

Applegarth Homes

Unaudited Financial Statements

For the year ended 31 March 2019

Applegarth Homes

Unaudited Financial Statements For the year ended 31 March 2019

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Applegarth Homes

Trustee, Registered Office and Advisers For the year ended 31 March 2019

Trustee: Harrogate Housing Association Limited

Registered Office: 10 High Street
Harrogate
North Yorkshire
HG2 7HY

Registered Number: Charity: 221962

Independent Examiner: Sue Hutchinson FCCA
Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Bankers: CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors: Bywaters Topham Phillips LLP
17 Hornbeam Square South
Hornbeam Business Park
Harrogate
North Yorkshire
HG2 8NB

Applegarth Homes

Report of the Trustee For the year ended 31 March 2019

The Trustee has pleasure in submitting its annual report, together with the financial statements of the Charity for the year ended 31 March 2019.

Since 1 October 2017 Harrogate Housing Association Limited has been the Sole Corporate Trustee. The comparative numbers represent a 17 month period of account which aligned the year end of Applegarth Homes with that of Harrogate Housing Association Limited to 31 March.

Review of activities

Applegarth Homes is a registered charity which provides ten units of accommodation for people in need of housing who previously lived within the former West Riding of Yorkshire for a continuous period of five years.

When making decisions about the appointment to an empty property, the aim is to ensure that it is allocated to the applicant most in need of the accommodation at the time that the empty property occurs. There were no vacancies during the year and as a result no void losses.

The biannual lunches with residents have continued with the Trustee being represented by members of its Customer Liaison Committee. The lunches took place in June and December 2018. There were no matters raised by residents that required action. These meetings have confirmed the continuation of a caring, supportive atmosphere within the scheme to the overall benefit of the residents.

Financial and operational performance and future works

The financial position of the Charity is shown in the accounts on pages 5 to 14.

The Charity continues to generate a surplus. For the fourth year running no change was made to the weekly maintenance contribution in April 2019. The total amount paid by residents is still well below market levels and below the local housing allowance maximum amount. The Trustee is satisfied that the amounts being collected are sufficient to enable the Charity to meet the needs of residents by maintaining the flats to a high standard and, where possible adapting them to suit the needs of individual residents as their circumstances change. The surplus being generated also increases the funds available for major works like roof and window replacement.

The main work undertaken during the period was additional planting in the garden following the expansion last year of parking spaces at the scheme and the widening of the gateway to make access easier for larger vehicles like ambulances. All properties also had their periodic electrical wiring inspections undertaken.

The Charity also incurred legal and professional fees associated with obtaining first registration of the property at the land registry and obtaining an up to date valuation of the properties. Following detailed consideration the Trustee determined that there were insufficient benefits to be obtained from adopting the valuation for accounting purposes.

The NAACIF Accumulation Shares investment held by the Charity showed a modest increase in value during the year after taking into consideration the purchase of additional units and the re-investment of income. These investments are held as long term investments and the Trustee is satisfied with their performance. The Trustee reviewed whether to retain and continue to buy units in this investment due to its fluctuating value and there being no capital security. They determined it was a long term investment with the fund being specifically aimed at almshouses investment and therefore the current arrangements should stay in place.

During the year a total of 39 (17 months to 31 March 2018: 78) routine repairs were carried out at the scheme. 100% (17 months to 31 March 2018: 100%) of these repairs were completed within the required timescales. A satisfaction survey was undertaken on 92% (17 months to 31 March 2018: 68%) of the jobs with all repairs (17 months to 31 March 2018: all but one) receiving a positive satisfaction rating.

Applegarth Homes

Report of the Trustee For the year ended 31 March 2019

Financial and operational performance and future works (continued)

A stock condition survey was undertaken on the properties in January 2018. The survey did not identify the requirement for any major structural work in the next 10 years. The survey did identify that some kitchens required replacing. Detailed consultation will be undertaken with the affected residents as it is important to consider each residents health and well-being before undertaking this disruptive work.

Governance

Following the issue of a new scheme by the Charity Commission which became effective on 1 October 2017 Harrogate Housing Association Limited became the Sole Corporate Trustee.

The Corporate Trustee formally meets every quarter to discuss Applegarth Homes business. In addition Applegarth Homes business can be discussed at any meeting of the Board of Harrogate Housing Association Limited which meets seven times a year.

Risk management

The Trustee has a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The processes and procedures in use by the Charity are the same as those followed by Harrogate Housing Association Limited. With strong performance on income collection and repairs the main risk faced by the Charity is in relation to ensuring sufficient funds are available to undertake any major repairs. This risk has reduced following the Charity becoming a subsidiary of a larger organisation and the stock condition survey not identifying the requirement for any major work during the next 10 years.

Reserves

The reserves at 31 March 2019 totalled £215,400 of which £13,300 are restricted reserves with the remaining £202,100 being available to be utilised by the Trustee. Free reserves are £195,200.

The reserves of the Charity are held for the enhancement and maintenance of its main asset, the Almshouses. Sufficient funds need to be in place to enable major refurbishment programmes to take place, like a new roof, window replacement or rewiring. The reserves will continue to increase as a result. Being a subsidiary of Harrogate Housing Association Limited ensures that sufficient resources are available to the Charity should it have insufficient reserves itself to meet the costs of any major work.

Development

The Trustee has no plans for extension of the services provided beyond the existing premises.

Management

The day to day responsibility for the management of the Almshouses and implementation of policy set by the Trustee is delegated to the parent managing agent, Harrogate Housing Association Limited. A fee is charged for this work based on the costs incurred by the managing agent. For efficiency reasons the Trustee makes payments to suppliers on a group basis, including those for Applegarth Homes with its own. These costs are reimbursed to the Association on the same day as it makes the payment to the supplier. The costs are shown in the accounts in line with the original service description delivered by the supplier.

Approved on 31 July 2019 by the Sole Corporate Trustee Harrogate Housing Association Limited and signed on its behalf by

Steven Brook
Secretary, Harrogate Housing Association Limited

Independent Examiner's Report to the Trustee of Applegarth Homes

I report on the accounts of the charity for the year ended 31 March 2019 which are set out on pages 5 to 14.

Respective responsibilities of trustees and examiner

The charity's trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

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

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Sue Hutchinson FCCA
Independent Examiner
Beever and Struthers
Chartered Accountants
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: 13 August 2019

Applegarth Homes

Statement of Financial Activities For the year ended 31 March 2019

		Unrestricted Funds Year ended 31 March 2019 £	Restricted Funds Year ended 31 March 2019 £	Total Funds Year ended 31 March 2019 £	Total Funds 17 months ended 31 March 2018 £
	Notes				
Income from:					
Charitable activities - social housing	3	57,811	-	57,811	81,727
Investment income	4	4,529	-	4,529	5,624
Total income		<u>62,340</u>	<u>-</u>	<u>62,340</u>	<u>87,351</u>
Expenditure on:					
Charitable activities – social housing	5	(38,318)	-	(38,318)	(57,711)
Total expenditure		<u>(38,318)</u>	<u>-</u>	<u>(38,318)</u>	<u>(57,711)</u>
Net gains on investments	10	2,566	-	2,566	433
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income and net movement in funds		<u>26,588</u>	<u>-</u>	<u>26,588</u>	<u>30,073</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reconciliation of funds:					
Total funds brought forward		175,512	13,300	188,812	158,739
Total funds carried forward		202,100	13,300	215,400	188,812
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

All of the above results derive from the continuing operations of the Charity.

The notes on pages 7 to 14 form an integral part of these financial statements.

The financial statements on pages 5 to 14 were approved and authorised for issue by the Sole Corporate Trustee, Harrogate Housing Association Limited, on 31 July 2019 and were signed on its behalf by:-

Steven Brook
Secretary, Harrogate Housing Association Limited

Applegarth Homes

Balance Sheet At 31 March 2019

	Notes	31 March 2019		31 March 2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9		6,900		6,900
Investments	10		111,310		101,331
			<u>118,210</u>		<u>108,231</u>
Current assets					
Debtors	11	637		996	
Cash and cash equivalents	12	103,975		87,847	
		<u>104,612</u>		<u>88,843</u>	
<u>Less:</u>					
Creditors: amounts falling due within one year	13	<u>(7,422)</u>		<u>(8,262)</u>	
Net current assets			<u>97,190</u>		<u>80,581</u>
Total assets less current liabilities			<u>215,400</u>		<u>188,812</u>
Total net assets			<u>215,400</u>		<u>188,812</u>
Funds of the charity					
Unrestricted funds:					
Designated reserves	14		43,783		39,033
Revaluation reserve	14		24,603		22,037
Unrestricted general fund	14		133,714		114,442
			<u>202,100</u>		<u>175,512</u>
Restricted funds	14		13,300		13,300
			<u>215,400</u>		<u>188,812</u>
Total charity funds			<u>215,400</u>		<u>188,812</u>

The notes on pages 7 to 14 form an integral part of these financial statements.

The financial statements on pages 5 to 14 were approved and authorised for issue by the Sole Corporate Trustee, Harrogate Housing Association Limited, on 31 July 2019 and were signed on its behalf by:-

Steven Brook
Secretary, Harrogate Housing Association Limited

Applegarth Homes

Notes to the Financial Statements For the year ended 31 March 2019

1. General information

The Charity is an unincorporated Charity registered in England and Wales.

The registered office is 10 High Street, Harrogate, North Yorkshire, HG2 7HY.

2. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

The accounts are prepared on the historical cost basis of accounting except as modified by the revaluation of investments and are presented in pounds sterling.

The financial statements have been prepared in compliance with FRS 102. In complying with FRS 102 the Charity meets the definition of a public benefit entity.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis based on the cash flow forecasts.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

- Freehold property
The Charity owns one property which was valued in 1961. The property will continue in its current use for the foreseeable future. The Trustee has had the property revalued but determined that there were insufficient benefits to be obtained from adopting it for accounts purposes. The property is not depreciated as the Trustee believes it would not be beneficial as its residual value is in excess of the value in the accounts.

Incoming resources

Unless stated otherwise income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Turnover represents weekly maintenance charges and service charges receivable, including water rates and gas and is recognised in relation to the period when the goods or services have been supplied.

Weekly maintenance charge income is recognised when the property is available for let, net of voids.

Applegarth Homes

Notes to the Financial Statements For the year ended 31 March 2019

2. Principal accounting policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The irrecoverable element of VAT is included with the expense to which it relates.

Taxation

The Charity is exempt from tax on its charitable activities.

Tangible fixed assets

Freehold property is stated at valuation in 1961.

Freehold land and buildings are not depreciated.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of financial activities if the shares are publically traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income immediately.

Applegarth Homes

Notes to the Financial Statements For the year ended 31 March 2019

2. Principal accounting policies (continued)

Fund accounting

Unrestricted reserves can be used in accordance with the charitable objectives at the discretion of the Trustee.

Designated reserves are part of unrestricted reserves which have been allocated by the Trustee for a particular purpose. Such designations may be reversed by future Trustee decisions. Expenditure is not directly set against designated reserves but is taken through the Statement of Financial Activities. A transfer is then made from designated reserves as appropriate.

Restricted reserves can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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Notes to the Financial Statements For the year ended 31 March 2019

3. Income from charitable activities	Unrestricted Funds Year ended 31 March 2019 £	Unrestricted Funds 17 months ended 31 March 2018 £
Maintenance contributions from residents	46,887	66,677
Service charge including water rates and gas	10,924	15,050
Total income from charitable activities	57,811	81,727
	<hr/> <hr/>	<hr/> <hr/>
4. Investment income	Unrestricted Funds Year ended 31 March 2019 £	Unrestricted Funds 17 months ended 31 March 2018 £
Bank interest received	86	46
Income on fixed asset investments	4,443	5,578
	4,529	5,624
	<hr/> <hr/>	<hr/> <hr/>
5. Expenditure on charitable activities	Unrestricted Funds Year ended 31 March 2019 £	Unrestricted Funds 17 months ended 31 March 2018 £
Management	12,921	16,636
Service charge costs including water rates and gas	10,249	12,762
Routine maintenance	6,328	9,967
Cyclical maintenance	2,717	-
Extraordinary repairs	1,200	11,947
Accountancy	1,843	1,800
Legal and professional	3,060	4,599
Total expenditure on charitable activities	38,318	57,711
	<hr/> <hr/>	<hr/> <hr/>
6. Accommodation managed by others	31 March 2019 Number of properties	31 March 2018 Number of properties
General Housing	10	10
	<hr/> <hr/>	<hr/> <hr/>
7. Taxation		

The Charity is exempt from tax on its charitable activities.

Applegarth Homes
Notes to the Financial Statements
For the year ended 31 March 2019

8. Employees

The Charity has no employees (17 months ended 31 March 2018 – none). Key management personnel are defined as the Trustee. The day to day management of the properties is undertaken by Harrogate Housing Association Limited from their offices in Harrogate. Harrogate Housing Association Limited is the sole corporate Trustee of the Charity. The Trustee did not receive any remuneration in its capacity as Trustee during the year.

9. Tangible fixed assets

	Freehold property	Total
Cost		
At 1 April 2018	6,900	6,900
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2019	6,900	6,900
	<hr/>	<hr/>
Depreciation		
At 1 April 2018	-	-
Charge for the year	-	-
Eliminated on disposals	-	-
	<hr/>	<hr/>
At 31 March 2019	-	-
	<hr/>	<hr/>
Net book value		
At 31 March 2019	6,900	6,900
	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2018	6,900	6,900
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
For the year ended 31 March 2019

10. Fixed asset investments

Valuation	Listed investments £	Total £
At 1 April 2018	101,331	101,331
Additions	7,413	7,413
Unrealised gains in year	2,566	2,566
	<hr/>	<hr/>
At 31 March 2019	111,310	111,310
	<hr/> <hr/>	<hr/> <hr/>

The historic cost of these investments at 31 March 2019 was £86,707 (31 March 2018 – £79,293).

	31 March 2019 £	31 March 2018 £
The investments comprise:		
Listed NAACIF income shares	111,310	101,331
	<hr/>	<hr/>

11. Debtors

	31 March 2019 £	31 March 2018 £
Trade debtors	175	184
Prepayments and accrued income	462	812
	<hr/>	<hr/>
	637	996
	<hr/> <hr/>	<hr/> <hr/>

12. Cash and cash equivalents

	31 March 2019 £	31 March 2018 £
Cash at bank	103,975	87,847
	<hr/> <hr/>	<hr/> <hr/>

13. Creditors: amounts falling due within one year

	31 March 2019 £	31 March 2018 £
Trade creditors	3,036	2,522
Weekly maintenance and service charge paid in advance	2,240	1,745
Accruals and deferred income	2,146	3,995
	<hr/>	<hr/>
	7,422	8,262
	<hr/> <hr/>	<hr/> <hr/>

Applegarth Homes
Notes to the Financial Statements
For the year ended 31 March 2019

14. Analysis of charitable funds

	At 31 March 2018 £	Income £	Expenditure £	Transfers £	Gains on investments £	At 31 March 2019 £
Restricted reserves						
Legacy from the late Miss Jane Birdsall Walker	13,300	-	-	-	-	13,300
Unrestricted reserves						
<i>Designated reserves</i>						
Cyclical maintenance fund	10,000	-	(2,717)	2,717	-	10,000
Extraordinary repair fund	29,033	-	-	4,750	-	33,783
Revaluation reserve	22,037	-	-	-	2,566	24,603
Unrestricted general fund	114,442	62,340	(35,601)	(7,467)	-	133,714
Total unrestricted reserves	175,512	62,340	(38,318)	-	2,566	202,100
	188,812	62,340	(38,318)	-	2,566	215,400

Restricted reserves

Legacy from the late Miss Jane Birdsall Walker – This can be used for the furtherance of the Charity's objectives but following approval from the Charity Commission.

Designated reserves

Cyclical maintenance fund – These are funds set aside for cyclical maintenance work, for example external painting. The value in this fund has been capped at £10,000. Transfers into the fund are made to replace expenditure incurred during the year and maintain a balance of £10,000.

Extraordinary repair fund – This fund is for major repairs to be undertaken. Transfers into the fund are made in line with the amounts recommended by the Almshouses Association less any expenditure in the year.

Revaluation reserve

This represents the uplift from cost to market value in the NAACIF investment.

Unrestricted general fund

The unrestricted general fund represents the cumulative net income and expenditure net of other adjustments.

15. Analysis of net assets between funds

	General funds £	Designated funds £	Revaluation reserve £	Restricted funds £	Total funds £
Tangible fixed assets	6,900	-	-	-	6,900
Investments	29,624	43,783	24,603	13,300	111,310
Current assets	104,612	-	-	-	104,612
Current liabilities	(7,422)	-	-	-	(7,422)
	133,714	43,783	24,603	13,300	215,400

Applegarth Homes

Notes to the Financial Statements For the year ended 31 March 2019

16. Capital commitments

At the balance sheet date there were no capital commitments (31 March 2018 – £Nil).

17. Contingent liabilities

At the balance sheet date there were no contingent liabilities (31 March 2018 – £Nil).

18. Related party transactions

Under FRS 102 related parties consist of the Trustee, Harrogate Housing Association Limited and the members of the Board of Management of Harrogate Housing Association Limited.

During the year the Charity purchased services from Harrogate Housing Association Limited totalling £11,500 (17 months ended 31 March 2018 – £14,299). In addition Harrogate Housing Association Limited paid £21,424 on Applegarth's behalf which had been reimbursed. At the balance sheet date £Nil (31 March 2018 – £164) was owed to Harrogate Housing Association Limited.

There were no transactions with the members of the Board of Management of Harrogate Housing Association Limited during the year.

19. Financial instruments	31 March 2019 £	31 March 2018 £
The Charity's financial instruments may be analysed as follows:		
Financial assets measured at fair value through net income/expenditure:		
Investments	111,310	101,331
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	175	184
Cash and cash equivalents	103,975	87,847
	<hr/>	<hr/>
Total financial assets	215,460	189,362
	<hr/> <hr/>	<hr/> <hr/>
Financial liabilities measured at amortised cost:		
Trade creditors	3,036	2,522
Weekly maintenance and service charge paid in advance	2,240	1,745
Accruals and deferred income	2,146	3,995
	<hr/>	<hr/>
Total financial liabilities	7,422	8,262
	<hr/> <hr/>	<hr/> <hr/>