

**THE NORTH MEMORIAL HOMES  
CITY OF LEICESTER**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2019**

**Registered Charity Number 215582  
Registered Social Housing Provider Number L2793  
Almshouse Association Number 1839**

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2019**

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**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****REGISTERED SOCIAL HOUSING PROVIDER INFORMATION**

<b>The Trustees and Committee of Management</b>	Mr R Radford	(Chairman - until 10 June 2019)
	Mr A Nelson	(Vice-Chairman from 3 September 2018 and Chairman from 10 June 2019)
	Mr J Bewley	(Vice-Chairman resigned 2 August 2018 and re-appointed 10 June 2019)
	The Lord Mayor of Leicester	
	Mr G Hunt	
	Mrs L Ingram	
	Mr Kaaed Mamujee	
	Counc. Diane Cank	resigned 4 June 2018
	Mr J Mercik	appointed 4 June 2018
	Dr M Solanki	appointed 3 September 2018
<b>Officers</b>	Mrs J Bryars	appointed 3 December 2018
	Lt Col D J Young	appointed 11 March 2019
	Mr D Janes	(Hon Treasurer - until 31 March 2019)
	Charity Link	(Hon Treasurer - from 1 April 2019)
<b>Professional advisers</b>	Mrs K Smith	(Hon Administrator)
	James Selicks Letting Agents	Letting Agents
	Leicester Charity Organisation Society (Charity Link)	Secretary to the Trustees
	Charity-Link	Accountants
<b>Auditors</b>	Johnson Murkett & Hurst	
	Chartered Accountants & Statutory Auditors	
	16a Fir Tree Lane	
	Groby	
	Leicester	
	LE6 0FH	
<b>Bankers</b>	HSBC Bank plc	
<b>Brokers</b>	Westerby Investment Management Ltd.	

Leicester City Council has, since the inception of the North Memorial Homes in 1918, been very involved in the development and success of the Charity. It was Sir Jonathan North who, as Lord Mayor of Leicester, inaugurated the Fund.

Since that time Leicester City Council has continued to assist the Charity in the provision of professional expertise in the form of Administrative and Legal Services, Property Management and Property Development.

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**REPORT OF THE TRUSTEES**

**YEAR ENDED 31ST MARCH 2019**

The Trustees and Committee of Management present their report together with the financial statements of the Charity for the year ended 31 March 2019. The financial statements have been prepared in accordance with the accounting policies set out on page 11 and comply with the Trust Deed and applicable law.

**Constitution and objects**

The Charity is constituted under a Trust Deed dated 22 February 2007 and is a registered charity No 215582. The Charity is also a Registered Social Housing Provider No L2793.

The Charity's original object was the provision of self-contained houses for disabled ex-servicemen and their families, who were citizens of the City of Leicester, following the end of the First World War.

Since that time the qualifications have been broadened, with the approval of the Charity Commissioners, to include the widow or widower of such a person; a person who is permanently physically disabled and in necessitous circumstances; a person in necessitous circumstances. In every case the residential qualification applies unless there are exceptional circumstances. As a result of a decline in the number of families seeking houses, the Charity commenced a programme to convert each property into two self-contained flats. At the present time there are five houses and thirty flats.

**Organisational structure and training**

The property of the Charity is vested with the Official Custodian for Charities. The management of the Charity is undertaken by a Committee comprising the Trustees and advised by the Honorary Treasurer and Honorary Secretary.

The Committee meets at least quarterly and receives assistance from officers of Leicester City Council in all financial and property management matters.

New Board members are given an induction pack which provides information on the Charity's services, its constitution and financial position, together with their legal obligations. They are also briefed on their duties by the chair of the Management Board.

**Financial review and Investment policy**

At the commencement of the Charity an Endowment Fund was transferred and this must be retained in perpetuity. Income is generated by revenue from rents and investments. Income earned is used to maintain and improve the properties and grounds and any surplus/deficit is transferred to the Revenue Reserve Fund.

The investment strategy is reviewed regularly and currently the primary aim is to achieve income with minimum risk whilst seeking capital growth. Currently the minimum annual income requirement is £20,000.

A representative from the investment advisors, Westerbys, attends Management Committee meetings regularly to report on the investments.

**Reserves policy**

It is the policy of the Charity that free reserves should be maintained at a level equivalent to twelve months operating costs without income from Weekly Maintenance Charges (WMC). The Trustees consider that reserves at this level will ensure that, in the event of a significant reduction in income, they will be able to continue the Charity's current activities while consideration is given to ways in which additional income may be generated. The Trustees also recognise the need for investment income to meet any excess of costs over WMC income and have resolved to maintain reserves sufficient to generate such income. However, it is not possible at present to determine a figure for free reserves as North Memorial Homes are undertaking a survey of property conditions with a view to major refurbishment work being carried out. The level of reserves will be kept under review throughout the year by the Trustees.

The North Memorial Homes will follow the Almshouse Association's recommended minimum amounts for transfer to the Extraordinary Repairs Fund (ERF) each year. The ERF is a restricted fund.

**Extraordinary Repair Fund (ERF)**

This restricted fund is to be used for future major expenditure and major refurbishment projects. Transfers will be made from the Income and Expenditure Account. The funds forms part of the investment portfolio. It can be drawn upon to meet major items of repair as deemed necessary.

The Charity Commissioners required a fixed contribution of £2,890 to be made into this fund each year. However, this is no longer required following advice from the Charity Commissioners in 2004. The Trustees have discretion to make further contributions to the fund should the need arise.

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**REPORT OF THE TRUSTEES CONTINUED**

**YEAR ENDED 31ST MARCH 2019**

**Endowment Fund**

The endowment fund assets comprise of the housing and functional properties of North Memorial Homes and its endowment investments. Any profit or loss arising from revaluation or sale of those assets is added to the endowment fund each year.

**Value for Money**

The Trustees have reviewed the value for money of the operation of the Homes and have had regard to guidance from the Regulator of Social Housing with respect to small housing providers. The recommended value for money indicators specified in such guidance are included in these accounts.

The judgement of the Trustees is that these indicators evidence that the Homes has strong profit margins, interest payment cover and liquidity.

The Trustees will review the state of the building stock during the 2019/20 financial year and will prepare a programme of refurbishment and modernisation. At the same time they will review VFM indicators to ensure that they remain appropriate to a modernised stock.

**Risk management**

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

**Trustees' responsibilities in relation to the financial statements**

Law applicable to the Charity requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Charity, enabling them to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. They have general responsibility for taking steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**REPORT OF THE TRUSTEES CONTINUED**

**YEAR ENDED 31ST MARCH 2019**

**Review of the year**

The financial statements for the year are as attached. The investment portfolio increased its value despite payments totalling £20,000 during the year. The overall income was up on 2018.

The Trustees are advised by Westerby Investment Management Ltd with Tatton managing the portfolio.

The Honorary Treasurer works with the Trustees to set a budget each year to take account of the investment income needed from the investments to supplement the income receivable from housing. The Trustees keep the invested funds under review to ensure sufficient reserves are available to carry out their legal responsibilities. The Trustees have commissioned a survey of all its properties, which will commence August 2019 and to that extent the Reserves policy will be reviewed further once the known quantum of the repairs and upgrades are known.

The Trustees engaged Charity Link in a service level agreement for charity administration and secretarial services as from April 2018.

The Trustees held four Management meetings during the year; all meetings were held at the North Memorial Homes. There have been a few changes in Trustees during the year, including changes to the Chairman and Vice-Chairman. Mr R Radford resigned as Chairman in June 2019. Mr A Nelson was appointed as the new Chairman from 10 June 2019, Mr J Bewley was appointed as Vice Chairman. Following both the June and December meeting the Residents joined the Trustees for refreshments.

During this year, refurbishment was carried out on numbers 15a, 16a and 18. The resident from 18a moved into the ground floor flat and refurbishment work was also commenced on 18a. The Trustees are aware of the changing demands and requirements for accommodation and therefore applied to the Charity Commission to broaden the qualifications to the scheme, to the extent that the 'Area of Benefit' now extends to the counties of Leicestershire and Rutland with effect from July 2019.

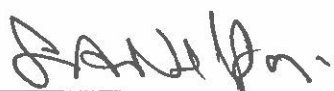
The grounds continue to be maintained to a high standard by "Evergreen" Complete Garden Services.

North Memorial Homes continues to have its own website giving information on the Homes and prospective applicants are able to download an application form.

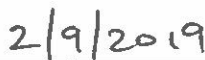
The Honorary Administrator visits the Homes when necessary and reports any concerns to the Secretary and Trustees. The Property Maintenance Advisor also visits the Homes when necessary. The Trustees and Management Committee continue to work towards the maintenance of high levels of service and standards. It is cognisant and appreciative of the continuing support given by Leicester City Council.

The Trustees are advised from time to time on the new directives within the sector. North Memorial Homes endeavour to ensure that appropriate procedures are adopted relevant to the size of organisation. In considering the new Value for Money standard, Trustees follow existing practice in ensuring property costs are only incurred after a number of tenders are obtained. Furthermore, any investments are suitably appraised. Weekly Maintenance Contributions follow appropriate guidance. The organisation operates under clearly defined rules provided to all occupants.

Approved by the Trustees and Management Committee and signed on their behalf by:



Mr A Nelson  
Chairman



Date

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**  
**YEAR ENDED 31ST MARCH 2019**

**Opinion**

We have audited the financial statements of The North Memorial Homes City of Leicester for the year ended 31st March 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Cashflow Statement 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's board, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of The Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's board 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 Charity and the Charity's board as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction 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 Charity 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 Charity'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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or
- sufficient accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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 board's responsibilities statements set out on page 2, the board members (who are also the trustees of the association for the purpose of charity 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 Charity'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.

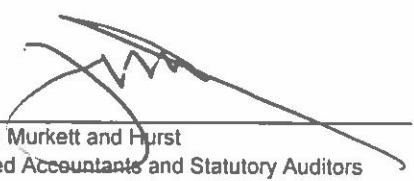
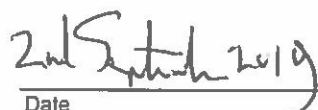
**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under section 145 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with the regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008.

THE NORTH MEMORIAL HOMES CITY OF LEICESTERINDEPENDENT AUDITOR'S REPORT TO THE TRUSTEESYEAR ENDED 31ST MARCH 2019

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.

  
\_\_\_\_\_  
Johnson Murkett and Hurst  
Chartered Accountants and Statutory Auditors  
\_\_\_\_\_  
Date




**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 31ST MARCH 2019**

	<i>Note</i>	<u>2019</u> £	<u>2018</u> £
<b>TURNOVER</b>	<b>3</b>	205,810	195,826
<b>OPERATING COSTS</b>	<b>4</b>	(139,348)	(138,819)
<b>OPERATING SURPLUS</b>		66,462	57,007
Interest receivable and similar income	6	15,563	11,977
Interest payable and similar charges	7	(1,512)	(1,460)
Increase in the value of investments	10	76,120	28,607
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>5</b>	156,633	96,131

All of the activities of the Charity are classed as continuing.

These financial statements were approved by the Trustees and the Committee of Management on 2/9/2019  
and are signed on their behalf by:

TN   
Chairman

2/9/2019  
Date

  
Vice-Chairman *Trustee*

2/9/2019  
Date

LI   
Trustee

2/9/2019  
Date

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****STATEMENT OF CHANGES IN RESERVES****YEAR ENDED 31ST MARCH 2019**

	<b><u>Restricted Reserves</u></b>	<b><u>Revenue Reserves</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
<b>At 1 April 2017</b>	1,143,291	590,244	1,733,535
Surplus for the year	-	96,131	96,131
<b>Total comprehensive income</b>	1,143,291	686,375	1,829,666
Transfer of funds	2,890	(2,890)	-
Investment revaluation	25,717	(25,717)	-
<b>At 31 March 2018 and 1 April 2018</b>	1,171,898	657,768	1,829,666
Surplus for the year	-	156,633	156,633
<b>Total comprehensive income</b>	1,171,898	814,401	1,986,299
Transfer of funds	2,890	(2,890)	-
Investment revaluation	66,150	(66,150)	-
<b>At 31 March 2019</b>	1,240,938	745,361	1,986,299

The notes on pages 11 to 17 form part of these financial statements

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****BALANCE SHEET****31ST MARCH 2019**

	<i>Note</i>	<u>2019</u>	<u>2018</u>
		£	£
<b>FIXED ASSETS</b>			
Housing properties	9	144,398	147,286
Computer equipment	9	535	493
Fixtures & fittings	9	858	1,076
		<u>145,791</u>	<u>148,855</u>
Investments	10	1,770,785	1,618,168
		<u>1,916,576</u>	<u>1,767,023</u>
<b>CURRENT ASSETS</b>			
Debtors	11	2,778	4,870
Investments	12	45,000	45,000
Cash at bank and in hand	13	241,328	209,695
		<u>289,106</u>	<u>259,565</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	14	(69,196)	(43,730)
		<u>219,910</u>	<u>215,835</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,136,486</u>	<u>1,982,858</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS:</b>			
Amounts falling due after more than one year	15	(150,187)	(153,192)
		<u>1,986,299</u>	<u>1,829,666</u>
<b>RESERVES</b>			
Restricted reserves	18	1,240,938	1,171,898
Revenue reserves	18	745,361	657,768
		<u>1,986,299</u>	<u>1,829,666</u>

These financial statements were approved by the Trustees and the Committee of Management on 2/9/2019  
and are signed on their behalf by:

TN [Signature]  
Chairman

2/9/2019  
Date

[Signature]  
Vice-Chairman *Trustee*

2/9/2019  
Date

LI [Signature]  
Trustee

2/9/2019  
Date

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****CASHFLOW STATEMENT****YEAR ENDED 31ST MARCH 2019**

	<b><u>2019</u></b> <b>£</b>	<b><u>2018</u></b> <b>£</b>
<b>Cash flow from operating activities</b>	94,472	38,231
Interest paid	(1,512)	(1,460)
<b>Net cash flow from operating activities</b>	92,960	36,771
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(276)	(928)
Payments to acquire investments	(347,952)	(127,162)
Receipts from sales of investments	271,455	152,465
Interest received	15,563	11,977
<b>Net cash flow from investing activities</b>	(61,210)	36,352
<b>Cash flow from financing activities</b>		
Repayment of long term loans	(117)	(375)
<b>Net cash flow from financing activities</b>	(117)	(375)
<b>Net increase in cash and cash equivalents</b>	31,633	72,748
<b>Cash and cash equivalents at 1 April 2018</b>	209,695	136,947
<b>Cash and cash equivalents at 31 March 2019</b>	<b>241,328</b>	<b>209,695</b>
<b>Cash and cash equivalents consist of:</b>		
Cash at bank and in hand	241,328	209,695

**Cash flow from operating activities**

Surplus for the year	66,462	57,007
Adjustments for non-cash items:		
Depreciation on tangible fixed assets	3,340	3,541
Amortisation of grants	(2,888)	(2,888)
(Increase) / decrease in debtors	2,092	12,434
Increase / (decrease) in creditors	25,466	(31,863)
	94,472	38,231

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2019**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

**Basis of Accounting**

The North Memorial Homes City of Leicester is a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the Charity's information on page 1 of these financial statements.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, the statement of recommended practice for Social Housing Providers 2014, and with the Accounting Direction for the private registered providers for social housing in England 2015. These financial statements are also prepared under the requirements of the Housing Regeneration Act 2008. 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 prepared in sterling, which is the functional currency of the Registered Social Housing Provider, and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**Turnover**

Turnover represents rental and service charge income receivable in the year.

**Fixed assets and depreciation**

Housing properties are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during the development period and expenditure on improvements.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing property conversions	10 years straight line
Re-roofing	70 years straight line
Computer equipment	3 years straight line
Fixtures & fittings	20% reducing balance

**Social housing grant and other grants**

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If the grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and in that event, is a subordinated unsecured repayable debt.

**Investments**

Investments are stated at market value with any surplus over cost being credited to the Statement of Comprehensive Income.

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2019**

**1. ACCOUNTING POLICIES**

**Restricted funds**

These comprise the endowment fund and the extraordinary repair funds.

Any surplus or deficit on disposal of the investments including revaluations, held as part of the endowment fund must be transferred from revenue reserve.

A charity commission order requires that a fund is maintained for the extraordinary repair, improvement and rebuilding of dwellings to which an annual contribution of £85 per dwelling is made. With this exception, due to the numbers of properties held and the establishment of regular programmes of repair and maintenance, the charity does not make provision for the future works but charges actual costs incurred in the income and expenditure account.

**Capitalisation of interest**

Interest on the mortgage loan financing a development is capitalised up to the date of practical completion of a project.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

**2. OFFICERS HONORARIA**

	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>No</b>	<b>No</b>
Average number of persons	1	2
	<hr/>	<hr/>
	£	£
Honoraria paid during the year	5,723	9,834
	<hr/>	<hr/>

The trustees did not receive any remuneration or other benefits from employment with the charity.

**3. TURNOVER**

	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
Rents receivable	166,161	153,291
Service charges eligible for Housing Benefit	38,802	39,964
Amortisation of grants	2,888	2,888
	<hr/>	<hr/>
	207,851	196,143
Less: Rent (losses) from voids	(8,297)	(7,109)
Rent (losses) from bad debts	(197)	1,042
	<hr/>	<hr/>
	199,357	190,076
Add: Other income - hire of hall	6,453	5,750
	<hr/>	<hr/>
	205,810	195,826
	<hr/>	<hr/>

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2019**

<b>4. OPERATING COSTS</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
Direct property management costs	92,713	90,874
Administrative costs	46,635	47,945
	<b>139,348</b>	<b>138,819</b>

<b>5. SURPLUS FOR THE YEAR</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
Surplus for the year is stated after charging		
Auditor's remuneration	5,745	5,160
Depreciation	3,340	3,541

<b>6. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
Interest on broker account	112	29
Interest on bank deposit	244	157
Interest on deposits with Leicester City Council	307	56
Franked investment income	14,900	11,735
	<b>15,563</b>	<b>11,977</b>

<b>7. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
Loans repayable	1,512	1,460
	<b>1,512</b>	<b>1,460</b>

**8. TAXATION**

North Memorial Homes is a Registered Social Housing Provider and also a Registered Charity and is exempt from taxation.

## THE NORTH MEMORIAL HOMES CITY OF LEICESTER

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31ST MARCH 2019

## 9. TANGIBLE FIXED ASSETS

	Freehold housing properties £	Computer equipment £	Fixtures & fittings £	Total £
<b>Cost</b>				
At beginning of year	791,269	1,468	1,550	794,287
Additions	-	276	-	276
At end of year	791,269	1,744	1,550	794,563
<b>Depreciation</b>				
At beginning of year	643,983	975	474	645,432
Charge for year	2,888	234	218	3,340
At end of year	646,871	1,209	692	648,772
<b>Net book value</b>				
At 31 March 2019	144,398	535	858	145,791
At 31 March 2018	147,286	493	1,076	148,855

## 10. FIXED ASSET INVESTMENTS

	Equities £	COIF £	Total £
Market value at beginning of year	1,078,790	539,378	1,618,168
Additions at cost	347,952	-	347,952
Withdrawals from the fund	(271,455)	-	(271,455)
Surplus on revaluation	13,888	62,232	76,120
Market value at end of year	1,169,175	601,610	1,770,785

The Westerby investment included in Equities has been treated as a managed fund. As a result, the investment in the fund has been disclosed as opposed to the individual shareholdings.

## 11. DEBTORS

	2019 £	2018 £
Rent arrears	2,149	2,428
Prepayments and accrued income	629	2,442
	2,778	4,870



**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2019**

**12. INVESTMENTS HELD AS CURRENT ASSETS**

	<b>Deposit with Leicester City Council £</b>
<b>Cost</b>	
At beginning of year	45,000
Additions	-
Disposals	-
	<hr/>
At end of year	45,000
	<hr/>
<b>Market value</b>	
At 31 March 2019	45,000
	<hr/>
At 31 March 2018	45,000
	<hr/>

**13. CASH AT BANK AND IN HAND**

	<b><u>2019</u> £</b>	<b><u>2018</u> £</b>
Cash in bank current account	5,562	6,000
Cash held on deposit	235,766	203,695
	<hr/>	<hr/>
	241,328	209,695
	<hr/>	<hr/>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b><u>2019</u> £</b>	<b><u>2018</u> £</b>
Trade creditors	31,116	11,376
Other creditors	28,127	21,486
Accruals and deferred income	6,073	4,560
Housing loan instalments	3,880	6,308
	<hr/>	<hr/>
	69,196	43,730
	<hr/>	<hr/>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b><u>2019</u> £</b>	<b><u>2018</u> £</b>
Social Housing Grant	144,398	147,286
Housing loan instalments	5,789	5,906
	<hr/>	<hr/>
	150,187	153,192
	<hr/>	<hr/>

Mortgage loans are advanced by local authorities or the Homes & Communities Agency and bear interest at approximately 10% per annum under the terms of individual mortgage deeds in respect of each property. Advances are available only in respect of those developments which have been given approval for social housing grant by the Homes & Communities Agency.

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2019**

<b>16. DEFERRED CAPITAL GRANT</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
At 1 April 2018	147,286	150,174
Released to income in the year	(2,888)	(2,888)
At 31 March 2019	<u>144,398</u>	<u>147,286</u>
Amount due to be released < 1 year	2,888	2,888
Amount due to be released > 1 year	141,510	144,398
	<u>144,398</u>	<u>147,286</u>

<b>17. HOUSING ACCOMMODATION</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>£</b>	<b>£</b>
Number of units	35	35

<b>18. RESERVES</b>	<b><u>Restricted funds</u></b>			
	<b>Endowment</b>	<b>Extraordinary</b>	<b>Revenue</b>	
	<b>Fund</b>	<b>Repair</b>	<b>Reserve</b>	<b>Total</b>
	<b>£</b>	<b>Fund</b>	<b>£</b>	<b>£</b>
Balances brought forward	632,520	539,378	657,768	1,829,666
Comprehensive income for year	-	-	156,633	156,633
Revaluation of investments	6,808	59,342	(66,150)	-
Transfer between funds	-	2,890	(2,890)	-
Balances carried forward	<u>639,328</u>	<u>601,610</u>	<u>745,361</u>	<u>1,986,299</u>

**THE NORTH MEMORIAL HOMES CITY OF LEICESTER****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2019****19. LEGAL STATUS**

North Memorial Homes is a Registered Charity number 215582 and also a Registered Social Housing Provider number L2793.

**20. INDEMNITY INSURANCE**

The Charity purchased insurance at a cost of £438 to indemnify the trustees and officers against the consequences of any neglect or default on their part. Approval for this was received from the Charity Commission.

**21. VALUE FOR MONEY KEY METRICS**

		<b><u>2019</u></b>	<b><u>2018</u></b>
Metric 1:	Reinvestment %	0%	0%
Metric 2a:	New Supply (Social Housing Units) %	0%	0%
Metric 2b:	New Supply (Non-social housing units) %	0%	0%
Metric 3:	Gearing %	-60.4%	-34%
Metric 4:	EBITDA MRI Interest Cover %	10433%	6646%
Metric 5:	Headline Social Housing Cost £	£3,981	£3,966
Metric 6a:	Operating Margin (social housing lettings) %	54.95%	53.6%
Metric 6b:	Operating Margin (Overall) %	76.1%	49.1%
Metric 7:	Return on Capital Employed %	7.33%	4.85%

