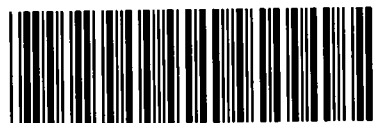


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018
FOR
STOCKFIELD COMMUNITY ASSOCIATION
CHARITY ACCOUNTS**

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Stockfield Community Association

Charity Accounts

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Stockfield Community Association

Report of the Trustees and Directors for the Year Ended 31 December 2018

The Trustees are pleased to present their report together with the financial statements of the company for the year ended 31 December 2018.

Reference and Administrative Details

Charity Number: 1003108

Company Number: 02588109 (Registered in England & Wales)

**Principal Office and
Registered Office:** 134 Edmund Street
Birmingham B3 2ES

Auditors: Seagrave French LLP
13 -15 Regent Street
Nottingham
NG1 5BS

Bankers: The Co-operative Bank Plc
118 - 120 Colmore Row
Birmingham B3 3BN

Adviser: A W Baker Limited
The Old Timbered Barn
Nash
Ludlow SY8 3DE

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report any reference to trustees applies equally to directors and vice versa.

The Trustees serving during the year and at the date of approval of the audited financial statements were as follows:

M J Russell
A E Ross
A J Millward
E A Leach
D G Stokes
J Mahami (Appointed 12 February 2018)
N Potter (Appointed 14 May 2018)
J O'Shea (Appointed 9 October 2018)
M Buckham (Appointed 9 October 2018)
A Tsang (Resigned 22 March 2018)
R Spolia (Resigned 26 January 2018)
N Robertson (Resigned 21 September 2018)
P M Smith (Resigned 30 November 2018)
S Stacey (Resigned 10 September 2018)

Stockfield Community Association

Report of the Trustees and Directors - continued for the Year Ended 31 December 2018

Statement of Trustees' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102)
- make judgements and 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 charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the directors have taken all the 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.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated 19 February 1991 as amended by special resolutions dated 1 July 1994, 16 October 1998, 19 March 1999, 18 June 2001, 27 July 2001, 24 March 2006 and 26 April 2013. The company was established under a Memorandum and Articles of Association, which imposes restrictions on the scope of the Charity's operations. The activities of the Charity are limited to those related to the regeneration of its area of benefit and the promotion of the benefit of the inhabitants of its area of benefit. The Memorandum of Association provides that the Charity has the power to invest money not immediately required for the Charity's objects in such investments, securities or property as may be thought fit by the company. The company is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.00.

Recruitment and Appointment of the Board of Trustees

The Board of Directors of the Charity consists of 2 Directors nominated by Bromford Housing Group, 2 Independent Directors, 2 nominees of Birmingham City Council, and 6 locally elected resident Directors.

The Directors of the company are also charity Trustees for the purpose of charity law and under the company's Articles of Association the Local members of the Board are elected by ballot of the Residents of the benefit area to serve for a period of 3 years, after which they must be re-elected at the next election. Elections are normally held every three years. When vacancies arise for Local members, residents of the benefit area can be co-opted to the Board until the next election takes place. Nominated Directors are appointed and removed by the relevant organisations. The Board appoints the independent Directors by invitation.

Trustee Induction and Training

Trustees are given a full induction to the organisation by Anthony Collins Solicitors, other Directors and the company's advisers. They are made aware of the Mission and Vision Statements and the current Business Plan of the organisation and their expected role and responsibilities in relation to this and to the requirements of the Charity Commission. Local residents often attend Board Meetings on an observer basis prior to offering themselves for election.

Stockfield Community Association

Report of the Trustees and directors - continued for the Year Ended 31 December 2018

Organisational Structure

The Board of Trustees meet at least 10 times per annum. The general control and management of the administration of the Charity is undertaken by the Board of Trustees.

The Board is significantly comprised of democratically elected /co-opted representatives of the local community, and are half of the Board members. Further Trustees are nominated by Birmingham City Council (2) Bromford Housing Group (2) and there are two independent Trustees. Within those twelve Trustees are the Chair and the Secretary.

The Charity receives Housing Management Services from Birmingham City Council and Repairs and Ground Maintenance Services from Family Housing Association, pursuant to contractual arrangements.

A W Baker CPFA, A W Baker Ltd was the Financial and Administration advisor to the Charity until 31st December 2018. From 1st January 2019 Leon Brookes of Brookes-Stephens Accountants is the Financial Advisor to the Charity. Legal Services are provided by Anthony Collins Solicitors.

Related Parties

The Charity has a subsidiary company, Stockfield Community Association (Subsidiary) Limited which is a non-charitable company limited by guarantee not having a share capital, whose business is mainly to procure the building of houses which are sold by their developers for profit. To date the Subsidiary has restricted its activities to:

- Buying redevelopment land from Birmingham City Council;
- Allowing developers, under Development Agreements to build houses on land;
- Disposing of such houses to owner-occupiers.
- Collecting Ground Rents from under leasehold owner occupiers.

The Subsidiary is a wholly owned subsidiary of the Charity.

Risk Management Statement

The Board of trustees has conducted a review of the major risks to which the charity is exposed. A Risk Management Plan forms part of the Company's Business Plan and this is reviewed and updated at least annually. Where appropriate, additional systems or procedures have been put in place to mitigate potential risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation for all transactions and projects. Procedures are in place to ensure compliance with health and safety of all staff, volunteers, clients and visitors to Association property. All procedures are reviewed annually, to ensure they continue to meet the needs of the charity, and all risks and their management are reviewed as required or annually to ensure all reasonable steps are being taken to minimise them.

Objectives and Activities

Legal Objects

The company is limited by guarantee and is registered as a charity (Registered No 1003108).

Aims and Objectives

The company's main aims and principal activities for the year under review was that of providing social housing for rent in the Stockfield area of Birmingham and pursuing the possible development of Community facilities.

The Charity has the following objectives:

- To promote the benefit of the inhabitants of the area of Stockfield and its neighbourhood in the City of Birmingham without distinction of sex, race or of political, religious or other opinions, by associating together representatives of the said inhabitants and various other persons in a common effort to provide facilities in the interest of social welfare for recreation and leisure-time occupation with the object of improving the conditions of life for the said inhabitants.
- To carry on for the benefit of the community in the City of Birmingham the business of providing social housing and any associated amenities for the persons in necessitous circumstances upon terms appropriate to their means.
- To promote any charitable purpose for the benefit of the inhabitants of the area of benefit and in particular the advancement of education and relief of poverty.

Stockfield Community Association

Report of the Trustees - continued for the Year Ended 31 December 2018

Public Benefit

The charity carries out a wide range of activities in pursuance of its charitable aims. The trustees consider that these activities, summarised below, provide benefit to those who live in the area of benefit.

Objectives for the Year

During the last 12 months the Charity's main objectives were to:

- Continue to provide well managed and maintained affordable Social Housing for rent.
- Work with Birmingham City Council, Bromford Housing Group and Family/Optima Housing Association to ensure the Stockfield Estate is well maintained.
- Promote the work of the Association - The Stockfield Story provides the background to the redevelopment of the Estate and the history of the Community Association.
- Improve Community Safety: supporting the continuing work of the Stockfield Community Watch to continue and to build further good relations with the Police.
- Develop and improve relationships with Birmingham City Council to work together to improve local services for the benefit of local residents.
- Develop additional links with other neighbourhoods, through various projects and visits.
- Organise community events, including the Summer Fun Day, Gardening Competition, Christmas Cracker event and a Christmas Meal for the over 55s, tea dances etc
- Publish Stockfield newsletters quarterly to provide news and information communicating good news about the neighbourhood and encouraging resident participation.
- Continue to work with providers (including Sport4Life) to do valuable work with the young people of Stockfield, build links with the rest of the community and help raise the aspirations of the young people.
- Maintain and improve the involvement in local affairs of local residents and partner organisations serving Stockfield.
- Progress the establishment of links with local schools workers to ensure wherever possible that young people on the Stockfield Estate get the best opportunity for education possible.
- Continue to seek ways to provide improved or new Community facilities for the benefit of the residents of the Stockfield Estate.
- Continue to provide a free to Stockfield residents, Money Advice Service as part of the Management Services contract with Bromford Housing Group.

Strategies for Achieving Objectives

- Keep under review Service Level Agreements with various providers.
- Maintain contacts with various service providers to ensure local government services are up to standard.
- Work with various organisations to bring about improvements to, or the establishment of, Community facilities.
- Continue to invite attendance at Board and other meetings key personnel from Birmingham City Council and others.
- Promote as widely as possible the work of the Association.

Details of Significant Activities

- Establishment of the first Community Association of its type in the UK.
- In partnership with Birmingham City Council, Bromford Housing and local residents bringing about the physical regeneration of the Stockfield Estate.
- Provision of 121 social houses for rent.
- Provision of the Stockfield Community Resource Centre.

Stockfield Community Association

Report of the Trustees - continued for the Year Ended 31 December 2018

Achievements and Performance

Review of the Charities Activities

- The Association continued to provide well managed and maintained affordable Social Housing for rent. There have been no long term voids and 99% of all repairs were carried out within the response targets set.
- In order to protect its income potential the Association established a managed investment fund with Quilter Cheviot of Birmingham. The initial value of the fund was £750,000 which was increased in 2013 to £1 million, in 2015 to £1.25 million to £1.5m million in 2016 to £2.2 million in 2017 and £2.45 million in 2018.
- The Association continued provision of a Money Advice Service for its tenants which has in conjunction with its Managing Agent aimed to significantly reduce long term arrears and helped individuals maximise their income potential.
- Work continued with Birmingham City Council, Bromford Housing Group and Family/Optima Housing Association to ensure the Stockfield Estate is well maintained and significant improvements in estate maintenance have been achieved.
- Continued the role of the Neighbourhood Support Officer to provide support for the work of the Association and its Trustees.
- The Association's Web Site has been regularly maintained and completely redesigned during 2018 by specialist contractors.
- The Stockfield Story has been widely distributed to promote the success of the Community Association.
- The Community Resource Centre continues to provide a valuable resource for the locality.
- Community Safety: the Community Watch Scheme established to improve community safety and to build further good relations with the Police continues its work.
- Community events included the Summer Fun Day, Gardening Competition, Christmas Cracker and Christmas Event for over 55's. New events have been funded utilising grants awarded by Awards For All and Tesco's Bags for Help.
- Stockfield newsletters were produced quarterly, plus additional special editions. The distribution of the newsletters has been increased.
- The Association continues to work with and support Youth programmes provided by Sport4Life based at the Youth Pod in Stockfield Park, local schools and other community facilities.
- The Association continued to encourage involvement in local affairs of local residents and partner organisations serving Stockfield by attendance at a Multi-Agency Group promoted by the Association.

Financial Review

A summary of the Charity's finances is set out in the attached financial statements for the year ended 31 December 2018.

Reserves Policy and the Purpose of Designations

The Charity manages its accommodation on the basis of whole life funding and makes contributions each year to Sinking Funds in order to have funds available for future years to pay for major repairs and replacements and to provide for cyclical maintenance.

Review of Principal Funding Sources

The principal funding sources for the Charity are currently by way of rental income from tenants, housing benefit from Birmingham City Council, Gift Aid from its Subsidiary Company, interest on deposits and income from investments

Stockfield Community Association

Report of the Trustees - continued for the Year Ended 31 December 2018

Plans for the Future

Aims and key objectives for the future

The trustees review the aims, objectives and activities each year. The review looks at the success of each key activity and the benefits they have brought to the groups of people we are set up to help. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. The Association aims to:

- Continue to provide well managed and maintained affordable Social Housing for rent and to invest in additional dwellings when funding allows.
- Implement an accelerated central heating upgrade programme to improve efficiency and reduce running costs of heating tenant's homes.
- Continue to provide a targeted Money Advice Service for its tenants, in conjunction with its Managing Agent, aimed at reducing long term and new arrears and help individuals maximise their income potential.
- Work with Birmingham City Council, Bromford Housing Group, Family Housing Association and other providers to ensure the Stockfield Estate is well maintained.
- Develop and improve the Association's Web Site.
- Community Safety: continue to support the Stockfield Community Watch and to continue and to build further good relations with the Police.
- Develop and improve relationships with Birmingham City Council to work together to improve local services for the benefit of local residents.
- Organise community events, including the Summer Fun Day, Gardening Competition, Christmas Cracker and a Christmas Event for over 55s. Work will continue to provide a programme of events to utilise grant funding achieved in 2017.
- Publish Stockfield newsletters quarterly to provide news and information communicating good news about the neighbourhood and encouraging resident participation.
- Continue to work with Sport4Life and local schools to carry out valuable work with the young people of Stockfield, build links with the rest of the community and help raise the aspirations of the young people.
- Maintain and improve the involvement in local affairs of local residents and partner organisations serving Stockfield.
- Investigate strategies for the provision of community facilities for the benefit of Stockfield residents.
- Continue to employ a neighbourhood support worker to improve contact with local residents, provide valuable administrative support to Directors and assist in the organisation of social events.
- Seek grant funding to enable innovative projects to be undertaken for the benefit of the community.

The Association wishes to thank all those individuals, Community Groups, local schools and Churches and Public and Private sector undertakings which have assisted the endeavours of the Charity during this and previous years.

Auditors

The auditors, Seagrave French LLP, were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities" (FRS 102) and in accordance with the provisions of part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



M J Russell - Chair

Date: 28 / 6 / 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STOCKFIELD COMMUNITY ASSOCIATION

We have audited the charity financial statements of Stockfield Community Association for the year ended 31 December 2018, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages eight to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charitable company's affairs as at 31 December 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.

Opinion on other matter prescribed by the Companies Act 2006

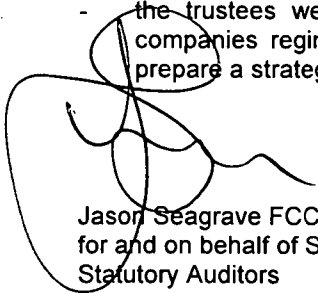
In our opinion the information given in the Report of the Trustees and Directors for the financial year which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and Directors.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Jason Seagrave FCCA (Senior Statutory Auditor)
for and on behalf of Seagrave French LLP
Statutory Auditors
13 – 15 Regent Street Nottingham NG1 5BS

Date: 10/7/19

Stockfield Community Association

Statement of Financial Activities for the Year Ended 31 December 2018

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Incoming Resources						
Incoming Resources from Generated Funds						
Donations from Subsidiary		20,749	-	-	20,749	20,727
Other Donations		-	-	-	-	-
Interest on Deposits and Investments		73,989	-	-	73,989	53,753
Incoming Resources from Charitable Activities						
Social Housing Rents		591,636	-	-	591,636	572,597
Other Income		1,511	-	-	1,511	13,197
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Incoming Resources		<u>687,885</u>	<u>-</u>	<u>-</u>	<u>687,885</u>	<u>660,274</u>
Resources Expended						
Charitable Activities						
Provision of Services	1	346,918	64,098	143,391	554,407	539,870
Governance Costs	2	54,708	-	-	54,708	51,437
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Resources Expended		<u>401,626</u>	<u>64,098</u>	<u>143,391</u>	<u>609,115</u>	<u>591,307</u>
Net Incoming/Outgoing Resources before Gain on Investments		286,259	(64,098)	(143,391)	78,770	68,967
<u>Net Income/(expenditure) for the year</u>		286,259	(64,098)	(143,391)	78,770	68,967
Unrealised Profit/(Loss) on Investments	4	(165,860)	-	-	(165,860)	118,394
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Incoming/Outgoing Resources before Transfers		120,399	(64,098)	(143,391)	(87,090)	187,361
Transfers between Funds	3	(117,238)	117,238	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Movement in Funds		3,161	53,140	(143,391)	(87,090)	187,361
Balances brought forward at 1 January 2018		1,231,077	2,389,270	586,512	4,206,859	4,019,498
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balances carried forward at 31 December 2018		<u>1,234,238</u>	<u>2,442,410</u>	<u>443,121</u>	<u>4,119,769</u>	<u>4,206,859</u>

The notes form part of these financial statements

**Stockfield Community Association
Charity Accounts**

**Notes to the Statement of Financial Activities
for the Year Ended 31 December 2018**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
1. PROVISION OF SERVICES					
Management and Maintenance	145,240	-	-	145,240	165,684
Major Repairs	-	63,842	-	63,842	38,353
Disability Adaptations	-	256	-	256	-
Insurance	11,739	-	-	11,739	11,044
Ground Rent	150	-	-	150	150
Irrecoverable Rents Provision	-	-	-	-	3,000
Depreciation of Housing Properties	95,824	-	143,391	239,215	239,215
Donations	1,087	-	-	1,087	300
Investment Fund Fees	26,061	-	-	26,061	20,230
Support to Youth Activities	13,000	-	-	13,000	13,000
Resource Centre	8,557	-	-	8,557	8,195
Events	34,760	-	-	34,760	28,699
Consultancy	10,500	-	-	10,500	12,000
	<u>346,918</u>	<u>64,098</u>	<u>143,391</u>	<u>554,407</u>	<u>539,870</u>
2. GOVERNANCE COSTS					
Professional Fees	7,292	-	-	7,292	8,394
Financial Services	17,498	-	-	17,498	14,130
Administration Services	24,668	-	-	24,668	23,410
Auditors' Remuneration	4,514	-	-	4,514	4,778
Insurance	616	-	-	616	605
Bank Charges	120	-	-	120	120
	<u>54,708</u>	<u>-</u>	<u>-</u>	<u>54,708</u>	<u>51,437</u>

**Stockfield Community Association
Charity Accounts**

**Notes to the Statement of Financial Activities
for the Year Ended 31 December 2018**

3. TRANSFERS BETWEEN FUNDS

	Opening Balance £	Transactions £	Transfers £	Closing Balance £
Unrestricted Funds				
Income and Expenditure Account	<u>1,231,077</u>	<u>120,399</u>	<u>(117,238)</u>	1,234,238
Designated Funds				
Major Repairs	1,879,726	(63,842)	258,116	2,074,000
Unrealised Gains	310,602	-	(165,860)	144,742
Cyclical Maintenance	90,274	-	24,726	115,000
Disability Adaptations	10,000	(256)	256	10,000
Community Facility	98,668	-	-	98,668
	<u>2,389,270</u>	<u>(64,098)</u>	<u>117,238</u>	<u>2,442,410</u>
Restricted Funds				
Capital Fund	573,473	(143,391)	-	430,082
Capital Grants	13,039	-	-	13,039
	<u>586,512</u>	<u>(143,391)</u>	<u>-</u>	<u>443,121</u>

4. UNREALISED INVESTMENT MOVEMENT

	2018 £	2017 £
Unrealised investment (gain)/loss	<u>165,860</u>	<u>(118,394)</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2018 nor for the year ended 31 December 2017.

**Stockfield Community Association
Charity Accounts
REGISTERED NUMBER: 2588109**

**Charity Balance Sheet
as at 31 December 2018**

		<u>2018</u>		<u>2017</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	3		1,011,693		1,250,908
CURRENT ASSETS:					
Debtors	4	94,904		89,377	
Investments	5	2,766,938		2,731,932	
Cash at bank and in hand		<u>312,038</u>		<u>170,828</u>	
		3,173,880		2,992,137	
CREDITORS: Amounts falling due within one year	6	<u>65,804</u>		<u>36,186</u>	
NET CURRENT ASSETS:			<u>3,108,076</u>		<u>2,955,951</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>4,119,769</u>		<u>4,206,859</u>
RESERVES:					
Restricted Funds	8		443,121		586,512
Designated Funds	9		2,442,410		2,389,270
Accumulated Funds			<u>1,234,238</u>		<u>1,231,077</u>
			<u>4,119,769</u>		<u>4,206,859</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



M J Russell – Chair

Approved by the Board on 28/8/2019

**Stockfield Community Association
Charity Accounts**

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice: "Accounting and Reporting by Charities" (FRS 102).

Funds

Unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working and capital investment. Designated funds are amounts which have been put aside at the discretion of the Trustees.

Designated funds are charitable donations with the stipulation that they be used for a specific purpose.

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

Income

Income represents rents receivable and sundry donations.

Rents are recognised in the Income and Expenditure account on a receivable basis, and donations are credited as received.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long term leasehold - 4% on cost

Whilst the fixed assets are used to generate investment income they have no residual value and have therefore been treated as depreciating fixed assets.

Utilisation of Grants

Grants are utilised to fund capital expenditure to the extent that it is not funded by borrowings, or the Association's own resources.

Allocation of Expenditure

Expenditure is allocated between charitable activities and administration, on the basis of specific items where applicable and an estimated apportionment of other expenditure.

Investments

Listed investments are included at the open market value, the gains or losses arising on any revaluation being taken to the SOFA.

2. OPERATING SURPLUS

The operating surplus is stated after charging:

	2018 £	2017 £
Depreciation - owned assets	239,215	239,215
Auditors' remuneration	<u>4,514</u>	<u>4,778</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

**Stockfield Community Association
Charity Accounts**

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

3. TANGIBLE FIXED ASSETS

	Long Leasehold Land & Buildings
	£
COST:	
At 1 January 2018	5,980,606
	<hr/>
At 31 December 2018	<u>5,980,606</u>
DEPRECIATION:	
At 1 January 2018	4,729,698
Charge for year	<u>239,215</u>
At 31 December 2018	<u>4,968,913</u>
NET BOOK VALUE:	
At 31 December 2018	<u>1,011,693</u>
At 31 December 2017	<u>1,250,908</u>

**4. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2018 £	2017 £
Rent due from Bromford Housing Group	46,309	47,360
Rent in arrears	18,078	17,461
Prepayments and accrued income	20,804	18,951
Due from Subsidiary	9,713	5,605
	<hr/>	<hr/>
	<u>94,904</u>	<u>89,377</u>

5. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
72 Ordinary Shares in Lloyds Bank plc	49	49
Managed Investment Fund	2,594,742	2,510,602
Birmingham City Council Consolidated Loan Fund	<u>172,147</u>	<u>221,281</u>
	<hr/>	<hr/>
	<u>2,766,938</u>	<u>2,731,932</u>

**Stockfield Community Association
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**Notes to the Financial Statements
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**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2018 £	2017 £
Accrued Expenses	65,804	36,186
	<u>65,804</u>	<u>36,186</u>

7. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2018 £	2017 £
Expiring: Within one year	<u>4,740</u>	<u>4,740</u>

8. RESTRICTED FUNDS

	2018 £	2017 £
Capital Fund	430,082	573,473
Capital Grants	13,000	13,000
Community Watch	<u>39</u>	<u>39</u>
	<u>443,121</u>	<u>586,512</u>

The capital fund relates to a capital grant received which was used to purchase land and buildings. Depreciation on the grant element of land and buildings is initially charged to unrestricted funds, a transfer is then made from restricted funds to match this charge.

9. DESIGNATED FUNDS

	2018 £	2017 £
Major Repairs Sinking Fund	2,074,000	1,879,726
Unrealised Gains Sinking Fund	144,742	310,602
Cyclical Maintenance Sinking Fund	115,000	90,274
Disability Adaptation Sinking Fund	10,000	10,000
Community Facility Fund	<u>98,668</u>	<u>98,668</u>
	<u>2,442,410</u>	<u>2,389,270</u>

**Stockfield Community Association
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10. RELATED PARTY DISCLOSURES

During the year various transactions were made with the company's subsidiary, Stockfield Community Association (Subsidiary) Limited, and at 31 December 2018 an amount of £9,713 (2017: £5,605) was owed to the company. During the year the subsidiary made charitable donations to the company amounting to £20,749 (2017: £20,727).

Birmingham City Council has the right to appoint 2 Directors and has provided non-repayable grants of £3,584,774. Bromford Housing Group also has the right to appoint 2 Directors. During the year, Bromford Housing Group paid rents to the company amounting to £591,636 (2017: £572,597) and received management charges of £51,925 (2017: £50,962) from the company. At 31 December 2018, £46,309 (2017: £47,360) was due to the company from Bromford Housing Group.

Net income from trading subsidiary

The results of the wholly owned subsidiary Stockfield Community Association (Subsidiary) Limited can be summarised as follows:

	2018 £	2017 £
Income	24,873	24,970
Administration and Finance Costs	<u>24,873</u>	<u>24,970</u>
Net Surplus	<u>-</u>	<u>-</u>
Aggregate of Capital and Reserves	<u>-</u>	<u>-</u>

11. SHARE CAPITAL

The company does not have a share capital as it is limited by guarantee. In the event of winding up, all members of the company are required to contribute a sum not exceeding £1 each.

12. USE OF DESIGNATED FUNDS

Major Repairs Sinking Fund - represents income set aside each year to enable gas fires, kitchen and bathroom fittings, central heating installations, electrical wiring and windows to be replaced on a planned basis.

Unrealised Gains Sinking Fund – reflects the unrealised element of gains on investments.

Cyclical Maintenance Sinking Fund - represents income set aside to fund a four year rolling programme of cyclical maintenance work to dwellings including repainting entrance doors and repainting railings and gates.

Disability Adaptations Sinking Fund - represents income set aside to fund adaptations to tenants' homes to assist in coping with particular disabilities. Expenditure is only authorised where appropriate medical evidence is provided and Birmingham City Council Social Services Department has agreed to carry out works but is unable to do so in a reasonable timescale.

Community Facility Fund - represents money set aside to fund the provision of a Community Facility and other community programmes for the benefit of the residents of the Stockfield estate.

13. DIRECTORS' EXPENSES

Travelling and general expenses reimbursed to directors during the year amounted to £nil (2017: £nil). There was also an amount of £nil (2017: £nil) paid in respect of training fees for the directors.

**Stockfield Community Association
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**Notes to the Financial Statements
for the Year Ended 31 December 2018**

14. EMPLOYEES

There are no employees employed by Stockfield Community Association.

15. ULTIMATE CONTROLLING PARTY

The company is controlled by the Board of Trustees.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted Funds	430,082	13,039	443,121
Unrestricted Funds	581,611	652,627	1,234,238
Designated Funds	-	2,442,410	2,442,410
	<u>1,011,693</u>	<u>3,108,076</u>	<u>4,119,769</u>