

**Stuart Court Memorial Charity**

**Registered Social Landlord Number: A2803  
Charity Commission Number: 226776**

**Audited Annual Report and Financial Statements**

**For the year ended 31 October 2017**

**Stuart Court Memorial Charity**

**Year ended 31 October 2017**

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<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	1
Report of the Chairman	2 - 3
Report of the Trustee	4 - 6
Independent Auditor's Report	7 - 9
Statement of Comprehensive Income (including Income and Expenditure Account)	10
Statement of Financial Position	11
Statement of Changes in Reserves	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 22

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**Stuart Court Memorial Charity**

**Year ended 31 October 2017**

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**Registered Social Landlord number:** A2803

**Registered Charity number:** 226776

**Trustee:** Norwich Housing Society Limited

**Address:** 13 Bracondale  
Norwich  
Norfolk  
NR1 2AL

**Bankers:** HSBC  
18 London Street  
Norwich  
NR2 1LG

The Charity Bank Limited  
182 High Street  
Tonbridge  
Kent  
TN9 1BE

**Auditor:** Lovewell Blake LLP  
Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

## Stuart Court Memorial Charity

### Report of the Chairman

#### For the year ended 31 October 2017

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This has been another very busy year for Board and Staff alike. There are just seven members on the Board, all of whom give of their time and expertise unstintingly for the good of the Society, and we have achieved a great deal. We have watched with interest as the building of our new scheme, which is to be named Leander Court, has progressed on the Bluebell Road site at Eaton, Norwich, which we anticipate taking possession of in February 2018. The Board's reorganised sub-committees meet at regular intervals, and are expertly led by people who are well qualified for the task; this makes the work of the Board more effective and efficient. Board members are encouraged to attend workshops and conferences which will help us to not only learn new ways of achieving our goals, but to build up more contacts and greater awareness of other organisations and the work they do.

Board succession is now planned bearing in mind the National Housing Federation Model Rules 2011, which the Society adopted at the AGM in March 2014. We now have a rolling programme of two or three members seeking re-election or standing down after each three-year period of service, until the ninth year when they are obliged to stand down; although they can reapply after one year's absence. We are all constantly looking at the skill sets we need to be more effective in our work, and in the light of the changing legislation and government directives. At the AGM in March 2018 if all three candidates are elected we will increase the skills of Board as we have a person who works in the social housing sector, someone with wide-ranging planning experience, and another person who has worked on business promotion and development.

Mike Allen our current CEO, who has been in post since March 2014, continues to work tirelessly for the good of the Society, and in the leadership of the staff. The demands of the past twelve to eighteen months have been great, due to the resignation of one member of staff, another going on maternity leave, plus the additional demands which have come into play as a result of the major development the Society has undertaken, and the legal aspect of selling the Starling Road houses. All this has called for additional skills to be deployed and have challenged time-management for him and other staff members. He is supported by a very competent group of people who work well together, while being encouraged to develop and use their individual skills resulting in a more motivated, flexible and efficient team. The Board continues to keep a watching brief of all aspects of staff deployment, and the working environment within the office, and the Scheme Managers' homes and work places. The relationship between Board members and staff is good. All this applies not only to the Norwich Housing Society, but also to the Stuart Court Memorial Charity for which the Society is the Corporate Trustee, monitored by the Board. The day-to-day work of the Society has continued to provide a high level of service to our tenants, and our property portfolio has been well managed and maintained.

The tenant satisfaction survey conducted by Acuity in 2016, highlighted the fact that our level of service, and attention to detail, had improved in many areas, from the previous survey conducted in 2013. This is rewarding, but we shall continue to check and double check what we do and why, in order to maintain this high level of tenant satisfaction, while endeavouring to find new ways of service provision and communication before the next survey in 2019.

Communications were helped by the wider circulation of *The Elder*, a quarterly newsletter produced in house, which sadly ceased due to the Editor going on maternity leave after the spring edition 2017, but we hope to reinstate this albeit in another form early in 2018. The tenant meetings have been held twice each year, but we are going to change this to every nine months, so that we see each scheme at a different time of the year, in order to increase our awareness of any tensions which may arise at other times in the life of each scheme. These meetings are extremely helpful as they promote dialogue between staff, tenants, board and contractors; this is time well spent as it reduces speculation and gossip, and helps us all to work together from an informed base.

The Society's website is currently being upgraded, which will hopefully make it more appealing and useful to those who surf the net, for those who are seeking services like ours, or those who need help in house. We endeavour to maintain and monitor a healthy tenant waiting list, in order to keep voids low at all times. We have recently been more pro-active in this by deploying an agent's skills not only in order to find suitable tenants for the new scheme, but to publicise the wider work of the Society and the lifestyle our tenants enjoy while living in our accommodation. Where a property is left empty for a longer period of time this has been due to the need to make improvements to either the unit or the scheme. There is one remaining property to be sold in Starling Road, as the tenants have no desire to leave and their tenancy precludes us from moving them on; that said we are happy to continue to receive the rent for this house as it is not important to us for financing the current building project.

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## Stuart Court Memorial Charity

### Report of the Chairman (continued)

For the year ended 31 October 2017

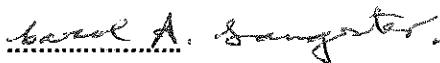
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The new scheme of twenty flats has been fully funded by the sale of nine of the ten houses in Starling Road, plus a 'Right to Buy' grant from Norwich City Council, our financial position is strong, with all the loan covenants satisfied. We are very conscious of the need to gain value for money in all our dealings, and the new heating system at Stuart Court is already proving this to be the case both for us and for the tenants. Contracts for work are routinely reviewed and tendered for if necessary. Our tenants' views on contractors and their work are taken into consideration where appropriate. We will continue to use our income wisely, in order to maintain our properties to provide efficient, comfortable accommodation for our tenants. We will also endeavour to bring our more aged housing stock up to date where this is cost effective which we are doing at St. Barnabas Court and Nelson Street. Where it is not financially beneficial we will sell, as was the case in Starling Road. This was why we sold nine semi-detached, general needs houses, built by the Society in the 1930s, in order to fund twenty purpose built flats for our core business, which is to provide accommodation for people over sixty of limited means. This also increased our housing stock by 6.3% gross or 3.6% net, while removing properties that would have been a drain on our resources due to their age, and the type of tenancy they were built for. In the light of the Grenfell Tower disaster we have reviewed the cladding, building materials and fire precaution systems in all our schemes, in line with any Government directives or National Housing Federation advice, and as in the past we shall regularly check and monitor these. At the time of the disaster we were in the process of planning and renewing the curtain wall at Westwood House, and so we have taken this opportunity to improve the fire escapes included in this section of the property leading from each landing.

We are still examining ways to build or purchase additional properties, even with the Bluebell Road project underway, as we need to progress the service provision of the Society while being mindful of the need to sustain and maintain all our housing stock. In order to achieve this we must continue to seek any funding available to us, while taking time at the planning stage in order to avoid long periods of lost income or tenant displacement. Once again these patterns can be applied to Stuart Court Memorial Charity, who now receive the rental income from the three houses purchased in 2016 which provide a better return in the current climate than the income from the investments they once held.

I believe the Norwich Housing Society, and Stuart Court Memorial Charity, are more than ready to move forward into the future thanks to the continuing dedication of both Staff and Board. As Almshouses Stuart Court has been assisted by the Almshouses Association who lobbied parliament, and by so doing gained an exemption from the one per cent decrease in rents over a four year period, which was applied to all other Housing Associations from April 2016. It is our duty to stay abreast of national legislation changes, and national and global trends, in order to thrive and compete within this much needed area of service provision within the social housing sector

**Carol A Sangster**  
**Board Chairman**



## **Stuart Court Memorial Charity**

### **Report of the Trustee**

**For the year ended 31 October 2017**

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#### **Principal activities and objectives for the public benefit**

The Charity exists in order to provide for the public benefit, within the city of Norwich, affordable good quality rented accommodation for those over 60 years of age currently without a self-contained home or living in other circumstances unsuitable to their needs.

Having acquired sufficient self-contained residential units so as to accommodate the current level of applicants in genuine need of housing, the ongoing objective is to ensure the property maintenance, modernisation and management of Stuart Court.

It is important that our community and tenants obtain value for money from our activities. We shall endeavour to achieve this by ensuring decisions are made by Board Members of the corporate trustee and Staff who know the local community and neighbourhood.

The Board confirm that, in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

#### **Value for money**

The Charity's assets are managed in order to deliver the best possible service as efficiently, effectively and economically as possible.

The state of repair of the Court, a listed building built in 1915, is regularly reviewed by the Board and its sub-committees. Works are prioritised and undertaken when required.

Tenants' satisfaction with property repairs is regularly measured and monitored. 99% of tenants who had a repair carried out in the year to October 2017 were either satisfied or very satisfied with the work done and the way it was undertaken. 1% was either dissatisfied or had no opinion. Further information is available within the Tenants' satisfaction survey report.

Losses due to Voids reduced in the year as a result of flats being upgraded.

In 2016 Acuity, a firm of consultants, was commissioned to carry out the triennial tenants' satisfaction survey during the year. A high response rate of 72% was obtained. Overall satisfaction with the services provided by the Association is at 95%, with very high ratings also awarded for the quality of the home (96%) and the neighbourhood (94%). The satisfaction ratings found are evidence of strong performance at the Society and a credit to staff, management and the Board.

**Value for money:** Around nine out of ten tenants are satisfied with the value for money of the rent (93%) and with their service charges (88%). One in fourteen is dissatisfied with the VFM of their service charge (7%). VFM satisfaction has increased slightly since 2013 for rent (3% higher) and the service charges (5% higher).

Tenants' satisfaction and Value for Money reports are available within the "About Us" area of the Society's website <http://www.norwichhousingociety.org>

## **Stuart Court Memorial Charity**

### **Report of the Trustee**

**For the year ended 31 October 2017**

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

Stuart Court Memorial Charity is governed by its trust deed, dated 7 December 1915, and aims to provide good quality affordable accommodation for persons over sixty years of age. Norwich Housing Society Limited provides day to day management services.

We operate under the National Housing Federation Model Rules 2011 which is recognised as best practice.

#### **Market value of land and buildings**

The Board is of the opinion that the market value of properties at 31 October 2017 would significantly exceed the net book values included in the financial statements, but is unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the Society's intention to retain ownership of its existing properties for use in its activities for the foreseeable future.

#### **Reserves policy**

At the year end the charity's free reserves, consisting of net current assets, totalled £77,180 (2016: £438,165). Free reserves were artificially high in the prior year ahead of the purchase of three properties from Norwich Housing Society Limited (IP11676R). It is the trustee's policy to hold net current assets at a level that would be sufficient to fund any required maintenance and renewals in excess of income. The trustee is satisfied with the level of free reserves.

#### **Political and charitable donations**

The Charity has not made any donations during the course of this financial year.

#### **Equal opportunities**

The Charity believes it has a 'fair housing programme' which does not discriminate on the grounds of colour or race, sex or disability in each of the five following categories - access to housing; quality of housing; security of tenure; influence over management; and redress when things go wrong.

It is also intended that this policy should extend to the Charity's employees, consultants and contractors and to the composition of the management board.

#### **Statement of Trustee's responsibilities for the financial statements**

The Trustee is responsible for preparing the financial statements in accordance with applicable law and with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities and registered social housing legislation require the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its surplus or deficit for that period. In preparing these financial statements, the Trustee is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

**Stuart Court Memorial Charity**

**Report of the Trustee**

**For the year ended 31 October 2017**

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**Statement of Trustee's responsibilities for the financial statements (continued)**

The Trustee is responsible for keeping accounting records that 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 Trust Deed, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

The Trustee is 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 Auditor**

We, the Board members of Norwich Housing Society Limited which acts as corporate Trustee of Stuart Court Memorial Charity, who held office at the date of approval of these financial statements as set out above, confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- we have taken all the steps that we ought to have taken as corporate Trustee to make ourselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

**Carol Sangster**  
**Chairman**

*Carol A. Sangster*  
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**Trustee**

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**Stuart Court Memorial Charity**

**Independent Auditors' Report to the Trustee of Stuart Court Memorial Charity**

**Year ended 31 October 2017**

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**Opinion**

We have audited the financial statements of Stuart Court Memorial Charity (the 'association') for the year ended 31 October 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

This report is made solely to the association's board, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's board 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 association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 October 2017 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 requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

## **Stuart Court Memorial Charity**

### **Independent Auditors' Report to the Trustee of Stuart Court Memorial Charity (continued)**

**Year ended 31 October 2017**

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#### **Other information**

The board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

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 the board**

As explained more fully in the Trustee's responsibilities statement set out on page 5 and 6, the board members (who are also the trustees of the association for the purposes of charity 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 board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Stuart Court Memorial Charity

Independent Auditors' Report to the Trustee of Stuart Court Memorial Charity (continued)

Year ended 31 October 2017

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008.

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

A further description of our responsibilities for the audit of 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 auditor's report.

*Lovewell Blake LLP*

Lovewell Blake LLP  
Statutory Auditor  
Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

*13/02/18*  
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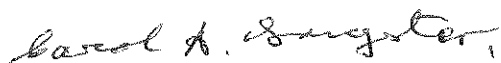
Lovewell Blake LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Stuart Court Memorial Charity**  
**Statement of Comprehensive Income**  
**For The Year Ended 31 October 2017**

	Note	2017 £	2016 £
Turnover	2	131,528	104,950
Operating expenditure	2	(101,763)	(113,220)
<b>Operating surplus / (deficit)</b>		<u>29,765</u>	<u>(8,270)</u>
(Loss) on fixed asset investments	8b	-	(18,284)
Interest receivable and similar income	3	<u>523</u>	<u>4,470</u>
<b>Total comprehensive income for the year</b>	4	<u><u>30,288</u></u>	<u><u>(22,084)</u></u>

The results relate wholly to continuing activities.

The financial statements on pages 10 to 22 were approved by the Trustee on 6 Feb 2018 and are signed on its behalf by:-



**Carol Sangster** – Chairman, Norwich Housing Society



**Michael Allen** – Chief Executive, Norwich Housing Society

The notes on pages 14 to 22 form part of these financial statements.

**Stuart Court Memorial Charity**  
**Statement of Financial Position**  
**As at 31 October 2017**

	Note	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	7		911,215		536,368
Investments	8		-		-
<b>Total tangible fixed assets</b>			<u>911,215</u>		<u>536,368</u>
<b>Current assets</b>					
Debtors	9	2,525		2,819	
Bank balances	10	99,430		479,974	
			<u>101,955</u>	<u>482,793</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(24,775)</u>		<u>(44,628)</u>	
<b>Net current assets</b>			<u>77,180</u>		<u>438,165</u>
<b>Total assets less current liabilities</b>			<u>988,395</u>		<u>974,533</u>
Creditors: amounts falling due after more than one year	12		<u>(100,790)</u>		<u>(117,216)</u>
<b>Total net assets</b>			<u>887,605</u>		<u>857,317</u>
<b>Reserves</b>					
Income and expenditure reserve	13	<u>887,605</u>		<u>857,317</u>	
<b>Total reserves</b>			<u>887,605</u>		<u>857,317</u>

The financial statements on pages 10 to 22 were approved by the Trustee on 6 Feb 2018 and are signed on its behalf by:-

*Carol A. Sangster*

**Carol Sangster** – Chairman, Norwich Housing Society

*Michael Allen*

**Michael Allen** – Chief Executive, Norwich Housing Society

The notes on pages 14 to 22 form part of these financial statements.

**Stuart Court Memorial Charity**

**Statement of Changes in Reserves**

**As at 31 October 2017**

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	<b>Revaluation reserve</b>	<b>Income and expenditure reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 November 2015</b>	11,138	868,263	879,401
Total comprehensive income for the year	-	(22,084)	(22,084)
Transfer from revaluation reserve to income and expenditure reserve	<u>(11,138)</u>	<u>11,138</u>	<u>-</u>
<b>At 31 October 2016 and 1 November 2016</b>	-	857,317	857,317
Total comprehensive income for the year	-	30,288	30,288
Transfer from revaluation reserve to income and expenditure reserve	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 October 2017</b>	<u>-</u>	<u>887,605</u>	<u>887,605</u>

**Stuart Court Memorial Charity**

**Statement of Cash Flows**

**As at 31 October 2017**

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	Note	2017 £	2016 £
<b>Net cash flow from operating activities</b>	18	<u>26,482</u>	<u>24,798</u>
<b>Cash flow from investing activities</b>			
Payments to acquire fixed assets		(407,549)	(206,451)
Receipts from sales of investments		-	437,725
Payments to acquire investments		-	(5,491)
Interest received		<u>523</u>	<u>4,470</u>
<b>Net cash flow from investing activities</b>		<u>(407,026)</u>	<u>230,253</u>
<b>Net increase in cash and cash equivalents</b>		(380,544)	255,051
<b>Cash and cash equivalents at 1 November 2016</b>		<u>479,974</u>	<u>224,923</u>
<b>Cash and cash equivalents at 31 October 2017</b>		<u>99,430</u>	<u>479,974</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		6,899	5,459
Short term deposits		<u>92,531</u>	<u>474,515</u>
<b>Cash and cash equivalents at 31 October 2017</b>		<u>99,430</u>	<u>224,923</u>

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## Stuart Court Memorial Charity

### Notes to the Financial Statements (Continued)

#### For The Year Ended 31 October 2017

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#### 1. Accounting policies

The significant accounting policies used in the preparation of these financial statements are:-

##### a. Introduction and accounting basis

Stuart Court Memorial Charity is a registered charity and registered social landlord, governed by its trust deed, dated 7 December 1915. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed on page 4 of these accounts.

The Charity represents a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling (£) which is the functional currency of the Charity, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### b. Turnover

Turnover represents rental and service charges receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

##### c. Depreciation of housing properties

The Charity separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

Boilers/Fires	6.66%
Kitchens	5.00%
Lift	5.00%
Plumbing	3.33%
Bathroom	3.33%
Windows/Doors	3.33%
Electrics	2.50%
Roof	1.43%
Walls	1.00%

Freehold land is not depreciated.



## Stuart Court Memorial Charity

### Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2017

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#### 1. Accounting policies (continued)

##### d. Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment loss (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet). Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in the net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

##### e. Government grants

Government grants include grants receivable from the Homes and Communities Agency (the HCA), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

##### f. Cyclical repairs and maintenance

The Charity has established a regular programme of repair and maintenance for its housing property. Actual costs are charged to the income and expenditure account as incurred.

##### g. VAT

The Charity is not VAT registered. Income and expenditure, where applicable, is therefore shown inclusive of VAT in the financial statements.

##### h. Current assets

Debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand.

##### i. Creditors and provisions

Creditors and provisions are recognised when 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.

##### j. 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.

## Stuart Court Memorial Charity

### Notes to the Financial Statements (Continued)

#### For The Year Ended 31 October 2017

#### 1. Accounting policies (continued)

##### k. Going concern

The financial statements have been prepared on a going concern basis as the Board of Management believes that no material uncertainties exist. The Board of Management have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

#### 2. Turnover and operating surplus

	Turnover	Operating Costs	2017 Operating Profit	Turnover	Operating Costs	2016 Operating Deficit
	£	£	£	£	£	£
Supported housing lettings (note 6)	131,528	(101,763)	29,765	104,950	(113,220)	(8,270)
	<u>131,528</u>	<u>(101,763)</u>	<u>29,765</u>	<u>104,950</u>	<u>(113,220)</u>	<u>(8,270)</u>

#### 3. Interest receivable and similar income

	2017 £	2016 £
Bank interest received	523	3,326
Dividends received	-	1,144
	<u>523</u>	<u>4,470</u>

During the prior year the charity held limited, listed investments to provide income to the charity. These are not regulated by the Regulatory Framework for Social Housing in England 2012. The total non-regulated income from the year was nil (2016: £1,144). These investments were sold during the prior year.

#### 4. Operating surplus

The operating surplus is stated after charging.

	2017 £	2016 £
Depreciation of tangible fixed assets	32,702	5,403
Auditor's remuneration for audit	3,560	3,050
Auditor's remuneration for non-audit	<u>640</u>	<u>550</u>

#### 5. Employees

The Charity does not have any employees and as such there are no staff costs incurred.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2017

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6. Particulars of turnover and administrative expenditure from social housing lettings	Supported housing and housing for older people	
	2017 £	2016 £
<b>Income</b>		
Rents receivable net of identifiable service charges	96,387	77,655
Service charge income	23,841	23,830
Government grants taken to income	<u>10,640</u>	<u>2,019</u>
<b>Turnover from social housing lettings</b>	130,868	103,504
Other income	<u>660</u>	<u>1,446</u>
<b>Total income</b>	<u>131,528</u>	<u>104,950</u>
<b>Operating costs</b>		
Service charge costs	17,567	22,653
Routine maintenance	12,723	10,857
Planned maintenance	13,547	14,411
Major repairs expenditure	2,685	37,874
Depreciation of housing properties	32,702	5,403
Accountancy and audit	4,200	3,600
Management fees	16,800	14,304
Insurance	1,023	975
Bad debts	-	(234)
Other costs	516	3,377
	<u>101,763</u>	<u>113,220</u>
Administrative expenditure on social housing lettings	<u>101,763</u>	<u>113,220</u>
<b>Operating surplus / (deficit) on social housing lettings</b>	<u>29,765</u>	<u>(8,270)</u>
Void losses	<u>2,682</u>	<u>7,172</u>

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**Stuart Court Memorial Charity**

**Notes to the Financial Statements (Continued)**

**For The Year Ended 31 October 2017**

<b>7. Fixed assets – freehold housing properties</b>	<b>Social housing properties held for letting 2017</b>	
	<b>£</b>	
<b>Cost</b>		
At 1 November 2016	594,414	
Additions	407,549	
	<hr/>	
At 31 October 2017	<u>1,001,963</u>	
<b>Depreciation</b>		
At 1 November 2016	58,046	
Charge for year	32,702	
	<hr/>	
At 31 October 2017	<u>90,748</u>	
Net book value at 31 October 2017	<u>911,215</u>	
Net book value at 31 October 2016	<u>536,368</u>	
Non depreciable land amounts to £38,539 (2016: £38,539)		
<b>Expenditure on works to existing properties</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Improvement works capitalised	14,500	206,451
Amounts charged to income and expenditure (note 6)	28,955	63,142
	<hr/>	<hr/>
	<u>43,455</u>	<u>269,593</u>
<b>Social housing assistance</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Total accumulated social housing grant received or receivable at 31 October	<u>144,957</u>	<u>144,957</u>
Recognised to date in the Statement of Comprehensive Income Held as deferred income (notes 11 and 12)	36,382	25,722
	<hr/>	<hr/>
	<u>144,957</u>	<u>144,957</u>

**Stuart Court Memorial Charity**

**Notes to the Financial Statements (Continued)**

**For The Year Ended 31 October 2017**

**8. Fixed assets investments**

<b>a. Fixed asset investments summary</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Quoted investments (note 8b)	-	-
Cash held for investment by broker	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>b. Quoted investments</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Market value at 1 November 2016	-	202,967
Additions	-	5,491
Sale proceeds	-	(190,174)
Realised investment (loss)	-	(18,284)
Unrealised investment (loss)	-	-
	<u>-</u>	<u>-</u>
Market value at 31 October 2017	<u>-</u>	<u>-</u>
Historical cost at 31 October 2017	<u>-</u>	<u>-</u>

All investments held by the Charity were acquired in accordance with the powers available to the Trustee.

**9. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Rent debtors	1,828	1,783
Prepayments and accrued income	697	1,036
	<u>2,525</u>	<u>2,819</u>

**10. Bank balances**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current accounts	6,899	5,459
Deposit accounts	92,531	474,515
	<u>99,430</u>	<u>479,974</u>

**Stuart Court Memorial Charity**

**Notes to the Financial Statements (Continued)**

**For The Year Ended 31 October 2017**

**11. Creditors: Amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	2,346	11,887
Amounts payable to Trustee – Norwich Housing Society	360	2,248
Accruals and deferred income	22,024	30,493
Other creditors	25	-
	<u>24,755</u>	<u>44,628</u>
Deferred income brought forward	6,256	6,125
Released during the year	(4,237)	(4,106)
Deferred during the year	<u>7,809</u>	<u>4,237</u>
Deferred income carried forward	<u>9,828</u>	<u>6,256</u>

**12. Creditors: Amounts falling due over one year**

	2017	2016
	£	£
Accruals and deferred income	<u>100,790</u>	<u>117,216</u>
Deferred income brought forward	117,216	119,235
Released during the year	(16,426)	(2,019)
Deferred during the year	<u>-</u>	<u>-</u>
Deferred income carried forward	<u>100,790</u>	<u>117,216</u>

**13. Reserves**

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

**14. Analysis of net assets between funds**

	<b>Income and expenditure</b>	
	2017	2016
	£	£
Tangible fixed assets	911,215	536,368
Net current assets	77,180	438,165
Long term liabilities	(100,790)	(117,216)
	<u>887,605</u>	<u>857,317</u>

## Stuart Court Memorial Charity

### Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2017

#### 15. Housing stock

	Units at the year end	
	2017	2016
	Number	Number
Rehabilitation	<u>25</u>	<u>22</u>

Norwich Housing Society Limited manages these 25 properties. See note 15.

#### 16. Related party transactions

Norwich Housing Society Limited is sole Trustee of Stuart Court Memorial Charity. Transactions between the two entities are summarised as follows:

	2017	2016
	£	£
Management charge payable to Norwich Housing Society Limited	<u>16,800</u>	<u>14,304</u>

The position at the balance sheet date is summarised as follows:

	2017	2016
	£	£
Amounts owing to Norwich Housing Society Limited at 31 October	<u>360</u>	<u>2,248</u>

During the year gardening services to the value of nil (2016: £1,048) were provided to the charity by Alexandra Boon, daughter of J Boon who is a member of the Board of Management of Norwich Housing Society Limited. At the year end the charity owed nil (2016: £60) to Miss Boon.

#### 17. Parent company

The corporate trustee of Stuart Court Memorial Charity is Norwich Housing Society Limited, a Registered Social Landlord.

The Board of Management of the Trustee have relied upon the exemption provided by Section 99 of the Co-operative and Community Benefit Societies Act 2014 because of the insignificant amounts involved and have not therefore prepared consolidated financial statements.

#### 18. Reconciliation of operating surplus / (deficit) to net cash inflow from operating activities

	2017	2016
	£	£
Operating surplus / (deficit)	29,765	(8,270)
Depreciation of tangible fixed assets	32,702	5,403
Decrease / (Increase) in debtors	294	(902)
(Decrease) / Increase in creditors	(36,279)	28,567
	<u>26,482</u>	<u>24,798</u>

**Stuart Court Memorial Charity**

**Notes to the Financial Statements (Continued)**

**For The Year Ended 31 October 2017**

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**19. Financial instruments**

The carrying amounts of the Society's financial instruments are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Rent debtors (note 9)	<u>1,828</u>	<u>1,783</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 11)	2,346	11,887
Amounts due to Trustee (note 11)	360	2,248
Accruals (note 11)	<u>12,196</u>	<u>24,237</u>
	<u>14,902</u>	<u>38,372</u>