

**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 2019**

# Stuart Court Memorial Charity

Year ended 31 October 2019

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<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	1
Report of the Chairman	2 - 4
Report of the Trustee	5 - 8
Independent Auditor's Report	9 - 11
Statement of Comprehensive Income (including Income and Expenditure Account)	12
Statement of Financial Position	13
Statement of Changes in Reserves	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 - 23

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# Stuart Court Memorial Charity

Year ended 31 October 2019

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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 (continued)**

**For the year ended 31 October 2019**

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#### **Board:**

This year has been a very busy year for us all, with little change in membership which certainly helps with continuity of approach. At the AGM in March one member stood down after his first three years in office, due to pressure of life at work, but he has helped us with some very sound advice on a couple of occasions since then. In September Alice Liddle, a recently retired solicitor, attended the Board Meeting in order to observe, with a view to joining our ranks by being co-opted in October, and seeking election at the March AGM in 2020.

#### **Sub-Committees:**

We have four sub-committees, Finance, Property, Operations and Governance, chaired by board members who are well qualified for the task, supported by a small number of their colleagues with the necessary skills to discern what actions the board needs to take. The chairmen of each committee reports to the board on the actions which need ratifying, while commenting on those aspects which have, or will be, under taken during the weeks between board meetings. The Risk Matrix document is appraised twice a year by the chairmen of the sub-committees and the board, in order to revise any categories which they have reviewed beforehand that need adjusting. A remunerations sub-committee meets once a year to review the staff salaries using guide lines provided by the CEO. It is important to note here that the Board Chairman does not chair any of these meetings but is free to attend any or all of them as seems expedient to her. Board Leadership Meetings, attended by the Chairman, Vice-Chairman and Chairman of Finance, convenes once a quarter to assist the smooth running of the board.

#### **Value for Money:**

This is a very important factor in all we do for these two invaluable charities at this time of limited provision of housing for the over sixties of limited means in the Norwich area. The fact that for three years we have had to accept a 1% drop in rent for the Norwich Housing Society, which will continue until November 2020, has meant a greater need for careful forward planning. Luckily Stuart Court Memorial Charity has avoided this thanks to the lobbying by the Almshouse Association for all Alms Houses. We are constantly appraising the age and quality of our property portfolio with a view to maintaining that which is viable and selling stock which is becoming too costly to maintain, or no longer convenient for the tenants we seek to serve. We also review the quality of our contractors regularly; ask for tenders when beginning a major development or refurbishment project, or question whether we could be better served by other firms. Staffing is another area where this is relevant because we need to provide the correct level of staffing to maintain the work of the charities, while ensuring that the areas of responsibility are clear to the post holder and to the wider effectiveness of the team. There have been some major changes over the last twelve months due to a person returning from maternity leave, another has been made redundant as we could not accommodate a shorter working week while sustaining the role thus we have appointed an Office Manager who is also PA to the CEO. In the New Year another member of staff will join the team with skills to assist our Properties Services Manager, as his role has grown due to the increased development programme of both these charities. The open plan office structure, which our current CEO implemented when he took up his role in 2014, works well and has been maintained, but with two additional desks in the main room we are now at full capacity for the offices at Bracondale. The Board continues to give of their services without remuneration, apart from occasional expenses for attending conferences or meetings with other service providers, which is financially beneficial to both charities.

## **Stuart Court Memorial Charity**

### **Report of the Chairman (continued)**

**For the year ended 31 October 2019**

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#### **Tenants:**

Tenants are the raison d'être for the existence of the charities and must therefore be at the centre of our choices and decisions. We encourage a friendly response to telephone calls and when greeting those who call in, we also hold regular tenant meetings at each scheme where we invite open discussion on all issues with the relevant staff and a Board member. 'The Elder,' our quarterly publication also helps us stay in touch with tenants, shareholders and the wider public when we leave copies in waiting rooms. Over the past eight years that I have been involved with the charities I have noted an increased level of expectation from some of our tenants and their families. Obviously this is not true of the vast majority but it can impact on a whole scheme when a tenant fails to be sensitive to the wider community, or their families fail to assist us with either increasing their level of personal care or reviewing entirely the appropriateness of their placement. We experienced this over the past several months with one particular situation which ended well for the tenant in question, but not before high levels of stress had been endured by some members of staff and neighbouring tenants, plus financial outlay for the charity due to court appearances, followed by an acrimonious response to all we had done for this tenant over many years by the family, and their failure to even attempt to clear the flat. While we endeavour to nip as many areas of concern in the bud, and work with tenants before debt or their personal circumstance becomes a real issue, the ever changing levels of community service provision, of benefits and financial support can make it complicated for even the most organised households. On the whole we have a very good mix of tenants who welcome us whenever we meet with them, enjoy coffee mornings, quiz nights, fish and chip suppers and many other social occasions. The cards and gifts at Christmas make it clear that 99% of what we do is valued and necessary.

#### **Development:**

We have been very proactive in this area over the past few years replacing twelve 1930s houses with twenty 'purpose' build flats at Eaton, which are now fully occupied without incurring any debt. We are now developing an adjacent property at 11 Bluebell Road Eaton which Stuart Court Memorial Charity bought to refurbish into two self-contained flats, plus replacing the additional annex with a new build which will provide another two flats on that land. We have planning permission to not only complete this work but also to build four bungalows and a small common room in the grounds, which Norwich Housing Society will fund by purchasing the land from the above charity. Luckily both charities have been able to claim a 30% grant from Norwich City Council for all aspects of this development, but we had to gain planning permission before any claim could be made which necessitated some very careful management of funds. The expertise of certain board members helped us to walk this complex path of funding and planning, as there are so many more aspects to planning these days than ground space and volume as once was the case. Obviously we need to sell some of our older less cost efficient houses to fund this project, while also raising a loan assisted by the Charity Bank on very favourable terms, but this development will be more cost effective for both charities in the long term.

#### **Feed Back:**

We undertook an Acuity Quality Assessment Survey again this year, our third since they were initiated in 2013. The result was once again very high which indicates we are effective in what we do, and the way we approach our duties, but we shall remain diligent by challenging what we do, how we do it and why, as there is no room for complacency in these stressful times. I believe I am not alone when I yearn for some stability in matters of International relationships and the way the United Kingdom intends to conduct its business in the coming months and years. The lack of certainty in funding, rules and regulations governing us as regards development, charitable status and funding, as well as matters of health provision for our tenants all impact on the way we work, and the guidance we can give to those who rely on us each and every day.

## **Stuart Court Memorial Charity**

### **Report of the Chairman (continued)**

**For the year ended 31 October 2019**

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#### **Conclusion:**

I would like to thank the Board Members, Staff and Ancillary workers who help make our tenants' daily lives more comfortable, while making sure both charities continue to provide their invaluable contribution to the over-sixties who seek our help in Norwich. I have not itemised the day to day work of the charities, as these are all recorded in the minutes of the meetings in question, and are not relevant to the wider community, but rest assured the CEO and I are always available to discuss any matter with those who ask provided it is appropriate so to do. I love working for these charities and am motivated by the fact that they provide an essential resource to this sector of the population. I am very aware of the amazing contribution of all our board members, and the quality of the staff we now have who carry out our plans and expectations each and every day. The most satisfying aspect of all this is the way people take responsibility for their task, while also considering the broader picture which in turns means that we are more innovative and successful in the services we provide. To the shareholders I say thank you for your support as we value your feedback and are happy to hear from you at any time.

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

# **Stuart Court Memorial Charity**

## **Report of the Trustee**

**For the year ended 31 October 2019**

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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 maintenance, modernisation and management of those properties.

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**

It is important that our community and residents 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 Charity's assets are managed in order to deliver the best possible service as efficiently, effectively and economically as possible. Operational results are reviewed regularly against set objectives.

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

Resident's satisfaction with property repairs is regularly measured and monitored. 95% of residents who had a repair carried out in the year to October 2019 were either satisfied or very satisfied with the work done and the way it was undertaken. 5% were either dissatisfied or had no opinion.

In July of this year, a firm of consultants, was commissioned to carry out the triennial residents' satisfaction survey. A high response rate of 79% was obtained. Overall satisfaction with the services provided was at 96%, with very high ratings also awarded for the quality of the home (94%), the neighbourhood (75%), feeling safe in the home (100%) and feeling safe in the scheme (100%). The satisfaction ratings are evidence of strong performance at the charity and are a credit to staff, management and the Board.

Around eight out of ten residents are satisfied with the value for money of the rent (88%) and with their maintenance contribution (75%).

The Net Promoter Score is 74, which compares very well with other social housing providers.

The Regulator of Social Housing (RSH) has published a value for money standard which must be adhered to by registered Providers. This includes the need to publish nine measures in a standard form to enable comparison across the sector, accepting that there will be variances associated with each business's policies, strategy and focus.

## Stuart Court Memorial Charity

### Report of the Trustee

For the year ended 31 October 2019

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<b>VFM metric</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
1. Reinvestment %	46%	0.5%	44.7%
2.a New supply delivered (social housing units %)	0%	0%	0%
2.b New supply delivered (non-social housing units %)	0%	0%	0%
3. Gearing %	20.8%	0%	0%
4. EBITA MRI interest cover %	89.2%	0%	0%
5. Headline social housing cost per unit	£4,500	£2,825	£3,342
6. Operating margin (social housing) %	33.7%	22.0%	21.9%
7. Operating margin (overall) %	33.7%	22.0%	21.9%
8. ROCE %	2.7%	3.0%	3.0%

In 2017 a terrace of three houses was purchased in order to provide additional suitable rented accommodation. In 2019 a loan was taken out to help finance the purchase of a four bedroomed property for conversion into flats. These significant transactions by the charity are reflected in the appropriate metrics above.

Tenants' satisfaction and Value for Money reports are available within the "About Us" area of the Society's website

<http://www.norwichhousingsociety.org>



## **Stuart Court Memorial Charity**

### **Report of the Trustee (continued)**

**For the year ended 31 October 2019**

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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 2019 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 £114,347 (2018: £131,778). 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.

## **Stuart Court Memorial Charity**

### **Report of the Trustee (continued)**

**For the year ended 31 October 2019**

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#### **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.

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**

4 February 2020

## Stuart Court Memorial Charity

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

Year ended 31 October 2019

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#### Opinion

We have audited the financial statements of Stuart Court Memorial Charity (the 'association') for the year ended 31 October 2019 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)*.

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 October 2019 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 2019**

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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 8, 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 2019**

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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.

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

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.

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

11 February 2020

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 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Turnover</b>	2	135,407	136,201
Operating expenditure	2	(89,801)	(106,173)
<b>Operating surplus</b>		<u>45,606</u>	<u>30,028</u>
Interest receivable and similar income	3	570	268
Interest and financing costs		(18,251)	-
<b>Total comprehensive income for the year</b>	4	<u>27,925</u>	<u>30,296</u>

The results relate wholly to continuing activities.

The financial statements on pages 12 to 23 were approved by the Trustee on 4 February 2020 and are signed on its behalf by:-

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

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

The notes on pages 16 to 23 form part of these financial statements.

# Stuart Court Memorial Charity

## Statement of Financial Position

As at 31 October 2019

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	Note	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	7		1,560,073		875,673
<b>Current assets</b>					
Debtors	8	2,476		2,826	
Bank balances	9	135,698		170,201	
		<u>          </u>		<u>          </u>	
		138,174		173,027	
<b>Creditors: amounts falling due within one year</b>	10	(23,827)		(41,249)	
		<u>          </u>		<u>          </u>	
<b>Net current assets</b>			114,347		131,778
			<u>          </u>		<u>          </u>
<b>Total assets less current liabilities</b>			1,674,420		1,007,451
Creditors: amounts falling due after more than one year	11		<u>(728,594)</u>		<u>(89,550)</u>
<b>Total net assets</b>			<u>945,826</u>		<u>917,901</u>
<b>Reserves</b>					
Income and expenditure reserve	13	945,826		917,901	
		<u>          </u>		<u>          </u>	
<b>Total reserves</b>			<u>945,826</u>		<u>917,901</u>

The financial statements on pages 11 to 23 were approved by the Trustee on 4 February 2020 and are signed on its behalf by:-

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

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

The notes on pages 16 to 23 form part of these financial statements.

## Stuart Court Memorial Charity

### Statement of Changes in Reserves

As at 31 October 2019

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	<b>Income and expenditure reserve £</b>	<b>Total £</b>
<b>At 1 November 2017</b>	887,605	887,605
Total comprehensive income for the year	30,296	30,296
<b>At 31 October 2018 and 1 November 2018</b>	<u>917,901</u>	<u>917,901</u>
Total comprehensive income for the year	27,925	27,925
<b>At 31 October 2019</b>	<u>945,826</u>	<u>945,826</u>



# Stuart Court Memorial Charity

## Statement of Cash Flows

As at 31 October 2019

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	Note	2019 £	2018 £
<b>Net cash flow from operating activities</b>	17	<u>700,890</u>	<u>75,231</u>
<b>Cash flow from investing activities</b>			
Payments to acquire fixed assets		(717,712)	(4,728)
Receipts from sales of investments		-	-
Payments to acquire investments		-	-
Interest received		<u>570</u>	<u>268</u>
<b>Net cash flow from investing activities</b>		<u>(717,142)</u>	<u>(4,460)</u>
<b>Cash flow from financing activities</b>			
Interest paid		<u>(18,251)</u>	<u>-</u>
<b>Net cash flow from financing activities</b>		<u>(18,251)</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(34,503)	70,771
<b>Cash and cash equivalents at 1 November 2018</b>		<u>170,201</u>	<u>99,430</u>
<b>Cash and cash equivalents at 31 October 2019</b>		<u><b>135,698</b></u>	<u><b>170,201</b></u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		6,830	5,402
Short term deposits		<u>128,868</u>	<u>164,799</u>
<b>Cash and cash equivalents at 31 October 2019</b>		<u><b>135,698</b></u>	<u><b>170,201</b></u>

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# Stuart Court Memorial Charity

## Notes to the Financial Statements (Continued)

### For The Year Ended 31 October 2019

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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 5 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 Homes England (previously known as 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 2019

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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 Homes England (previously known as 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 2019

#### 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 Expenditure	2019 Operating Surplus	Turnover	Operating Expenditure	2018 Operating Surplus
	£	£	£	£	£	£
Supported housing lettings (note 6)	135,407	(89,801)	45,606	136,201	(106,173)	30,028
	<u>135,407</u>	<u>(89,801)</u>	<u>45,606</u>	<u>136,201</u>	<u>(106,173)</u>	<u>30,028</u>

#### 3. Interest receivable and similar income

	2019 £	2018 £
Bank interest received	570	268
	—	—
	<u>570</u>	<u>268</u>

#### 4. Operating surplus

The operating surplus is stated after charging.

	2019 £	2018 £
Depreciation of tangible fixed assets	33,312	40,270
Auditor's remuneration for audit	4,152	3,378
Auditor's remuneration for audit (over accrual)	264	312
Auditor's remuneration for non-audit	<u>354</u>	<u>618</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 2019

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6. Particulars of turnover and administrative expenditure from social housing lettings	Supported housing and housing for older people	
	2019 £	2018 £
<b>Income</b>		
Rents receivable excluding service charges	107,955	105,247
Service charge income	20,119	21,086
Government grants taken to income	<u>7,211</u>	<u>9,513</u>
<b>Turnover from social housing lettings</b>	135,285	135,846
Other income	<u>122</u>	<u>355</u>
<b>Total income</b>	<u>135,407</u>	<u>136,201</u>
<b>Operating costs</b>		
Service charge costs	16,403	19,128
Routine maintenance	7,584	13,583
Planned maintenance	1,120	2,847
Major repairs expenditure	-	7,070
Depreciation of housing properties	33,312	40,270
Accountancy and audit	4,416	4,308
Management fees	19,800	17,256
Insurance	1,277	1,148
Other costs	5,889	563
	<u>89,801</u>	<u>106,173</u>
Administrative expenditure on social housing lettings	<u>89,801</u>	<u>106,173</u>
<b>Operating surplus on social housing lettings</b>	<u>45,606</u>	<u>30,028</u>
Void losses	<u>7,146</u>	<u>5,850</u>

**Stuart Court Memorial Charity**

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

**For The Year Ended 31 October 2019**

**7. Fixed assets – freehold housing properties**

	<b>Social housing properties held for letting</b>	<b>Housing properties for letting under construction</b>	<b>Total housing properties</b>
	£	£	£
<b>Cost</b>			
At 1 November 2018	1,006,691	-	1,006,691
Additions	<u>56,004</u>	<u>661,708</u>	<u>717,712</u>
At 31 October 2019	1,062,695	661,708	1,724,403
<b>Depreciation</b>			
At 1 November 2018	131,018	-	131,018
Charge for the year	<u>33,312</u>	-	<u>33,312</u>
At 31 October 2019	164,330	-	164,330
Net book value at 31 October 2019	<u>898,365</u>	<u>661,708</u>	<u>1,560,073</u>
Net book value at 31 October 2018	<u>875,673</u>	-	<u>875,673</u>

Non depreciable land amounts to £38,539 (2018: £38,539)

**Expenditure on works to existing properties**

	<b>2019</b>	<b>2018</b>
	£	£
Improvement works capitalised	56,004	4,728
Amounts charged to income and expenditure (note 6)	8,704	23,500
	<u>64,708</u>	<u>28,228</u>

**Social housing assistance**

	<b>2019</b>	<b>2018</b>
	£	£
Total accumulated social housing grant received or receivable at 31 October	<u>327,957</u>	<u>144,957</u>
Recognised to date in the Statement of Comprehensive Income Held as deferred income (notes 10 and 11)	53,105	45,894
	<u>274,852</u>	<u>99,063</u>
	<u>327,957</u>	<u>144,957</u>

# Stuart Court Memorial Charity

## Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2019

8. Debtors	2019 £	2018 £
Rent debtors	1,039	582
Prepayments and accrued income	836	2,244
Amounts due from Trustee – Norwich Housing Society	601	-
	<u>2,476</u>	<u>2,826</u>
<b>9. Bank balances</b>	<b>2019 £</b>	<b>2018 £</b>
Current accounts	6,830	5,402
Deposit accounts	128,868	164,799
	<u>135,698</u>	<u>170,201</u>
<b>10. Creditors: Amounts falling due within one year</b>	<b>2019 £</b>	<b>2018 £</b>
Trade creditors	8,860	5,397
Amounts payable to Trustee – Norwich Housing Society	-	2,966
Accruals and deferred income	14,967	32,886
	<u>23,827</u>	<u>41,249</u>
Deferred income brought forward	12,756	9,828
Released during the year	(3,243)	(2,043)
Deferred during the year	<u>634</u>	<u>4,971</u>
Deferred income carried forward	<u>10,147</u>	<u>12,756</u>
<b>11. Creditors: Amounts falling due over one year</b>	<b>2019 £</b>	<b>2018 £</b>
Accruals and deferred income	267,641	89,550
Bank loans	<u>460,953</u>	-
	<u>728,594</u>	<u>89,550</u>
Deferred income brought forward	89,550	100,790
Released during the year	(4,909)	(11,240)
Deferred during the year	<u>183,000</u>	-
Deferred income carried forward	<u>267,641</u>	<u>89,550</u>

The bank loans include aggregate amounts of £408,237 (2018: £Nil) which fall due after five years and which are payable by instalments.

## Stuart Court Memorial Charity

### Notes to the Financial Statements (Continued)

For The Year Ended 31 October 2019

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#### 12. Reserves

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

#### 13. Analysis of net assets between funds

	(Unrestricted) Income and expenditure	
	2019	2018
	£	£
Tangible fixed assets	1,560,073	875,673
Net current assets	114,347	131,778
Long term liabilities	(728,594)	(89,550)
	<u>945,826</u>	<u>917,901</u>

#### 14. Housing stock

	Units at the year end	
	2019	2018
	Number	Number
Rehabilitation	<u>25</u>	<u>25</u>

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

#### 15. Related party transactions

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

	2019	2018
	£	£
Management charge payable to Norwich Housing Society Limited	<u>19,800</u>	<u>17,256</u>

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

	2019	2018
	£	£
Amounts owing from/(to) Norwich Housing Society Limited at 31 October	<u>601</u>	<u>(2,966)</u>

During the year architectural services to the value of £12,317 (2018: £968) were provided to the charity by Jon Boon who is a member of the Board of Management of Norwich Housing Society Limited. At the year end the charity owed £Nil (2018: £Nil) to Mr Boon.



## Stuart Court Memorial Charity

### Notes to the Financial Statements (Continued)

#### For The Year Ended 31 October 2019

#### 16. 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.

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

	2019 £	2018 £
Operating surplus	45,606	30,028
Depreciation of tangible fixed assets	33,312	40,270
(Increase) / Decrease in debtors	350	(301)
Increase / (Decrease) in creditors	621,622	5,234
	<u>700,890</u>	<u>75,231</u>

#### 18. Capital commitments

	2019 £	2018 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>-</u>	<u>610,000</u>

It is intended that this anticipated capital expenditure will be financed from loans, reserves and grants.

#### 19. Events after the end of the period

Following the year-end, the Society sold land at Bluebell Road to Norwich Housing Society Limited at market value, this amounted to £254,100.

#### 20. Financial instruments

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

	2019 £	2018 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Rent debtors (note 8)	1,039	582
Amounts due from Trustee	<u>601</u>	<u>-</u>
	<u>1,640</u>	<u>582</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 10)	8,860	5,397
Amounts due to Trustee (note 10)	-	2,966
Accruals (note 10)	<u>4,820</u>	<u>20,130</u>
	<u>13,680</u>	<u>28,493</u>