

Company registration number: IP22990R

Gatesfield Quaker Housing Association Limited

(A Co-operative and Community Benefit Society limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Stables Thompson & Briscoe
Reporting Accountants & Statutory Auditor
Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Gatesfield Quaker Housing Association Limited

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Gatesfield Quaker Housing Association Limited

Reference and Administrative Details

Chair	Mary Robinson
Board Members	Michael Carter (Treasurer) David Le Mare (First Vice-Chair) Marilyn Robinson (Second Vice-Chair) David Beuzeval (appointed 9 May 2018) Margaret Free (Tenant Board Member) Jenny Launder (resigned 12 December 2018) Peter Lowden (Tenant Board Member) Hilary Southall
Secretary	David Aspinall
Senior Management Team	Andree Cook, Scheme Manager (to 30th June 2018) Joanne Busuttill, Scheme Manager (from 8th October 2018) Martin Rouen, Admin/IT support
Principal Office	Gatesfield House New Road Windermere Cumbria LA23 2LA The Co-operative and Community Benefit Society is incorporated in England.
Company Registration Number	IP22990R
Bankers	Santander UK plc BBAM Brindle Road Bootle Merseyside L30 4GB
Auditor	Stables Thompson & Briscoe Reporting Accountants & Statutory Auditor Lowther House Lowther Street Kendal Cumbria LA9 4DX

Gatesfield Quaker Housing Association Limited

Board Members' Report

The Board Members, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2018.

Objectives and activities

Objects and aims

The Rules of the Association describe the objects of the Association (Rule A2) as follows:

Rule A2 The Association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A2.1 the business of providing housing, accommodation, and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people.

A2.2 any other charitable object that can be carried out by an Industrial and Provident Society registered as a social landlord with the Corporation.

Clause 4(13) of the Lease between Friends Trust Ltd (Landlord) and Gatesfield Quaker Housing Association Ltd (Tenant) stipulates that The Tenant ... covenants with the landlord 'Not at any time during the Term to use or occupy the Premises or any part thereof for any other purposes than to fulfil the Charitable Trusts declared concerning the same in Clause 1(2) of the Codicil to the Will of the said Stanley Webb Davies dated the Sixteenth day of January One Thousand Nine Hundred and Seventy Eight'.

The Codicil to the Will of Stanley Webb Davies specifies the purpose as providing accommodation and care for elderly members of the [Religious] Society of Friends and others in need of such accommodation and in particular such persons as are in reduced or difficult circumstances through no fault of their own or in need of rest and spiritual renewal either as permanent or temporary residents.

Public benefit

The Association provides sheltered housing close to the centre of Windermere comprising ten ground floor and nine first floor unfurnished flats, each with a separate external entrance. The ground floor of the main house is given over to communal space for meals, social activities, occasional meetings (and Windermere Quaker Meeting for Worship on Sundays) and other gatherings. The site is set in 2 acres of woodland garden, which our tenants can enjoy and, if they wish, help maintain. We also offer a craft room and a laundry. Guest accommodation is available for a nightly charge. The Scheme Manager is resident on the site. The Scheme Manager or an Assistant Warden is on duty from 9.00am to 5.00pm every day to provide or seek such help as may be necessary for tenants. Outside of these hours, emergency response is provided by our on-call staff team. The Scheme Manager or an Assistant Warden contacts each tenant every morning on the warden call system to make sure of their welfare.

We also offer a service called 'Gatesfield at Home'. This scheme is co-ordinated by Gatesfield and provides a community alarm service. Clients are also able to use Gatesfield facilities and attend Gatesfield events. Gatesfield at Home is available to older people in the Windermere and Bowness area.

The Board Members confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Commitment to Equality and Diversity

Equality and Diversity Policy

Gatesfield Quaker Housing Association is committed to eliminating discrimination and encouraging diversity in all its services, its business matters and amongst its staff and volunteers. The Association will not accept any form of unlawful or unfair discrimination on grounds of e.g. gender, sexual orientation, race, religion, ethnic origin, marital status or age.

Gatesfield Quaker Housing Association Limited

Board Members' Report

Eligibility of prospective tenants

Tenant Selection Policy

Gatesfield Quaker Housing Association provides Extra Care Housing for those, usually over sixty, who are capable of independent living, but who would benefit from an on-site Scheme Manager and the reassurance of emergency help 24 hours a day, 365 days a year. Under the terms of Stanley Davies' will, which led to its establishment, Gatesfield provides accommodation and support ".....for elderly members of the Society (of Friends - Quakers) and others in need of such accommodation and in particular such persons who are in reduced circumstances"

While Gatesfield was established by Quakers and encourages Quakers to apply, we welcome applications from the wider community. In assessing potential tenants, we do not discriminate on the grounds of race, ethnic origin, culture, gender, marital status, age, sexual orientation or religion. The basic principle is to offer accommodation to those people most in need and whose needs can best be met by the accommodation, environment and services that Gatesfield can offer. If necessary, for the functioning of Gatesfield, account may also be taken of the overall balance of need in the Gatesfield community at the time.

While Gatesfield's natural catchment area is South Lakeland, and we expect the substantial majority of tenants to come from the area, we are also open to welcoming some tenants from further afield. We welcome suggestions from Cumbria County Council and South Lakeland District Council of possible tenants. To conform with the terms of the planning permission granted by LDNPA for the conversion of Craft Cottage, we will ensure that there are always at least two tenancies which meet the LDNPA definition of "local" (and we expect that usually there will be many more than that).

Tenant Selection Procedure

New tenants are expected to be able to live independently and have the capacity to look after themselves, which means in the simplest terms that they should be able to:

- Manage their own financial affairs (or engage external help)
- Keep their flat clean (or engage external help)
- Manage their personal care (or engage external help)
- Cope with their laundry (or engage external help)
- Manage their medication (or engage external help).

Tenants are expected to furnish their own flat, which is to be kept in good decorative order at their own expense.

The Tenant Selection Procedure is currently under review, but the basic principle is that Gatesfield will prioritise accommodation for people who are assessed to be most in need and whose needs can be best met by Gatesfield. At times account may need to be taken of the level of need among existing tenants. The following will be taken into account when selecting a tenant:

- The suitability of their present accommodation
- Social and cultural needs
- Support network
- Vulnerability to risk, abuse or neglect
- Physical and mental health needs
- Functional ability
- Attitude towards living independently
- How the applicant feels about living in a small community and willingness to contribute to the overall sense of community

Gatesfield Quaker Housing Association Limited

Board Members' Report

Achievements and performance

A Report by our Chair, Mary Robinson

2018 proved to be a busy year for members of the Board of Management. The most significant matters have been the Craft Cottage development which I detail below as well as staff and tenant changes. During the year the Scheme Manager and Maintenance Officer retired and a member of our wardening team left to take up alternative employment. Several tenants also moved. By the end of the year a new Scheme Manager had been appointed and the staff team was once again complete and new tenants had taken up residence.

Craft Cottage development project

After receiving confirmation from Cumbria County Council (CCC) and South Lakeland District Council (SLDC) that, subject to certain conditions, they would each contribute grants of £90,000 towards the conversion of Craft Cottage into three flats, we were also delighted to receive a donation of £95,000 from Swarthmoor (SW Cumbria) Area Meeting of the Religious Society of Friends (Quakers) towards this project. These together with funds from Gatesfield's own resources mean that sufficient funds have been agreed for the project. Once formal funding agreements with the respective Councils have been finalised and signed construction will begin.

Planning permission was granted on condition that two of the three new flats will be available for applicants who fulfil the local occupancy requirements. We have agreed with Lake District National Park Authority (LDNPA) that this condition will be applied across the site of Gatesfield and not simply with regard to the Craft Cottage flats (i.e. two of our then total of 22 flats will be required to be occupied by tenants who fulfil the LDNPA's local occupancy requirements).

Tenants

Five of our tenants moved from Gatesfield in 2018. We said goodbye to Sheila Hall, Alice Christmas, Rachel Abbott, Bea Fowler and Barbara Crossley and we wish them all well.

We welcomed Ivy Jackson, Keith Triplett, John Tyndall and Mary Mooney as new tenants. We are also pleased to welcome Barbara Woodburn who accepted a tenancy at the end of 2018 and moved into her flat in January 2019. We hope they are now fully settled in their new homes and are enjoying living at Gatesfield.

We continue to be grateful to the social care providers and health agencies who work with the Gatesfield team to enable those tenants who need extra care to maintain their independence and participate fully in the Gatesfield and wider communities. There has been an increase in demand for 'tenant support' (a service provided by Gatesfield staff for tenants requiring extra domestic help). This suggests this is recognised as a service that is helping people to cope better with day-to-day tasks.

Staff

It was with sadness that Andree Cook, who had been the Scheme Manager for 16 years decided to retire after a short period of health-related absence. We wished her all the best for the future at her leaving party in June. During her time at Gatesfield, she demonstrated her skill of managing a small organisation and its staff team and worked closely with the Board of Management in developing the scope of the service that Gatesfield now provides. She very ably applied a balance of professionalism and friendliness, through which she gained the respect of tenants, staff, associated professionals and the Board of Management. She promoted the work of the Association to local groups and her advice to the Board was always thoughtful and very welcome. She passionately believed that with the right support, tenants need normally only move on from Gatesfield by their own choice.

Gatesfield Quaker Housing Association Limited

Board Members' Report

During Andree's period of absence, the team of staff ensured that Gatesfield continued to deliver a high quality of service and support, for which tenants regularly expressed their appreciation to Board members. During the same period Janet Garlick, our cook, was also absent for several months. Nick Harrison and Paula Sanderson shared cooking duties, ensuring good quality meals were provided to tenants during this period. We are grateful to all our staff -particularly for the way Fiona Jones, Nick Harrison and Paula Sanderson stepped up to share the leadership and to Ken Dacre, Toni Ingman Jane Mallinson and Tracy Wrigley for their extra commitment at this time.

In September 2018, Fiona Jones decided to leave to work as a Marie Curie nurse, after working at Gatesfield for 7 years. Everyone wished her well and tenants will remember her for her care and for organising fun time on Saturdays including afternoon teas and discussion groups.

Ken Dacre, our Maintenance Officer also retired in September after 11 years. While his main responsibility was to work at keeping the main buildings in good order, he was often asked by tenants to do jobs for them. He was appreciated by all. Toni Ingman, his partner, played an important role in welcoming and hosting guests who used the guest accommodation in Craft Cottage. She also enjoyed working with the group of gardening volunteers. We thank them both for their contribution to the work and life of Gatesfield and wish them well for the future.

In preparation for redevelopment of Craft Cottage, our guest accommodation has now transferred to the rooms adjacent to the Craft Room.

Neil Pharaoh, as the contract gardener, works closely with the team of volunteer gardeners. We are pleased that his contract has been expanded to include that of Maintenance Contractor.

Siobhan Brophy was welcomed as a Relief warden and has recently joined the 'On call' team, which provides cover for tenants needing assistance outside office hours. The team continues to serve the needs of tenants who have expressed their gratitude for the manner in which the team carry out their duties.

We were very pleased to welcome Joanne Busutil as the Scheme Manager in October. Joanne brings her experience of several settings where she has managed sheltered housing and supported care. She came to us from managing a housing scheme within a Jewish project providing services for older people in Manchester. With the Craft Cottage project about to start, she has arrived at a time of change, but has quickly settled in.

It is also important to recognise those who support the Board in its work: Dave Aspinall as Business Support Officer provides a valuable service in keeping administrative and financial tasks up to date; Martin Rouen's skill and knowledge of financial and policy matters is invaluable for the Finance and Business Group to produce information for the Board in the form of business planning, financial monitoring and forecasting.

Volunteers and Friends of Gatesfield

Volunteers have always been a great asset to Gatesfield. Not only do they make an active contribution but are able to promote Gatesfield in the community.

These of course include the group of gardeners who with great skill and knowledge are responsible for maintaining and developing our beautiful grounds. Emily Davies, the wife of Stanley Davies who bequeathed the Gatesfield site to the Religious Society of Friends (Quakers), was a keen gardener so she would have been pleased and proud to see her garden today.

The Craft Group continues to meet and produce lovely pieces, which are often on display for sale in Gatesfield House and at events.

Gatesfield Quaker Housing Association Limited

Board Members' Report

Board membership

Margaret Free and Peter Lowden have continued to serve throughout 2018 as Tenant Board Members, keeping other Board Members informed of the reality of living at Gatesfield.

Joyce Hawthorne has attended several Board meetings with a view to becoming a member. She has long experience in social work in the Local Authority and Voluntary sector.

Jenny Launder stood down from the Board in December 2018. We thank her for her service.

John Studholme and Tim Bartlett attend the Board of Management meetings in an advisory capacity. John has provided advice on property and building matters. Tim who is a retired solicitor, who specialised in Property and Conveyancing, has provided very valued guidance to the Association on a number of issues and we are most appreciative of the time Tim has given to the Board, especially for his work together with Michael Carter and David Le Mare who have all worked tirelessly on the Craft Cottage development and all that it entails. We thank Tim in particular for his diligent, thorough work on the draft funding agreements with Cumbria County Council and South Lakeland District Council and for liaising with the officers of the two Councils.

Association membership

John Voysey, who played a very active role as a Member of the Management Committee in the early days of Gatesfield, died in late 2018. Although he had moved to Shropshire, he has remained in contact with the Association.

Ann Thomson, who was also an active member of both the Management Committee and House Committees into the 1990s, died in May 2018.

David Beuzeval became a member of the Association in 2018 and has been co-opted to the Board.

The Membership of the Association is 48.

Plans for the future

The main focus of the work for 2019 will be to see the completion of the Craft Cottage development and welcome new tenants.

For the first time in its history, Gatesfield has had a vacancy for a flat that it has struggled to fill. We have a number of prospective tenants who would be immediately ready to move into any of our ground floor flats, but when the most recent vacancy became available (a first floor flat), there was no-one on our waiting list for whom it would be suitable. This reflects broader changes in the profile of applicants to sheltered and extra care housing and is not limited to Gatesfield. We expect to fill this vacancy shortly, but it has led us to investigate the feasibility of improving the access to our first-floor flats through the provision of lifts. Preliminary work has shown that it would be possible to install such lifts and it appears that external sources of funding may be available. We are actively pursuing this.

We also plan to review and develop the 'Gatesfield at Home' project.

As already mentioned Gatesfield has always appreciated the contribution that volunteers bring to our community and we plan to review with the members of the Friends of Gatesfield, the group's role and how we might develop it further.

Gatesfield Quaker Housing Association Limited

Board Members' Report

Financial review

Report by our Treasurer, Michael Carter

Overall income from Gatesfield's charitable activities (including a last annual grant of £8,200 from the Eric and Marion Scott Trust) fell from £179,995 in 2017 to £176,508 in 2018. Excluding depreciation and non-recurrent maintenance expenditures but including our regular contribution to the Non-recurrent Maintenance Fund (based on £20,000 per annum at 2016 prices), operating expenditures increased significantly, from £183,130 in 2017 to £193,634 in 2018. As a result, the operating deficit (before depreciation and non-recurrent maintenance expenditures but after the contribution to the Non-recurrent Maintenance Fund) increased significantly, from £3,135 in 2017 to £17,426 in 2018. Income was affected by a higher than expected vacancy rate and a decline in catering sales. On the expenditure side, the main sharp increase was in the total employment costs, arising from the extended absence on sick leave of two staff, retirement of two staff and further additional pension deficit contributions. While these one-off factors have increased the deficit beyond the level envisaged in the business plan, we expect that Gatesfield's underlying recurrent position will return to surplus once the Craft Cottage project is completed.

Non-recurrent Maintenance costs amounted to £24,882 in 2018, (compared to £6,868 in 2017). Major expenditure items included a number of replacement central heating boilers in flats and repainting around the site. After the regular transfer of £20,889 and an additional one-off transfer of £20,000 decided by the board during the year, the balance on the Non-recurrent Maintenance Fund increased from £70,254 to £86,261 during the year.

In 2018, in addition to the Eric and Marion Scott Trust grant, donations included voluntary contributions to the running costs of Gatesfield by tenants; and two substantial donations towards the Craft Cottage project, including a donation of £95,000 from Swarthmoor (South West Cumbria) Area Meeting of the Religious Society of Friends (Quakers). During the year, Gatesfield's financial reserves rose from £242,457 to £297,879, reflecting the donations towards the Craft Cottage project which have not yet been used, but also the operating deficit and the increase in non-recurrent maintenance expenditure, as well as the repayment of the outstanding balance of £12,500 of the Quaker Housing Trust loan.

During the year, intensive work continued on developing the Craft Cottage project, which will provide three additional Extra Care flats. Detailed designs were completed, tenders issued, bids received and a contractor identified. A number of legal issues were also addressed, including the modification of the planning permission for the project, so that the local occupancy condition that originally applied to Craft Cottage now applies across the Gatesfield site as a whole. However, the project has been seriously delayed by difficulties in finalising grant agreements with Cumbria County Council and South Lakeland District Council; work to resolve outstanding issues continues. The project remains of key importance to strengthening Gatesfield's longer-term financial sustainability. Work on the follow-up project of installing lifts to the upper floor flats has also progressed, and funding options are being explored.

Policy on reserves

Gatesfield's financial reserves are broken down into a series of designated and restricted 'funds'. Restricted Funds contain resources, which can only be used for the purpose of the Fund (usually because donors have so specified); whereas Designated Funds contain resources which have been allocated by decision of the Board, and, therefore, are available for re-allocation by further Board decision if ever judged appropriate.

Gatesfield Quaker Housing Association Limited

Board Members' Report

These funds are:

- a) a Recurrent Fund, which reflects the levels of recurrent income and expenditure with any resulting surplus being transferred to the Free Reserve immediately at year-end;
- b) a Designated Non-Recurrent Maintenance Fund, from which non-routine maintenance is funded. We set aside resources each year. When periodic maintenance expenditures are low, the fund builds in value, so that we also should not need to react drastically if actual periodic maintenance expenditures reach a high level in any particular year because of a particularly expensive major replacement or repair.
- c) a Designated Emergency Reserve Fund, which has been set at six months operating expenditure excluding depreciation, and is set aside to provide interim resources to Gatesfield to meet exceptional expenditure or in the event that Gatesfield's income flow were suddenly interrupted;
- d) a Designated Flat Upgrade Fund, which held the amount set aside to fund the remaining flat upgrade which was completed in 2018, so this fund is now closed with the remaining balance transferred to the Free Reserve;
- e) Restricted and Designated Garden Funds, which provide funding for development of the garden at Gatesfield, mainly acquisition of planting material and equipment. (Normal maintenance of the garden is included in the recurrent budget, while any structural repairs - for example for fencing - would be covered by the Non-Recurrent Maintenance Fund). The restricted fund holds donations given specifically for the upkeep and development of the garden, whereas the designated fund holds funds set aside by the Association for the same purpose;
- f) a Designated Development Fund, which contains amounts set aside by Gatesfield's Board to finance new developments at the Gatesfield site.
- g) a Restricted Development Fund holds donations towards new development work;
- h) a Restricted Craft Cottage Development Fund, holds any grants and donations awarded/given expressly for the purpose of carrying out this specific project;
- i) a Restricted Tenants Welfare Fund, to fund specific care and welfare needs outside the normal social housing provision and;
- j) the Revaluation Reserve, which shows the increase (or decrease) in the market value of financial assets held by Gatesfield; and
- k) the Free Reserve (i.e. the uncommitted financial capital reserve).

Gatesbiel Quaker Housing Association Limited

Board Members' Report

Investment policy and objectives

Brewin Dolphin are instructed by Gatesbiel to invest ethically and to ensure that the risk category for the portfolio is low to medium. Grants received into restricted funds (e.g. for development projects) are held in bank/building society accounts rather than invested to protect their capital value.

The Instructions to Brewin Dolphin, who manage our Investment Portfolio regarding ethical investments are as follows:

We wish to avoid investment in companies that:

- i. have convictions for serious or persistent pollution offences
- ii. deny employees rights of association
- iii. have a poor health and safety record
- iv. contravene international human rights standards
- v. consistently promote products in contravention of regulatory guidelines, or have incurred significant fines
- vi. are involved in the irresponsible marketing of alcohol
- vii. carry out animal testing for non-medical purposes.

We also wish to avoid investment in companies that have significant activity in:

- i. manufacture of persistent or artificial pesticides, herbicides or fertilisers
- ii. food production using intensive farming methods
- iii. production or use of timber from non-sustainable sources
- iv. intensive livestock farming
- v. retail of fur products
- vi. manufacture or sale of weapons, combat platforms or ordnance
- vii. operation of betting or gaming facilities
- viii. production, sale or distribution of sexually explicit material
- ix. production of cigarettes and tobacco products.

Structure, governance and management

Nature of governing document

Gatesbiel Quaker Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014 (formerly the Industrial and Provident Societies Act 1965) with the Financial Conduct Authority (registration number 22990R).

The Rules of the Association are based on the Model Rules 2005 (revised) published by the National Housing Federation, with amendments to rules C28, C29, C30 and C32 relating to voting in meetings (to allow the Quaker practice to be followed, where the Chair takes the 'sense of the meeting').

Recruitment and appointment of Board Members

Members of the Board of Management are appointed by the AGM normally to serve until required to stand down under Rule D12. Anyone standing for appointment to the Board must already be a member of the Association (i.e. a shareholder). The Board may at its discretion admit to membership of the Association (Rules C11, C12 and C13) any individual persons (including nominees of unincorporated bodies), Societies, Companies and Local Authorities (being bodies corporate).

Under the rules, the maximum number of persons appointed to the Board of Management is twelve (including Tenant and co-opted members). Board meetings are normally also attended by the Scheme Manager, Admin/IT support and Business Support Contractor.

Up to two Tenant Board Members may sit on the Board of Management. They are elected by the Tenants.

Gatesfield Quaker Housing Association Limited

Board Members' Report

Induction and training of Board Members

New members of the Board of Management receive a copy of the Rules of the Association, the Governing documents and the Association's Policy Statements as well as various other items of background information on the Association.

Officers of the Board of Management are appointed by the Board, normally at its first meeting after the AGM.

Organisational structure

The Board of Management normally meets twelve times per year and fulfils the following roles:

Review

1. Sets/reviews policies and procedures (e.g. operations, human resources, health & safety, security)
2. Monitors/reviews service delivery (including a periodic satisfaction survey)
3. Monitors/reviews financial status (including running costs, income, investments)
4. Maintains awareness of developments in the social housing sector

Strategic Planning

1. Carries out forward financial planning
2. Determines service provision/future direction
3. Agrees annual budgets and set rents
4. Agrees staff conditions of service (including remuneration), staff contracts, staff recruitment

Other

1. Initiates and approves funding of special projects
2. Undertakes fundraising

We aim to have a Board that reflects the diversity of the local community and our users.

The Board has appointed Advisory Groups to focus on particular matters, as follows:

1. Operational Support Advisory Group
2. Property and Development Advisory Group
3. Finance and Business Planning Advisory Group

Personnel for these groups are usually decided at the first Board Meeting after the Annual General Meeting each year and otherwise by the Board as required.

A review of the Skills, Qualities and Experience required by the Board of Management amongst its members is carried out periodically. The criteria listed below were agreed by the Board, based on a template from National Council for Voluntary Organisations.

1. Awareness of the Sector - knowledge of modern approaches to services for Older People and Supported Housing.
2. Customer Care - bench marking our service with other comparators in the sector.
3. Fundraising - raising money for service developments.
4. Governance - responsibility of the Board to ensure the business of Gatesfield QHA is conducted in a manner that adheres to relevant statutory rules and laws and the Quaker principles under which the Association was established.
5. Human Resources - the recruitment and management of staff that work for the Gatesfield QHA.
6. IT and Business - ensuring best business practice and efficient use of Information Technology.
7. Knowledge of the Community - links with Windermere and wider communities.
8. Legal - ensuring the Association complies with all necessary legislation.
9. Property Management - good repair of the property that belongs to the Association.
10. Strategic planning - maintaining an overview of the longer term direction of the Association.
11. Media/Communications - communicating Gatesfield services and values.

Gatesfield Quaker Housing Association Limited

Board Members' Report

We expect to carry out a further skills audit shortly.

Membership of the Association

Section C of the Rules of the Association set out rules relating to membership of the Association. Subject to the limitations set out in the rules, membership is normally open to anyone providing they support the Association's aims and ethos. All applications for membership will, however, be considered by the Board of Management, which reserves the right to refuse membership.

Members of the Association (also referred to as Shareholders) are responsible for electing the Association's Board which, in turn, is responsible for ensuring the effective management of the Association. The Board appoints the Chair and other Officers of the Association.

All members are invited to the Association's Annual General Meeting, held in May or June each year. The AGM appoints the Board, and may consider any other matters where decisions are made by the membership. If members wish to play a more active role in the Association, they can stand for election to the Board.

The Association is keen to increase the number of Members of the Association and welcomes applications from those who support our aims and wish to contribute to our work.

Tenant Board Members

Tenants have the right to elect up to two Tenant Board Members. Tenant Board Members are full Board Members with equal status to and the same responsibilities as other Board Members, except in the specific circumstances described in the Association's Rules. While Tenant representation through elected Board Members is welcomed, it is not obligatory. Tenants may choose to elect two, one or no Tenant Board Members. Tenant Board Members are elected by the Tenants each year prior to the AGM through secret ballot conducted according to a modified Alternative Vote system (also known as Preference Voting). The modification is that the option not to elect a tenant Board Member appears as a 'candidate'. A prospective Tenant Board member can therefore only be elected if his/her support exceeds the preference votes cast for the option not to have representation. All tenants are eligible to vote. The arrangements for holding the election will be made by the Tenants' meeting. One Tenant Board Member shall normally be elected by the Tenants annually to serve for a period of two years (from the date of the AGM following their election), so that generally two Tenants Board Members will serve at any time. Should a Tenant Board Member stand down before the end of his/her 2-year term an election will be held to fill the vacancy for the remainder of term of the Tenant Board Member who stood down. Tenants wishing to stand for appointment as a Tenant Board Member may be nominated by any tenant (including himself/herself), but in all cases the nominees must give their approval to go forward to stand for election.

Staffing

The Scheme Manager has responsibility for the day-to-day operation of the Scheme. She line manages six part-time and casual staff comprising two part-time Assistant Wardens, two casual Relief Wardens, a part-time Catering Manager and a part-time Tenant Support Worker. The casual IT/Admin support post and Business Support contractor work in close liaison with the Scheme Manager but report directly to the Board.

Gatesfield Quaker Housing Association Limited

Board Members' Report

Financial instruments

Objectives and policies

The Association's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

Cash flow risk

The Association's activities expose it primarily to the financial risks of sharp changes in operating costs.

Credit risk

The Association's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Association's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Association has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The Board Members (who are also the directors of Gatesfield Quaker Housing Association Limited for the purposes of company law) are responsible for preparing the Board Members' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Board Members to prepare financial statements for each financial year. Under company law the Board Members 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Board Members are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Gatesfield Quaker Housing Association Limited

Board Members' Report

The annual report was approved by the Board Members of the Co-operative and Community Benefit Society on 10 April 2019 and signed on its behalf by:

.....
Mary Robinson
Chair

Gatesfield Quaker Housing Association Limited

Independent Reporting Accountant's Report to the members on the unaudited accounts of Gatesfield Quaker Housing Association Limited

We report on the accounts for the year ended 31 December 2018 which are set out on pages 15 to 38.

Respective responsibilities of the Board Members and the independent reporting accountant

The association's board is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue accounts (statement of financial activities) and balance sheet for the year ended 31 December 2018 are in agreement with the books of account kept by the Registered Society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 December 2018 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative Benefit Societies Act 2014.

.....
Stables Thompson & Briscoe
Reporting Accountants & Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date:.....

Gatesfield Quaker Housing Association Limited

Statement of Financial Activities for the Year Ended 31 December 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	2	6,400	112,467	118,867
Charitable activities	3	176,508	-	176,508
Investment income	4	8,752	-	8,752
Total Income		<u>191,660</u>	<u>112,467</u>	<u>304,127</u>
Expenditure on:				
Raising funds	5	(2,357)	-	(2,357)
Charitable activities	6	(227,132)	(967)	(228,099)
Other expenditure	7	(706)	-	(706)
Total Expenditure		(230,195)	(967)	(231,162)
Gains/losses on investment assets		<u>(19,406)</u>	-	<u>(19,406)</u>
Net (expenditure)/income		(57,941)	111,500	53,559
Transfers between funds		9,874	(9,874)	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>(23,159)</u>	-	<u>(23,159)</u>
Net movement in funds		(71,226)	101,626	30,400
Reconciliation of funds				
Total funds brought forward		<u>620,951</u>	22	<u>620,973</u>
Total funds carried forward	22	<u><u>549,725</u></u>	<u><u>101,648</u></u>	<u><u>651,373</u></u>

Gatesfield Quaker Housing Association Limited

Statement of Financial Activities for the Year Ended 31 December 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	2	13,000	10,020	23,020
Charitable activities	3	179,995	-	179,995
Investment income	4	8,197	-	8,197
Total Income		<u>201,192</u>	<u>10,020</u>	<u>211,212</u>
Expenditure on:				
Raising funds	5	(1,754)	-	(1,754)
Charitable activities	6	(198,278)	(331)	(198,609)
Other expenditure	7	(824)	-	(824)
Total Expenditure		<u>(200,856)</u>	<u>(331)</u>	<u>(201,187)</u>
Gains/losses on investment assets		<u>7,613</u>	<u>-</u>	<u>7,613</u>
Net income		7,949	9,689	17,638
Transfers between funds		9,957	(9,957)	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>(80)</u>	<u>-</u>	<u>(80)</u>
Net movement in funds		17,826	(268)	17,558
Reconciliation of funds				
Total funds brought forward		<u>603,125</u>	<u>290</u>	<u>603,415</u>
Total funds carried forward	22	<u><u>620,951</u></u>	<u><u>22</u></u>	<u><u>620,973</u></u>

All of the Co-operative and Community Benefit Society's activities derive from continuing operations during the above two periods.

The funds breakdown for 2017 is shown in note 22.

Gatesfield Quaker Housing Association Limited

(Registration number: IP22990R) Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	886,526	900,713
Investments	14	<u>270,686</u>	<u>217,394</u>
		<u>1,157,212</u>	<u>1,118,107</u>
Current assets			
Stocks	15	250	250
Debtors	16	9,464	3,710
Cash at bank and in hand		<u>26,059</u>	<u>38,647</u>
		35,773	42,607
Creditors: Amounts falling due within one year	17	<u>(10,664)</u>	<u>(12,071)</u>
Net current assets		<u>25,109</u>	<u>30,536</u>
Total assets less current liabilities		1,182,321	1,148,643
Creditors: Amounts falling due after more than one year	18	-	(12,500)
Provisions	19	<u>(461,037)</u>	<u>(461,037)</u>
Net assets excluding pension liability		721,284	675,106
Pension scheme liability	20	<u>(69,863)</u>	<u>(54,084)</u>
Net assets including pension liability		<u>651,421</u>	<u>621,022</u>
Funds of the Co-operative and Community Benefit Society:			
Restricted funds		<u>101,648</u>	<u>22</u>
Unrestricted income funds			
Called up share capital	21	48	49
Unrestricted funds		<u>549,725</u>	<u>620,951</u>
Total unrestricted funds		<u>549,773</u>	<u>621,000</u>
Total funds	22	<u>651,421</u>	<u>621,022</u>

The financial statements on pages 15 to 38 were approved by the Board Members, and authorised for issue on 10 April 2019 and signed on their behalf by:

.....
Michael Carter (Treasurer)
Trustee

.....
Mary Robinson
Chairman

.....
David Aspinall
Company Secretary

Gatesfield Quaker Housing Association Limited

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

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

Gatesfield Quaker Housing Association Limited is a Co-operative and Community Benefit Society (formerly Industrial and Provident Society) reporting to the Financial Conduct Authority and a company limited by shares incorporated in England. The address of the registered office is given in the information page of these financial statements. The nature of the Association's operations and principal activities are to provide housing accommodation as described in the Board Members' Report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 1A and the Co-operative and Community Benefit Societies Act 2014.

Basis of preparation

Gatesfield Quaker Housing Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the company, and rounded to the nearest £.

Going concern

The Board Members consider that there are no material uncertainties about the Co-operative and Community Benefit Society's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the Co-operative and Community Benefit Society.

Departure from requirements of FRS 102

Gatesfield Quaker Housing Association Limited has not discounted its long term liability, as it is not deemed to be material.

Holiday pay outstanding at 31 December 2018 is immaterial and therefore has not been adjusted for in the accounts.

Exemption from preparing a cash flow statement

The Co-operative and Community Benefit Society opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the Co-operative and Community Benefit Society has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Gatesfield Quaker Housing Association Limited

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

Donations and legacies

Donations are recognised when the Co-operative and Community Benefit Society has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Co-operative and Community Benefit Society before the Co-operative and Community Benefit Society is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Co-operative and Community Benefit Society and it is probable that these conditions will be fulfilled in the reporting period.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Co-operative and Community Benefit Society has unconditional entitlement.

Other trading activities

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Investment income

Income from investments is included in the year in which it is receivable.

Other income

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purchases.

Charitable activities

Charitable expenditure comprises those costs incurred by the Registered Society 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.

Governance costs

These include the costs attributable to the Registered Society's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Gatesfield Quaker Housing Association Limited

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

Taxation

The Co-operative and Community Benefit Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Co-operative and Community Benefit Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £200.00 or more are initially recorded at cost including any incidental costs of acquisition.

Flat upgrades are capitalised in the accounts at cost and not written off as repairs where this involves a complete refurbishment of the flat.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold properties	2% straight line of the net cost after grants
Leasehold improvements	5% straight line
Fixtures, fittings and equipment	20% reducing balance

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and net realisable value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Gatesfield Quaker Housing Association Limited

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Co-operative and Community Benefit Society has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the Co-operative and Community Benefit Society has an obligation at the reporting date as a result of a past event, it is probable that the Co-operative and Community Benefit Society will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Social Housing Grants (SHG)

SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

SHG received as a contribution towards the capital costs of a scheme is shown as a provision. If the property was sold this amount would need to be repaid, so the total grant received is shown as deferred income on the balance sheet. The depreciation charged on long leasehold property is adjusted proportionally to reflect this amount.

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

Gatesfield Quaker Housing Association Limited

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

The building fund represents the net book value of the long leasehold land and buildings included in tangible fixed assets.

The emergency fund has been set up to sustain the operation of Registered Society in the event of any period where income is severely reduced or disrupted and is equal to 50% of prior years support costs, excluding depreciation.

The flat upgrade fund provides resources for the one remaining flat upgrades required now that SLDC grants are no longer available.

The designated garden fund represents money set aside to develop the gardens at Gatesfield.

The non-recurrent maintenance fund represents money set aside for non-recurrent maintenance projects.

The general funds are the remaining free reserves.

The revaluation reserve represents the unrealised gains on investments held.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Specific donations towards the upkeep of the gardens were received during the year.

The Restricted Tenants' Welfare Fund are monies donated to Gatesfield to fund communal or individual welfare needs outside normal social housing provisions. These can include items of equipment.

The Restricted Development Fund has been set up as part of Gatesfield's 30th Anniversary Appeal to support the development of property by Gatesfield to enhance the facilities offered to tenants and to ensure that the charity continues to meet their changing needs.

The Restricted Craft Cottage Project Fund has been set up for the receipt and expenditure of funds donated to Gatesfield specifically for the Craft Cottage project.

The transfers relate to the initial costs of the Craft Cottage Project and is reflected in the additions to the fixed assets.

Pensions and other post retirement obligations

The pension costs charged in the financial statements represent the contributions payable by the Registered Society during the year. Gatesfield participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is a contracted out of the state scheme. SHPS is a multi-employer scheme offering both defined benefit and defined contribution pensions. Gatesfield offer defined benefit pensions to all non-casual staff. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

Gatesfield Quaker Housing Association Limited

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the Co-operative and Community Benefit Society becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Co-operative and Community Benefit Society after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Co-operative and Community Benefit Society intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Co-operative and Community Benefit Society transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Co-operative and Community Benefit Society, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Gatesfield Quaker Housing Association Limited

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

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General	funds	£	£
	£	£	£	£
Donations and legacies;				
Donations to development fund & Craft Cottage project	-	108,520	108,520	1,290
Donations	5,985	835	6,820	20,355
Gift aid reclaimed	415	3,112	3,527	1,375
	<u>6,400</u>	<u>112,467</u>	<u>118,867</u>	<u>23,020</u>

3 Income from charitable activities

	Unrestricted funds	Total 2018	Total 2017
	General	£	£
	£	£	£
Rent income and staff accommodation charges	148,216	148,216	146,962
Catering income	12,797	12,797	15,998
Guest Room income	2,480	2,480	3,360
Sundry income	20	20	1,107
Gatesfield at Home	360	360	465
Tenant support	4,435	4,435	3,703
Eric & Marion Scott Trust Grant	8,200	8,200	8,400
	<u>176,508</u>	<u>176,508</u>	<u>179,995</u>

4 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General	£	£
	£	£	£
Income from dividends;			
Dividends receivable from other listed investments	8,752	8,752	8,197
	<u>8,752</u>	<u>8,752</u>	<u>8,197</u>

Gatesfield Quaker Housing Association Limited

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

5 Expenditure on raising funds

a) Investment management costs

	Allocated support costs £	Total 2018 £	Total 2017 £
Investment management costs	2,357	2,357	1,754

6 Expenditure on charitable activities

	Unrestricted funds Other £	Restricted funds £	Total 2018 £	Total 2017 £
Catering	9,414	-	9,414	8,791
Extra care housing operating costs	213,594	967	214,561	184,471
Governance costs	4,124	-	4,124	5,347
	227,132	967	228,099	198,609
		Activity support costs £	Total 2018 £	Total 2017 £
Extra care housing operating costs		214,561	214,561	184,471
Catering		9,414	9,414	8,791
Governance costs		4,124	4,124	5,347
		228,099	228,099	198,609

£235,218 (2017 - £198,278) of the above expenditure was attributable to unrestricted funds and £967 (2017 - £331) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £4,124 (2017 - £5,347) which relate directly to charitable activities. See note 8 for further details.

Gatesfield Quaker Housing Association Limited

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

7 Other expenditure

		Unrestricted funds	Total 2018	Total 2017
	Note	General £	£	£
Staff costs				
Pension finance costs		706	706	824
		706	706	824
		706	706	824

8 Analysis of governance and support costs

Governance costs

		Unrestricted funds	Total 2018	Total 2017
		General £	£	£
Independent Reporting Accountant's remuneration		3,870	3,870	3,377
Trustee and staff expenses		194	194	1,743
Legal and professional fees		60	60	120
Other governance costs		-	-	107
		4,124	4,124	5,347
		4,124	4,124	5,347

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2018	2017
	£	£
Depreciation of fixed assets	31,178	29,754
	31,178	29,754

10 Board Members remuneration and expenses

No Board Members, nor any persons connected with them, have received any remuneration from the Co-operative and Community Benefit Society during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Donations made by the Board Members without any conditions attached totalled £200 for the year (2017 - £1,742).

Gatesfield Quaker Housing Association Limited

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

11 Staff costs

The aggregate payroll costs were as follows:

	2018	2017
	£	£
Staff costs during the year were:		
Wages and salaries	99,122	86,062
Social security costs	3,005	1,626
Pension costs	9,021	8,915
Other staff costs	1,263	574
	<u>112,411</u>	<u>97,177</u>

The monthly average number of persons (including senior management team) employed by the Co-operative and Community Benefit Society during the year expressed as full time equivalents was as follows:

	2018	2017
	No	No
Full time equivalent members of staff	<u>3</u>	<u>3</u>

The average headcount (number of staff employed) was 10 during the year.

1 (2017 - 0) of the above employees participated in the Defined Contribution Pension Schemes.

3 (2017 - 4) of the above employees participated in the Defined Benefit Pension Schemes.

Contributions to the employee pension schemes for the year including past deficit contributions totalled £16,401 (2017 - £15,877).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the Co-operative and Community Benefit Society were £31,608 (2017 - £39,126).

Gatesfield Quaker Housing Association Limited

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

12 Taxation

The Co-operative and Community Benefit Society is an exempt charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2018	1,034,945	81,248	1,116,193
Additions	16,991	-	16,991
At 31 December 2018	1,051,936	81,248	1,133,184
Depreciation			
At 1 January 2018	141,306	74,174	215,480
Charge for the year	29,762	1,416	31,178
At 31 December 2018	171,068	75,590	246,658
Net book value			
At 31 December 2018	880,868	5,658	886,526
At 31 December 2017	893,639	7,074	900,713

Included within the net book value of land and buildings above is £Nil (2017 - £Nil) in respect of freehold land and buildings and £880,868 (2017 - £893,639) in respect of leaseholds.

The cumulative Housing Association Grants received by the Association is £461,037 (2017 £461,037). This may become repayable in part, if the properties are sold. The Association has also received grants from SLDC which may also become repayable if the properties were to be sold within five years of the works being approved.

14 Fixed asset investments

	2018 £	2017 £
Other investments	270,686	217,394

Gatesfield Quaker Housing Association Limited

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

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2018	217,394	217,394
Revaluation	(19,406)	(19,406)
Additions	119,706	119,706
Disposals	<u>(47,008)</u>	<u>(47,008)</u>
At 31 December 2018	<u>270,686</u>	<u>270,686</u>
Net book value		
At 31 December 2018	<u>270,686</u>	<u>270,686</u>
At 31 December 2017	<u>217,394</u>	<u>217,394</u>

The market value of the listed investments at 31 December 2018 was £270,686 (2017 - £217,394).

15 Stock

	2018 £	2017 £
Raw materials	<u>250</u>	<u>250</u>

16 Debtors

	2018 £	2017 £
Prepayments	2,632	2,337
Other debtors	<u>6,832</u>	<u>1,373</u>
	<u>9,464</u>	<u>3,710</u>

Gatesfield Quaker Housing Association Limited

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

17 Creditors: amounts falling due within one year

	2018 £	2017 £
Quaker Housing Trust loan	-	2,500
Other taxation and social security	5,304	3,138
Pension scheme creditor	-	1,814
Accruals	4,926	4,205
Deferred income	434	414
	10,664	12,071

18 Creditors: amounts falling due after one year

	2018 £	2017 £
Quaker Housing Trust loan	-	12,500

Included in the creditors are the following amounts due after more than five years:

	2018 £	2017 £
After more than five years by instalments	-	2,500

19 Provisions

	Other provision 1 £	Total £
At 1 January 2018	461,037	461,037

The provision relates to Social Housing Grants received when the original property was developed. These are repayable in the event of a sale or in certain other circumstances such as ceasing to provide social housing.

20 Pension and other schemes

Defined benefit pension schemes

The Pensions Trust - Social Housing Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The date of the most recent comprehensive actuarial valuation was 30 September 2017.

Gatesfield Quaker Housing Association Limited

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

Multi-employer plans

The Association offers a defined benefit pension scheme (the Social Housing Pension Scheme, SHPS) operated by The Pensions Trust. This is currently taken up by the Scheme Manager, one Assistant Warden, one Cleaner/Relief Warden and the Cook. The scheme and its assets are held by independent managers.

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 28 November 2018 and showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m. To eliminate this funding shortfall, the trustees and the participating employers have agreed a new Recovery Plan which replaces the tiered approach. Additional contributions will be paid, in combination from all employers, to the scheme as follows:

From 1 April 2019 to 30 September 2026: £161.0m per annum (payable monthly and increasing by 2% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014; this valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers agreed that additional contributions would be paid, in combination from all employers, to the scheme as follows:

Tier 1, from 1 April 2016 to 30 September 2020: £40.6m per annum (payable monthly and increasing by 4.7% each year on 1 April)

Tier 2, from 1 April 2016 to 30 September 2023: £28.6m per annum (payable monthly and increasing by 4.7% each year on 1 April)

Tier 3, from 1 April 2016 to 30 September 2026: £32.7m per annum (payable monthly and increasing by 3.0% each year on 1 April)

Tier 4, from 1 April 2016 to 30 September 2026: £31.7m per annum (payable monthly and increasing by 3.0% each year on 1 April)

The scheme is classified as a "last man standing arrangement". Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate of 1.84% (2017 - 1.41%) in these accounts. The unwinding of the discount rate is recognised as a finance cost. The discount rate used is the equivalent single discount rate which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Gatesfield Quaker Housing Association Limited

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

Other important changes are that benefits accrued after 1st April 2016 are based on a normal retirement age of 67 (while those accrued prior to 1st April 2016 are based on a normal retirement age of 65). Also from 1st April 2016, a lower cap of 2.5% (instead of 5%) will apply to the revaluation both of members' benefits prior to retirement and of increases in pensions in payment (as with the change in normal retirement age, this only applies to benefits accrued after 1st April 2016).

Providing the scheme remains open there should be no crystallisation of the Association's liability in this respect.

21 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Shares of £1 each	<u>48</u>	<u>48</u>	<u>49</u>	<u>49</u>

Gatesfield Quaker Housing Association Limited

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

22 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2018 £
Unrestricted funds						
<i>General</i>						
Building fund	432,600	-	(29,762)	16,991	-	419,829
Emergency fund	75,472	-	-	4,965	-	80,437
Flat upgrade fund	10,160	-	-	(10,160)	-	-
Designated garden fund	925	-	-	-	-	925
Non-recurrent maintenance fund	70,254	-	(24,882)	40,889	-	86,261
Designated development fund	21,334	-	-	12,500	-	33,834
Free reserve	49,479	191,660	(182,931)	(54,507)	-	3,701
Revaluation reserve	14,811	-	-	(804)	(19,406)	(5,399)
	<u>675,035</u>	<u>191,660</u>	<u>(237,575)</u>	<u>9,874</u>	<u>(19,406)</u>	<u>619,588</u>
<i>Other</i>						
Pension scheme deficit	(54,084)	-	7,380	-	(23,159)	(69,863)
	<u>(54,084)</u>	<u>-</u>	<u>7,380</u>	<u>-</u>	<u>(23,159)</u>	<u>(69,863)</u>
Total Unrestricted funds	<u>620,951</u>	<u>191,660</u>	<u>(230,195)</u>	<u>9,874</u>	<u>(42,565)</u>	<u>549,725</u>
Restricted funds						
Restricted garden fund	389	835	(528)	-	-	696
Development fund	100	3,950	-	-	-	4,050
Tenants' welfare fund	5,375	-	(139)	-	-	5,236
Craft Cottage Project	(6,142)	107,682	-	(9,874)	-	91,666
Restricted donations	300	-	(300)	-	-	-
	<u>22</u>	<u>112,467</u>	<u>(967)</u>	<u>(9,874)</u>	<u>-</u>	<u>101,648</u>
Total restricted funds	<u>22</u>	<u>112,467</u>	<u>(967)</u>	<u>(9,874)</u>	<u>-</u>	<u>101,648</u>
Total funds	<u>620,973</u>	<u>304,127</u>	<u>(231,162)</u>	<u>-</u>	<u>(42,565)</u>	<u>651,373</u>

Gatesfield Quaker Housing Association Limited

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

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2017 £
Unrestricted funds						
<i>General</i>						
Building fund	453,257	-	(27,989)	7,332	-	432,600
Tenants' welfare fund	6,484	-	(9,109)	2,625	-	-
Emergency fund	68,552	-	-	6,920	-	75,472
Flat upgrade fund	10,000	-	-	160	-	10,160
Designated garden fund	925	-	-	-	-	925
Non-recurrent maintenance fund	55,695	1,107	(6,868)	20,320	-	70,254
Designated development fund	11,334	-	-	10,000	-	21,334
Free reserve	43,561	200,085	(163,852)	(39,200)	8,885	49,479
Revaluation reserve	14,283	-	-	1,800	(1,272)	14,811
	<u>664,091</u>	<u>201,192</u>	<u>(207,818)</u>	<u>9,957</u>	<u>7,613</u>	<u>675,035</u>
<i>Other</i>						
Pension scheme deficit	(60,966)	-	6,962	-	(80)	(54,084)
	<u>(60,966)</u>	<u>-</u>	<u>6,962</u>	<u>-</u>	<u>(80)</u>	<u>(54,084)</u>
Total unrestricted funds	<u>603,125</u>	<u>201,192</u>	<u>(200,856)</u>	<u>9,957</u>	<u>7,533</u>	<u>620,951</u>
Restricted funds						
Restricted garden fund	290	370	(271)	-	-	389
Development fund	-	100	-	-	-	100
Tenants' welfare fund	-	8,000	-	(2,625)	-	5,375
Craft Cottage Project	-	1,190	-	(7,332)	-	(6,142)
Restricted donations	-	360	(60)	-	-	300
	<u>290</u>	<u>10,020</u>	<u>(331)</u>	<u>(9,957)</u>	<u>-</u>	<u>22</u>
Total restricted funds	<u>290</u>	<u>10,020</u>	<u>(331)</u>	<u>(9,957)</u>	<u>-</u>	<u>22</u>
Total funds	<u>603,415</u>	<u>211,212</u>	<u>(201,187)</u>	<u>-</u>	<u>7,533</u>	<u>620,973</u>

Gatesfield Quaker Housing Association Limited

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

The specific purposes for which the funds are to be applied are as follows:

The restricted garden fund receives donations made specifically towards the upkeep of the gardens.

The restricted Tenants' welfare fund receives donations to fund communal or individual welfare needs outside normal social housing provisions. These can include items of equipment.

The restricted development fund has been set up as part of Gatesfield's 30th Anniversary Appeal to support the development of property by Gatesfield to enhance the facilities offered to tenants and to ensure that the charity continues to meet their changing needs.

The restricted Craft Cottage fund has been set up for the receipt and expenditure of funds donated to Gatesfield specifically for the Craft Cottage project.

The transfers relate to the initial costs of the Craft Cottage Project and is reflected in the additions to the fixed assets.

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	886,526	-	886,526
Fixed asset investments	181,382	89,304	270,686
Current assets	23,429	12,344	35,773
Current liabilities	(10,664)	-	(10,664)
Provisions	(461,037)	-	(461,037)
Pension scheme liability	(69,863)	-	(69,863)
Total net assets	<u>549,773</u>	<u>101,648</u>	<u>651,421</u>

Gatesfield Quaker Housing Association Limited

The following pages do not form part of the statutory accounts.

Gatesfield Quaker Housing Association Limited

Detailed statement of financial activities

	2018	2017
	£	£
Income from charitable activities		
Rent income and staff accommodation charges	148,216	146,962
Catering income	12,797	15,998
Guest Room income	2,480	3,360
Gatesfield at home	360	465
Tenant Support Services	4,435	3,703
Eric & Marion Scott Trust Grant	8,200	8,400
Sundry income	20	1,107
	176,507	179,995
Direct costs		
Catering purchases	(9,414)	(8,791)
	167,093	171,204
Social housing operating costs	(214,561)	(184,471)
Governance costs	(4,124)	(5,347)
Interest on pension scheme deficit	(706)	(824)
Operating surplus/(deficit)	(52,298)	(19,438)
Income from donations and legacies	118,867	23,020
Investment income	8,752	8,197
Realised gains	804	8,883
Pension deficit remeasurements	(23,159)	(80)
Investment management fees	(2,357)	(1,754)
	50,609	18,828
Unrealised gains/(losses) on investments	(20,210)	(1,270)
Net movement in funds	30,399	17,558

Gatesfield Quaker Housing Association Limited

Detailed statement of financial activities

	2018	2017
	£	£
Social housing operating costs		
Staff costs	111,705	96,353
Rates and water	1,993	1,909
Heat, light and power	5,783	7,172
Recurrent Maintenance	1,922	2,408
Maintenance Contractor	1,277	-
Safety	6,612	6,190
Non-recurrent maintenance	24,882	6,869
Insurance	3,496	3,450
Gardening - recurrent	5,885	5,319
Residents' taxi service	446	519
Payroll administration	571	525
Business Support Contractor	6,931	5,930
Advertising	-	-
Mobile Warden/Call System/Call Centre	1,648	2,889
Telephone & Broadband	1,927	1,708
Craft Cottage	2,176	2,047
Gatesfield at home	-	-
Depreciation	31,178	29,754
Communal Facilities	439	362
Computer Costs, Printing, Postage and Stationery	2,517	1,405
Contingency	-	39
Donations	300	60
Tenant care and welfare	139	9,109
Loan admin fees	1,500	(540)
Membership and Regulator Fees	1,234	994
	214,561	184,471