

QUO VADIS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

COMPANY REGISTRATION NO. 05876659

CHARITY REGISTRATION NO. 1116196

REGULATOR OF SOCIAL HOUSING NO: 4703

QUO VADIS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

LEGAL AND ADMINISTRATIVE DETAILS

The Company was formed on 14th July 2006 and took over the assets, liabilities and operations of Quo Vadis, a charitable trust, from 6th April 2007. Quo Vadis Trust is also a registered charity and registered under the Regulator of Social Housing (RSH)

Registered Company No.: 05876659

Registered Charity No.: 1116196

RSH Registration number: 4703

Registered Office: 92 Brownhill Road
 Catford, London
 SE6 2EW

Professional Advisors*Solicitors*

Hadfield & Co
 1 Central Avenue
 Welling
 Kent
 DA16 3AX

Bankers

Lloyds Bank
 2nd Floor, Gail House
 5 Lower Stone Street
 Maidstone
 Kent
 ME15 6NB

Auditors

Knox Cropper
 Registered Auditors
 8/9 Well Court
 London
 EC4M 9DN

Insurance Brokers

Arthur J. Gallagher (UK) Ltd
 The Walbrook Building
 25 Walbrook
 London
 EC4N 8AW

DIRECTORS

The directors of the company serve as the charitable company's trustees. The following served as directors from 1 April 2017 and up to the date of this report.

| | | |
|---|--------------------|-------------------|
| Bill Puddicombe (Chair from 08-08-17) | Appointed 15-11-14 | |
| Roy Rodriguez | Appointed 03-05-14 | Resigned 14-08-17 |
| Zena Everett | Appointed 03-05-14 | Resigned 13-11-17 |
| Daniel Addis | Appointed 31-01-15 | Resigned 04-08-17 |
| Tayvanie Nagendran (Vice-Chair) | Appointed 04-06-15 | |
| Stephen Wells (Chair from 31-12-16 to 07-08-17) | Appointed 05-09-15 | |
| Dr Stephen Dellar | Appointed 20-04-17 | |
| Lorraine Ash | Appointed 25-05-17 | |
| Mark Lemmon | Appointed 25-05-17 | |
| Tina Paul | Appointed 20-05-17 | |
| Adebayo Oyeniyi | Appointed 25-05-17 | |

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

The Board presents the financial statements for the year ended 31 March 2018.

OBJECTS AND PRINCIPAL ACTIVITIES

The provision of care and support to vulnerable people in London whose health and wellbeing is adversely affected by mental or physical ill health or frailty and to provide or facilitate the provision of suitable supported or unsupported social housing accommodation and/or care and support that meets their needs, supports recovery, maximizes independence and promotes community enabling the individual to maximize quality of life.

REVIEW OF THE YEAR

The Board is pleased with the progress made in the first full year of Ingrid Tennessee's tenure as Chief Executive Officer. Work to meet our strategic objectives has been good, including improvement to our properties encompassing outsourcing maintenance and working on a planned cyclical repair programme. Professionalisation of staff has continued, including implementing a personalised and focused training programme, carrying out regular supervision meetings and appraisals, introducing a competency framework and devising a new induction system. The management team has been strengthened with the appointment of a Human Resources Manager and Head of Finance.

The Board recognises the continued efforts of the Trust's staff to ensure that the values of the charity are put at the centre of all we do. These are known by the acronym DERIK, and consist of dignity, excellence, respect, integrity and kindness.

Properties

The Trust has added 2 properties to its estate in the year and taken full ownership of its flagship Verdant Lane site, which provides 24 hour support for clients. Acquisition of the Verdant Lane site places the organisation in a stronger position as the proportion of owned units has increased. The number of properties under management has increased to 20 and units to 144.

The Trust moved into its new head office in Brownhill Road, Catford in March. This provides a hub for all administrative activity, is centrally located and accessible to far more clients than the previous premises. A café is under development and a fully equipped community resource space and garden are located at the site

Surplus

All the above has resulted in our operating surplus for the year increasing from £222,504 in 2017 to £285,273 in 2018. This is a very encouraging performance, which places the Trust in a good position to assist beneficiaries in the future.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

REVIEW OF THE YEAR *Contd....*Operating environment

The operating environment has been challenging in the year as evidenced by the increased void cost of £190,387, up from £160,268 in 2017. The Trust has drawn up a plan to increase occupancy rates and hence reduce void cost and is working with its partners to implement this. The situation regarding the funding of Housing Benefit in future years remains uncertain, something which the organisation is monitoring and making plans for.

Short and long term planning:

The Board agreed a new 5 year strategy in March 2017, with implementation having begun in 2017/18. Good progress has been made on all aspects of the strategy under the 3 strategic pillars:

- Mental Health Care and support service delivery with appropriately trained and skilled staff
- Housing and maintenance agile in response, high quality in standard
- Diversifying portfolio creating other income streams

The Review of the Year sets out the detailed progress made, with further work to take place at the annual away day in September 2018.

VALUE FOR MONEY

A new Value for Money (VfM) Standard, issued by the Regulator for Social Housing (RSH), came into effect from April 2018. It moved the focus of the Regulator's approach away from the primarily narrative VfM Statements to reporting through the statutory annual accounts by providers on progress in meeting their own targets, including a suite of metrics to be defined, from time to time by the RSH.

The outcomes required by the new standard are that providers registered with the RSH must:

1. Clearly articulate their strategic objectives;
2. Have an approach agreed by the Board to the achievement of VfM in meeting those objectives and the demonstration of the delivery of VfM to stakeholders;
3. Through the strategic objectives to articulate the Board's strategy for delivering homes that meet a range of needs;
4. Ensure that optimal benefit is derived from resources and assets to secure economy, efficiency and effectiveness in the delivery of strategic objectives.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

VALUE FOR MONEY (continued)

Quo Vadis Trust is conscious of the need to ensure that the funding which it is given is used to maximum effectiveness in the fulfilment of its charitable objectives. In particular by:

- Seeking to ensure that the properties leased and used to provide supported housing to our clients are acquired at or below market rents.
- Ensuring maintenance on the properties is carried out effectively, efficiently and economically.
- Minimising expenditure on running costs and administration by making the best use of available technology and negotiating value for money supply arrangements.
- Training our staff to ensure that they are capable of fulfilling the roles they are assigned, for the benefit of our clients.
- Delivering excellent customer service by providing more cost effective and efficient services to our clients. We aim to do this by ensuring they receive value for their rent.
- Maintaining tight control over expenditure by reviewing our performance on a regular basis at Senior Management Team level and quarterly by the Board.

| | 2018 | 2017 |
|--|-------------|-------------|
| Metric 1 – Reinvestment % | 44.89% | 2.56% |
| Metric 2 – New Supply Delivered % | | |
| A. New Supply Delivered (Social Housing Units) % | 7.46% | 4.03% |
| B. New Supply Delivered (Non-Social Housing Units) % | - | - |
| Metric 3 – Gearing % | 50.88% | 28.93% |
| Metric 4 – EBITDA MRI Interest Cover % | 418.57% | 638.28% |
| Metric 5 – Headline Social Housing Cost per Unit | £17, 878 | £18,166 |
| Metric 6 – Operating Margin % | | |
| A. Operating Margin (Social Housing Lettings) % | 13.86% | 12.55% |
| B. Operating Margin (Overall) % | 11.61% | 8.96% |
| Metric 7 – Return on Capital Employed % | 11.26% | 13.19% |

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Trust complies with the RSH's Governance and Financial Viability Standard through:

- Adoption of the principal recommendations of the 2015 NHF Code of Governance.
- An effective Board of Management, appraised regularly.
- A complete set of Standing Orders which is under review.
- A risk management framework with a detailed risk map.
- A long term financial plan.
- Compliance with lenders covenants with the Board monitoring compliance on a quarterly basis.
- Sufficient liquidity to meet contractual commitments.
- An effective system of internal controls which are reviewed by the Audit Committee.
- An asset and liability register which we are finalising.
- A Risk and Governance Committee, which reviews and advises the Board on all aspects of governance.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

BOARD MEMBERS OBLIGATIONS

The board deals with the policy, strategy, and business effectiveness of the organisation and ensures its good governance, compliance with the law, code of governance and regulatory requirements. It works with the executive to ensure this is achieved, and is satisfied that this year the organisation is compliant with all requirements.

STATEMENT OF THE BOARD'S FINANCIAL RESPONSIBILITIES

The Companies Act 2006 and the Housing and Regeneration Act 2008 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the Board are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The Board is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, who are also the Trustees of the Charitable Company, confirm that at the date of this report, the following applies:

- So far as each Director is aware there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware; and
- Each Director has taken all the steps necessary to make herself / himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

INTERNAL CONTROL

The Board is responsible for ensuring the effectiveness of Internal Control and this is a responsibility which cannot be delegated.

RISK MANAGEMENT

The Directors review the risks faced by the Company, including financial risks, on an ongoing basis and have systems in place to mitigate those risks.

PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have complied with the duty set out under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit 'Charities and Public Benefit' in developing the objectives for the year and in planning activities.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

AUDITORS

Messrs. Knox Cropper have expressed their willingness to continue in office and a resolution for re-appointment will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Bill Puddicombe (Chair)

Date: 28 July 2018

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
QUO VADIS TRUST

OPINION

We have audited the financial statements of Quo Vadis Trust (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing (April 2015).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
QUO VADIS TRUST

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> . This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
QUO VADIS TRUST

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken, so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.



Richard Billinghamurst
Knox Cropper
Chartered Accountants
Statutory Auditor

8/9 Well Court
London
EC4M 9DM

28 July 2018

QUO VADIS TRUST**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2018**

| | Notes | 2018 £ | 2017 £ |
|---|--------------|------------------------|------------------------|
| TURNOVER | 2 | 3,248,344 | 3,046,817 |
| Operating Expenditure | 2 | <u>(2,871,261)</u> | <u>(2,773,721)</u> |
| OPERATING SURPLUS | | 377,083 | 273,096 |
| Interest Receivable | 4 | 363 | 55 |
| Interest and Financing Costs | 5 | <u>(92,173)</u> | <u>(50,647)</u> |
| SURPLUS FOR THE YEAR & TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>£285,273</u></u> | <u><u>£222,504</u></u> |

All activities reported above, both in the current and preceding year relate to continuing activities.

STATEMENT OF CHANGES IN RESERVES

| | 2018 £ | 2017 £ |
|--|--------------------------|--------------------------|
| Balance at 1 April 2017 | 1,098,892 | 876,388 |
| Surplus from Statement of Comprehensive Income | 285,273 | 222,504 |
| Balance at 31 March 2018 | <u><u>£1,384,165</u></u> | <u><u>£1,098,892</u></u> |

QUO VADIS TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|-------------|------------|
| FIXED ASSETS | | | |
| Tangible Fixed Assets: | | | |
| Housing Properties | 9 | 3,126,530 | 1,592,788 |
| Other Tangible Fixed Assets | 10 | 32,473 | 43,341 |
| | | 3,159,003 | 1,636,129 |
| CURRENT ASSETS | | | |
| Debtors | 11 | 159,329 | 127,146 |
| Cash at Bank and In Hand | | 575,736 | 526,767 |
| | | 735,065 | 653,913 |
| CREDITORS: Amounts falling due within one year | 12 | (546,045) | (220,206) |
| NET CURRENT ASSETS | | 189,020 | 433,707 |
| CREDITORS: Amounts falling due after more than one year | 13 | (1,963,858) | (970,944) |
| TOTAL NET ASSETS | | £1,384,165 | £1,098,892 |
| CAPITAL AND RESERVES | | | |
| Revenue Reserves | 15 | 1,384,165 | 1,098,892 |
| TOTAL RESERVES | | £1,384,165 | £1,098,892 |

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the section 1a of the Financial Reporting Standard 102.

The financial statements were approved by the Board on 28 July 2018 and were signed on its behalf by:



Board Member
Bill Puddicombe (Chair)



Board Member
Stephen Wells (Trustee)

QUO VADIS TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2018**

| | 2018 | 2017 |
|--|-----------------|-----------------|
| | £ | £ |
| Net cash generated from operating activities (see Note 1) | 564,903 | 396,161 |
| Cash flow from investing activities | | |
| Freehold/leasehold property improvements | (1,589,821) | (45,258) |
| Purchase of Tangible Fixed Assets | (11,676) | (2,962) |
| Interest received | 363 | 55 |
| Cash flow from financing activities | | |
| Interest paid | (86,012) | (50,647) |
| New borrowings | 1,265,000 | - |
| Repayments of borrowings | (93,788) | (62,227) |
| Net change in cash and cash equivalents | 48,969 | 235,122 |
| Cash and cash equivalents at beginning of the year (see Note 2) | 526,767 | 291,646 |
| Cash and cash equivalents at end of the year (see Note 2) | £575,736 | £526,768 |

QUO VADIS TRUST**NOTES TO THE STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2018**

| | 2018 | 2017 |
|--|-----------------|-----------------|
| | £ | £ |
| Note 1 | | |
| Cash flow from operating activities | | |
| Surplus for the year | 285,273 | 222,504 |
| Adjustments for non-cash items: | | |
| Depreciation of property assets | 56,079 | 54,403 |
| Depreciation of tangible fixed assets | 22,544 | 21,559 |
| Decrease/(increase) in trade and other debtors | (32,183) | 23,700 |
| Increase/(decrease) in trade and other creditors | 147,541 | 23,403 |
| Interest payable | 86,012 | 50,647 |
| Interest received | (363) | (55) |
| | £564,903 | £396,161 |
| Note 2 | | |
| Analysis of cash and cash equivalents | | |
| Bank current accounts | 572,458 | 524,781 |
| Cash in hand | 3,278 | 1,986 |
| | £575,736 | £526,767 |

QUO VADIS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in respect of material items in the Trust's financial statements.

(a) Basis of Accounting:

Quo Vadis Trust is a company limited by guarantee, a registered provider of social housing and a public benefit entity.

The financial statements are prepared on the historical cost basis of accounting and in accordance with Financial Reporting Standard 102, the Statement of Recommended Practice for Registered Social Housing Providers (Housing SORP 2014), the Accounting Direction for Private Registered Providers of Social Housing (April 2015) and the Companies Act. The presentational currency of the financial statements is Pound Sterling (£).

The Charity is dependent upon rental income and the directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(b) Turnover:

Turnover represents rental income and other housing income receivable. Turnover arises solely within the United Kingdom.

(c) Housing Properties

Housing properties are properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements that increase the net rental income from the property.

Freehold land is not depreciated. Depreciation is charged to write down the net book value of major components to their residual values on a straight line basis over their estimated useful lives of the major components as follows:

| | Useful life (years) |
|---------------------------|---------------------|
| Main fabric | 100 |
| Roof structure | 70 |
| Window and external doors | 30 |
| Gas boilers/fires | 15 |
| Kitchen | 20 |
| Bathroom/WCs | 30 |
| Mechanical systems | 30 |
| Electrics | 40 |

Improvements to Short Leasehold Properties are depreciated over the shorter of 4 years or the remaining term of the lease.

QUO VADIS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

(d) **Other Tangible Fixed Assets**

Other tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible assets, at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

| | | |
|-----------------------|---|-------------------|
| Vehicles | - | 25% Straight Line |
| Fixtures and Fittings | - | 20% Straight Line |
| Office Equipment | - | 15% Straight Line |
| IT Hardware | - | 25% Straight Line |

(e) **Management Expenses**

Management Expenses are allocated direct to activities where possible and when direct allocation is not possible they are apportioned on the basis of number of clients.

(f) **Taxation**

The Trust's activities are charitable and therefore not liable to tax. The Trust is not registered for VAT and accordingly, where applicable all costs and expenditure are inclusive of VAT.

(g) **Pensions**

The Trust operates a defined contribution pension scheme. Contributions are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

(h) **Termination Benefits**

Termination benefits are the best estimate of the expenditure that would be required to settle the obligation on the reporting date.

(i) **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.

(j) **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.

(k) **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.

(l) **Judgements and key sources of estimation uncertainty**

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

QUO VADIS TRUSTNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2018**2. TURNOVER AND OPERATING SURPLUS BEFORE TAXATION**

| | ----- 2018 ----- | | ----- 2017 ----- | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Turnover | Operating Costs | Operating Surplus | Turnover | Operating Costs | Operating Surplus |
| | £ | £ | £ | £ | £ | £ |
| Income and expenditure from letting: | | | | | | |
| Turnover from Social Housing Lettings | 2,781,160 | 2,395,716 | 385,444 | 2,575,859 | 2,252,643 | 323,216 |
| Other income and expenditure: | | | | | | |
| Supporting People Income | 49,242 | 45,629 | 3,613 | 49,242 | 125,213 | (75,971) |
| Care Home Income | 414,954 | 429,916 | (14,962) | 416,698 | 395,865 | 20,833 |
| Other Income | 2,988 | - | 2,988 | 5,018 | - | 5,018 |
| OPERATING SURPLUS | £3,248,344 | £2,871,261 | £377,083 | £3,046,817 | £2,773,721 | £273,096 |

Operating costs include £961 (2017: £50,887) for redundancy payments.

QUO VADIS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

| | 2018 | 2017 |
|---|------------------|------------------|
| | £ | £ |
| Rent receivable net of identifiable service charges | 2,700,048 | 2,516,580 |
| Service Income | 81,112 | 59,279 |
| | <u>2,781,160</u> | <u>2,575,859</u> |
| Turnover from Social Housing Lettings | | |
| Management | 1,005,345 | 1,050,723 |
| Services | 198,912 | 159,748 |
| Catering | 1,717 | 2,345 |
| Routine Maintenance | 155,170 | 107,581 |
| Major Repairs | 17,164 | 17,005 |
| Property License costs | 882,878 | 865,607 |
| Insurance | 15,153 | 12,763 |
| Bad Debt charge | 119,377 | 36,871 |
| Operating costs on Social Housing Lettings | <u>2,395,716</u> | <u>2,252,643</u> |
| Operating surplus on Social Housing Lettings | | |
| | <u>£385,444</u> | <u>£323,216</u> |
| Voids | <u>£190,387</u> | <u>£160,268</u> |
| 4. INTEREST RECEIVABLE AND OTHER INCOME | | |
| Interest receivable on bank deposits | 363 | 55 |
| | <u>£363</u> | <u>£55</u> |
| 5. INTEREST PAYABLE AND SIMILAR CHARGES | | |
| Interest payable on bank loan | 92,173 | 50,647 |
| | <u>£92,173</u> | <u>£50,647</u> |
| 6. SURPLUS FOR THE YEAR | | |
| Surplus for the financial year is stated after charging : | | |
| <i>Amortisation & Depreciation :</i> | | |
| Housing Properties | 56,079 | 54,403 |
| Other Fixed Assets | 22,544 | 21,559 |
| <i>Auditors' Remuneration (excluding VAT)</i> | | |
| In their capacity as auditors | 5,350 | 5,060 |
| For accounts preparation | 1,715 | 1,620 |

QUO VADIS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****7. EMPLOYEES**

| | 2018 | 2017 |
|--------------------------------------|-------------------|-------------------|
| | £ | £ |
| <i>Staff Costs during the year :</i> | | |
| Wages and Salaries | 909,840 | 1,009,110 |
| Social Security Costs | 77,810 | 84,865 |
| Pension Costs | 20,437 | 28,879 |
| | <u>£1,008,087</u> | <u>£1,122,854</u> |

Pension costs represent contributions to a defined contribution scheme for employees.

The average weekly number of persons employed by the Trust during the year was:

| | No. | No. |
|---------------------|------------|------------|
| House Staff | 40 | 40 |
| Head Office Support | 9 | 9 |
| | <u>49</u> | <u>49</u> |

8. CHIEF EXECUTIVE EMOLUMENTS AND EXPENSES OF THE BOARD OF MANAGEMENT**Key Management Personnel**

During the year aggregate remuneration paid to Key Management Personnel comprising the Chief Executive of the Trust was:

| | 2018 | 2017 |
|---|----------------|----------------|
| | £ | £ |
| Emoluments (including benefits in kind) | <u>£65,893</u> | <u>£74,708</u> |

No member of the Board of Management received remuneration for their services (2017: none).

No member of staff earned £60,000 or above (2017: none).

BOARD OF MANAGEMENT

The reimbursement of expenses paid to the Board of Management were

| | |
|------------|-------------|
| <u>£88</u> | <u>£468</u> |
|------------|-------------|

QUO VADIS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****9. HOUSING PROPERTIES**

| | Freehold Land and Building | Short Leasehold Building Improvements | Total |
|---|---------------------------------------|--|-------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2017 | 1,536,678 | 233,189 | 1,769,867 |
| Additions during the year | 1,350,000 | 239,821 | 1,589,821 |
| At 31 March 2018 | <u>2,886,678</u> | <u>473,010</u> | <u>3,359,688</u> |
| Depreciation | | | |
| At 1 April 2017 | 63,033 | 114,046 | 177,079 |
| Charge for the year | 16,074 | 40,005 | 56,079 |
| At 31 March 2018 | <u>79,107</u> | <u>154,051</u> | <u>233,158</u> |
| Net Book Value | | | |
| At 31 March 2018 | <u>£2,807,571</u> | <u>£318,959</u> | <u>£3,126,530</u> |
| At 31 March 2017 | <u>£1,473,645</u> | <u>£119,143</u> | <u>£1,592,788</u> |
| Works to Existing Properties | | 2018 | 2017 |
| | | £ | £ |
| Capitalised | | 239,821 | 45,258 |
| Charged to Income & Expenditure Account | | <u>17,164</u> | <u>17,005</u> |
| | | <u>£256,985</u> | <u>£62,263</u> |

On 17th July 2017, the freeholds for 2 properties were purchased for £1,350,000 in Verdant Lane, Catford, London. They were previously leased by the Trust. 2 adjacent properties are already owned and this ensures full ownership of a flagship location incorporating 4 properties. They were funded by a loan from the vendor of £250,000, which will be repaid over the next 2 years, a £1,000,000 15-year repayment mortgage from Lloyds Bank Plc and £100,000 of the Trust's own cash reserves.

QUO VADIS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****10. OTHER TANGIBLE FIXED ASSETS**

| | Motor Vehicles | Office Equipment | Furniture and Fittings | IT Hardware | Total |
|---------------------------|---------------------------|-----------------------------|-----------------------------------|------------------------|----------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2017 | 10,400 | 121,659 | 43,118 | 24,995 | 200,172 |
| Additions during the year | - | 3,231 | 7,138 | 1,307 | 11,676 |
| Disposals during the year | - | - | - | - | - |
| At 31 March 2018 | 10,400 | 124,890 | 50,256 | 26,302 | 211,848 |
| Depreciation | | | | | |
| At 1 April 2017 | 10,400 | 92,013 | 34,798 | 19,620 | 156,831 |
| Charge for the year | - | 11,960 | 6,335 | 4,249 | 22,544 |
| Disposals during the year | - | - | - | - | - |
| At 31 March 2018 | 10,400 | 103,973 | 41,133 | 23,869 | 179,375 |
| Net Book Value | | | | | |
| At 31 March 2018 | £- | £20,917 | £9,123 | £2,433 | £32,473 |
| At 31 March 2017 | £- | £29,646 | £8,320 | £5,375 | £43,341 |

11. DEBTORS

| | 2018 | 2017 |
|--------------------------------------|-----------------|-----------------|
| | £ | £ |
| Rents and Service Charges | 266,851 | 124,991 |
| Less: Provision for bad and doubtful | (146,506) | (53,319) |
| | 120,345 | 71,672 |
| Other Debtors | 38,984 | 55,474 |
| | £159,329 | £127,146 |

12. CREDITORS

| | 2018 | 2017 |
|-------------------|-----------------|-----------------|
| | £ | £ |
| Trade Creditors | 63,581 | 19,685 |
| Other Creditors | 104,103 | 25,709 |
| Accruals | 110,946 | 86,319 |
| PAYE and pensions | 21,325 | 20,701 |
| Housing Loans | 246,090 | 67,792 |
| | £546,045 | £220,206 |

QUO VADIS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****13. CREDITORS: Amounts Falling Due Outside One Year**

| Housing Loans | 2018 | 2017 |
|--------------------------------|-------------------|-------------------|
| | £ | £ |
| Due between two and five years | 525,889 | 394,650 |
| Due in more than five years | 1,437,969 | 576,294 |
| | <u>1,963,858</u> | <u>970,944</u> |
| Due within one year (Note 12) | 246,090 | 67,792 |
| | <u>£2,209,948</u> | <u>£1,038,736</u> |
| Housing Loans: | | |
| Bank Loan | 1,959,948 | 1,038,736 |
| Other Loan | 250,000 | - |
| | <u>£2,209,948</u> | <u>£1,038,736</u> |

The Bank loans are from Lloyds TSB. These are repayable by instalments over 15 years at the interest rate of 4.29%, 4.6% and 5.71%. The loans are secured by a first charge against the Properties.

14. OPERATING LEASES

The company is committed to the following payments under property lease agreements as at 31 March 2017.

| | 2018 | 2017 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Amounts payable: | | |
| Within one year | 743,306 | 865,593 |
| Within two to five years | 1,813,734 | 1,858,746 |
| In over five years | <u>1,315,211</u> | <u>1,335,471</u> |

15. REVENUE RESERVE

| | 2018 | 2017 |
|---------------------------------|-------------------|-------------------|
| | £ | £ |
| Revenue Reserve brought forward | 1,098,892 | 876,388 |
| Surplus for the Year | 285,273 | 222,504 |
| | <u>£1,384,165</u> | <u>£1,098,892</u> |

QUO VADIS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****16. CAPITAL COMMITMENTS**

| | 2018 | 2017 |
|---|-------------|----------------|
| | £ | £ |
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | - | - |
| Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for | - | 35,000 |
| | <u>£ -</u> | <u>£35,000</u> |
| Proposed financing of above expenditure: | | |
| Loans | - | - |
| Reserves | - | 35,000 |
| | <u>£ -</u> | <u>£35,000</u> |

17. ACCOMMODATION IN MANAGEMENT

| | 2018 | 2017 |
|-------------------------------|-------------|-------------|
| | Nos. | Nos. |
| Properties: | | |
| General and Supported Housing | 19 | 17 |
| Care Home | 1 | 1 |
| Total | <u>20</u> | <u>18</u> |
| | | |
| Units: | | |
| General and Supported Housing | 134 | 124 |
| Care Home | 10 | 10 |
| Total | <u>144</u> | <u>134</u> |

18. CONTINGENT LIABILITIES

There are no contingent liabilities.