

HERRING HOUSE TRUST (GREAT YARMOUTH)

AUDITED ACCOUNTS

31 MARCH 2018

Registered Charity No. 1057387

Company No. 3202862

Herring House Trust (Great Yarmouth)

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For The Year Ended 31 March 2018

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Herring House Trust (Great Yarmouth)

Report of the Board

For The Year Ended 31 March 2018

The management committee has pleasure in presenting its report and accounts for the year ended 31 March 2018.

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
D Gilbert
G Doyle (appointed 21/09/2018)
M Drewery (appointed 15/07/2018)

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 2018

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.

ACHIEVEMENTS AND PERFORMANCE

Review of the year

In 2017/2018 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 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 the 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.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the year (continued)

In June 2018 The Trust purchased an additional property which will provide 4 units of self-contained accommodation with a shop facility to offer training and skills based resources for our client group.

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.

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.

FINANCIAL REVIEW

The Trust's principal funding sources are predominately rents and service charges together with the Supporting People grant.

As at 31 March 2018 total reserves amounted to £1,497,161 (2017: £1,364,739) of which 1,475,223 (2017: £1,339,049) related to unrestricted funds and £21,938 (2017: £25,690) to restricted funds.

The Trust had a net surplus in the year of £132,422 (2017: £85,579) as shown on page 9 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 2018 net current assets within the unrestricted funds were £655,746 (2017: £502,546) which represents approximately 11 months' expenditure. The Trust also had net current assets within the restricted funds of £21,938 (2017: £25,690).

The Management Committee are aware of the increase in the actual reserves held over and above the requirement. The Trust is continuing to review the services provided by the Trust with a view to expanding these over the forthcoming years.

It has been necessary to maintain our reserve levels in anticipation of future welfare reforms, through the introduction of Universal Credit and the impact this will have on our income streams. In addition, the Management Committee have taken a view that given the expected funding reductions from Norfolk County Council in the future, it will be necessary to operate with an increased reserve level to safeguard against future cuts.

Following the year end, the Trust purchased an additional property for £169,578. It is anticipated an additional £200,000 will be required to refurbish the property in order to meet the Trust's requirements. This expenditure will be met from the free reserves of the Trust. The revised balance of reserves after this planned expenditure is £262,404, which equates to approximately 4-5 months of expenditure.

The Trustees were also aware at the year-end that £5,801 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 2018

PLANS FOR THE FUTURE

The Trust has worked through a period of restructuring to enable the continued support of our users whilst receiving cuts in funding and decommissioning of services. This process is now complete and we are able to move forward with our service provision.

In June 2018, the Trust purchased an additional property which will provide 4 units of self-contained accommodation with a shop facility to offer training and skills based resources for our client group.

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 & 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.

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.

Herring House Trust (Great Yarmouth)

Report of the Board (Continued)

For The Year Ended 31 March 2018

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.

Company law and registered social housing legislation requires 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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. In preparing the financial statements the Management Committee are 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 Directions for private registered providers of social housing in England 2015. 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.

In so far as the committee is aware;

- 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: 16 November 2018

Independent Auditor's Report to the Members of

Herring House Trust (Great Yarmouth)

For The Year Ended 31 March 2018

We have audited the financial statements of Herring House Trust (Great Yarmouth) for the year ended 31 March 2018 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 2018 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 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 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 2018

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.

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 of the Management Committee.

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 take advantage of the small companies exemption 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 2018

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 page 4, 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 association 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

30 November 2018

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 2018

	Notes	Total Funds 2018 £	2017 £
Turnover	3	858,614	882,683
Operating expenditure	6	<u>(720,996)</u>	<u>(792,599)</u>
Operating surplus		137,618	90,084
Interest receivable		3	4
Interest and financing costs		<u>(5,199)</u>	<u>(4,509)</u>
Total comprehensive income for the year	8	132,422	85,579
Reserves brought forward		<u>1,364,739</u>	<u>1,279,160</u>
Reserves carried forward		<u>1,497,161</u>	<u>1,364,739</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 16 November 2018.

C BEALES

B ROBINSON

The notes set out on pages 13 to 26 form an integral part of these accounts

Herring House Trust (Great Yarmouth)**Balance Sheet****As at 31 March 2018****Company Number: 3202862**

	Notes	2018 £	2017 £
Fixed Assets			
Tangible fixed assets	9	1,519,607	1,555,637
Current Assets			
Debtors	10	19,540	26,443
Cash and bank balances		<u>716,659</u>	<u>555,722</u>
		736,199	582,165
Creditors: Amounts falling due within one year	11	<u>(58,515)</u>	<u>(53,929)</u>
Net Current Assets		<u>677,684</u>	<u>528,236</u>
Total Assets less Current Liabilities		2,197,291	2,083,873
Creditors: amounts falling due after more than one year	12	<u>(700,130)</u>	<u>(719,134)</u>
Total Net Assets		<u>1,497,161</u>	<u>1,364,739</u>
Funds			
Hostel	14	790,202	743,558
Halfway House Scheme and Homeless Action Programme	14	672,981	586,900
SmartMove	14	12,040	8,591
Restricted funds	14	21,938	25,690
Total Funds		<u>1,497,161</u>	<u>1,364,739</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 16 November 2018 and signed on their behalf by:

C BEALES

B ROBINSON

The notes set out on pages 13 to 26 form an integral part of these accounts

Herring House Trust (Great Yarmouth)

Statement of Changes in Reserves

As at 31 March 2018

	General Fund £	Restricted Funds £	Total £
At 1 April 2017	1,339,049	25,690	1,364,739
Total comprehensive income for year	136,174	(3,752)	132,422
Transfer between funds	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2018	<u>1,475,223</u>	<u>21,938</u>	<u>1,497,161</u>

	General Fund £	Restricted Funds £	Total £
At 1 April 2016	1,269,229	9,931	1,279,160
Total comprehensive income for year	53,429	32,150	85,579
Transfer between funds	<u>16,391</u>	<u>(16,391)</u>	<u>-</u>
At 31 March 2017	<u>1,339,049</u>	<u>25,690</u>	<u>1,364,739</u>

Herring House Trust (Great Yarmouth)

Statement of Cashflows

For The Year Ended 31 March 2018

	Note	2018 £	2017 £
Net cash generated from operating activities	20	188,907	128,738
Cash flow from investing activities			
Payments to acquire fixed assets		(17,937)	(64,608)
Interest received		<u>3</u>	<u>4</u>
Net cash flow from investing activities		<u>(17,934)</u>	<u>(64,604)</u>
Cash flow from financing activities			
Loan repayments		(4,837)	(5,046)
Interest paid		<u>(5,199)</u>	<u>(4,509)</u>
Net cash flow from financing activities		<u>(10,036)</u>	<u>(9,555)</u>
Net increase in cash and cash equivalents		160,937	54,579
Cash and cash equivalents at 1 April 2017		<u>555,722</u>	<u>501,143</u>
Cash and cash equivalents at 31 March 2018		<u>716,659</u>	<u>555,722</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>716,659</u>	<u>555,722</u>
Cash and cash equivalents at 31 March 2018		<u>716,659</u>	<u>555,722</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts

For The Year Ended 31 March 2018

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***

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 Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for Private Registered Providers of Social Housing in England 2015. The financial statements have been 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 2018

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 2018

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, 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% 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.

(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.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

1 Accounting Policies (continued)

(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.

(o) *Redundancy*

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

2	Turnover	2018			2017		
		Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
		£	£	£	£	£	£
	Social housing Lettings	858,614	(720,996)	137,618	882,683	(792,599)	90,084

All turnover, operating costs and operating surpluses have been generated through the Trust's 51 Supported Housing units (2017: 51 units).

3	Turnover from lettings	2018	2017
		£	£
	Rents and service charges (note 4)	444,688	386,686
	Donations and grants (note 5)	413,838	495,985
	Other income	88	12
		<u>858,614</u>	<u>882,683</u>

During the year 2018, £54,264 of turnover from lettings was restricted (2017: £78,884) and £804,851 was unrestricted (2017: £803,799).

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

4 Rental Income

	Hostel £	Halfway Houses £	2018 £	2017 £
Rents	303,725	196,800	500,525	449,053
Service charges	43,410	9,033	52,443	49,132
Rent (losses) from voids	<u>(30,558)</u>	<u>(77,722)</u>	<u>(108,280)</u>	<u>(111,499)</u>
	<u>316,577</u>	<u>128,111</u>	<u>444,688</u>	<u>386,686</u>

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

5 Donations and grants

	2018 £	2017 £
Housing Related Support grant	345,322	403,316
Pathway Project grant	53,764	58,817
Government grants - capital	8,565	8,565
Capital grant	5,000	5,000
NCF grant	500	20,067
Other grants and donations	<u>687</u>	<u>-</u>
	<u>413,838</u>	<u>495,985</u>

Of the total income received £790,010 (2017: £790,002) was received from local authorities and £353,887 (2017: £411,881) was received from grant income.

Government grants amounting to £376,838 (2017: £385,403) were deferred at the year end.

6 Operating costs – Social Housing Lettings

	Staff costs £	Depreciation £	Other costs £	2018 £	2017 £
Provision of services:					
Hostel	339,982	35,422	164,783	540,187	573,047
Halfway Houses and Resettlement Services	78,646	18,545	21,736	118,927	158,071
SmartMove	27,128	-	502	27,630	28,354
Pathway Project	<u>34,169</u>	<u>-</u>	<u>83</u>	<u>34,252</u>	<u>33,127</u>
	<u>479,925</u>	<u>53,967</u>	<u>187,104</u>	<u>720,996</u>	<u>792,599</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

6 Operating costs – Social Housing Lettings (continued)

	2018	2017
	£	£
Other costs		
Premises	56,162	60,901
Maintenance	29,659	37,014
Food and laundry	50,236	56,527
Office costs	24,610	21,324
Equipment rental	1,055	1,055
Professional fees	13,974	15,585
Bad debts	3,788	6,127
Miscellaneous	<u>7,620</u>	<u>11,085</u>
	<u>187,104</u>	<u>209,618</u>

7 Staff costs

	2018	2017
	£	£
Staff costs		
Wages and salaries	438,631	484,897
Social security costs	35,999	40,865
Pension costs	<u>5,295</u>	<u>4,166</u>
	<u>479,925</u>	<u>529,928</u>

The average number employees during the year were:

	2018	2017
	£	£
Hostel	9	15
Halfway Houses and Resettlement Services	4	4
SmartMove	2	2
Housing Advice	1	1
Pathway Project	1	1
Administration	<u>2</u>	<u>2</u>
	<u>19</u>	<u>25</u>

No employees' emoluments exceeded £60,000 (2017: Nil).

Total termination payments during the amounted to £Nil (2017: £5,998) and relate to decommissioning of services.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

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:

	2018	2017
	£	£
Total emoluments	97,709	97,470
Pension contributions	<u>1,565</u>	<u>1,486</u>
	<u>99,274</u>	<u>98,956</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 £1,565 (2017: £1,487).

8 Operating Surplus

	2018	2017
	£	£
The operating surplus is stated after charging (inclusive of VAT):		
Operating lease rentals	1,055	1,055
Rent and service charge bad debts	3,788	6,127
Depreciation	56,641	53,053
Audit fees (excluding VAT)	<u>4,650</u>	<u>4,515</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

9 Fixed Assets

	Housing properties for lettings £	Fixtures, fittings & Equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2017	1,875,788	364,934	13,875	2,254,597
Additions	<u>-</u>	<u>17,937</u>	<u>-</u>	<u>17,937</u>
At 31 March 2018	<u>1,875,788</u>	<u>382,871</u>	<u>13,875</u>	<u>2,272,534</u>
Depreciation				
At 1 April 2017	334,498	356,137	8,325	698,960
Charge for the year	<u>43,940</u>	<u>9,926</u>	<u>2,775</u>	<u>53,967</u>
At 31 March 2018	<u>378,438</u>	<u>366,063</u>	<u>11,100</u>	<u>752,927</u>
Net Book Value				
At 31 March 2018	<u>1,497,350</u>	<u>16,808</u>	<u>2,775</u>	<u>1,519,607</u>
At 31 March 2017	<u>1,541,290</u>	<u>8,797</u>	<u>5,550</u>	<u>1,555,637</u>

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

10 Debtors

	2018 £	2017 £
Social Housing rent arrears (net of bad debt provision of £4,350 (2017: £3,200))	7,147	11,185
Prepayments	12,033	14,898
Other	<u>360</u>	<u>360</u>
	<u>19,540</u>	<u>26,443</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

11	Creditors: Amounts Falling Due Within One Year	2018	2017
		£	£
	Bank loans and overdrafts	5,801	5,200
	Tax and social security	9,172	11,042
	Other	567	1,307
	Accruals	7,996	8,110
	Trade creditors	19,384	8,607
	Deferred grant income	<u>15,595</u>	<u>19,663</u>
		<u>58,515</u>	<u>53,929</u>

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

Bank loans and overdrafts	<u>5,801</u>	<u>5,200</u>
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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 3.5% at the balance sheet date.

12	Creditors: amounts falling due after more than one year	2018	2017
		£	£
	Bank loans and overdrafts	116,857	122,295
	Deferred grant income (note 13)	<u>583,273</u>	<u>596,839</u>
		<u>700,130</u>	<u>719,134</u>

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

Bank loans and overdrafts	<u>116,857</u>	<u>122,295</u>
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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>5,801</u>	<u>5,200</u>
In more than two years but not more than five years	<u>23,194</u>	<u>21,671</u>
In more than five years	<u>93,663</u>	<u>100,624</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

13	Deferred grant income	2018	2017
		£	£
	Deferred income brought forward	616,502	630,430
	Released in the year	(19,663)	(20,026)
	Deferred in the year	<u>2,029</u>	<u>6,098</u>
	Deferred income carried forward	<u>598,868</u>	<u>616,502</u>
	Amounts to be released within one year	15,595	19,663
	Amounts to be released in more than one year	<u>583,273</u>	<u>596,839</u>
		<u>598,868</u>	<u>616,502</u>
	Included within deferred income at the year end are government grants amounting to £376,838 (2017: £385,403).		
14	Reconciliation of Movements in Funds		
	Funds at	Income (Expenditure)	Funds at 31
	1 April 2017	in the year	March 2018
	£	£	£
	Unrestricted Funds		
	Hostel	743,558	569,192
	Halfway House Scheme		(522,548)
	and Homelessness Action		-
	Programme	586,900	204,082
	SmartMove	<u>8,591</u>	<u>31,079</u>
		<u>1,339,049</u>	<u>804,353</u>
		<u>668,179</u>	<u>-</u>
			<u>1,475,223</u>
	Restricted Funds		
	Norfolk Community		500
	Foundation Grant	-	500
	Pathway Project (NHS)	25,690	30,000
	Pathway Project (Lloyds Bank)	<u>-</u>	<u>23,764</u>
		<u>25,690</u>	<u>54,264</u>
		<u>(58,016)</u>	<u>-</u>
			<u>21,938</u>
	Total Funds	<u>1,364,739</u>	<u>858,617</u>
		<u>(726,195)</u>	<u>-</u>
			<u>1,497,161</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

14 Reconciliation of Movements In Funds (continued)

	Funds at 1 April 2016 £	Income (Expenditure) in the year £	in the year £	Transfers £	Funds at 31 March 2017 £
Unrestricted Funds					
Hostel	710,454	580,662	(563,949)	16,391	743,558
Halfway House Scheme and Homelessness Action Programme	558,131	186,840	(158,071)	-	586,900
SmartMove	644	36,301	(28,354)	-	8,591
	<u>1,269,229</u>	<u>803,803</u>	<u>(750,374)</u>	<u>16,391</u>	<u>1,339,049</u>
Restricted Funds					
Norfolk Community Foundation Grant	9,931	20,067	(13,607)	(16,391)	-
Pathway Project	-	35,570	(9,880)	-	25,690
Advice Project	-	23,247	(23,247)	-	-
	<u>9,931</u>	<u>78,884</u>	<u>(46,734)</u>	<u>(16,391)</u>	<u>25,690</u>
Total Funds	<u>1,279,160</u>	<u>882,687</u>	<u>(797,108)</u>	<u>-</u>	<u>1,364,739</u>

The transfer between funds represents the transfer of surplus funds following the cessation of the projected funded by a grant from Norfolk Community Foundation.

Unrestricted Funds:

Hostel – To provide emergency accommodation and support to 27 single homeless people, offering 24-hour support and access to services;

Halfway House Scheme and Homelessness Action Programme – 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;

SmartMove – a tenancy deposit scheme providing support to people moving on to longer term accommodation in the private rented sector.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

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 from the Homelessness Transition Fund to provide emergency accommodation and support for individuals sleeping rough.

Pathway Project (NHS) – funding from the NHS to support the Pathway Project.

Pathway Project (Lloyds) – funding from Lloyds Bank Foundation towards the salary costs of the Pathway Worker, management and administration costs and telephone costs.

Advice Project – funding to provide services as part of a consortia of which GYROS is the lead partner.

15 Net Analysis Of Funds

Each is represented by the following assets and liabilities:

2018

	Fixed assets £	Cash and bank balances £	Other current assets £	Current liabilities £	Long term liabilities £	Total £
Unrestricted funds						
Hostel	1,037,955	491,955	18,937	(58,515)	(700,130)	790,202
Halfway House scheme and Homelessness Action Programme	481,652	190,726	603	-	-	672,981
SmartMove	-	12,040	-	-	-	12,040
	<u>1,519,607</u>	<u>694,721</u>	<u>19,540</u>	<u>(58,515)</u>	<u>(700,130)</u>	<u>1,475,223</u>
Restricted funds						
Norfolk Community Foundation Grant	-	500	-	-	-	500
Pathway Project (NHS)	-	21,438	-	-	-	21,438
Pathway Project (Lloyds Bank)	-	-	-	-	-	-
	<u>-</u>	<u>21,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,938</u>
Total funds	<u>1,519,607</u>	<u>716,659</u>	<u>19,540</u>	<u>(58,515)</u>	<u>(700,130)</u>	<u>1,497,161</u>

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

15 Net Analysis Of Funds (continued)

2017

	Fixed assets £	Cash and bank balances £	Other current assets £	Current liabilities £	Long term liabilities £	Total £
Unrestricted funds						
Hostel	1,068,145	423,069	25,407	(53,929)	(719,134)	743,558
Halfway House scheme and Homelessness Action Programme	487,492	98,372	1,036	-	-	586,900
SmartMove	-	8,591	-	-	-	8,591
	<u>1,555,637</u>	<u>530,032</u>	<u>26,443</u>	<u>(53,929)</u>	<u>(719,134)</u>	<u>1,339,049</u>
Restricted funds						
Pathway Project	-	25,690	-	-	-	25,690
	<u>-</u>	<u>25,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,690</u>
Total funds	<u>1,556,637</u>	<u>555,722</u>	<u>26,443</u>	<u>(53,929)</u>	<u>(719,134)</u>	<u>1,364,739</u>

16 Accommodation owned and in management

	Number of units at	
	31 March 2018	31 March 2017
	£	£
<i>Social housing</i>		
Supported housing	<u>34</u>	<u>34</u>

17 Operating lease commitments

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

	2018 £	2017 £
<i>Plant and Machinery</i>		
Not later than 1 year	1,055	1,019
Later than 1 year and not later than 5 years	<u>1,202</u>	<u>2,293</u>
	<u>2,257</u>	<u>3,312</u>

18 Related party transactions

During the year the Trust paid £569 to a company related to C Beales in relation to van repairs. No amounts were outstanding at the year end.

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.

Herring House Trust (Great Yarmouth)

Notes To The Accounts (Continued)

For The Year Ended 31 March 2018

20 Reconciliation of operating surplus to cash flow from operating activities

	2018	2017
	£	£
Surplus for the year	132,422	85,579
Depreciation on tangible fixed assets	53,967	53,053
Decrease in trade and other debtors	6,903	16,474
Decrease in trade and other creditors	(9,581)	(30,873)
Finance charges	5,199	4,509
Interest receivable	(3)	(4)
	<u>188,907</u>	<u>128,738</u>

21 Financial instruments

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

	2018	2017
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors	7,147	11,185
- Other debtors	<u>360</u>	<u>360</u>
	<u>7,507</u>	<u>11,545</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
- Trade creditor	19,384	8,607
- Accruals	7,996	8,110
- Other creditors	567	1,307
- Bank loan < 1 year	<u>5,801</u>	<u>5,200</u>
	<u>33,748</u>	<u>23,224</u>
- Bank loan > 1 year	<u>116,857</u>	<u>122,295</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 £5,295 (2017: £4,166).

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 £169,578 (2017: £Nil).

Herring House Trust (Great Yarmouth)

Income And Expenditure Account Hostel

For The Year Ended 31 March 2018

	2018 £	2017 £
Income		
Rents received	273,167	247,629
Top ups	43,410	40,954
Donations	687	220
Other income	88	12
Interest	3	4
Housing Related Support income	238,272	278,278
Grants	<u>14,065</u>	<u>33,632</u>
	<u>569,692</u>	<u>600,729</u>
Less Expenditure		
Direct costs		
Food and other household costs	42,205	47,851
Residents' welfare	3,952	4,927
Laundry and cleaning	<u>7,025</u>	<u>7,964</u>
	<u>(53,182)</u>	<u>(60,742)</u>
	516,510	539,987
Administration Expenses		
Salaries and national insurance	316,219	345,019
Redundancy	-	5,998
Light, heat and water	23,993	24,732
Insurances	20,964	20,808
Postage and stationery	7,319	6,219
Telephone	10,443	8,788
Travel and subsistence	120	161
Professional costs	13,974	15,585
General	938	3,339
TV licence	147	146
Advertising & subscriptions	3,249	3,234
Training	814	476
Recruitment costs	1,085	322
Repairs & consumables	22,880	32,738
Equipment rental	1,055	1,055
Motor expenses	1,941	1,365
Depreciation - Freehold & leasehold property	29,530	29,530
- Fixtures and fittings	3,117	4,744
- Motor vehicles	2,775	2,775
Bad debts/write off	3,604	5,271
Bank charges and loan interest	<u>5,199</u>	<u>4,509</u>
	<u>(469,366)</u>	<u>(516,814)</u>
Surplus Income over Expenditure Before Transfers	47,144	23,173
Transfers to the Pathway Project	-	-
Transfers to Advice Project	<u>-</u>	<u>-</u>
Surplus Income over Expenditure	<u>47,144</u>	<u>23,173</u>

Herring House Trust (Great Yarmouth)

**Income And Expenditure Account
Halfway House Scheme &
Homelessness Action Programme**

For The Year Ended 31 March 2018

	2018	2017
	£	£
Income		
Housing benefits	119,078	89,925
Top ups	9,033	8,178
Housing Related Support income	<u>75,971</u>	<u>88,737</u>
	204,082	186,840
Expenditure		
Administration expenses		
Salaries and national insurance	78,646	123,663
Light, heat and water	10,773	7,998
Telephone & postage	1,530	2,004
Repairs and consumables	6,779	5,542
General	143	363
TV licences	734	874
Food and other household costs	106	-
Resident welfare	27	55
Laundry and cleaning	900	712
Depreciation - Freehold property	14,410	14,410
- Fixtures and fittings	4,135	1,594
Bad debts/write off	<u>(182)</u>	<u>856</u>
	<u>(118,001)</u>	<u>(158,071)</u>
Surplus Income over Expenditure	<u>86,081</u>	<u>28,769</u>

Herring House Trust (Great Yarmouth)

Income And Expenditure Account

SmartMove Initiative

For The Year Ended 31 March 2018

	2018	2017
	£	£
Income		
Housing Related Support income	31,079	36,301
Expenditure		
Salaries and national insurance	27,128	28,119
Postage, stationery & telephone	502	168
Client welfare	<u>-</u>	<u>67</u>
	<u>(27,630)</u>	<u>(28,354)</u>
Surplus Income over Expenditure	<u>3,449</u>	<u>7,947</u>

Herring House Trust (Great Yarmouth)

Income And Expenditure Account

Pathway Project

For The Year Ended 31 March 2018

	2018	2017
	£	£
Income		
Grant income	53,764	58,817
Expenditure		
Salaries and national insurance	57,933	33,127
Management costs	<u>83</u>	<u>-</u>
	<u>(58,016)</u>	<u>(33,127)</u>
Excess Expenditure Over Income before transfers	(4,252)	25,690
Transfer of funds from the Hostel	<u>-</u>	<u>-</u>
Excess Expenditure over Income / (Excess Income over Expenditure)	<u>(4,252)</u>	<u>25,690</u>