

# **HERRING HOUSE TRUST (GREAT YARMOUTH)**

**AUDITED ACCOUNTS**

**31 MARCH 2019**

**Registered Charity No. 1057387**

**Company No. 3202862**

**Herring House Trust (Great Yarmouth)**

**Index to Accounts**

**For The Year Ended 31 March 2019**

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## **Herring House Trust (Great Yarmouth)**

### **Report of the Board**

**For The Year Ended 31 March 2019**

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The Management Committee has pleasure in presenting its report and accounts for the year ended 31 March 2019.

#### **REFERENCE AND ADMINISTRATION INFORMATION**

<b>Charity Name:</b>	Herring House Trust (Great Yarmouth)
<b>Registered Charity No:</b>	1057387
<b>Registered Company No:</b>	3202862
<b>Homes England registration No:</b>	LH4261
<b>Registered Address:</b>	Bauleah House 51 St Nicholas Road Great Yarmouth Norfolk NR30 1NR
<b>Management Committee (Trustees):</b>	C Beales – Chairman B Robinson – Treasurer D Cooper G Doyle (appointed 21/09/2018) M Drewery (appointed 15/07/2018) D Gilbert E Pallant (appointed 16/11/2018) J Shrimpton (appointed 16/11/2018)
<b>Operations Manager:</b>	G Collin
<b>Client Services Manager:</b>	L Fleming
<b>Auditor:</b>	Lovewell Blake LLP Chartered Accountants & Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB
<b>Bankers:</b>	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 2019**

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#### **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 2018/2019 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 2019

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#### ACHIEVEMENTS AND PERFORMANCE (continued)

The purchase of 73 St Nicholas Road was made during the year and all associated planning and architect fees have now been made. Planning has now been agreed and works have now started. It is expected that the property will have 4 units of move on accommodation and a shop/drop in facility.

In December 2018 the Trust purchased flat 3 28 Nelson Road, Great Yarmouth. This self-contained unit of accommodation will be made available to our pathway scheme for high needs clients. Works are expected to start in July 2019 to bring the property up to be a decent standard.

Further funding has been secured from GYBC and the Lloyd's Foundation.

#### VALUE FOR MONEY

The Regulator of Social Housing (RSH) has published a new value for money standard which must be adhered to by registered Providers. This includes the need to publish nine measures in a standard form to enable comparison across the sector, accepting that there will be variances associated with each business's policies, strategy and focus.

<b>VFM Metric</b>	<b>2019</b>
1. Reinvestment %	12.9%
2. New supply delivered (social housing units %)	-
3. New supply delivered (non-social housing units %)	-
4. Gearing %	(-25%)
5. EBITA MRI interest cover %	822.9%
6. Headline social housing cost per unit	£13,965
7. Operating margin (social housing) %	2.6%
8. Operating margin (overall) %	2.6%
9. ROCE %	0.9%

The purchase of properties at Nelson Road and St Nicholas Road have led to a major element of reinvestment for the Trust. This is likely to continue into 2019/20 as these properties are developed for their intended use. Significant expenditure is incurred by the Trust, as a result of the facilities being mainly utilised as hostel residence for vulnerable individuals. Therefore, staffing costs are a significant expenditure to the Trust in order to manage these units and provide high levels of support.

#### 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.

## **Herring House Trust (Great Yarmouth)**

### **Report of the Board (Continued)**

#### **For The Year Ended 31 March 2019**

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### **FINANCIAL REVIEW**

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

As at 31 March 2019 total reserves amounted to £1,509,827 (2018: £1,497,161) of which £1,509,327 (2018: £1,475,223) related to unrestricted funds and £500 (2018: £21,938) to restricted funds.

The Trust had a net surplus in the year of £12,666 (2018: £132,422) as shown on page 10 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 2019 net current assets within the unrestricted funds were £511,407 (2018: £655,746) which represents approximately 8 months' expenditure. The Trust also had net current assets within the restricted funds of £500 (2018: £21,938).

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.

During the year, the Trust purchased two additional properties for £215,157. It is anticipated an additional £200,000 will be required to refurbish the properties 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 £311,407, which equates to approximately 5 months of expenditure.

The Trustees were also aware at the year-end that £4,100 of loan repayments will be made in the following 12 months. This will be met from the Trust's free reserves.

### **PLANS FOR THE FUTURE**

The Trust will be working towards completion of the Herring Centre and development of the community resource, through the tea room and drop in facility. We will also be working on the refurbishment of our Pathway House. This facility will be used by those who are currently sleeping rough and in need of accommodation. The house will be fully supported by our Pathway Project.

### **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.

## **Herring House Trust (Great Yarmouth)**

### **Report of the Board (Continued)**

**For The Year Ended 31 March 2019**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **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.

##### **Responsibilities of the Management Committee**

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

## **Herring House Trust (Great Yarmouth)**

### **Report of the Board (Continued)**

**For The Year Ended 31 March 2019**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **Responsibilities of the Management Committee (continued)**

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Management Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the organisation and of its income and expenditure for that period. 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: 12 December 2019



## **Independent Auditor's Report to the Members of**

### **Herring House Trust (Great Yarmouth)**

#### **For The Year Ended 31 March 2019**

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We have audited the financial statements of Herring House Trust (Great Yarmouth) for the year ended 31 March 2019 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 2019 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 2019**

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#### **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 2019**

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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](http://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**

**13 December 2019**

**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 2019**

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	Notes	Total Funds 2019 £	2018 £
Turnover	3	773,902	858,614
Operating expenditure	6	<u>(754,125)</u>	<u>(720,996)</u>
Operating surplus		19,777	137,618
Interest receivable		51	3
Interest and financing costs		<u>(7,162)</u>	<u>(5,199)</u>
Total comprehensive income for the year	8	12,666	132,422
Reserves brought forward		<u>1,497,161</u>	<u>1,364,739</u>
Reserves carried forward		<u>1,509,827</u>	<u>1,497,161</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 .....

C BEALES

B ROBINSON

The notes set out on pages 14 to 28 form an integral part of these accounts

# Herring House Trust (Great Yarmouth)

## Balance Sheet

As at 31 March 2019

Company Number: 3202862

	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible fixed assets	9	1,682,089	1,519,607
<b>Current Assets</b>			
Debtors	10	26,555	19,540
Cash and bank balances		<u>539,302</u>	<u>716,659</u>
		565,857	736,199
<b>Creditors: Amounts falling due within one year</b>	11	<u>(53,950)</u>	<u>(58,515)</u>
<b>Net Current Assets</b>		<u>511,907</u>	<u>677,684</u>
<b>Total Assets less Current Liabilities</b>		2,193,996	2,197,291
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(684,169)</u>	<u>(700,130)</u>
<b>Total Net Assets</b>		<u>1,509,827</u>	<u>1,497,161</u>
<b>Funds</b>			
Hostel	14	833,705	790,202
Halfway House Scheme and Homeless Action Programme	14	675,622	672,981
SmartMove	14	-	12,040
Restricted funds	14	500	21,938
<b>Total Funds</b>		<u>1,509,827</u>	<u>1,497,161</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 12 December 2019 and signed on their behalf by:

C BEALES

B ROBINSON

The notes set out on pages 14 to 28 form an integral part of these accounts

**Herring House Trust (Great Yarmouth)**

**Statement of Changes in Reserves**

**As at 31 March 2019**

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	<b>General Fund £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
<b>At 1 April 2018</b>	1,475,223	21,938	1,497,161
Total comprehensive income for year	55,506	(42,840)	12,666
Transfer between funds	<u>(21,402)</u>	<u>21,402</u>	<u>-</u>
<b>At 31 March 2019</b>	<u>1,509,327</u>	<u>500</u>	<u>1,509,827</u>

  

	<b>General Fund £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
<b>At 1 April 2017</b>	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>
<b>At 31 March 2018</b>	<u>1,475,223</u>	<u>21,938</u>	<u>1,497,161</u>

**Herring House Trust (Great Yarmouth)**

**Statement of Cashflows**

**For The Year Ended 31 March 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Net cash generated from operating activities</b>	20	49,008	188,907
<b>Cash flow from investing activities</b>			
Payments to acquire fixed assets		(215,157)	(17,937)
Interest received		<u>51</u>	<u>3</u>
<b>Net cash flow from investing activities</b>		<u>(215,106)</u>	<u>(17,934)</u>
<b>Cash flow from financing activities</b>			
Loan repayments		(4,097)	(4,837)
Interest paid		<u>(7,162)</u>	<u>(5,199)</u>
<b>Net cash flow from financing activities</b>		<u>(11,259)</u>	<u>(10,036)</u>
<b>Net increase in cash and cash equivalents</b>		(177,357)	160,937
<b>Cash and cash equivalents at 1 April 2018</b>		<u>716,659</u>	<u>555,722</u>
<b>Cash and cash equivalents at 31 March 2019</b>		<u>539,302</u>	<u>716,659</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		<u>539,302</u>	<u>716,659</u>
<b>Cash and cash equivalents at 31 March 2019</b>		<u>539,302</u>	<u>716,659</u>

## Herring House Trust (Great Yarmouth)

### Notes To The Accounts

#### For The Year Ended 31 March 2019

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##### 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 2019

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#### 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 2019

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#### 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	5-10% straight line

##### (j) *Financial instruments*

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

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

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

##### (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 2019

#### 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.

2	Turnover	2019			2018		
		Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
		£	£	£	£	£	£
	Social housing						
	Lettings	773,902	(754,125)	19,777	858,614	(720,996)	137,618

All turnover, operating costs and operating surpluses have been generated through the Trust's 54 Supported Housing units (2018: 54 units).

3	Turnover from lettings	2019	2018
		£	£
	Rents and service charges (note 4)	506,327	444,688
	Donations and grants (note 5)	266,805	413,838
	Other income	<u>770</u>	<u>88</u>
		<u>773,902</u>	<u>858,614</u>

During the year 2019, £24,294 of turnover from lettings was restricted (2018: £54,264) and £749,608 was unrestricted (2018: £804,350).

# Herring House Trust (Great Yarmouth)

## Notes To The Accounts (Continued)

For The Year Ended 31 March 2019

### 4 Rental Income

	Hostel £	Halfway Houses £	2019 £	2018 £
Rents	335,038	216,465	551,503	500,525
Service charges	41,117	10,117	51,234	52,443
Rent (losses) from voids	<u>(27,556)</u>	<u>(68,854)</u>	<u>(96,410)</u>	<u>(108,280)</u>
	<u>348,599</u>	<u>157,728</u>	<u>506,327</u>	<u>444,688</u>

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

### 5 Donations and grants

	2019 £	2018 £
Housing Related Support grant	227,366	345,322
Pathway Project grant	24,294	53,764
Government grants - capital	8,565	8,565
Capital grant	5,000	5,000
NCF grant	-	500
Other grants and donations	<u>1,580</u>	<u>687</u>
	<u>266,805</u>	<u>413,838</u>

Of the total income received £706,753 (2018: £790,010) was received from local authorities and £260,225 (2018: £353,887) was received from grant income.

Government grants amounting to £368,273 (2018: £376,838) were deferred at the year end.

### 6 Operating costs – Social Housing Lettings

	Staff costs £	Depreciation £	Other costs £	2019 £	2018 £
Provision of services:					
Hostel	311,095	37,051	183,758	531,904	540,187
Halfway Houses and Resettlement Services	112,160	15,624	27,303	155,087	118,927
SmartMove	-	-	-	-	27,630
Pathway Project	<u>67,118</u>	<u>-</u>	<u>16</u>	<u>67,134</u>	<u>34,252</u>
	<u>490,373</u>	<u>52,675</u>	<u>211,077</u>	<u>754,125</u>	<u>720,996</u>

**Herring House Trust (Great Yarmouth)**

**Notes To The Accounts (Continued)**

**For The Year Ended 31 March 2019**

**6 Operating costs – Social Housing Lettings (continued)**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Other costs</b>		
Premises	66,572	56,162
Maintenance	42,248	29,659
Food and laundry	43,245	50,236
Office costs	26,201	24,610
Equipment rental	2,043	1,055
Professional fees	14,984	13,974
Bad debts	6,143	3,788
Miscellaneous	<u>9,641</u>	<u>7,620</u>
	<u><b>211,077</b></u>	<u><b>187,104</b></u>

**7 Staff costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Staff costs</b>		
Wages and salaries	446,488	438,631
Social security costs	35,790	35,999
Pension costs	<u>8,095</u>	<u>5,295</u>
	<u><b>490,373</b></u>	<u><b>479,925</b></u>

The average number employees during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Hostel	9	9
Halfway Houses and Resettlement Services	6	4
SmartMove	1	2
Housing Advice	1	1
Pathway Project	1	1
Administration	<u>2</u>	<u>2</u>
	<u><b>20</b></u>	<u><b>19</b></u>

No employees' emoluments exceeded £60,000 (2018: Nil).

## Herring House Trust (Great Yarmouth)

### Notes To The Accounts (Continued)

For The Year Ended 31 March 2019

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#### 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:

	2019	2018
	£	£
Total emoluments	101,618	97,709
Pension contributions	<u>2,419</u>	<u>1,565</u>
	<u>104,037</u>	<u>99,274</u>

The Executive Officers are members of the defined contribution pension scheme operated by the Trust. No enhances or special terms apply. During the period the total amount contributed to the pension arrangement was £2,419 (2018: £1,565).

#### 8 Operating Surplus

	2019	2018
	£	£
The operating surplus is stated after charging (inclusive of VAT):		
Operating lease rentals	2,043	1,055
Rent and service charge bad debts	6,143	3,788
Depreciation	52,675	56,641
Audit fees (excluding VAT)	<u>5,020</u>	<u>4,650</u>

**Herring House Trust (Great Yarmouth)**

**Notes To The Accounts (Continued)**

**For The Year Ended 31 March 2019**

**9 Fixed Assets**

	<b>Housing properties for lettings £</b>	<b>Fixtures, fittings &amp; Equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2018	1,875,788	382,871	13,875	2,272,534
Additions	<u>215,157</u>	<u>-</u>	<u>-</u>	<u>215,157</u>
At 31 March 2019	<u>2,090,945</u>	<u>382,871</u>	<u>13,875</u>	<u>2,487,691</u>
<b>Depreciation</b>				
At 1 April 2018	378,438	363,389	11,100	752,927
Charge for the year	<u>43,940</u>	<u>5,960</u>	<u>2,775</u>	<u>52,675</u>
At 31 March 2019	<u>422,378</u>	<u>369,349</u>	<u>13,875</u>	<u>805,602</u>
<b>Net Book Value</b>				
At 31 March 2019	<u>1,668,567</u>	<u>13,522</u>	<u>-</u>	<u>1,682,089</u>
At 31 March 2018	<u>1,497,350</u>	<u>19,482</u>	<u>2,775</u>	<u>1,519,607</u>

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

**10 Debtors**

	<b>2019 £</b>	<b>2018 £</b>
Social Housing rent arrears (net of bad debt provision of £10,418 (2018: £4,350))	8,958	7,147
Prepayments	17,237	12,033
Other	<u>360</u>	<u>360</u>
	<u>26,555</u>	<u>19,540</u>

**Herring House Trust (Great Yarmouth)**

**Notes To The Accounts (Continued)**

**For The Year Ended 31 March 2019**

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<b>11</b>	<b>Creditors: Amounts Falling Due Within One Year</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	4,100	5,801
	Tax and social security	9,985	9,172
	Other	1,689	567
	Accruals	10,512	7,996
	Trade creditors	14,099	19,384
	Deferred grant income	<u>13,565</u>	<u>15,595</u>
		<u>53,950</u>	<u>58,515</u>

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

Bank loans and overdrafts	<u>4,100</u>	<u>5,801</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.

<b>12</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	114,461	116,857
	Deferred grant income (note 13)	<u>569,708</u>	<u>583,273</u>
		<u>684,169</u>	<u>700,130</u>

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

Bank loans and overdrafts	<u>114,461</u>	<u>116,857</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>4,100</u>	<u>5,801</u>
In more than two years but not more than five years	<u>16,400</u>	<u>17,393</u>
In more than five years	<u>93,961</u>	<u>93,663</u>



# Herring House Trust (Great Yarmouth)

## Notes To The Accounts (Continued)

For The Year Ended 31 March 2019

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Deferred grant income	2019 £	2018 £
Deferred income brought forward	598,868	616,502
Released in the year	(15,595)	(19,663)
Deferred in the year	<u>-</u>	<u>2,029</u>
Deferred income carried forward	<u>583,273</u>	<u>598,868</u>
Amounts to be released within one year	13,565	15,595
Amounts to be released in more than one year	<u>569,708</u>	<u>583,273</u>
	<u>583,273</u>	<u>598,868</u>

Included within deferred income at the year end are government grants amounting to £368,273 (2018: £376,838).

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	Funds at 1 April 2018 £	Income (Expenditure) in the year £	in the year £	Transfers £	Funds at 31 March 2019 £
<b>Unrestricted Funds</b>					
Hostel	790,202	591,931	(539,066)	(9,362)	833,705
Halfway House Scheme and Homelessness Action Programme	672,981	157,728	(155,087)	-	675,622
SmartMove	<u>12,040</u>	<u>-</u>	<u>-</u>	<u>(12,040)</u>	<u>-</u>
	<u>1,475,223</u>	<u>749,659</u>	<u>(694,153)</u>	<u>(21,402)</u>	<u>1,509,327</u>
<b>Restricted Funds</b>					
Foundation Grant	500	-	-	-	500
Pathway Project (GYBC)	<u>21,438</u>	<u>24,294</u>	<u>(67,134)</u>	<u>21,402</u>	<u>-</u>
	<u>21,938</u>	<u>24,294</u>	<u>(67,134)</u>	<u>21,402</u>	<u>500</u>
<b>Total Funds</b>	<u>1,497,161</u>	<u>773,953</u>	<u>(761,287)</u>	<u>-</u>	<u>1,509,827</u>

# Herring House Trust (Great Yarmouth)

## Notes To The Accounts (Continued)

For The Year Ended 31 March 2019

### 14 Reconciliation of Movements In Funds (continued)

	Funds at 1 April 2017 £	Income (Expenditure) in the year £	in the year £	Transfers £	Funds at 31 March 2018 £
<b>Unrestricted Funds</b>					
Hostel	743,558	569,192	(522,548)	-	790,202
Halfway House Scheme and Homelessness Action Programme	586,900	204,082	(118,001)	-	672,981
SmartMove	8,591	31,079	(27,630)	-	12,040
	<u>1,339,049</u>	<u>804,353</u>	<u>(668,179)</u>	<u>-</u>	<u>1,475,223</u>
<b>Restricted Funds</b>					
Norfolk Community Foundation Grant	-	500	-	-	500
Pathway Project (NHS)	25,690	30,000	(34,252)	-	21,438
Pathway Project (Lloyds Bank)	-	23,764	(23,764)	-	-
	<u>25,690</u>	<u>54,264</u>	<u>(58,016)</u>	<u>-</u>	<u>21,938</u>
<b>Total Funds</b>	<u>1,364,739</u>	<u>858,617</u>	<u>(726,195)</u>	<u>-</u>	<u>1,497,161</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 (including a further 4 high support units);

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 2019

### 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 (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.

### 15 Net Analysis of Funds

Each is represented by the following assets and liabilities:

#### 2019

	Fixed assets £	Cash and bank balances £	Other current assets £	Current liabilities £	Long term liabilities £	Total £
<b>Unrestricted funds</b>						
Hostel	1,000,112	544,236	23,453	(49,927)	(684,169)	833,705
Halfway House Scheme And Homelessness Action Programme	681,977	(5,434)	3,102	(4,023)	-	675,622
SmartMove	-	-	-	-	-	-
	<u>1,682,089</u>	<u>538,802</u>	<u>26,555</u>	<u>(53,950)</u>	<u>(684,169)</u>	<u>1,509,327</u>
<b>Restricted funds</b>						
Norfolk Community Foundation Grant	-	500	-	-	-	500
Pathway Project (GYBC)	-	-	-	-	-	-
	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
<b>Total funds</b>	<u>1,682,089</u>	<u>539,302</u>	<u>26,555</u>	<u>(53,950)</u>	<u>(684,169)</u>	<u>1,509,827</u>

**Herring House Trust (Great Yarmouth)**

**Notes To The Accounts (Continued)**

**For The Year Ended 31 March 2019**

**15 Net Analysis Of Funds (continued)**

**2018**

	<b>Fixed assets £</b>	<b>Cash and bank balances £</b>	<b>Other current assets £</b>	<b>Current liabilities £</b>	<b>Long term liabilities £</b>	<b>Total £</b>
<b>Unrestricted funds</b>						
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>
<b>Restricted funds</b>						
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>
<b>Total funds</b>	<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>

**16 Accommodation owned and in management**

	<b>Number of units at</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£</b>	<b>£</b>
<i>Social housing</i>		
Supported housing	<u>54</u>	<u>54</u>

**17 Operating lease commitments**

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<i>Plant and Machinery</i>		
Not later than 1 year	1,575	1,055
Later than 1 year and not later than 5 years	<u>5,514</u>	<u>1,202</u>
	<u>7,089</u>	<u>2,257</u>

**18 Related party transactions**

During the year the Trust paid £1,400 (2018: £569) to a company connected to C Beales in relation to van repairs. No amounts were outstanding at the year end.

## Herring House Trust (Great Yarmouth)

### Notes To The Accounts (Continued)

For The Year Ended 31 March 2019

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#### 19 Company Status

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

#### 20 Reconciliation of operating surplus to cash flow from operating activities

	2019	2018
	£	£
Surplus for the year	12,666	132,422
Depreciation on tangible fixed assets	52,675	53,967
(Increase)/decrease in trade and other debtors	(7,015)	6,903
Decrease in trade and other creditors	(16,429)	(9,581)
Finance charges	7,162	5,199
Interest receivable	(51)	(3)
	<u>49,008</u>	<u>188,907</u>

#### 21 Financial instruments

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

	2019	2018
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors	8,958	7,147
- Other debtors	<u>360</u>	<u>360</u>
	<u>9,318</u>	<u>7,507</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
- Trade creditor	14,099	19,384
- Accruals	10,512	7,996
- Other creditors	1,689	567
- Bank loan < 1 year	<u>4,100</u>	<u>5,801</u>
	<u>30,400</u>	<u>33,748</u>
- Bank loan > 1 year	<u>114,461</u>	<u>116,857</u>

## **Herring House Trust (Great Yarmouth)**

### **Notes To The Accounts (Continued)**

**For The Year Ended 31 March 2019**

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**22 Pension costs**

The Trust operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Trust. The total contributions paid in the year amounted to £8,095 (2018: £5,295).

**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 £Nil (2018: £169,578).