

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 2020

QUO VADIS TRUST
Report of the Board
For the year ended 31 March 2020

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QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2020

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 Bull and Bull
 1 Central Avenue
 Welling
 Kent
 DA16 3AX

Bankers

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

Auditors

Moore 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 2019 and up to the date of this report.

Tayvanie Nagendran (Vice-Chair from 29-09-18 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 2020

The Board presents the financial statements for the year ended 31 March 2020.

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 outcomes achieved in the year. Good progress has been made with the strategic objectives as an improved management structure has been put in place within the Operations team, which is providing capacity to improve the experience and outcomes for clients. A Head of People has joined the Senior Leadership Team, which places professionalisation of staff as a central aim of management. Properties continue to be improved with an extensive project undertaken in conjunction with the landlord to refurbish 30 units of independent accommodation to a high standard. New units have been added in the year and a partnership developed with a significant provider of social housing that will allow further expansion. Good progress has been made with our fundraising effort, including a substantial grant from Peoples Postcode Lottery to provide therapeutic activities across our schemes.

As with other charities the Covid 19 pandemic has had a significant impact upon the clients and employees of the trust. At the start of the outbreak QVT implemented measures outlined in its business continuity plan, to include advising clients and staff, prohibiting visitors to schemes, implementing strict hygiene control measures and allowing staff to work from home where possible. The care home was a particular source of attention and is where we worked closely with local authorities to prevent the virus entering and gaining a foothold. A further measure undertaken was a survey of clients mental health as a result of the pandemic, which showed increased levels of anxiety. As a consequence of the survey particular efforts have been undertaken to address these issues with clients, to include greater interaction and assistance. Regular meetings were held with local authority commissioners, appraising them of the situation. In addition QVT was able to provide a further 8 units of accommodation at short notice to assist with Government programmes to take homeless people off the street.

Despite the pandemic the fundraising programme continues to be successful, with further grants obtained in the first quarter of the year. As a consequence of the client survey focus has been placed on fundraising to provide psychological support for clients.

In summary the trustees are satisfied that the trust has continued to provide a good level of service to clients and that the support offered has not changed. The activities programme has been re-purposed due to social distancing but is now being planned to allow clients to participate fully over the coming months.

The financial situation of the trust has not changed as a consequence of the pandemic and the trustees do not consider that it will. Strong financial management, particularly around void administration and cash control continues to be a priority.

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 added 10 units of accommodation in the year whilst 4 were removed, leading to a net increase of 6 to 153. In terms of properties 2 were added and 2 removed, and so 21 were under management at the end of the year, unchanged from the end of the previous period.

Surplus

The surplus for the year increased from £267,497 in 2019 to £298,406 in 2020. This improves the financial position of the Trust.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2020

Operating environment

The operating environment has improved with success in reducing the void cost from £200,228 in 2019 to £78,810 in 2020. In addition bad debt costs remained low at £20,903. The board are satisfied with the continued improvement.

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 2020 when a new 5 year plan will be presented, to commence in April 2021.

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 2020 the reserves were £1,950,068 (31st March 2019 £1,651,662) and free reserves £507,372 (31st March 2019 £456,539).

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 effects of the Covid 19 outbreak, 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.

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

VALUE FOR MONEY

A 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 2020

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.

	2020	2019
Metric 1 – Reinvestment %	3.59%	2.44%
Metric 2 – New Supply Delivered %		
A. New Supply Delivered (Social Housing Units) %	4.20%	2.19%
B. New Supply Delivered (Non-Social Housing Units) %	-	-
Metric 3 – Gearing %	35.64%	45.90%
Metric 4 – EBITDA MRI Interest Cover %	388.12%	368.42%
Metric 5 – Headline Social Housing Cost per Unit ³	£20,745	£18,539
Metric 6 – Operating Margin %		
A. Operating Margin (Social Housing Lettings) %	10.03%	12.17%
B. Operating Margin (Overall) %	10.17%	10.73%
Metric 7 – Return on Capital Employed %	9.37%	10.66%

In addition to the required metrics set out above the board monitors quarterly a set of metrics believed to be crucial to delivering a good quality service to our clients. Whilst not all metrics have met the target for the first year of operation the board are convinced that a consistent focus on key metrics will improve the service delivered and the value for money achieved.

QUO VADIS TRUST
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2020

Operations	Target	Achieved
Room checks completed	100%	55%
Clients in arrears with SC and not clearing them	7	27
Client satisfaction	95%	84%

Property	Target	Achieved
Void level	3%	3%
Outstanding repairs at each quarter end	15	20
Repairs completed within due date	80%	74%

Staff	Target	Achieved
Training courses completed	N/A	254
Absence level	3%	2%
Supervisions completed	100%	75%

Diversification	Target	Achieved
Expansion - units added	13	10

Volunteers	Target	Achieved
Volunteer days per quarter	200	164
Volunteer source	3	3

Finance	Target	Achieved
Cash flow - cumulative	18	38
Cash balance	474	492

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 2020

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 2020**

AUDITORS

Messrs. Moore 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 Oyeniye (Chair)

Date: 10 October 2020

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 2020 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 association's affairs as at 31 March 2020, 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 association 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 association'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 association 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 6, 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 association'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 association 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 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 association'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 association'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 association 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 association'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 association'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 association and association's members as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 13 October 2020

Quo Vadis Trust
Statement of Comprehensive Income
For the year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	2	3,765,297	3,347,524
Operating costs	2	<u>(3,382,342)</u>	<u>(2,985,168)</u>
Operating Surplus	2	382,955	362,356
Interest receivable and similar income	5	850	955
Interest payable	6	<u>(85,399)</u>	<u>(95,814)</u>
Surplus on Ordinary Activities	7	<u><u>298,406</u></u>	<u><u>267,497</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.

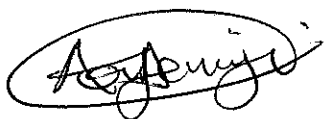
Quo Vadis Trust
Statement of Changes in Reserves
For the year ended 31 March 2020

	Note	Restricted Reserve £	Revenue Reserve £	Total £
Balance at 1 April 2018		-	1,384,165	1,384,165
Surplus for the year		7,493	260,004	267,497
Transfer	16	(3,000)	3,000	-
Balance at 1 April 2019		<u>4,493</u>	<u>1,647,169</u>	<u>1,651,662</u>
Surplus for the year		17,461	280,945	298,406
Transfer	16			-
Balance at 31 March 2020		<u><u>21,954</u></u>	<u><u>1,928,114</u></u>	<u><u>1,950,068</u></u>

Quo Vadis Trust
Statement of Financial Position at 31 March 2020

	Note	2020 £	2019 £
Fixed Assets			
Housing properties (Cost less depreciation)	11	3,122,297	3,118,436
Other fixed assets	12	<u>32,381</u>	<u>36,309</u>
		<u>3,154,678</u>	<u>3,154,745</u>
Current Assets			
Debtors	13	245,923	224,292
Cash at bank and in hand		<u>495,155</u>	<u>454,913</u>
		741,078	679,205
Creditors: Amounts falling due within one year	14	<u>(367,120)</u>	<u>(470,598)</u>
Net Current Assets		373,958	208,607
Total Assets less Current Liabilities		3,528,636	3,363,352
Creditors: Amounts due after more than one year	15	(1,578,568)	(1,711,690)
Total Net Assets		<u>1,950,068</u>	<u>1,651,662</u>
Capital and Reserves			
Revenue reserves	16	1,928,114	1,647,169
Restricted reserves	17	<u>21,954</u>	<u>4,493</u>
		<u>1,950,068</u>	<u>1,651,662</u>

The financial statements were approved on 12 September 2020 under the delegated authority given by the Board of Management and signed on its behalf by:



Adebayo Oyeniya (Chair)

Company registration number: 05876659

Quo Vadis Trust
Cash Flow Statement
For the year ended 31 March 2020

	Note	2020 £	2019 £
Net cash inflow from operating activities	(i)	510,515	332,115
Returns on investments and servicing of finance	(iia)	(336,523)	(340,791)
Capital expenditure and financial investment	(iib)	<u>(133,750)</u>	<u>(112,147)</u>
Increase/(decrease) in cash in the year	(iii)	<u>40,242</u>	<u>(120,823)</u>

Notes to the cash flow statement

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

Net incoming resources	382,955	362,356
Depreciation	133,817	116,405
Increase in debtors	(21,631)	(64,963)
Increase/(decrease) in creditors	<u>15,374</u>	<u>(81,683)</u>
Net cash inflow from operating activities	<u>510,515</u>	<u>332,115</u>

(ii) Analysis of cash flows

a. Returns on investments and servicing of finance

Repayments	(251,974)	(245,932)
Interest received	850	955
Interest paid	<u>(85,399)</u>	<u>(95,814)</u>
	<u>(336,523)</u>	<u>(340,791)</u>

b. Capital expenditure and financial investment

Payments to acquire housing property assets	(122,734)	(89,786)
Payments to acquire other fixed assets	<u>(11,016)</u>	<u>(22,361)</u>
	<u>(133,750)</u>	<u>(112,147)</u>

(iii) Analysis of net debt

	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash at bank and in hand	454,913	40,242	495,155
Loans due within one year	(252,326)	118,852	(133,474)
Loans due after one year	<u>(1,711,690)</u>	<u>133,122</u>	<u>(1,578,568)</u>
Total	<u>(1,509,103)</u>	<u>292,216</u>	<u>(1,216,887)</u>

Quo Vadis Trust

Notes to the Financial Statements

For the year ended 31 March 2020

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 assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cause significant doubt on the ability of the company to continue as a going concern. The board of management have made this assessment for a period of at least one year from the date of approval of the financial statements. After making enquiries in particular about the potential impact of the Covid-19 on income generation and operations, the board of management have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Should the impact of Covid-19 require a reduction in expenditure or implementation of new ways of working, the board of management are confident management will be able to develop and implement plans to achieve this. The board of management are also sure that the company has sufficient unrestricted funds to enable time for plans to be developed and implemented in a strategic and timely way, ensuring long-term financial stability.

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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 at the following annual rates:

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 (continued)
For the year ended 31 March 2020

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 2020

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 2020

2 Turnover and Operating Surplus

	2020	2020	2020	2019	2019	2019
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Income and expenditure from Social Housing Lettings						
Social Housing Lettings	3,297,132	2,966,529	330,603	2,891,946	2,536,391	355,555
Grants and Other Income from Local Authorities and Other Agencies						
Supporting People income	-	-	-	28,725	26,642	2,083
Care Home income	432,550	410,023	22,527	414,954	418,752	(3,798)
Restricted grant income	23,251	5,790	17,461	10,876	3,383	7,493
Other income	12,364	-	12,364	1,023	-	1,023
	3,765,297	3,382,342	382,955	3,347,524	2,985,168	362,356

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2020

3 Particulars of Operating Surplus from Social Housing Lettings

	2020	2019
	£	£
Property Management		
Income from Social Housing Lettings	3,199,304	2,807,831
Service charges	<u>97,828</u>	<u>84,115</u>
Net income from lettings	<u>3,297,132</u>	<u>2,891,946</u>
Expenditure		
Management	1,329,370	1,139,690
Services	357,063	256,600
Catering	-	-
Routine Maintenance	256,053	229,681
Major Repairs	-	-
Property Rental Costs	981,922	888,425
Insurance	21,218	11,145
Bad Debt Charge	<u>20,903</u>	<u>10,850</u>
	<u>2,966,529</u>	<u>2,536,391</u>
Operating Surplus on Social Housing Lettings	<u>330,603</u>	<u>355,555</u>
Voids *	<u>(78,810)</u>	<u>(200,228)</u>

* Voids represent income lost due to having a room empty that is unable to earn income.

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2020

4 Accommodation in Management	2020	2019
Properties:		
General and Supported Housing	20	20
Care Home	<u>1</u>	<u>1</u>
	<u>21</u>	<u>21</u>
Units:		
General and Supported Housing	143	137
Care Home	<u>10</u>	<u>10</u>
	<u>153</u>	<u>147</u>
5 Interest Receivable and Similar Income	2020	2019
	£	£
Bank interest	<u>850</u>	<u>955</u>
6 Interest Payable and Similar Charges	2020	2019
	£	£
Interest payable on housing loans repayable wholly or partly in more than 5 years	<u>85,399</u>	<u>95,814</u>
7 Surplus on Ordinary Activities	2020	2019
This is stated after charging:		
External auditors' remuneration - current year	11,280	10,950
External auditors' remuneration - non audit services	2,050	1,990
Operating lease payments - property rent	981,922	888,425
Depreciation on tangible fixed assets	<u>133,817</u>	<u>116,405</u>

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2020

8 Directors' Emoluments	2020	2019
	£	£
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>203,239</u>	<u>151,936</u>
Emoluments (excluding pension contributions) include amounts accrued to the highest paid director	<u>70,200</u>	<u>66,400</u>
The Chief Executive has a personal pension to which the Association contributes a fixed percentage of contractual salary:	<u>4,172</u>	<u>3,974</u>

The Board of Management are not executive staff members and received no emoluments during the year (2019: £nil).

No (2019: 1) members of the Board of Management were reimbursed travel expenses (2019: £311).

9 Employee Information	2020	2019
	No.	No.
The average weekly number of persons (including the Chief Executive) employed during the year was:		
House Staff	29	39
Head Office Support	13	10
	<u>42</u>	<u>49</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,120,896	1,022,821
Social security costs	98,429	88,496
Other pension costs	31,511	21,124
Redundancy costs	<u>10,000</u>	<u>8,333</u>
	<u>1,260,836</u>	<u>1,140,774</u>

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

	2020	2019
	No.	No.
£60,000 to £69,999	-	1
£70,000 to £79,999	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 2020

11 Property Fixed Assets

	Freehold Land and Buildings	Short leasehold Building Improvements	Total
Cost	£	£	£
At 1 April 2019	2,886,678	562,796	3,449,474
Additions	-	122,734	122,734
Disposals	-	-	-
At 31 March 2020	<u>2,886,678</u>	<u>685,530</u>	<u>3,572,208</u>
Depreciation			
At 1 April 2019	110,271	220,767	331,038
Charge for the year	31,169	87,704	118,873
Eliminated on disposal	-	-	-
At 31 March 2020	<u>141,440</u>	<u>308,471</u>	<u>449,911</u>
Net Book Value			
At 31 March 2020	<u>2,745,238</u>	<u>377,059</u>	<u>3,122,297</u>
At 31 March 2019	<u>2,776,407</u>	<u>342,029</u>	<u>3,118,436</u>

12 Other Fixed Assets

	Motor Vehicles	Office Equipment	Furniture & Fittings	IT Hardware	Total
Cost	£	£	£	£	£
At 1 April 2019	10,400	127,110	50,256	46,443	234,209
Additions	-	1,038	-	9,978	11,016
Disposals	-	-	-	-	-
At 31 March 2020	<u>10,400</u>	<u>128,148</u>	<u>50,256</u>	<u>56,421</u>	<u>245,225</u>
Depreciation					
At 1 April 2019	10,400	113,050	46,552	27,898	197,900
Charge for the year	-	5,413	3,268	6,263	14,944
Eliminated on disposal	-	-	-	-	-
At 31 March 2020	<u>10,400</u>	<u>118,463</u>	<u>49,820</u>	<u>34,161</u>	<u>212,844</u>
Net Book Value					
At 31 March 2020	<u>-</u>	<u>9,685</u>	<u>436</u>	<u>22,260</u>	<u>32,381</u>
At 31 March 2019	<u>-</u>	<u>14,060</u>	<u>3,704</u>	<u>18,545</u>	<u>36,309</u>

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2020

13 Debtors: Amounts falling due within one year	2020	2019
	£	£
Rent and service charges	264,738	204,800
Bad debt provision	(69,509)	(106,322)
Other debtors	25,521	95,270
Prepayments	<u>25,173</u>	<u>30,544</u>
	<u>245,923</u>	<u>224,292</u>

14 Creditors: Amounts falling due within one year	2020	2019
	£	£
Trade creditors	52,093	74,957
Other creditors	54,104	46,333
Accruals	55,620	64,847
Deferred income	39,850	3,080
Other taxes and social security	31,979	29,055
Housing loans	-	125,000
Bank loans	<u>133,474</u>	<u>127,326</u>
	<u>367,120</u>	<u>470,598</u>

15 Creditors: Amounts falling due after more than one year	2020	2019
	£	£
Housing loans	-	-
Bank loans	<u>1,578,568</u>	<u>1,711,690</u>
	<u>1,578,568</u>	<u>1,711,690</u>

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

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

The housing loans disclosed in notes 13 and 14 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:	441,080	420,594
Over five years:	<u>1,137,488</u>	<u>1,291,096</u>
	<u>1,578,568</u>	<u>1,711,690</u>

The bank loans disclosed in notes 13 and 14 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 2020

16 Revenue Reserve

	2020	2019
	£	£
As at 1 April	1,647,169	1,384,165
Surplus for the year	280,945	260,004
Transfers from restricted funds in respect of capital expenditure incurred	-	3,000
As at 31 March	1,928,114	1,647,169

17 Restricted Reserves

Movement on restricted reserves during the year were as follows:

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Lottery Fund	5,422	-	(3,245)	-	2,177
Hobson Charity	(1,817)	2,000	(183)	-	-
Waitrose and Eventbrite	888	586	-	-	1,474
People's Postcode Trust	-	19,165	(2,362)	-	16,803
Lewisham Parochial	-	1,000	-	-	1,000
Ravensbourne Rotary	-	500	-	-	500
	4,493	23,251	(5,790)	-	21,954

National Lottery Community Fund have provided funding towards nutritional therapy and workshops.

Hobson Charity is towards a gardening project.

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

People's Postcode Trust have provided funding towards for an Active Lives project that will deliver peer support and healthy eating sessions, one to one personal budgeting and life skills and community sustainment workshops.

Lewisham Parochial and Almshouses Charity have provided funding for activities and projects.

Ravensbourne Rotary Annual Grants Fund have provided funding for an art project.

Quo Vadis Trust
Notes to the Financial Statements (continued)
For the year ended 31 March 2020

18 Operating Leases

At 31 March 2020, the Registered Provider had annual commitments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Within one year	780,188	694,633
Within two to five years	2,783,926	1,973,695
Over five years	<u>616,774</u>	<u>963,121</u>

During the year, an amount of £981,922 (2019: £888,425) has been recognised as an expense in the Statement of Comprehensive Income.

At 31 March 2020, the Registered Provider had minimum lease payments due to them as lessor under non-cancellable operating leases, including tenanted accommodation of £255,431 (2019: £250,209) due within one year.