations, management has not made any judgements in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the accounts. There are no key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income and endowments

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

Charitable activities

Income is received as residents' contributions for the provision of housing and is recognised when entitlement has occurred.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements.

Taxation

The Charity is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Improvements to Property	10% straight line basis

Current asset investments

Current asset investments are included at market value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

Trade creditors

Trade creditors include obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Permanent endowment funds are funds to be retained within the charity and cannot be used at the discretion of the Trustees.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2019 £	Total 2018 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	50	50	-
Grants, including capital grants;			
Grants from the Parish Council	-	-	5,000
	<u>50</u>	<u>50</u>	<u>5,000</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2019 £	Total 2018 £
Provision of housing	<u>22,770</u>	<u>22,770</u>	<u>24,085</u>

4 Investment income

	Unrestricted funds Designated £	General £	Total 2019 £	Total 2018 £
Interest receivable and similar income;				
Interest receivable on bank deposits	-	1	1	-
Other income from current asset investments	<u>3,250</u>	<u>175</u>	<u>3,425</u>	<u>3,507</u>
	<u>3,250</u>	<u>176</u>	<u>3,426</u>	<u>3,507</u>

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

5 Expenditure on charitable activities

	Note	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2019 £	Total 2018 £
Repairs and maintenance		20,000	21,495	5,000	46,495	8,254
Rates and sewerage		-	1,712	-	1,712	1,910
Light and heat		-	3,766	-	3,766	4,706
Property insurance		-	1,367	-	1,367	1,285
Gardening services		-	1,377	-	1,377	265
Management fees		-	-	-	-	100
Sundry expenses		-	37	-	37	-
National Association of Almshouses		-	279	-	279	136
Bank charges		-	360	-	360	70
Depreciation charges		-	-	-	-	1,882
Governance costs	6	-	4,368	-	4,368	4,338
		<u>20,000</u>	<u>34,761</u>	<u>5,000</u>	<u>59,761</u>	<u>22,946</u>

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2019 £	Total 2018 £
Independent examiner fees			
Examination of the financial statements	1,860	1,860	1,140
Legal fees	<u>2,508</u>	<u>2,508</u>	<u>3,198</u>
	<u>4,368</u>	<u>4,368</u>	<u>4,338</u>

7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2019 £	2018 £
Depreciation of fixed assets	<u>-</u>	<u>1,882</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.
No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Independent examiner's remuneration

	2019 £	2018 £
Examination of the financial statements	<u>1,860</u>	<u>1,140</u>

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

10 Taxation

The charity is a registered charity and is therefore potentially exempt from taxation.

11 Tangible fixed assets

	Improvements to property £	Total £
Cost		
At 1 January 2019	18,856	18,856
At 31 December 2019	18,856	18,856
Depreciation		
At 1 January 2019	18,855	18,855
At 31 December 2019	18,855	18,855
Net book value		
At 31 December 2019	1	1
At 31 December 2018	1	1

12 Debtors

	2019 £	2018 £
Prepayments	1,184	1,142

13 Current asset investments

	2019 £	2018 £
Listed other shares	87,682	85,192

All current asset investments are held in the UK.

14 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	8,208	9,768

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

15 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	500	670
Other loans	2,625	2,000
Accruals	1,560	1,080
	<u>4,685</u>	<u>3,750</u>

16 Creditors: amounts falling due after one year

	2019
	£
Other loans	<u>22,313</u>

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

17 Funds

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds						
General	2,160	22,996	(34,761)	12,000	-	2,395
Designated	81,213	3,250	(20,000)	(12,000)	10,701	63,164
Total unrestricted funds	83,373	26,246	(54,761)	-	10,701	65,559
Restricted funds	5,000	-	(5,000)	-	-	-
Endowment funds						
Permanent	3,980	-	-	-	538	4,518
Total funds	92,353	26,246	(59,761)	-	11,239	70,077
	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2018 £
Unrestricted funds						
General	5,851	24,255	(22,946)	(5,000)	-	2,160
Designated	82,178	3,337	-	5,000	(9,302)	81,213
Total unrestricted funds	88,029	27,592	(22,946)	-	(9,302)	83,373
Restricted funds	-	5,000	-	-	-	5,000
Endowment funds						
Permanent	4,457	-	-	-	(477)	3,980
Total funds	92,486	32,592	(22,946)	-	(9,779)	92,353

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

The specific purposes for which the funds are to be applied are as follows:

Designated Fund - the extraordinary repair fund, invested in NAACIF accumulation shares, represents funds allocated by the trustees to meet exceptional repair and maintenance expenditure on buildings as and when required. The trustees actively review the requirement to carry out repairs on an ongoing basis and are aware that further funds may need to be designated from unrestricted funds if necessary. During the year, £12,000 was physically transferred from the repair fund to enable the work to be carried out; the Trustees also decided that £20,000 of the funds designated for extraordinary repairs should be used to cover the works undertaken in the year.

Unrestricted Fund - unrestricted funds represent the balance which is available to the charity which is neither restricted nor currently designated to the Extraordinary Repair Fund. The trustees actively review their reserves policy on an ongoing basis and are aware that they may need to designate further amounts from this fund should the need arise. The trustees are aware that the requirement to review the level of funds in respect of repairs is their primary concern and, as such, are mindful of these reserves.

Endowment Fund - the endowment fund represents the investment in NAACIF income shares which form a permanent endowment of the charity and the use of these funds is therefore restricted.

Restricted Fund - this relates to money received from Little Bardfield Parish Council in respect of the Little Bardfield Almshouses. These funds were spent during the year as shown in note 5.

The Charity of Sarah Bernard

Notes to the Financial Statements for the Year Ended 31 December 2019

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated		Permanent	2019
	£	£	£	£	£
Tangible fixed assets	1	-	-	-	1
Current assets	29,392	63,164	-	4,518	97,074
Current liabilities	(4,685)	-	-	-	(4,685)
Creditors over 1 year	(22,313)	-	-	-	(22,313)
Total net assets	<u>2,395</u>	<u>63,164</u>	<u>-</u>	<u>4,518</u>	<u>70,077</u>

	Unrestricted funds		Restricted funds	Endowment funds	Total funds
	General	Designated		Permanent	2018
	£	£	£	£	£
Tangible fixed assets	1	-	-	-	1
Current assets	5,909	81,213	5,000	3,980	96,102
Current liabilities	(3,750)	-	-	-	(3,750)
Total net assets	<u>2,160</u>	<u>81,213</u>	<u>5,000</u>	<u>3,980</u>	<u>92,353</u>