

QUO VADIS TRUST

Company Registration No: 05876659
Charity Registration No: 1116196
Regulator of Social Housing No: 4703

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

QUO VADIS TRUST
Report of the Board
For the year ended 31 March 2019

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QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2019

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). Quo Vadis Trust is limited by guarantee.

Registered Company No.: 05876659

Registered Charity No.: 1116196

RSH Registration number: 4703

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

Professional Advisors*Solicitors*

Thomson Snell & Passmore
 Corinthian House
 Galleon Boulevard
 Crossways Business Park
 Kent
 DA2 6QE

Bankers

Lloyds Bank
 3rd Floor
 25 Gresham Street
 London
 EC2V 7HN

Auditors

Kingston Smith
 Registered Auditors
 60 Goswell Road
 London
 EC1M 7AD

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 2018 and up to the date of this report.

Bill Puddicombe (Chair from 01-04-18 to 29-09-18)	Resigned 29-09-18
Tayvanie Nagendran (Vice-Chair to 25-05-19)	Resigned 25-05-19
Stephen Wells	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 (Vice-Chair from 29-09-18)	Appointed 20-05-17
Adebayo Oyeniya (Chair from 29-09-18)	Appointed 25-05-17
Dr Susan Upton	Appointed 09-02-19
Maria Curro	Appointed 25-05-19

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2019

The Board presents the financial statements for the year ended 31 March 2019.

OBJECTS AND PRINCIPAL ACTIVITIES

The provision of care and support to vulnerable people in South East 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 satisfied with the progress made in the year. Work to meet our strategic objectives has continued, including improvement to our properties 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 new Head of Operations.

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 1 property to its estate in the year. The number of properties under management has increased to 21 and units to 147.

Surplus

The operating surplus for the year fell from £285,273 in 2018 to £267,497 in 2019. Whilst this is a small decrease, the Trust remains in a good position to assist beneficiaries in the future.

Operating environment

The operating environment has been challenging in the year as evidenced by the increased void cost of £200,228, up from £190,387 in 2018. The Trust is not satisfied with this increase and has drawn up a plan to closely manage its properties to prevent such a re-occurrence. The bad debt charge fell from £119,377 to £10,850, a pleasing outcome and due to a focus on effective credit control procedures.

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 continued to be 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 2019.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2019

RESERVES

The charity maintains a level of reserves to allow it to meet its operational obligations and to mitigate against the financial costs of identified risks. At 31st March 2019 the reserves were £1,651,662 (31st March 2018 £1,384,165) and free reserves £456,440 (31st March 2018 £435,110).

The level of reserves is set in the light of risks identified in the Risk Register, which is reviewed quarterly by the board. The key risks identified concern the quality of service, level of voids, unforeseen maintenance costs and bad debt charges.

The trustees consider that a level of reserves of £400,000, with £300,000 held as cash is appropriate given the level of risk identified. Such a level of reserves is currently maintained by the charity and as our actual free reserves are only marginally above target we believe no corrective action is necessary.

The trustees review the level of reserves quarterly and update the policy annually as part of the strategic planning process.

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 2019

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.

	2019	2018
Metric 1 – Reinvestment %	2.44%	44.89%
Metric 2 – New Supply Delivered %		
A. New Supply Delivered (Social Housing Units) %	2.19%	7.46%
B. New Supply Delivered (Non-Social Housing Units) %	-	-
Metric 3 – Gearing %	45.90%	50.88%
Metric 4 – EBITDA MRI Interest Cover %	368.42%	418.57%
Metric 5 – Headline Social Housing Cost per Unit	£18,539	£17,878
Metric 6 – Operating Margin %		
A. Operating Margin (Social Housing Lettings) %	12.17%	13.86%
B. Operating Margin (Overall) %	10.73%	11.61%
Metric 7 – Return on Capital Employed %	10.66%	11.26%

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 2019

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 2019

AUDITORS

Messrs. Kingston Smith 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



Adebayo Oyeniya (Chair)

Date: 20 July 2019

Independent Auditors' Report to the Members of Quo Vadis Trust

Opinion

We have audited the financial statements of Quo Vadis Trust for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2019, 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 requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2015, and the Statement of Recommended Practice for registered social housing providers 2014.

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 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

- the Board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 Board members 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the information given in the Report of the Board of management is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Independent Auditors' Report to the Members of Quo Vadis Trust (Continued)

Responsibilities of Board members

As explained more fully in the Board of Management's responsibilities statement set out on page 5, the Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the charitable 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 Board members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Cooperative and Community Benefit Societies Act 2014 and report in accordance with regulations made under that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- Conclude on the appropriateness of the Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the charitable company's Board 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 any party other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.


Neil Finlayson, Senior Statutory Auditor

for and on behalf of Kingston Smith LLP, Statutory Auditor

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

Date:

4/9/2019

Devonshire House
60 Goswell Road
London EC1M 7AD

Quo Vadis Trust
Statement of Comprehensive Income
For the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	2	3,347,524	3,248,344
Operating costs	2	<u>(2,985,168)</u>	<u>(2,871,261)</u>
Operating Surplus	2	362,356	377,083
Interest receivable and similar income	5	955	363
Interest payable	6	<u>(95,814)</u>	<u>(92,173)</u>
Surplus on Ordinary Activities	7	<u><u>267,497</u></u>	<u><u>285,273</u></u>

All of the activities of the Registered Provider relate to continuing operations.

There were no recognised gains or losses for the accounting years shown above other than those included in the statement of comprehensive income.

There is no difference between the reported surplus for the period and the historical cost surplus.

Quo Vadis Trust
Statement of Changes in Reserves
For the year ended 31 March 2019

	Note	Restricted Reserves £	Revenue Reserves £	Total £
Balance at 1 April 2017		-	1,098,892	1,098,892
Surplus for the year		-	285,273	285,273
Balance at 1 April 2018		<u>-</u>	<u>1,384,165</u>	<u>1,384,165</u>
Surplus for the year		7,493	260,004	267,497
Transfer	16	(3,000)	3,000	-
Balance at 31 March 2019		<u><u>4,493</u></u>	<u><u>1,647,169</u></u>	<u><u>1,651,662</u></u>

Quo Vadis Trust
Statement of Financial Position at 31 March 2019

	Note	2019 £	2018 £
Fixed Assets			
Housing properties (Cost less depreciation)	11	3,118,436	3,126,530
Other fixed assets	12	<u>36,309</u>	<u>32,473</u>
		<u>3,154,745</u>	<u>3,159,003</u>
Current Assets			
Debtors	13	224,292	159,329
Cash at bank and in hand		<u>454,913</u>	<u>575,736</u>
		679,205	735,065
Creditors: Amounts falling due within one year	14	<u>(470,598)</u>	<u>(546,045)</u>
Net Current Assets		<u>208,607</u>	<u>189,020</u>
Total Assets less Current Liabilities		3,363,352	3,348,023
Creditors: Amounts due after more than one year	15	(1,711,690)	(1,963,858)
Total Net Assets		<u><u>1,651,662</u></u>	<u><u>1,384,165</u></u>
Capital and Reserves			
Revenue reserves	16	1,647,169	1,384,165
Restricted reserves	17	<u>4,493</u>	<u>-</u>
		<u>1,651,662</u>	<u>1,384,165</u>

The financial statements were approved on 20 July 2019 under the delegated authority given by the Board of Management and signed on its behalf by:



..... A Oyeniyi

Chair

Company registration number: 05876659

Quo Vadis Trust
Cash Flow Statement
For the year ended 31 March 2019

	Note	2019 £	2018 £
Net cash inflow from operating activities	(i)	332,115	571,064
Returns on investments and servicing of finance	(iia)	(340,791)	1,079,402
Capital expenditure and financial investment	(iib)	(112,147)	(1,601,497)
(Decrease)/increase in cash in the year	(iii)	(120,823)	48,969

Notes to the cash flow statement

(i) Reconciliation of change in resources to net inflow from operating activities

Net incoming resources	362,356	377,083
Depreciation	116,405	78,623
Increase in debtors	(64,963)	(32,183)
(Decrease)/increase in creditors	(81,683)	147,541
Net cash inflow from operating activities	332,115	571,064

(ii) Analysis of cash flows

a. Returns on investments and servicing of finance

New borrowings	-	1,265,000
Repayments	(245,932)	(93,788)
Interest received	955	363
Interest paid	(95,814)	(92,173)
	(340,791)	1,079,402

b. Capital expenditure and financial investment

Payments to acquire housing property assets	(89,786)	(1,589,821)
Payments to acquire other fixed assets	(22,361)	(11,676)
	(112,147)	(1,601,497)

(iii) Analysis of net debt

	At 1 April 2018 £	Cash flow £	At 31 March 2019 £
Cash at bank and in hand	575,736	(120,823)	454,913
Loans due within one year	(246,090)	(6,236)	(252,326)
Loans due after one year	(1,963,858)	252,168	(1,711,690)
Total	(1,634,212)	125,109	(1,509,103)

Quo Vadis Trust

Notes to the Financial Statements

For the year ended 31 March 2019

1 Accounting policies

The financial statements of the Registered Provider have been prepared in accordance with UK Generally Accepted Accounting Practice (UKGAAP) including Financial Reporting Standard 102 (FRS 102) and in accordance with the Co-operative and Community Benefit Societies Act 2014, the Accounting Direction for Private Registered Providers of Social Housing 2015, and the Statement of Recommended Practice for registered social housing providers 2014.

Accounting Convention

The financial statements are prepared under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern

The board of management have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents income from lettings, Registered Care Home fees, amounts received under Supporting People contracts and revenue grants receivable from Local Authorities and other funders due as at the year end date.

Within income from lettings are service charges which represent all amounts billed to tenants other than that representing core rent and recoverable council tax.

Tangible Fixed Assets

Housing properties with the exception of freehold land are stated at cost less accumulated depreciation. Assets are only capitalised where the cost of acquisition and installation exceeds £1,000.

Freehold land and assets in the course of construction are not subject to depreciation. Depreciation is charged on a straight-line basis over the useful economic lives of fixed asset components to write off the cost to the estimated residual value as follows:

Main fabric	100
Roof structure	70
Electrics	40
Window and external doors	30
Bathroom	30
Mechanical systems	30
Kitchen	20
Gas boilers/fires	15

Quo Vadis Trust

Notes to the Financial Statements

For the year ended 31 March 2019

1 Accounting policies (Continued)

Depreciation is provided on the cost of non-property fixed assets by equal annual instalments at the following rates, in order to write off each asset over its estimated useful life or lease term, whichever is the shorter.

Vehicles	25% straight line
IT Hardware	25% straight line
Fixture and fittings	20% straight line
Office equipment	15% straight line

Operating Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Rentals paid under operating leases are charged to the Income and Expenditure account as incurred.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Social Housing Grant (SHG) and other Grants

SHG is receivable from Homes England (formerly Homes and Communities Agency), local authorities and other government organisations. Government grants received for housing are recognised in income and expenditure over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Government grants received in respect of revenue expenditure is credited to the income and expenditure account over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government agencies or received in advance are included as current assets or liabilities.

Government grants received for housing purposes are subordinated to the repayment of loans by agreement with Homes England (formerly Homes and Communities Agency). SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the statement of financial position in Creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the income and expenditure account.

Works to Existing Housing Properties

The Trust capitalises expenditure on housing properties which replaces or restores an existing component; or increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

Supporting People

Supporting People income represents the value of current Supporting People contracts and is taken to the Statement of Comprehensive Income account in the period to which it relates.

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Financial instruments are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

The association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Reserves

Restricted Reserves are monies received from charitable, private or corporate bodies where the donor has requested that the monies are used for a specific purpose or a specific project, and these sums remain unspent at the balance sheet date. The Designated Reserve for future maintenance and major repairs is a reserve to support the Registered Provider's commitment to maintain its properties with a continuing programme of refurbishment and maintenance.

Pension Costs

The Registered Provider operates a defined contribution pension scheme whereby they agree to contribute to an employee's salary-related pension.

Payments to the pension schemes are charged to the Statement of Comprehensive Income account in the financial year in which they are payable.

Significant Judgements and Estimates

In the application of the Registered Provider's accounting policies, the Board of Management are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:

- Impairment
- Recoverability of rental income and care charges
- Depreciation

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

2 Turnover and Operating Surplus

	2019	2019	2019	2018	2018	2018
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Income and expenditure from Social Housing Lettings						
Social Housing Lettings	2,891,946	2,536,391	355,555	2,781,160	2,395,716	385,444
Grants and Other Income from Local Authorities and Other Agencies						
Supporting People income	28,725	26,642	2,083	49,242	45,629	3,613
Care Home income	414,954	418,752	(3,798)	414,954	429,916	(14,962)
Restricted grant income	10,876	3,383	7,493	-	-	-
Other income	1,023	-	1,023	2,988	-	2,988
	<u>3,347,524</u>	<u>2,985,168</u>	<u>362,356</u>	<u>3,248,344</u>	<u>2,871,261</u>	<u>377,083</u>

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

3 Particulars of Operating Surplus from Social Housing Lettings

	2019 £	2018 £
Property Management		
Income from Social Housing Lettings	2,807,831	2,700,048
Service charges	<u>84,115</u>	<u>81,112</u>
Net income from lettings	<u>2,891,946</u>	<u>2,781,160</u>
Expenditure		
Management	1,139,690	1,005,345
Services	256,600	198,912
Catering	-	1,717
Routine Maintenance	229,681	155,170
Major Repairs	-	17,164
Property Rental Costs	888,425	882,878
Insurance	11,145	15,153
Bad Debt Charge	<u>10,850</u>	<u>119,377</u>
	<u>2,536,391</u>	<u>2,395,716</u>
Operating Surplus on Social Housing Lettings	<u>355,555</u>	<u>385,444</u>
Voids	<u>(200,228)</u>	<u>(190,387)</u>

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

4	Accommodation in Management	2019	2018
	Properties:		
	General and Supported Housing	20	19
	Care Home	1	1
		<u>21</u>	<u>20</u>
	Units:		
	General and Supported Housing	137	134
	Care Home	10	10
		<u>147</u>	<u>144</u>
5	Interest Receivable and Similar Income	2019	2018
		£	£
	Bank interest	<u>955</u>	<u>363</u>
6	Interest Payable and Similar Charges	2019	2018
		£	£
	Interest payable on housing loans repayable wholly or partly in more than 5 years	<u>95,814</u>	<u>92,173</u>
7	Surplus on Ordinary Activities	2019	2018
	This is stated after charging:		
	External auditors' remuneration - current year	10,950	5,350
	External auditors' remuneration - non audit services	1,990	1,715
	Operating lease payments - property rent	888,425	882,878
	Depreciation on tangible fixed assets	<u>116,405</u>	<u>78,623</u>

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

8	Directors' Emoluments	2019	2018
		£	£
	The remuneration paid to the key management personnel of the Registered Provider (the Board of Management, the Chief Executive and other members of the Senior Management Team) was:		
	Emoluments (including pension contributions, employers national insurance and benefits in kind)	<u>151,936</u>	<u>127,014</u>
	Emoluments (excluding pension contributions) include amounts accrued to the highest paid director	<u>66,400</u>	<u>60,180</u>
	The Chief Executive has a personal pension to which the Association contributes a fixed percentage of contractual salary:	<u>3,974</u>	<u>3,594</u>

The Board of Management are not executive staff members and received no emoluments during the year (2018: £nil).

1 (2018: 1) member of the Board of Management was reimbursed travel expenses of £311 (2018: £88).

9	Employee Information	2019	2018
		No.	No.
	The average weekly number of persons (including the Chief Executive) employed during the year was:		
	House Staff	39	40
	Head Office Support	10	9
		<u>49</u>	<u>49</u>
		£	£
	Staff costs (for the above persons)		
	Wages and salaries	1,022,821	909,840
	Social security costs	88,496	77,810
	Other pension costs	21,124	20,437
	Redundancy costs	<u>8,333</u>	<u>961</u>
		<u>1,140,774</u>	<u>1,009,048</u>

The number of employees who received total remuneration (excluding pension contributions) exceeding £60,000 or above were:

	2019	2018
	No.	No.
£60,000 to £69,999	1	1

10 Taxation

The Registered Provider is a registered charity and its surplus for the year is not chargeable to corporation tax.

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

11 Property Fixed Assets

	Freehold Land and Buildings	Short leasehold Building Improvements	Total
Cost	£	£	£
At 1 April 2018	2,886,678	473,010	3,359,688
Additions	-	89,786	89,786
Disposals	-	-	-
At 31 March 2019	<u>2,886,678</u>	<u>562,796</u>	<u>3,449,474</u>
Depreciation			
At 1 April 2018	79,107	154,051	233,158
Charge for the year	31,164	66,716	97,880
Eliminated on disposal	-	-	-
At 31 March 2019	<u>110,271</u>	<u>220,767</u>	<u>331,038</u>
Net Book Value			
At 31 March 2019	<u>2,776,407</u>	<u>342,029</u>	<u>3,118,436</u>
At 31 March 2018	<u>2,807,571</u>	<u>318,959</u>	<u>3,126,530</u>

12 Other Fixed Assets

	Motor Vehicles	Office Equipment	Furniture & Fittings	IT Hardware	Total
Cost	£	£	£	£	£
At 1 April 2018	10,400	124,890	50,256	26,302	211,848
Additions	-	2,220	-	20,141	22,361
Disposals	-	-	-	-	-
At 31 March 2019	<u>10,400</u>	<u>127,110</u>	<u>50,256</u>	<u>46,443</u>	<u>234,209</u>
Depreciation					
At 1 April 2018	10,400	103,973	41,133	23,869	179,375
Charge for the year	-	9,077	5,419	4,029	18,525
Eliminated on disposal	-	-	-	-	-
At 31 March 2019	<u>10,400</u>	<u>113,050</u>	<u>46,552</u>	<u>27,898</u>	<u>197,900</u>
Net Book Value					
At 31 March 2019	<u>-</u>	<u>14,060</u>	<u>3,704</u>	<u>18,545</u>	<u>36,309</u>
At 31 March 2018	<u>-</u>	<u>20,917</u>	<u>9,123</u>	<u>2,433</u>	<u>32,473</u>

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

13 Debtors: Amounts falling due within one year	2019	2018
	£	£
Rent and service charges	204,800	266,851
Bad debt provision	(106,322)	(146,506)
Other debtors	95,270	24,389
Prepayments	30,544	14,595
	<u>224,292</u>	<u>159,329</u>

14 Creditors: Amounts falling due within one year	2019	2018
	£	£
Trade creditors	74,957	63,581
Other creditors	46,333	104,103
Accruals	64,847	85,232
Deferred income	3,080	25,714
Other taxes and social security	29,055	21,325
Housing loans	125,000	125,000
Bank loans	127,326	121,090
	<u>470,598</u>	<u>546,045</u>

15 Creditors: Amounts falling due after more than one year	2019	2018
	£	£
Housing loans	-	125,000
Bank loans	1,711,690	1,838,858
	<u>1,711,690</u>	<u>1,963,858</u>

Included within the housing loan balance above are amounts falling due as follows:

Between two and five years:	-	125,000
Over five years:	-	-
	<u>-</u>	<u>125,000</u>

The housing loans disclosed in notes 14 and 15 are due to TSP the Scott Partnership LLP. This loan is secured against freehold land and buildings belonging to the charity.

Included within the bank loan balance above are amounts falling due as follows:

Between two and five years:	420,594	400,889
Over five years:	1,291,096	1,437,969
	<u>1,711,690</u>	<u>1,838,858</u>

The bank loans disclosed in notes 14 and 15 are due to Lloyds TSB bank and are repayable by installments at interest rates of 4.29%, 4.6% and 5.71%. These loans are secured against freehold land and buildings belonging to the charity.

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

16 Revenue Reserve

	2019	2018
	£	£
As at 1 April	1,384,165	1,098,892
Surplus for the year	260,004	285,273
Transfers from restricted funds in respect of capital expenditure incurred	3,000	-
	<u>1,647,169</u>	<u>1,384,165</u>
As at 31 March	<u>1,647,169</u>	<u>1,384,165</u>

17 Restricted Reserves

Movement on restricted reserves during the year were as follows:

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Lottery Fund	-	9,988	(1,566)	(3,000)	5,422
Hobson Charity	-	-	(1,817)	-	(1,817)
Waitrose and Eventbrite	-	888	-	-	888
	<u>-</u>	<u>10,876</u>	<u>(3,383)</u>	<u>(3,000)</u>	<u>4,493</u>
	<u>-</u>	<u>10,876</u>	<u>(3,383)</u>	<u>(3,000)</u>	<u>4,493</u>

Lottery Fund have provided funding towards nutritional therapy and workshops.

Hobson Charity is towards a gardening project, the fund is in deficit pending expected receipt of funding in 2019/20.

Waitrose and Eventbrite have provided funding towards nutritional therapy and workshops.

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2019

18 Operating Leases

At 31 March 2019, the Registered Provider had annual commitments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Within one year	694,633	743,306
Within two to five years	1,973,695	1,813,734
Over five years	<u>963,121</u>	<u>1,315,211</u>

During the year, an amount of £888,425 (2018: £882,878) has been recognised as an expense in the Statement of Comprehensive Income.

At 31 March 2019, the Registered Provider had minimum lease payments due to them as lessor under non-cancellable operating leases, including tenanted accommodation of £34,621 (2018: £33,197) due within one year.

19 Financial instruments

	2019	2018
	£	£
Debt instruments measured at amortised cost	<u>193,748</u>	<u>144,734</u>
Financial liabilities measured at amortised cost	<u>186,137</u>	<u>252,916</u>
Loan commitments measured at cost less impairment	<u>1,964,016</u>	<u>2,209,948</u>