

Company No. 04238548

Charity No. 1096639

QUOTHQUAN HOMES
(A Company Limited by Guarantee)

UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 December 2021

www.quotquanhomes.org.uk

Independent Examiner: Peter Saltiel
Church & Charity Accounts Service

QUOTHQUAN HOMES
(A Company Limited by Guarantee)

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Year Ended 31st December 2021

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COMPANY INFORMATION

Trustees:	J A Gilmour E J Robinson S J Robinson
Secretary:	S J Robinson
Staff:	P J Gilmour * (Housing Manager)
Principal Office & Correspondence Address:	Dale Farm Worcester Lane Sutton Coldfield West Midlands B75 5PR
Bankers:	Barclays Bank Leicester LE87 2BB
Independent Examiner:	Peter Saltiel Church & Charity Accounts Service Planchadeau 23460 Saint-Pierre-Bellevue France
Registered Charity Number:	1096639 (England & Wales)
Company Number:	04238548 (England & Wales)

** employed and remunerated by Harvest Fields Homes*

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Report of the Trustees (including Directors' Report) 2021

The trustees, who are directors of the company for the purposes of company law, present their report and financial statements together with the independent examiner's report for the period ended 31 December 2021.

The Charity was established by memorandum and articles of association on 21st June 2001 under company number 04238548 and was recognised as a charity on 21st March 2003 under charity number 1096639. The principal office is Dale Farm, Worcester Lane, Sutton Coldfield, B75 5PR.

Object, Activities and Public Benefit

The Objects of the Charity are to advance the Christian faith and, as an expression of Christian witness love and concern, to:

provide accommodation and associated amenities, services, advice or assistance for persons in necessitous circumstances or in charitable need; provide and/or support facilities to improve the conditions of life for the local community, relieve the aged, the poor, the sick and those in conditions of need, hardship and distress; and provide and/or support training and pastoral care.

The trustees have taken account of the Charity Commission's general guidance relating to public benefit when reviewing the Charity's achievements and performance.

To date the Charity has only met housing need. To this end the Charity owns and manages Rented Social Housing not required under the Section 106 Agreement with the City of Birmingham on the housing development at Harvest Fields in Sutton Coldfield.

At the year end, the Charity was renting out twenty properties to those who, before they moved to Harvest Fields, were considered to be in housing need.

Achievements, Performance and Public Benefit

The trustees consider that the Object has been achieved satisfactorily during the year by providing good quality, affordable accommodation for their tenants. The provision of a home from Quothquan Homes has dramatically improved the quality of life for most tenants' families; many of whom came from sub-standard or inappropriate sized properties. In many instances it has also released a property back into the rented housing market. They consider that this has satisfied the public benefit test.

Financial Review & Reserves Policy

The results of the Charity for the year ended 31st December 2021 are set out in the financial statements. Income for the financial year was £118,571 (2020: £117,719). Expenditure for the financial year was £81,988 (2020: £63,987).

The maintenance and sinking funds were reviewed during the year. Historically these funds were part of unrestricted funds and were provided based upon the expected costs for cyclical maintenance for each house size by the number of months occupied. In practise, however, the costs of maintaining the properties have been met from the rental income received whilst maintaining the charitable activity at the highest standard. The trustees are confident that this can continue, as has been the case since the charity was formed, and as such that these funds are no longer needed. Therefore the balance of these funds were transferred to the general unrestricted fund (from whence all designated fund amounts were derived) during the year.

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Report of the Trustees (including Directors' Report) 2021

The undesignated reserves carried forward are £686,082 which is considered satisfactory. However, the uninvested portion of these is only £53,550 (the free reserves). It was always the expectation of the trustees that, having paid interest and other costs, there would be very few free reserves for many years.

Given the financial support available from the Quothquan Trust, this Charity can operate successfully with only small non-designated reserves. The trustees actively monitor risks and seek to minimise, manage and/or eliminate them where possible and practicable.

Trustees

The trustees listed on page 1 (J A Gilmour, E J Robinson and S J Robinson) have held office throughout the year. Trustees are appointed by the members who are the trustees. Details of transactions with connected charities and related parties are set out in note 13.

Responsibilities of the Trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees 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 trustees 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 Charity and of the surplus or deficit of the Charity for that period. In preparing these financial statements, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 operating.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Trustees/Directors on 23rd August 2022 and signed by their order.



S J Robinson
Secretary

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES/DIRECTORS/MEMBERS OF
QUOTHQUAN HOMES FOR THE YEAR ENDED 31ST DECEMBER 2021**

Charity No: 1096639

Company No: 4238548

I report on the accounts of the Trust for the year ended 31st December 2021 which are set out on pages 5 to 11.

Responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).


Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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

Peter Saltiel
Church & Charity Accounts Service
Planchadeau
23460 Saint-Pierre-Bellevue
France
*formerly, 69 Portland Place
Greenhithe, Kent, DA9 9FE*



Dated 6th September 2022

QUOTHQUAN HOMES
(A Company Limited by Guarantee)

**Statement of Financial Activities and
Summary Income and Expenditure Account**

Year Ended 31st December 2021

	Notes	Designated Funds	Other Unrestricted Funds	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Income:					
Charitable activities:					
Rent receivable	3	-	118,568	118,568	117,710
Interest receivable		-	3	3	9
		<u>-</u>	<u>118,571</u>	<u>118,571</u>	<u>117,719</u>
Expenditure:					
Charitable activities	4	-	(81,988)	(81,988)	(63,987)
		<u>-</u>	<u>(81,988)</u>	<u>(81,988)</u>	<u>(63,987)</u>
Net Income for the year		-	36,583	36,583	53,732
Transfers:					
From maintenance fund	2 & 11	(295,905)	295,905	-	-
From sinking fund	2 & 11	(100,714)	100,714	-	-
		<u>(396,619)</u>	<u>433,202</u>	<u>36,583</u>	<u>53,732</u>
Net movement in funds		(396,619)	433,202	36,583	53,732
Total funds brought forward		<u>396,619</u>	<u>252,880</u>	<u>649,499</u>	<u>595,767</u>
Total funds carried forward		<u>-</u>	<u>686,082</u>	<u>686,082</u>	<u>649,499</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All the above results are derived from continuing activities.
The notes on pages 7 to 11 form part of these financial statements.

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Balance Sheet

At 31st December 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	8	<u>1,806,636</u>	<u>1,827,855</u>
Current Assets			
Debtors	9	751	956
Cash at bank		<u>74,241</u>	<u>24,934</u>
		<u>74,992</u>	<u>25,890</u>
Creditors: Amounts falling due within one year	10	<u>(21,442)</u>	<u>(7,087)</u>
Net Current Assets		<u>53,550</u>	<u>18,803</u>
Total Assets less Current Liabilities		<u>1,860,186</u>	<u>1,846,658</u>
Creditors: Amounts falling due after more than one year	13	<u>(1,174,104)</u>	<u>(1,197,159)</u>
Net Assets		<u><u>686,082</u></u>	<u><u>649,499</u></u>
Funds			
Designated – Maintenance Fund	2 & 11	-	295,905
Designated – Sinking Fund	2 & 11	-	100,714
Designated – Repairs Fund	2 & 11	-	-
		<u>-</u>	<u>396,619</u>
Total designated funds		-	396,619
Other unrestricted funds	11	<u>686,082</u>	<u>252,880</u>
Total unrestricted funds		<u><u>686,082</u></u>	<u><u>649,499</u></u>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31st December 2021.

- the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and
- members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The accounts have been examined by an independent examiner whose report appears on page 4.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Notes on pages 7 to 10 form an integral part of these accounts.

These accounts, which have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, were approved by the trustees / Directors on 23rd August 2022 and signed on their behalf by:



S J Robinson – Trustee

Company No. 04238548

QUOTHQUAN HOMES
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Notes to the Financial Statements

Year Ended 31st December 2021

1. Basis of Preparation

Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts, accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The accounts present a true and fair view and no changes in the basis of accounting have been made during the year. There have also been no changes to the previous accounts during the financial year. The charity is a public benefit entity as defined by FRS 102.

Going Concern

The trustees are of a view that there are sufficient reserves to secure the immediate future of the Trust for the next 12 to 18 months and on that basis the charity is a going concern.

2. Accounting Policies

2.1 Fund Accounting

Unrestricted funds

These are donations, rental and other income received or generated for the objects of the charity without specific purpose and are available as general funds. The charity has no restricted funds.

Maintenance Fund

Historically this was a designated part of unrestricted funds and was provided based upon the expected costs for cyclical maintenance for each house size by the number of months occupied. In practise, however, the costs of maintaining the properties have been met from the rental income received while maintaining the charitable activity at the highest standard. The trustees are confident that this can continue and therefore the balance of this fund has been transferred to the general unrestricted fund from whence all designated fund amounts were derived.

Sinking Fund

This was another designated part of unrestricted funds and was provided based upon the expected long term replacement costs for each house size by the number of months occupied. Again, in practise, however, the costs have been met from the rental income received while maintaining the charitable activity at the highest standard. The trustees are confident that this can continue and therefore the balance of this fund has been transferred to the general unrestricted fund from whence all designated fund amounts were derived.

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Notes to the Financial Statements (cont'd)

Year Ended 31st December 2021

2.2 Income

Rental income is included in the Statement of Financial Activities (SoFA) when the charity is entitled to the resource; that is more likely than not that the trustees will receive the resources and that the monetary value can be measured with sufficient reliability.

Income from interest is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

2.3 Expenditure

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Rent prepaid is recorded as deferred income as current liabilities. Provisions for liabilities are measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

Fixed Assets

Purchased fixed assets are capitalised at the price paid (plus fees etc) even if the open market value could be or was higher at the time of acquisition.

Depreciation

Depreciation is calculated to write off from the date of first occupation the cost of buildings at 2% per annum straight line and carpets and furniture at 12½% per annum straight line.

Current Assets

Current assets are cash at bank with immediate access and debtors.

Current Liabilities

Current liabilities are obligations to pay for services related to the properties within one year.

Non-Current Liabilities

Non-current liabilities relate to the loan from Quothquan Trust and related interest. This was used to purchase properties as reported in Note 13. There is no fixed term for the loan and the charity maintains its obligation to repay the loan.

Judgements and Estimations

The trustees have not made any significant judgements in the process of applying the accounting policies and there are no areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Cash Flow Exemption

The trustees have not produced a statement of cash flows, as the Charity is within the small company and charity thresholds.

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Notes to the Financial Statements (cont'd)

Year Ended 31st December 2021

3. Income

The income and result for the year are attributed to the principal activity as set out in the report of the trustees. The whole of the income totalling £118,571 (2020: £117,719) was derived from the UK.

4. Expenditure on charitable activities

	2021 £	2020 £
Interest payable	10,945	14,843
Depreciation of tangible assets	21,219	21,474
Property expenses	43,435	21,311
Governance – Independent Examiner	485	485
Governance – Companies House	13	13
Contribution towards salary paid by HFH	1,300	1,300
Bookkeeping & admin charge from SQCT	4,500	4,500
Bank charges	91	61
	<u>81,988</u>	<u>63,987</u>

5. Trustees

Neither of the trustees has received any remuneration from the Charity for services rendered nor been reimbursed any expenses. Details of transactions with connected charities and related parties are set out in note 11 below.

6. Staff Costs	2021 £	2020 £
Contribution towards salary paid by HFH	<u>1,300</u>	<u>1,300</u>

The Housing Manager is employed and remunerated by Harvest Fields Homes.
No employee was paid more than £60,000 per annum.

7. Taxation

The company is a registered charity and, as all its income will be applied for charitable purposes, no liability to tax arises in respect of the year ended 31st December 2021 (2020: nil).

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Notes to the Financial Statements (cont'd)

Year Ended 31st December 2021

8. Tangible Fixed Assets	Freehold property	Furniture, carpets etc	Total
Cost	£	£	£
At 31 st December 2020	2,128,520	27,075	2,155,595
Additions in the year	-	-	-
At 31st December 2021	2,128,520	27,075	2,155,595
Depreciation			
At 31st December 2020	301,358	26,382	327,740
Charge for the year	20,626	593	21,219
At 31st December 2021	321,984	26,975	348,959
Net Book Value			
At 31st December 2021	1,806,536	100	1,806,636
At 31st December 2020	1,827,162	693	1,827,855
9. Debtors	2021	2020	
	£	£	
Rental debtors	562	667	
Prepayments	189	187	
Other debtors	-	102	
	751	956	
10. Creditors falling due within twelve months	2021	2020	
	£	£	
Rents prepaid	3,684	2,861	
Accruals	17,758	4,226	
	21,442	7,087	

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Notes to the Financial Statements (cont'd)

Year Ended 31st December 2021

11. Utilisation of Funds	Maintenance Fund £	Sinking Fund £	Other Unrestricted £	Total Funds £
Opening balance	295,905	100,714	252,880	649,499
Net incoming resources before transfers	-	-	36,583	36,583
Transfers	(295,905)	(100,714)	396,619	-
Closing balances	-	-	686,082	686,082
Represented by:				
Tangible fixed assets	-	-	1,806,636	1,806,636
Net current assets	-	-	53,550	53,550
Long term loans	-	-	(1,174,104)	(1,174,104)
	-	-	686,082	686,082

12. Share Capital

The Charity is limited by guarantee and has no share capital. Each member of the Charity has undertaken to contribute a sum, not exceeding £1, if it is wound up whilst that person is a member or within one year after ceasing to be a member.

13. Connected Charities and Related Party Transactions

Quothquan Trust, which is connected by virtue of common trustees, loaned this Charity all the funds to acquire four apartments in previous years at 3.7%pa (considered a commercial rate of interest for that purpose). They also loaned the funds to purchase houses in previous years at 7%pa. Accordingly it loaned a maximum of £1,197,159 (2020: £1,272,315) in the year and at the year-end £1,174,104 (2020: £1,197,159) was outstanding. It charged interest of £10,945 (2020: £14,843).

There is also a contingent liability of up to £2,433,475 (2020: £2,201,281) to pay additional interest to it that is only payable out of any surplus on disposal of the properties.

Harvest Fields Homes also provided this Charity with the services of its part-time Housing Manager for which it charged this Charity £1,300 (2020: £1,300). The Second Quothquan Charitable Trust, which is another charity connected in the same way, provided this Charity with book-keeping and administration services for which it charged £4,500 (2020: £4,500).