

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 2016

Stuart Court Memorial Charity

Year ended 31 October 2016

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Stuart Court Memorial Charity

Year ended 31 October 2016

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

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

Investment managers: Barratt & Cooke
5 Opie Street
Norwich
NR1 3DW

Stuart Court Memorial Charity

Report of the Chairman

For the year ended 31 October 2016

This has been another very busy year for Board and Staff alike. There are just seven members on the Board, all of whom give their time and expertise unstintingly for the good of the Society, and we have achieved a great deal. The most significant project undertaken this year has been the sale of the ten general-needs houses in Starling Road, in order to purchase twenty purpose-built apartments for our core business in accommodating people over sixty, who are of limited means. This development is at Bluebell Road, Eaton, Norwich and we anticipate taking possession of this scheme within twelve to eighteen months after the building programme begins in March 2017. I must thank Maurice Land in particular here for the hours he has given to this entire venture, and for the level of scrutiny and professionalism he has brought to the task. 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 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 must 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.

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 major development the Society has undertaken, calling on all his skills and challenging his time management. 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 in all aspects of staff deployment, and the working environment within the office, and the Scheme Managers' homes and work places. The relationship between the 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 recent tenant satisfaction survey conducted by Acuity, 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.

Communications are helped by the wider circulation of *The Elder*, a quarterly newsletter, produced in house. The tenant meetings are held twice each year, and are proving extremely helpful in promoting 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.

We have a well maintained and monitored tenant waiting list, which helps to keep voids low at all times, but we shall have to be more pro-active in the near future in order to find suitable tenants for the new scheme. Where a property is left empty for a longer period of time this has occurred in order to make improvements to either the unit or the scheme. The void levels have been higher in the last year due to the need to assist our tenants in eight of the Starling Road properties to move into either council or other housing association houses, to facilitate the sale of all ten houses in order to fund the new development at Bluebell Road, Eaton, Norwich. There are two remaining properties which are to be sold to the purchaser at a later date, when the current tenants choose to vacate; a situation which has arisen due to the type of tenancy they hold.

The Society's reserves have been used to fund the major property improvements, but 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. Contracts for work are routinely reviewed and tendered for if necessary. Our tenants' views are taken into consideration where appropriate. We will use our income wisely, and by so doing maintain our properties to provide efficient, comfortable accommodation for our tenants.

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

Stuart Court Memorial Charity

Report of the Chairman (continued)

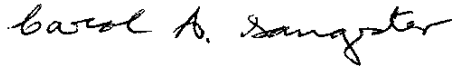
For the year ended 31 October 2016

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 have now purchased three houses in the city from the Norwich Housing Society. This was done on the understanding that the rents from these three properties would provide a better return in the current climate than the income from the investments, which were sold in order to buy the houses and upgrade the heating system.

Upgrading the heating system at Stuart Court was a major undertaking in a property over one hundred years old, but it was completed without relocating the tenants which was possible thanks to Andy Broom's constant response to tenant needs and concerns. Two flats became vacant just before the work began which were used by the heating engineers for safe storage and as a rest room, but they have now been refurbished and are ready to be let. The end result is a more efficient service both to the Society and the tenants, which allows the residents to have greater control over the temperature of their homes; it is more cost effective for us all. The Centenary Garden is proving to be a delight to the tenants and passers-by alike, and we hope it will continue to bring pleasure as it matures.

I believe the Norwich Housing Society, and Stuart Court Memorial Charity, are more than ready to move forward into the future thanks to the dedication of both the 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 forthcoming 1% decrease in rents, which is to be applied to all for other Housing Associations. It is our duty to stay abreast of national legislation changes, and national and global trends, if we are not only to survive, but to thrive and compete with the larger providers in the services we offer.

Carol A Sangster
Board Chairman



31 January 2017

Stuart Court Memorial Charity

Report of the Trustee

For the year ended 31 October 2016

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. The heating system was replaced during the year at significant capital cost both to save on future repair and maintenance and reduce future running costs.

Expenditure on Major Repairs increased in 2016 as the Court and its flats were upgraded. The refurbished flats not only make life more pleasant for tenants, it also facilitates letting therefore maximising rental income. Expenditure on Routine Maintenance reduced as a result of a more proactive approach to property maintenance in previous years. Tenants' satisfaction with property repairs is regularly measured and monitored. 96% of tenants who had a repair carried out in the year to October 2016 were either satisfied or very satisfied with the work done and the way it was undertaken. 1% was dissatisfied. Further information is available within the Tenants' satisfaction survey report.

Losses due to Voids increased flats were upgraded when they became vacant.

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). Both the 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 2016

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 are of the opinion that the market value of properties at 31 October 2016 would significantly exceed the net book values included in the financial statements, but they are 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 £438,165 (2015: £665,335, made up of £450,519 of investments and £214,816 of net current assets). 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 2016

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.

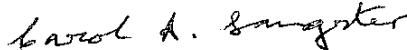
The Trustee is responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



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Trustee

31 January 2017

Stuart Court Memorial Charity

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

Year ended 31 October 2016

We have audited the financial statements of Stuart Court Memorial Charity for the year ended 31 October 2016 which comprise the Income and Expenditure Account, the Statement of Total Recognised Surpluses and Deficits, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the housing association's Trustee, as a body, in accordance with regulations made under section 154 of the Charities Act 2011 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.

Respective responsibilities of Trustee and auditors

As explained more fully in the Trustee's responsibilities statement set out on page 5 and 6, the board is responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 October 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 1993, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Stuart Court Memorial Charity

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

Year ended 31 October 2016

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 report of the Trustee 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.

Lovewell Blake LLP
Lovewell Blake LLP
Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB
13/2/17
.....

Stuart Court Memorial Charity
Statement of Comprehensive Income
For The Year Ended 31 October 2016

	Note	2016 £	2015 £
Turnover	2	104,950	106,805
Operating expenditure	2	(113,220)	(99,803)
Operating (deficit) / surplus		(8,270)	7,002
(Loss) / gain on fixed asset investments	8b	(18,284)	792
Interest receivable and similar income	3	4,470	11,656
Total comprehensive income for the year	4	<u>(22,084)</u>	<u>19,450</u>

The results relate wholly to continuing activities.

The financial statements on pages 8 to 21 were approved by the Trustee on 31 January 2017 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 12 to 21 form part of these financial statements.

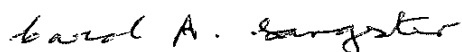
Stuart Court Memorial Charity

Statement of Financial Position

As at 31 October 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		536,368		335,320
Investments	8		-		450,519
			<hr/>		<hr/>
Total tangible fixed assets			536,368		785,839
Current assets					
Debtors	9	2,819		1,917	
Bank balances	10	479,974		224,923	
		<hr/>		<hr/>	
		482,793		226,840	
Creditors: amounts falling due within one year	11	(44,628)		(14,043)	
		<hr/>		<hr/>	
Net current assets			438,165		212,797
			<hr/>		<hr/>
Total assets less current liabilities			974,533		998,636
Creditors: amounts falling due after more than one year	12		(117,216)		(119,235)
			<hr/>		<hr/>
Total net assets			<u>857,317</u>		<u>879,401</u>
Reserves					
Income and expenditure reserve		857,317		868,263	
Revaluation reserve		-		11,138	
		<hr/>		<hr/>	
Total reserves			<u>857,317</u>		<u>879,401</u>

The financial statements on pages 8 to 22 were approved by the Trustee on 31 January 2017 and are signed on its behalf by:-



Carol Sangster – Chairman, Norwich Housing Society



Michael Allen – Chief Executive, Norwich Housing Society

The notes on pages 12 to 21 form part of these financial statements.

Stuart Court Memorial Charity

Statement of Changes in Reserves

As at 31 October 2016

	Revaluation reserve	Income and expenditure reserve	Total
	£	£	£
At 1 November 2014	32,773	827,178	859,951
Total comprehensive income for the year	-	23,650	23,650
Unrealised investment losses	(4,200)	-	(4,200)
Transfer from revaluation reserve to income and expenditure reserve	<u>(17,435)</u>	<u>17,435</u>	-
At 31 October 2015 and 1 November 2015	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>	-
At 31 October 2016	<u>-</u>	<u>857,317</u>	<u>857,317</u>

Stuart Court Memorial Charity

Statement of Cash Flows

As at 31 October 2016

	Note	2016 £	2015 £
Net cash flow from operating activities	17	<u>24,798</u>	<u>5,826</u>
Cash flow from investing activities			
Payments to acquire fixed assets		(206,451)	-
Receipts from sales of investments		437,725	169,619
Payments to acquire investments		(5,491)	(169,692)
Interest received		<u>4,470</u>	<u>11,656</u>
Net cash flow from investing activities		<u>230,253</u>	<u>11,583</u>
Net increase in cash and cash equivalents		255,051	17,409
Cash and cash equivalents at 1 November 2015		<u>224,923</u>	<u>207,514</u>
Cash and cash equivalents at 31 October 2016		<u>479,974</u>	<u>224,923</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,459	6,000
Short term deposits		<u>474,515</u>	<u>218,923</u>
Cash and cash equivalents at 31 October 2016		<u>479,974</u>	<u>224,923</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

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 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. The Charity adopted the SORP in the current year and an explanation of how transition to the SORP has affected the reported financial position and performance is given in note 19.

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 2016

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. Fixed asset investments

Fixed asset investments are shown at their current market value. Investment income is recognised when receivable. Upward revaluations of investments are reported in the Statement of Comprehensive Income and credited to an investment revaluation reserve. Diminutions in value are recognised in the investment revaluation reserve until the investment revaluation reserve no longer exists.

Realised gains and losses are recognised in the Statement of Comprehensive Income, with an appropriate transfer between the investment revaluation reserve and the income and expenditure reserve for the previously unrealised gain brought forward.

f. 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.

g. 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.

h. VAT

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

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

1. **Accounting policies (continued)**

i. **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.

j. **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.

k. **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.

l. **Going concern**

The Charity's activities, its current financial position and factors likely to affect its future development are set out in the Report of the Trustee. On this basis, the Board has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

2. Turnover and operating surplus

	Turnover	Operating Costs	2016 Operating Deficit	Turnover	Operating Costs	2015 Operating Surplus
	£	£	£	£	£	£
Supported housing lettings (note 6)	104,950	(113,220)	(8,270)	106,805	(99,803)	7,002
	<u>104,950</u>	<u>(113,220)</u>	<u>(8,270)</u>	<u>106,805</u>	<u>(99,803)</u>	<u>7,002</u>

3. Interest receivable and similar income

	2016 £	2015 £
Bank interest received	3,326	2,637
Dividends received	1,144	9,019
	<u>4,470</u>	<u>11,656</u>

During the period 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 £1,144 (2015: £9,130). These investments were sold during the period.

4. Operating surplus

The operating surplus is stated after charging.

	2016 £	2015 £
Depreciation of tangible fixed assets	5,403	5,403
Auditor's remuneration for audit	3,050	3,050
Auditor's remuneration for non-audit	<u>550</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 2016

	Supported housing and housing for older people	
	2016 £	2015 £
Income		
Rents receivable net of identifiable service charges	77,655	80,226
Service charge income	23,830	23,920
Government grants taken to income	<u>2,019</u>	<u>2,019</u>
Turnover from social housing lettings	103,504	106,165
Other income	<u>1,446</u>	<u>640</u>
Total income	<u>104,950</u>	<u>106,805</u>
Operating costs		
Service charge costs	22,653	20,403
Routine maintenance	10,857	15,607
Planned maintenance	14,411	15,489
Major repairs expenditure	37,874	23,316
Depreciation of housing properties	5,403	5,403
Accountancy and audit	3,600	3,600
Management fees	14,304	14,064
Insurance	975	915
Bad debts	(234)	-
Other costs	3,377	1,006
	<hr/>	<hr/>
Administrative expenditure on social housing lettings	<u>113,220</u>	<u>99,803</u>
Operating (deficit) / surplus on social housing lettings	<u>(8,270)</u>	<u>7,002</u>
Void losses	<u>7,172</u>	<u>997</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

7. Fixed assets – freehold housing properties

	Social housing properties held for letting 2016 £
Cost	
At 1 November 2015	387,963
Additions	206,451
	<hr/>
At 31 October 2016	<u>594,414</u>
Depreciation	
At 1 November 2015	52,643
Charge for year	5,403
	<hr/>
At 31 October 2016	<u>58,046</u>
Net book value at 31 October 2016	<u>536,368</u>
Net book value at 31 October 2015	<u>335,320</u>
Non depreciable land amounts to £38,539 (2015: £38,539)	

Expenditure on works to existing properties

	2016 £	2015 £
Improvement works capitalised	206,451	-
Amounts charged to income and expenditure (note 6)	63,142	54,412
	<hr/>	<hr/>
	<u>269,593</u>	<u>54,412</u>

Social housing assistance

	2016 £	2015 £
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	25,722	23,703
Held as deferred income (notes 11 and 12)	119,235	121,254
	<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 2016

8. Fixed assets investments

a. Fixed asset investments summary	2016	2015
	£	£
Quoted investments (note 8b)	-	202,967
Cash held for investment by broker	-	247,552
	<u>-</u>	<u>450,519</u>
b. Quoted investments	2016	2015
	£	£
Market value at 1 November 2015	202,967	371,794
Additions	5,491	16,480
Sale proceeds	(190,174)	(186,099)
Realised investment gain / (loss)	(18,284)	4,992
Unrealised investment gain / (loss)	-	(4,200)
	<u>-</u>	<u>-</u>
Market value at 31 October 2016	<u>-</u>	<u>202,967</u>
Historical cost at 31 October 2016	<u>-</u>	<u>191,826</u>

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

9. Debtors

	2016	2015
	£	£
Rent debtors	1,783	902
Prepayments and accrued income	1,036	1,015
	<u>2,819</u>	<u>1,917</u>

10. Bank balances

	2016	2015
	£	£
Current accounts	5,459	6,000
Deposit accounts	474,515	218,923
	<u>479,974</u>	<u>224,923</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

11. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	11,887	1,827
Amounts payable to Trustee – Norwich Housing Society	2,248	1,434
Accruals and deferred income	30,493	10,752
	<u>44,628</u>	<u>14,043</u>
Deferred income brought forward	6,125	5,417
Released during the year	(4,106)	(5,417)
Deferred during the year	<u>4,237</u>	<u>6,125</u>
Deferred income carried forward	<u>6,256</u>	<u>6,125</u>

12. Creditors: Amounts falling due over one year

	2016	2015
	£	£
Accruals and deferred income	<u>117,216</u>	<u>119,235</u>
Deferred income brought forward	119,235	121,254
Released during the year	(2,019)	(2,019)
Deferred during the year	<u>-</u>	<u>-</u>
Deferred income carried forward	<u>117,216</u>	<u>119,235</u>

13. Housing stock

	Units at the year end	
	2016	2015
	Number	Number
Rehabilitation	<u>22</u>	<u>22</u>

Norwich Housing Society Limited manages these 22 properties. See note 15.

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

14. Related party transactions

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

	2016 £	2015 £
Management charge payable to Norwich Housing Society Limited	<u>14,304</u>	<u>14,064</u>

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

	2016 £	2015 £
Amounts owing to Norwich Housing Society Limited at 31 October	<u>2,248</u>	<u>1,434</u>

During the year gardening services to the value of £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 £60 to Miss Boon.

15. 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.

16. Capital commitments

	2016 £	2015 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>-</u>	<u>23,000</u>

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

	2016 £	2015 £
Operating (deficit) / surplus	(8,270)	7,002
Depreciation of tangible fixed assets	5,403	5,403
Decrease / (Increase) in debtors	(902)	(93)
(Decrease) / Increase in creditors	28,567	(6,486)
	<u>24,798</u>	<u>5,826</u>

Stuart Court Memorial Charity

Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2016

18. Financial instruments

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

	2016 £	2015 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors (note 9)	<u>1,783</u>	<u>902</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 11)	11,887	1,827
Amounts due to Trustee (note 11)	2,248	1,434
Accruals (note 11)	<u>24,237</u>	<u>4,657</u>
	<u>38,372</u>	<u>7,918</u>

19. First time adoption of SORP / FRS 102

The Society has adopted FRS 102 and SORP 2014 for the first time in the year ended 31 October 2016.

The effect of transition from the previous financial reporting framework to the SORP 2014 is outlined below:

a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of the new SORP were as follows:

Housing Association grants towards capital projects which were previously offset against the cost of the project are now recognised under the accruals model and recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land).

20. Events after the balance sheet date

After the year-end, the charity will purchase three properties at St Lawrence Lane from its Trustee, Norwich Housing Society Limited, at a valuation of £392,000.