

HERRING HOUSE TRUST (GREAT YARMOUTH)

AUDITED ACCOUNTS

31 MARCH 2020

Registered Charity No. 1057387

Company No. 3202862

Herring House Trust (Great Yarmouth)

Index to Accounts

For The Year Ended 31 March 2020

	Page No.
Report of the Board	1 - 7
Report of the Auditor	8 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Reserves	13
Statement of Cashflows	14
Notes to the Accounts	15 - 29

Herring House Trust (Great Yarmouth)

Report of the Board

For The Year Ended 31 March 2020

The Management Committee has pleasure in presenting its report and accounts for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Herring House Trust (Great Yarmouth)
Registered Charity No:	1057387
Registered Company No:	3202862
Homes England registration No:	LH4261
Registered Address:	Bauleah House 51 St Nicholas Road Great Yarmouth Norfolk NR30 1NR
Management Committee (Trustees):	C Beales – Chairman B Robinson – Treasurer D Cooper G Doyle M Drewery D Gilbert – resigned 20 February 2020 E Pallant J Shrimpton
Operations Manager:	G Collin
Client Services Manager:	L Fleming
Auditor:	Lovewell Blake LLP Chartered Accountants & Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB
Bankers:	National Westminster Bank Plc Market Place Great Yarmouth Norfolk NR30 1YT

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2020

OBJECTIVES AND ACTIVITIES

The principal objectives are to provide resettlement and outreach support services, together with an open access hostel for the single homeless in the Great Yarmouth area.

In order to fulfil the above objectives, the Trust continues to provide supported housing accommodation at both its hostel and halfway houses.

Mission statement

Our vision is that everyone has a safe and secure place to live, where they can begin to achieve their goals and move out of homelessness.

We achieve this through:

- Providing support to each person on an individual basis;
- Building positive and encouraging relationships that both supports and tests service users to meet their own needs and personal goals;
- Providing a service user led, resettlement pathway, which combines the experience of the Trust with the needs of the user.

Public benefit

The Management Committee have had due regard to the guidance issued by the Charity Commission on Public Benefit.

The Trust was established to provide emergency accommodation and support to single homeless people in Great Yarmouth.

Through its activities the Trust aims to provide opportunities to those individuals motivated to change and for those who require longer to begin a process of change. It is recognised that for some individuals the long term goal of change may not be realised.

In order to achieve its aims, the Trust endeavours to provide a range of services to support homeless people and through partnership working we are able to provide access to specialist intervention services, with a view to establishing ongoing relationships aimed at addressing all aspects of physical, emotional and mental wellbeing.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2020

ACHIEVEMENTS AND PERFORMANCE

Review of the year

In 2019/2020 the Trust continues to offer our services within our hostel facility, providing 27 units of accommodation and support to single homeless people and 4 units of accommodation in our High Support Unit for people undergoing a community detox programme. The Halfway House Schemes continue to provide additional move-on accommodation.

The Trust operates a Pathway Project, supporting some of the most vulnerable homeless people in our community. In addition, the Trust has been able to offer an in-house counselling service to complement our support structures.

The Trust offers 3 self-contained maisonettes, as a final stage, move-on option for service users. The houses are independent, with low level support offered to tenants.

In June 2018 the Trust purchased an additional property which will provide 4 units of self-contained accommodation with a drop-in facility, which will be utilised as a day service for people who are sleeping rough in Great Yarmouth. This project will be known as the Herring Centre. The scheme will operate in partnership with a range of local agencies to deliver a much-needed service to this vulnerable client group. Re-development work started on the property in 2019.

The Trust has continued to fulfil its objective of providing support and accommodation to single homeless people in Great Yarmouth by offering supported housing within the new hostel facility and halfway houses.

VALUE FOR MONEY

The Regulator of Social Housing (RSH) has published a new 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.

VFM Metric	2020	2019 (restated)
1. Reinvestment %	15.1%	12.9%
2. New supply delivered (social housing units %)	7%	-
3. New supply delivered (non-social housing units %)	-	-
4. Gearing %	(15.6%)	(25.2%)
5. EBITA MRI interest cover %	1,441.5%	1,241.8%
6. Headline social housing cost per unit	£15,059	£13,965
7. Operating margin (social housing) %	7.8%	6.2%
8. Operating margin (overall) %	7.8%	6.2%
9. ROCE %	3.0%	2.2%

Key performance indicators

The Trust has continued to achieve its objectives for the year, offering ongoing support and accommodation through various stages of its services. We are committed to delivering effective housing solutions to single homeless people in Great Yarmouth.

Throughout the year management have monitored activity levels and key performance indicators identifying areas such as outstanding housing benefit and top payments, client referrals and engagement, occupancy levels and number of clients moving-on and their eventual destination.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2020

VALUE FOR MONEY (continued)

Corporate governance

The Management Committee are committed to achieving good governance and being an efficient provider of services, meeting both regulatory codes and standards.

The Trust has also considered how it achieves value for money in delivering services to meet the needs of single homeless people in Great Yarmouth; this is assessed over four key areas of operations, being financial measures, cost measures, asset measures and people measures.

Governance and Financial Viability

The Board are committed to achieving good governance and being an effective provider of services, meeting both regulatory codes and standards.

The Board are satisfied value for money is achieved through the full provision of services at a rate which is below that of local providers.

FINANCIAL REVIEW

The Trust's principal funding sources are predominately rents and service charges together with the Housing Related Support grant.

As at 31 March 2020 total reserves amounted to £1,601,707 (2019: £1,539,827) of which £1,587,284 (2019: £1,530,729) related to unrestricted funds and £14,423 (2019: £9,098) to restricted funds.

The Trust had a net surplus in the year of £61,880 (2019: net surplus £42,666) as shown on page 11 of the accounts.

Reserves

The Management Committee is mindful of the need for sufficient reserves to be maintained to ensure the continued operation of the Trust on a day to day basis. It is the aim of the committee to maintain sufficient reserves to cover 3 months' cash expenditure. At 31 March 2020 net current assets within the unrestricted funds were £363,411 (2019: £532,809) which represents approximately 5 months' expenditure. The Trust also had net current assets within the restricted funds of £14,423 (2019: £9,098).

The Board approved a programme of utilising reserves in the purchase and redevelopment of two additional properties, which will provide resources in terms of accommodation and as a day centre facility for people sleeping rough in the Town. The programme demonstrates that reserves remain at a level appropriate to support the ongoing activities of the Trust.

The Trustees were also aware at the year-end that £4,310 of loan repayments will be made in the following 12 months. This will be met from the Trust's free reserves.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2020

PLANS FOR THE FUTURE

The Trust will begin a programme of partnership working to deliver a day service at the Herring Centre to rough sleepers in Great Yarmouth. Services from Health, Adult Social Services, Benefit agencies and a range of voluntary groups will provide a package of support to this client group.

Covid 19

The Trust has faced the challenge of working through the pandemic and has continued to offer emergency accommodation and support to homeless people in Great Yarmouth. Outreach work with those who are street homeless has continued and we have ensured maximum Covid safe environments for staff and residents at the Trust. Working arrangements to safely deliver support have been developed and all necessary safety requirements are in place. Staff have worked tirelessly throughout the lockdowns and we have remained open for business as usual.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Herring House Trust operates as a charitable trust, registered with the Charities Commission (Registration Number 1057387) and is approved as a Registered Social Landlord under Section 3 of the Housing and Regeneration Act 2008.

Recruitment and appointment of Management Committee

Management Committee members shall be persons who through residence, occupation, employment or otherwise have special knowledge of the area of benefit or who are otherwise able by virtue of their personal or professional qualifications to make a contribution to the pursuit of the objects or management of the charity.

Induction and training of Management Committee

All Management Committee members are provided with copies of:

- The Memorandum and Articles of Association
- The latest accounts of the Trust
- Details of Charity Commission guidance notes CC3 – “The Essential Trustee – what you need to know, what you need to do”

In addition, Management Committee members are encouraged to read Charity Commission and other newsletters and to attend courses designed to keep them abreast of their duties and responsibilities.

Organisational structure

A Management Committee meets on a regular basis, administers the Trust and its finances. An operations manager is appointed by the Committee to manage the day to day operations of the Trust.

Key management personnel salary review

There are informal arrangements for salary review of key staff, which is decided at annual pay reviews by Trustees.

Directors

The members of the Management Committee, who are directors of the company within the meaning of the Companies Act 2006 and held office throughout the year are shown on Page 1.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk assessment

The Management Committee have undertaken a review of the risks faced by the Trust and have implemented systems to mitigate these risks. The risk assessment is reviewed on an annual basis.

The Board acknowledges its overall responsibilities for overseeing and reviewing its effectiveness in the delivery of services to homeless people in Great Yarmouth. A system of internal control exists to ensure reliability of financial and operational information with Herring House Trust. Internal systems ensure the safeguarding of the Trust's assets and interests.

The principal risks identified are:

- Loss of key staff
- Conflict of interest where decisions may be influenced by other considerations
- Board of Trustees dominated by one or more individuals
- Loss of Trustees
- Charity failing to achieve its purpose
- Activities outside of restricted funding
- Trustees benefiting from charity
- Customer satisfaction
- Contract risk
- Security of assets
- Over capacity of resources – including tangible fixed assets
- Competition
- Dependency on suppliers
- Fundraising
- Change in Government policy
- Insufficient funding to meet development costs on any new development
- Delay of building works
- Organisational structuring
- Resource risk – staff capacity

Responsibilities of the Management Committee

The Management Committee (who are also directors of Herring House Trust (Great Yarmouth) for the purposes of company law) are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Company law and registered social housing legislation require the Management Committee to prepare financial statements for each financial year. Under that law the Management Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Management Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the organisation and of its income and expenditure for that period.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Management Committee (continued)

In preparing the financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Management Committee is responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, the Management Committee of the charity who hold office at the date of approval of these Financial Statements, as set out above, can confirm so far as we are aware that:

- there is no relevant audit information of which the organisation's auditor is unaware; and
- the committee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Lovewell Blake LLP are willing to continue as auditor.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 415A of the Companies Act 2006.

Signed on behalf of the Management Committee

C BEALES

Date: 19 March 2021

Independent Auditor's Report to the Members of

Herring House Trust (Great Yarmouth)

For The Year Ended 31 March 2020

We have audited the financial statements of Herring House Trust (Great Yarmouth) for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cashflows 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 organisation's affairs as at 31 March 2020 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Directions for private registered providers of social housing in England 2019.

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 statements 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 when the financial statements are authorised for issue.

Independent Report of the Auditor to the Members of

Herring House Trust (Great Yarmouth)

For The Year Ended 31 March 2020

Other information

The board is responsible for the other information. The other information comprises the information included in the Report for the Board, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in Report for the Board.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Board and from the requirement to prepare a Strategic Report.

Independent Report of the Auditor to the Members of

Herring House Trust (Great Yarmouth)

For The Year Ended 31 March 2020

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 Management Committee's Responsibilities Statement set out on pages 6 and 7, the Management Committee (who are also the directors of the organisation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements is located on the Financial Reporting Council's website at: 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 housing organisation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the organisation's members 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 organisation and the organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DChA (Senior Statutory Auditor)
For and on behalf of Lovewell Blake LLP
Statutory Auditor

26 March 2021

Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 0LB

Herring House Trust (Great Yarmouth)

Statement of Comprehensive Income (including Income and Expenditure Account)

For The Year Ended 31 March 2020

	Notes	Total Funds 2020 £	2019 (restated) £
Turnover	3	882,209	803,902
Operating expenditure	6	<u>(813,191)</u>	<u>(754,125)</u>
Operating surplus		69,018	49,777
Interest receivable		146	51
Interest and financing costs		<u>(7,284)</u>	<u>(7,162)</u>
Total comprehensive income for the year	8	61,880	42,666
Reserves brought forward (as previously reported)		1,509,827	1,497,161
Prior year adjustment		<u>30,000</u>	<u>-</u>
Reserve brought forward (restated)		<u>1,539,827</u>	<u>1,497,161</u>
Reserves carried forward		<u>1,601,707</u>	<u>1,539,827</u>

There are no recognised gains or losses during the year other than as stated above.

The statement of comprehensive income reflects the activity during the year which is of a continuing nature.

The accounts were approved by the Management Committee on 19 March 2021.

C BEALES

B ROBINSON

The notes set out on pages 15 to 29 form an integral part of these accounts

Herring House Trust (Great Yarmouth)**Balance Sheet****As at 31 March 2020****Company Number: 3202862**

	Notes	2020 £	2019 (restated) £
Fixed Assets			
Tangible fixed assets	9	1,923,554	1,682,089
Current Assets			
Debtors	10	36,352	26,555
Cash and bank balances		<u>413,180</u>	<u>569,302</u>
		449,532	595,857
Creditors: Amounts falling due within one year	11	<u>(71,698)</u>	<u>(53,950)</u>
Net Current Assets		<u>377,834</u>	<u>541,907</u>
Total Assets less Current Liabilities		2,301,388	2,223,996
Creditors: amounts falling due after more than one year	12	<u>(699,681)</u>	<u>(684,169)</u>
Total Net Assets		<u>1,601,707</u>	<u>1,539,827</u>
Funds			
Unrestricted funds	14	1,587,284	1,530,729
Restricted funds	14	14,423	9,098
Total Funds		<u>1,601,707</u>	<u>1,539,827</u>

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

These accounts were approved by the Management Committee on 19 March 2021. and signed on their behalf by:

C BEALES

B ROBINSON

The notes set out on pages 15 to 29 form an integral part of these accounts

Herring House Trust (Great Yarmouth)

Statement of Changes in Reserves

As at 31 March 2020

	Unrestricted Fund £	Restricted Funds £	Total £
At 1 April 2018	1,475,223	21,938	1,497,161
Surplus / (deficit) for the year (restated)	<u>55,506</u>	<u>(12,840)</u>	<u>42,666</u>
Total comprehensive income	<u>55,506</u>	<u>(12,840)</u>	<u>42,666</u>
At 31 March 2019 and 1 April 2019 (restated)	1,530,729	9,098	1,539,827
Surplus for the year	<u>56,555</u>	<u>5,325</u>	<u>61,880</u>
Total comprehensive income	<u>56,555</u>	<u>5,325</u>	<u>61,880</u>
At 31 March 2020	<u>1,587,284</u>	<u>14,423</u>	<u>1,601,707</u>

Herring House Trust (Great Yarmouth)

Statement of Cashflows

For The Year Ended 31 March 2020

	Note	2020 £	2019 (restated) £
Net cash generated from operating activities	20	146,189	79,008
Cash flow from investing activities			
Payments to acquire fixed assets		(290,863)	(215,157)
Interest received		<u>146</u>	<u>51</u>
Net cash flow from investing activities		<u>(290,717)</u>	<u>(215,106)</u>
Cash flow from financing activities			
Loan repayments		(4,310)	(4,097)
Interest paid		<u>(7,284)</u>	<u>(7,162)</u>
Net cash flow from financing activities		<u>(11,594)</u>	<u>(11,259)</u>
Net decrease in cash and cash equivalents		(156,122)	(147,357)
Cash and cash equivalents at 1 April 2019 (restated)		<u>569,302</u>	<u>716,659</u>
Cash and cash equivalents at 31 March 2020		<u>413,180</u>	<u>569,302</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>413,180</u>	<u>569,302</u>
Cash and cash equivalents at 31 March 2020		<u>413,180</u>	<u>569,302</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts

For The Year Ended 31 March 2020

1 **Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Legal status**

Herring House Trust (Great Yarmouth) is a UK registered Company under the Companies Act 2006 and is a registered housing provider. The address of the registered office is given in the reference and administration information on page 1 of these financial statements. The nature of the Housing Trust's operations and principal activities are to provide resettlement and outreach support services, together with an open access hostel for the single homeless in the Great Yarmouth area.

The Trust constitutes a public benefit entity as defined by FRS 102.

(b) **Basis of accounting**

These 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 Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are presented in Sterling and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(c) **Funds**

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of the general objectives of the Trust.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(d) **Turnover**

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids and grants.

Donations are included in the year in which they are receivable, which is when the Trust becomes entitled to the resource.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

1 Accounting Policies (continued)

(d) Turnover (continued)

Grants in respect of revenue expenditure are credited to the Income and Expenditure account on a receivable basis. Grants received in advance of the period to which they relate are shown within the Balance Sheet as deferred income and released to the Statement of Comprehensive Income on a receivable basis.

(e) Capital grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

(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 in respect of 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.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds have been received.

Grants due from government organisations or received in advance are included as current assets or liabilities.

(g) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

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

All costs are allocated between the expenditure categories of the Statement of Comprehensive Income on a basis designed to reflect the use of the resource.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

1 Accounting Policies (continued)

(h) *Housing properties*

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

(i) *Depreciation*

Fixed assets are included at cost. Depreciation is calculated to write off the cost, less estimated residual value of all tangible fixed assets, with the exception of land and property under development over their estimated useful lives to the Trust. The annual rates and methods used are as follows:

Computer	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

Component accounting has been given consideration and the following appropriate percentages have been applied to each component part of the property over their useful economic lives.

Land	Nil depreciation
Building envelope	2% straight line
Windows and external doors	3.3% straight line
Kitchens	6.6% straight line
Bathrooms	4% straight line
Mechanical and electrical	2.5% straight line
Boilers	6.6% straight line
Flooring	5-10% straight line

(j) *Financial instruments*

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

1 Accounting Policies (continued)

(k) *Loans and borrowings*

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) *Operating lease agreements*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(m) *Pension costs*

The Trust operates a Defined Contribution Pension Scheme for employees. The assets of the scheme are held separately from those of the Company. The contributions payable are charged to the Income and Expenditure account as they fall due.

(n) *Going concern*

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

The Covid 19 pandemic has had little affect on the Trust which continued to carry out its activities throughout the lockdown restrictions. The Trustees continue to take this into consideration when reviewing the Trust's going concern status.

2	Turnover	2020			2019 (restated)		
		Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
		£	£	£	£	£	£
	Social housing						
	Lettings	882,209	(813,191)	69,018	803,902	(754,125)	49,777

All turnover, operating costs and operating surpluses have been generated through the Trust's 54 Supported Housing units (2019: 54 units).

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

3	Turnover from lettings	2020 £	2019 (restated) £
	Rents and service charges (note 4)	536,882	506,327
	Donations and grants (note 5)	345,286	296,805
	Other income	<u>41</u>	<u>770</u>
		<u>882,209</u>	<u>803,902</u>

During the year 2020, £100,747 of turnover from lettings was restricted (2019: £54,294) and £781,462 was unrestricted (2019: £749,608).

4	Rental Income	Hostel £	Halfway Houses £	2020 £	2019 £
	Rents	347,289	223,420	570,709	551,503
	Top Ups	46,748	15,600	62,348	62,528
	Rent (losses) from voids	<u>(37,985)</u>	<u>(58,190)</u>	<u>(96,175)</u>	<u>(107,704)</u>
		<u>356,052</u>	<u>180,830</u>	<u>536,882</u>	<u>506,327</u>

The calculation of voids takes into account the maximum theoretical income that could be achieved.

5	Donations and grants	2020 £	2019 (restated) £
	Housing Related Support grant	226,850	227,366
	Pathway Project grant	100,747	54,294
	Government grants - capital	8,565	8,565
	Capital grant	5,000	5,000
	Other grants and donations	<u>4,124</u>	<u>1,580</u>
		<u>345,286</u>	<u>296,805</u>

Of the total income received £796,394 (2019: £706,753) was received from local authorities and £370,441 (2019: £290,225) was received from grant income.

Government grants amounting to £393,987 (2019: £368,273) were deferred at the year end.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

6 Operating costs – Social Housing Lettings

	Staff costs £	Depreciation £	Other costs £	2020 £	2019 £
Provision of services:					
Hostel	331,033	32,447	195,481	558,961	531,904
Halfway Houses and Resettlement Services	115,086	16,951	26,771	158,808	155,087
Pathway Project	<u>94,637</u>	<u>-</u>	<u>785</u>	<u>95,422</u>	<u>67,134</u>
	<u>540,756</u>	<u>49,398</u>	<u>223,037</u>	<u>813,191</u>	<u>754,125</u>

	2020 £	2019 £
Other costs		
Premises	66,362	66,572
Maintenance	35,564	42,248
Food and laundry	53,580	43,245
Office costs	26,214	26,201
Equipment rental	2,815	2,043
Professional fees	17,516	14,984
Bad debts	2,100	6,143
Miscellaneous	<u>18,886</u>	<u>9,641</u>
	<u>223,037</u>	<u>211,077</u>

7 Staff costs

	2020 £	2019 £
Staff costs		
Wages and salaries	491,796	446,488
Social security costs	40,067	35,790
Pension costs	<u>8,893</u>	<u>8,095</u>
	<u>540,756</u>	<u>490,373</u>

The average number employees during the year were:

	2020 £	2019 £
Hostel	8	9
Halfway Houses and Resettlement Services	4	6
SmartMove	1	1
Housing Advice	-	1
Pathway Project	3	1
Administration	2	2
Domestic	<u>3</u>	<u>-</u>
	<u>21</u>	<u>20</u>

No employees' emoluments exceeded £60,000 (2019: Nil).

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

7 Staff costs (continued)

Emoluments of Executive Officers

For the purposes of this note Executive Officers consist of the Operations Manager and the Client Services Manager.

No members of the Management Committee received any remuneration during the year.

The remuneration paid to Executive Officers was as follows:

	2020	2019
	£	£
Total emoluments	110,217	101,618
Pension contributions	<u>2,628</u>	<u>2,419</u>
	<u>112,845</u>	<u>104,037</u>

The Executive Officers are members of the defined contribution pension scheme operated by the Trust. No enhances or special terms apply. During the period the total amount contributed to the pension arrangement was £2,628 (2019: £2,419).

8 Operating Surplus

	2020	2019
	£	£
The operating surplus is stated after charging (inclusive of VAT):		
Operating lease rentals	1,575	2,043
Rent and service charge bad debts	2,673	6,143
Depreciation	49,398	52,675
Audit fees (excluding VAT)	<u>5,195</u>	<u>5,020</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

9 Fixed Assets

	Housing properties for lettings £	Fixtures, fittings & Equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2019	2,090,945	382,871	13,875	2,487,691
Additions	<u>289,256</u>	<u>1,607</u>	<u>-</u>	<u>290,863</u>
At 31 March 2020	<u>2,380,201</u>	<u>384,478</u>	<u>13,875</u>	<u>2,778,554</u>
Depreciation				
At 1 April 2019	422,378	369,349	13,875	805,602
Charge for the year	<u>43,940</u>	<u>5,458</u>	<u>-</u>	<u>49,398</u>
At 31 March 2020	<u>466,318</u>	<u>374,807</u>	<u>13,875</u>	<u>855,000</u>
Net Book Value				
At 31 March 2020	<u>1,913,883</u>	<u>9,671</u>	<u>-</u>	<u>1,923,554</u>
At 31 March 2019	<u>1,668,567</u>	<u>13,522</u>	<u>-</u>	<u>1,682,089</u>

Housing property additions during the year represent works to existing properties which consisted of the replacement of components and improvements.

10 Debtors

	2020 £	2019 £
Social Housing rent arrears (net of bad debt provision of £1,717 (2019: £10,418))	23,372	8,958
Prepayments	12,620	17,237
Other	<u>360</u>	<u>360</u>
	<u>36,352</u>	<u>26,555</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

11	Creditors: Amounts Falling Due Within One Year	2020	2019
		£	£
	Bank loans and overdrafts	4,310	4,100
	Tax and social security	10,759	9,985
	Other	2,326	1,689
	Accruals	9,477	10,512
	Trade creditors	30,576	14,099
	Deferred grant income	<u>14,250</u>	<u>13,565</u>
		<u>71,698</u>	<u>53,950</u>

The following liabilities disclosed under creditors falling due within one year are secured by the trust:

Bank loans and overdrafts	<u>4,310</u>	<u>4,100</u>
---------------------------	--------------	--------------

The bank loan is on a repayment basis repayable over 25 years and is secured on the Halfway House properties. Interest is calculated at a rate of 3% above base, resulting in a rate of 3.1% at the balance sheet date.

12	Creditors: amounts falling due after more than one year	2020	2019
		£	£
	Bank loans and overdrafts	109,944	114,461
	Deferred grant income (note 13)	<u>589,737</u>	<u>569,708</u>
		<u>699,681</u>	<u>684,169</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the trust:

Bank loans and overdrafts	<u>109,944</u>	<u>114,461</u>
---------------------------	----------------	----------------

Included within creditors falling due after more than one year are amounts repayable:

In more than one year but not more than two years	<u>4,310</u>	<u>4,100</u>
In more than two years but not more than five years	<u>17,240</u>	<u>16,400</u>
In more than five years	<u>88,394</u>	<u>93,961</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

13	Deferred grant income	2020	2019
		£	£
	Deferred income brought forward	583,273	598,868
	Deferred in the year	34,279	-
	Released in the year	<u>(13,565)</u>	<u>(15,595)</u>
	Deferred income carried forward	<u>603,987</u>	<u>583,273</u>
	Amounts to be released within one year	14,250	13,565
	Amounts to be released in more than one year	<u>589,737</u>	<u>569,708</u>
		<u>603,987</u>	<u>583,273</u>

Included within deferred income at the year end are government grants amounting to £393,987 (2019: £368,273).

14 Reconciliation of Movements in Funds

	Funds at 1 April 2019 (restated)	Income (Expenditure) in the year	in the year	Transfers	Funds at 31 March 2020
	£	£	£	£	£
Unrestricted Funds					
Unrestricted funds	<u>1,530,729</u>	<u>781,608</u>	<u>(725,053)</u>	<u>-</u>	<u>1,587,284</u>
	1,530,729	781,608	(725,053)	-	1,587,284
Restricted Funds					
Norfolk Community	500	-	-	-	500
Foundation Grant	8,598	100,747	(95,422)	-	13,923
Pathway Project	<u>9,098</u>	<u>100,747</u>	<u>(95,422)</u>		<u>14,423</u>
	9,098	100,747	(95,422)		14,423
Total Funds	<u>1,539,827</u>	<u>882,355</u>	<u>(820,475)</u>	<u>-</u>	<u>1,601,707</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

14 Reconciliation of Movements in Funds (continued)

	Funds at 1 April 2018 £	Income (Expenditure) in the year (restated) £	in the year £	Transfers £	Funds at 31 March 2019 (restated) £
Unrestricted Funds					
Unrestricted fund	1,475,223	749,659	(694,153)	-	1,530,729
	1,475,223	749,659	(694,153)	-	1,530,729
Restricted Funds					
Norfolk Community	500	-	-	-	500
Foundation Grant	21,438	54,294	(67,134)	-	8,598
Pathway Project	21,938	54,294	(67,134)	-	9,098
Total Funds	<u>1,497,161</u>	<u>803,953</u>	<u>(761,287)</u>	<u>-</u>	<u>1,539,827</u>

In 2019 the transfer between funds represents the transfer of surplus funds following the cessation of the project.

Unrestricted Funds:

Unrestricted funds include income and expenditure to provide emergency accommodation and support to 27 single homeless people, offering 24-hour support and access to services (including a further 4 high support units) in the Hostel and to provide move on accommodation to 20 individuals in semi-independent, shared accommodation. The resettlement scheme offers move-on resettlement support to people moving into the houses and also support to move on to longer term accommodation through their part within the Great Yarmouth Homesupport Consortium. This provides tenancy support to people living independently within the community.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

14 Reconciliation of Movements In Funds (continued)

Restricted Funds

Norfolk Community Foundation Grant – Funding from the Police & Crime Commission for Norfolk Substance Misuse and Alcohol Fund to provide a direct pathway from street homelessness to dependency treatment within the High Support Unit.

Pathway Project – Funding towards the salary costs of the Pathway Workers.

15 Net Analysis of Funds

Each is represented by the following assets and liabilities:

2020

	Fixed assets £	Cash and bank balances £	Other current assets £	Current liabilities £	Long term liabilities £	Total £
Unrestricted funds						
Unrestricted fund	1,923,554	398,757	36,352	(71,698)	(699,681)	1,587,284
	1,923,554	398,757	36,352	(71,698)	(699,681)	1,587,284
Restricted funds						
Norfolk Community						
Foundation Grant	-	500	-	-	-	500
Pathway Project	-	13,923	-	-	-	13,923
	-	14,423	-	-	-	14,423
Total funds	<u>1,923,554</u>	<u>413,180</u>	<u>36,352</u>	<u>(71,698)</u>	<u>(699,681)</u>	<u>1,601,707</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

15 Net Analysis of Funds (continued)

2019 (restated)

	Fixed assets £	Cash and bank balances £	Other current assets £	Current liabilities £	Long term liabilities £	Total £
Unrestricted funds						
Unrestricted funds	1,682,089	560,204	26,555	(53,950)	(684,169)	1,530,729
	1,682,089	560,204	26,555	(53,950)	(684,169)	1,530,729
Restricted funds						
Norfolk Community						
Foundation Grant	-	500	-	-	-	500
Pathway Project	-	8,598	-	-	-	8,598
	-	9,098	-	-	-	9,098
Total funds	<u>1,682,089</u>	<u>569,302</u>	<u>26,555</u>	<u>(53,950)</u>	<u>(684,169)</u>	<u>1,539,827</u>

16 Accommodation owned and in management

	Number of units at	
	31 March 2020	31 March 2019
	£	£
<i>Social housing</i>		
Supported housing	<u>54</u>	<u>54</u>

17 Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
<i>Plant and Machinery</i>		
Not later than 1 year	1,575	1,575
Later than 1 year and not later than 5 years	<u>3,938</u>	<u>5,514</u>
	<u>5,514</u>	<u>7,089</u>

18 Related party transactions

During the year the Trust paid £Nil (2019: £1,400) to a company connected to C Beales in relation to van repairs. No amounts were outstanding at the year end.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

19 Company Status

The company is limited by guarantee. Each member of the company undertakes to contribute such amount (not exceeding £10) as may be required in the event of a winding up.

20 Reconciliation of operating surplus to cash flow from operating activities

	2020	2019 (restated)
	£	£
Surplus for the year	61,880	42,666
Depreciation on tangible fixed assets	49,398	52,675
(Increase) in trade and other debtors	(9,797)	(7,015)
Increase/(decrease) in trade and other creditors	37,570	(16,429)
Finance charges	7,284	7,162
Interest receivable	(146)	(51)
	<u>146,189</u>	<u>79,008</u>

21 Analysis of changes in net debt

	At 1 April 2019 (restated)	Cashflows	Other non- cash changes	At 31 March 2020
Cash at bank and in hand	569,302	(156,122)	-	413,180
Loans falling due within one year	(4,100)	4,310	(4,520)	(4,310)
Loans falling due after more than one year	<u>(114,461)</u>	<u>-</u>	<u>4,517</u>	<u>(109,944)</u>
	<u>450,741</u>	<u>(151,812)</u>	<u>(3)</u>	<u>(298,926)</u>

22 Pension costs

The Trust operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Trust. The total contributions paid in the year amounted to £8,893 (2019: £8,095).

23 Capital funding and commitments

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounts to £30,819 (2019: £Nil).

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2020

24 Prior year adjustment

During the audit of the year ended 31 March 2020 it was identified that £30,000 of funding received in 2019/20 was in fact related to 31 March 2019. The adjustments which have been made are as follow:

	Previously Reported	Adjustment	Revised
Grant income	<u>266,802</u>	<u>30,000</u>	<u>269,802</u>
Cash at bank and in hand	<u>539,302</u>	<u>30,000</u>	<u>569,302</u>