

**Company No. 4238548**

**Charity No. 1096639**

**QUOTHQUAN HOMES  
(A Company Limited by Guarantee)**

**UNAUDITED FINANCIAL STATEMENTS  
YEAR ENDED 31 December 2018**

**[www.quotquanhomes.org.uk](http://www.quotquanhomes.org.uk)**

**Independent Examiner: Peter Saltiel**  
Church & Charity Accounts Service

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Contents**

**Year Ended 31st December 2018**

---

	<b>Page</b>
Company Information	1
Report of the Trustees	2 – 3
Independent Examiner's Report	4
Statement of Financial Activities and Income and Expenditure Account	5
Balance Sheet	6
Notes to the Financial Statements	7 – 10

---

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**COMPANY INFORMATION**

---

<b>Trustees:</b>	J A Gilmour E J Robinson S J Robinson
<b>Secretary:</b>	S J Robinson
<b>Staff:</b>	P J Gilmour * (Housing Manager)
<b>Registered Office:</b>	Dale Farm Worcester Lane Sutton Coldfield West Midlands B75 5PR
<b>Bankers:</b>	Barclays Bank Leicester LE87 2BB
<b>Independent Examiner:</b>	Peter Saltiel Church & Charity Accounts Service Planchadeau 23460 Saint-Pierre-Bellevue France
<b>Registered Charity Number:</b>	1096639 (England & Wales)
<b>Company Number:</b>	4238548 (England & Wales)

*\* employed and remunerated by Harvest Fields Homes*

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Report of the Trustees (including Directors' Report) 2018**

---

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 2018.

**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 2018 are set out in the financial statements. Income for the financial year was £115,049 (2017: £120,962) and the expenditure was £64,233 (2017: £70,848).

The undesignated reserves carried forward are £174,533 which is considered satisfactory. However, the uninvested portion of these is only £2,519 (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 and the existing designated reserves for maintenance and sinking funds, 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.

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Report of the Trustees**

---

**Trustees**

The trustees listed on page 1 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.

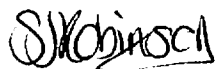
Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under 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 on 22<sup>nd</sup> July 2019 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 2018**

I report on the accounts of the Trust for the year ended 31<sup>st</sup> December 2018 which are set out on the following pages.

## ***Respective responsibilities of trustees and examiner***

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

## ***Basis of independent examiner's statement***

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

## ***Independent examiner's unqualified statement***

In connection with my examination, no matter has come to my attention to indicate that:

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- the accounts do not accord with such records;
- where accounts are prepared on an accruals basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent with the Charities SORP (FRS102)
- any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.

Peter Saltiel  
Church & Charity Accounts Service  
Planchadeau  
23460 Saint-Pierre-Bellevue  
France

*formerly, 69 Portland Place  
Greenhithe, Kent, DA9 9FE*

Dated 26<sup>th</sup> July 2019



**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

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

**Year Ended 31st December 2018**

	Notes	Designated Funds	Other Unrestricted Funds	Total Unrestricted Funds 2018 £	Total Unrestricted Funds 2017 £
<b>Income:</b>					
Charitable activities:					
Rent receivable	3	-	115,046	115,046	120,962
Interest receivable		-	3	3	-
		<u>-</u>	<u>115,049</u>	<u>115,049</u>	<u>120,962</u>
<b>Expenditure:</b>					
Charitable activities	4	-	(64,233)	(64,233)	(70,848)
		<u>-</u>	<u>(64,233)</u>	<u>(64,233)</u>	<u>(70,848)</u>
<b>Net Income for the year</b>		-	50,816	50,816	50,114
<b>Transfers:</b>					
To maintenance fund	2 & 11	-	-	-	-
To sinking fund	2 & 11	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		-	50,816	50,816	50,114
Total funds brought forward		396,619	123,717	520,336	470,222
Total funds carried forward		<u>396,619</u>	<u>174,533</u>	<u>571,152</u>	<u>520,336</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 10 form part of these financial statements.

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Balance Sheet**

**At 31st December 2018**

	<b>Notes</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Fixed Assets</b>			
Tangible assets	8	<u>1,870,803</u>	<u>1,892,277</u>
<b>Current Assets</b>			
Debtors	9	356	1,076
Cash at bank		<u>11,084</u>	<u>10,480</u>
		<u>11,440</u>	<u>11,556</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(8,921)</u>	<u>(8,950)</u>
<b>Net Current Assets</b>		<u>2,519</u>	<u>2,606</u>
<b>Total Assets less Current Liabilities</b>		<u>1,873,322</u>	<u>1,894,883</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(1,302,170)</u>	<u>(1,374,547)</u>
<b>Net Assets</b>		<u><u>571,152</u></u>	<u><u>520,336</u></u>
<b>Funds</b>			
Designated – Maintenance Fund	2 & 11	295,905	295,905
Designated – Sinking Fund	2 & 11	100,714	100,714
Designated – Repairs Fund	2 & 11	-	-
<b>Total designated funds</b>		<u>396,619</u>	<u>396,619</u>
<b>Other unrestricted funds</b>	11	<u>174,533</u>	<u>123,417</u>
<b>Total unrestricted funds</b>		<u><u>571,152</u></u>	<u><u>520,336</u></u>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31<sup>st</sup> December 2018.

- 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 on 22<sup>nd</sup> July 2019 and signed on their behalf by:



**S J Robinson – Trustee**

**Company No. 4238548**



**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**

**Year Ended 31st December 2018**

---

**1. Basis of Preparation**

**Basis of accounting**

These financial statements are prepared under the historical cost convention and in accordance with:

- The Charities Act 2011
- The Companies Act 2006
- The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102)
- Accounting & Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS102) (effective January 2015)

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.

**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 – 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**

This is a designated part of unrestricted funds and is provided based upon the expected costs for cyclical maintenance for each house size by the number of months occupied.

**Sinking Fund**

This is another designated part of unrestricted funds and is provided based upon the expected long term replacement costs for each house size by the number of months occupied.

**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 etc at 12½% per annum straight line.

**Current Assets**

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

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements (cont'd)**

**Year Ended 31st December 2018**

---

**Current Liabilities**

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

**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.

**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 £115,049 (2017: £120,962) was derived from the UK.

**4. Expenditure on charitable activities**

	2018 £	2017 £
Interest payable	21,624	27,027
Depreciation of tangible assets	21,474	21,474
Property expenses	14,761	16,036
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	76	13
	<u>64,233</u>	<u>70,848</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**

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

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements (cont'd)**

**Year Ended 31st December 2018**

**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 2018 (2017: nil).

**8. Tangible Fixed Assets**

	<b>Freehold property £</b>	<b>Furniture, carpets etc £</b>	<b>Total £</b>
<b>Cost</b>			
At 31 <sup>st</sup> December 2017	2,128,520	27,075	2,155,595
Additions in the year	-	-	-
<b>At 31st December 2018</b>	<b>2,128,520</b>	<b>27,075</b>	<b>2,155,595</b>
<b>Depreciation</b>			
At 31st December 2017	229,480	23,838	263,318
Charge for the year	20,626	848	21,474
<b>At 31st December 2018</b>	<b>260,106</b>	<b>24,686</b>	<b>284,792</b>
<b>Net Book Value</b>			
<b>At 31st December 2018</b>	<b>1,868,414</b>	<b>2,389</b>	<b>1,870,803</b>
At 31st December 2017	1,889,040	3,237	1,892,277

**9. Debtors**

	<b>2018 £</b>	<b>2017 £</b>
Rental Debtors	182	804
Prepayments	174	272
	<b>356</b>	<b>1,076</b>

**10. Creditors falling due within twelve months**

	<b>2018 £</b>	<b>2017 £</b>
Rents prepaid	1,351	2,439
Accruals	7,570	6,511
	<b>8,921</b>	<b>8,950</b>

**QUOTHQUAN HOMES**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements (cont'd)**

**Year Ended 31st December 2018**

<b>11. Utilisation of Funds</b>	<b>Maintenance Fund</b>	<b>Sinking Fund</b>	<b>Other Unrestricted</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening balance	295,905	100,714	123,717	520,336
Net incoming resources before transfers	-	-	50,816	50,816
Transfers	-	-	-	-
Closing balances	<u>295,905</u>	<u>100,714</u>	<u>174,533</u>	<u>571,152</u>
Represented by:				
Tangible fixed assets	1,598,075	100,714	172,014	1,870,803
Net current assets	-	-	2,519	2,519
Long term loans	(1,302,170)	-	-	(1,302,170)
	<u>295,905</u>	<u>100,714</u>	<u>174,533</u>	<u>571,152</u>

**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 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 (interest at 7%pa). Accordingly it loaned a maximum of £1,374,547 (2017: £1,446,520) in the year and at the year-end £1,302,170 (2017: £1,374,547) was outstanding. It charged interest of £21,624 (2017: £27,027).

There is also a contingent liability of up to £1,782,800 (2017: £1,594,472) 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 (2017: £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 (2017: £4,500).