

DERVENTIO HOUSING TRUST CIC

INFORMATION FOR FILING WITH THE REGISTRAR

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



30/10/19

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The Board of Derventio Housing Trust CIC presents their report, including the strategic report and the audited financial statements of Derventio Housing Trust CIC for the year ended 31 March 2019.

Business review

Derventio Housing Trust is a Community Interest Company limited by guarantee. Derventio aims to tackle homelessness head-on, providing accommodation, support and opportunities, to help people who face tough times.

As well as providing accommodation and support, Derventio delivers wider services to support and empower people to maintain their independence and achieve their personal aspirations.

Using over fifteen years' experience responding to what people who are homeless want and need, Derventio has developed holistic and user-led services that aim to improve health and wellbeing, increase resilience and prepare people for independent living, learning and employment.

- **Housing and Support:** Our successful and well-established accommodation model efficiently uses private rented houses to provide shared, supported homes to single people experiencing homelessness.
- **Healthy Futures:** support for people without suitable accommodation around hospital discharge.
- **Employability Services:** Personalised support for people who are unemployed to access training and employment.
- **Growing Lives:** Skill-Building and learning opportunities with mentoring and support.

Most Derventio services are based in Derby and Derbyshire. Derventio also delivers housing and support in Staffordshire, Shropshire, Nottinghamshire, Gloucestershire and Wiltshire. In 2017/18 Derventio supported over 1,500 people facing life challenges.

Objectives and strategies

1) Our Proposition:

People really **DO** matter
the people we work with
employees
partners

2) Values:

Integrity	DO the right things in the right way
Transforming	design and try new ideas
Proactive	we get on and DO more

3) Our purpose (mission):

We **DO** work alongside people.

We **DO** use our integrity, expertise and passion to give people opportunities for a more positive future.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Analysis using financial and non-financial key performance indicators

Financial and non-financial key performance indicators are monitored by the Board and senior management (SMB). The Board monitors financial key performance indicators, and sets strategic direction. SMB monitors non-financial key performance indicators and is responsible for setting and monitoring action plans to address any underperformance. Derventio uses the following key performance indicators to monitor financial and non-financial performance:

- Budgets are set annually with expenditure and income against budget monitored by the Board.
- *Housing voids and arrears are monitored regularly by SMB and the Board, and the targets are set for operational staff.*
- Liquidity ratio is monitored monthly by SMB.
- Outcomes and outputs are each service and each grant and contract are agreed with commissioners and funders. Progress against targets is monitored by the relevant Head of Service and the relevant strategic lead responsible for the relationship with the commissioner or funder.
- Non-financial key performance indicators are monitored by each Head of Service. They report to SMB.

Future prospects

The Board and SMB monitor future prospects for the company, paying particular regard to opportunities, risks and threats. This informs decisions about Derventio's strategic direction.

A dedicated strategic service and development function continuously scans the horizon for new developments and keeps up to date with current thinking and best practice. This includes both national and local public-sector initiatives and priorities as well as those of funders, sector-specific organisations and practitioners. It also identifies potential opportunities for Derventio.

SMB uses this knowledge to inform discussions and make decisions on which areas to pursue, as well as agreeing all funding bids, grants and contracts. SMB also makes recommendations to the Board for decisions regarding major developments and changes.

This ensures that the company is best placed to take advantage of all relevant potential opportunities and avoids risks where ever possible, and that Derventio's future prospects are based on a solid footing.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties,

Strategic thinking and information gathering means that Derventio is well placed to know, understand and address risks and uncertainties. These play an important role in strategic decisions.

Derventio aims to spread financial risk by making sure that the company is not over-dependent on any one source of income. Financial risks are identified when budgets are set, and fundraising targets are set for the coming year.

Currently, the principal risk is still the uncertainty around the future funding of the supported housing and national government changes to welfare benefits, particularly Housing Benefit. To mitigate this, Derventio is fully involved with sector membership organisations and has contributed data to the Government's data gathering which will inform national decisions.

Assessment of how the company is achieving value for money

The Board and SMB ensure that the company is achieving value for money through:

- Ensuring value for money is carefully considered when making all strategic decisions
- Financial prudence when procuring goods and services.
- Heads of service held responsible for considering value for money in operational delivery of services.

DERVENTIO HOUSING TRUST CIC
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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Assessment of compliance with governance and financial viability standard

Derventio is regulated by Homes England as a Registered Provider of social housing and as such complies with all relevant regulatory requirements.

The Board and SMB ensure that Derventio policies and procedures and all operations adhere to the relevant law.

These aims are achieved through:

- Regular review of policies, procedures and working practices.
- Subject leads assigned for relevant legislative areas e.g. employment, finance, safeguarding, data protection confidentiality and information sharing, health and safety. They are expected to ensure that the company remains compliant with all legislation, and is aware of and implements all necessary changes.
- Policy areas as standing agenda items at SMB meetings.
- Effective management arrangements

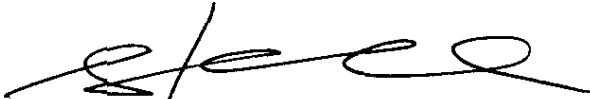
The Board and SMB ensure that the company is financially viable through:

- Effective financial procedures that adhere to industry standard requirements and best practice.
- Careful consideration of financial viability, including cashflow projections, when making strategic decisions.
- Financial prudence when procuring goods and services.
- Management accounts and cashflow projections produced at least quarterly to set strategic direction and monitor progress against targets.
- A highly experienced and dedicated 6-strong executive Senior Management Board who drive improvement and achievement.
- A robust staff structure, including a Head of Service for each area of work and a manager and senior for each team.
- Quality policy with Quality Assessment Framework reviewed annually.
- A specialist team supporting all HR recruitment and retention functions, and excellent staff terms and conditions, ensuring that Derventio maintains the highest quality staff team.
- A full and comprehensive training, development and supervision programme.
- Action plans developed and implemented to address any concerns raised against performance.

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(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

This report was approved by the board on 10 October 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'SJ Hernandez', written over a horizontal line.

SJ Hernandez
Managing Director

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05886593

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Housing properties	9	812,347	824,899
Tangible assets	10	771,919	794,728
		<u>1,584,266</u>	<u>1,619,627</u>
Current assets			
Debtors: amounts falling due within one year	11	452,017	490,183
Cash at bank and in hand	12	596,037	514,222
		<u>1,048,054</u>	<u>1,004,405</u>
Creditors: amounts falling due within one year	13	(421,612)	(556,312)
Net current assets		<u>626,442</u>	<u>448,093</u>
Total assets less current liabilities		<u>2,210,708</u>	<u>2,067,720</u>
Creditors: amounts falling due after more than one year	14	(906,973)	(948,760)
Provisions for liabilities			
Other provisions	17	(794,000)	(689,100)
		<u>(794,000)</u>	<u>(689,100)</u>
Net assets		<u>509,735</u>	<u>429,860</u>
Capital and reserves			
Revaluation reserve	18	156,029	156,029
Profit and loss account	18	353,706	273,831
		<u>509,735</u>	<u>429,860</u>

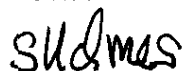
DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)
REGISTERED NUMBER:05886593
BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 October 2019.



SE Holmes
Director

The notes on pages 11 to 28 form part of these financial statements.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Revaluation reserve	Income and expenditure account	Total
	£	£	£
At 1 April 2018	156,029	273,831	429,860
Comprehensive income for the year			
Surplus for the year	-	79,875	79,875
Total comprehensive income for the year	-	79,875	79,875
Fund transfers	-	-	-
At 31 March 2019	156,029	353,706	509,735

The notes on pages 11 to 28 form part of these financial statements.

DERVENTIO HOUSING TRUST CIC
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Restricted funds	Revaluation reserve	Income and expenditure account	Total
	£	£	£	£
At 1 April 2017	417	156,029	206,024	362,470
Comprehensive income for the year				
Surplus for the year	-	-	67,390	67,390
Total comprehensive income for the year	-	-	67,390	67,390
Fund transfers	(417)	-	417	-
At 31 March 2018	-	156,029	273,831	429,860

The notes on pages 11 to 28 form part of these financial statements.

DERVENTIO HOUSING TRUST CIC
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	79,875	67,390
Adjustments for:		
Depreciation of tangible assets	82,820	89,667
Amortisation of government grants	(7,138)	(7,551)
Interest paid	36,557	38,904
Decrease/(increase) in debtors	38,166	(100,630)
(Decrease)/increase in creditors	(101,998)	67,658
Increase in provisions	104,900	107,100
Net cash generated from operating activities	233,182	262,538
Cash flows from investing activities		
Purchase of tangible fixed assets	(47,459)	(32,785)
HP interest paid	(3,847)	(5,497)
Net cash from investing activities	(51,306)	(38,282)
Cash flows from financing activities		
New secured loans	-	455,820
Repayment of loans	(34,440)	(231,785)
Repayment of other loans	(17,750)	(237,814)
Repayment of/new finance leases	(15,161)	(24,502)
Interest paid	(32,710)	(33,407)
Net cash used in financing activities	(100,061)	(71,688)
Net increase in cash and cash equivalents	81,815	152,568
Cash and cash equivalents at beginning of year	514,222	361,654
Cash and cash equivalents at the end of year	596,037	514,222
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	596,037	514,222
	596,037	514,222

The notes on pages 11 to 28 form part of these financial statements.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Derventio Housing Association CIC is a Community Interest Company limited by guarantee incorporated in England and Wales and a private registered provider of social housing in the United Kingdom.

The Company's registered office is Glad Tidings Hall, 33 Boyer Street, Derby, Derbyshire, DE22 3TB.

The nature of the RP's operations and principal activities are to tackle homelessness head-on, providing accommodation, support and opportunities, to help people who have lost their way.

The Company constitutes a public benefit entity as defined by FRS 102.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Company, and rounded to the nearest £1.

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

2.2 Going concern

The Board assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Board makes this assessment in respect of a period of one year from the date of approval of the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

DERVENTIO HOUSING TRUST CIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

DERVENTIO HOUSING TRUST CIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Tax

As a Registered Social Landlord the Company is exempted from paying corporation tax on its income and gains.

The company's operations and services are exempt from VAT Added Tax (VAT).

2.10 Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally available for rent and are stated at cost (or deemed cost) less *accumulated depreciation and any accumulated impairment losses*. Costs includes the cost of acquiring land and buildings, development costs and interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, re capitalised as improvements.

The Company separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its useful life.

Depreciation is provided on major components as follows:

Structure & buildings - 100 years
Windows - 20 years
Kitchens - 20 years
Bathrooms - 20 years
Roofs - 20 years
Doors - 20 years
Fixtures and fittings - 20 years
Freehold land is not depreciated

DERVENTIO HOUSING TRUST CIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 100 years
Leasehold improvements	- 50 years
Motor vehicles	- 5 years
Office equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.12 Impairment

Annually properties, including housing properties, are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is based on the higher of the value in use of the asset, being its service potential, and fair value less costs to sell. Any resulting impairment loss is recognised as expenditure in the statement of comprehensive income.

Other assets are reviewed for impairment if there is an indication impairment may have occurred.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

DERVENTIO HOUSING TRUST CIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount of can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

A provision is made for the expected costs of restoring managed properties to a rentable standard.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's *original effective interest rate*. If a financial asset has a *variable interest rate*, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Turnover, operating costs and operating surplus / (deficit)

	2019 Turnover £	2019 Operating costs £	2019 Operating surplus £	2018 Operating surplus £
Social housing lettings (note 4)	6,402,305	6,193,575	208,730	135,881
	<u>6,402,305</u>	<u>6,193,575</u>	<u>208,730</u>	<u>135,881</u>
Restricted activities				
Revenue grants receivable	491,915	584,213	(92,298)	(29,588)
	<u>491,915</u>	<u>584,213</u>	<u>(92,298)</u>	<u>(29,588)</u>
Total	<u>6,894,220</u>	<u>6,777,788</u>	<u>116,432</u>	<u>106,293</u>

DERVENTIO HOUSING TRUST CIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Particulars of turnover and administrative expenditure

	2019 Supported housing £	2019 Restricted activities £	2019 Total £	2018 Total £
Turnover				
Rent receivable net of identifiable service charge	3,931,779	-	3,931,779	3,644,374
Service charge income	2,244,648	-	2,244,648	2,131,569
Net rental income	6,176,427	-	6,176,427	5,775,943
Other Income				
Other revenue grants	121,928	-	121,928	51,976
Other income (not grants)	96,812	-	96,812	118,069
Amortisation of social housing grant	950	-	950	950
Amortisation of government grants	6,188	-	6,188	6,601
Government grants receivable	-	491,915	491,915	582,779
Turnover from social housing lettings	6,402,305	491,915	6,894,220	6,536,318
Administrative expenditure				
Management	1,944,923	168,673	2,113,596	2,063,115
Service charge costs	1,758,166	-	1,758,166	1,882,819
Routine maintenance	574,721	-	574,721	606,091
Bad debts	170,014	-	170,014	(62,519)
Property lease charges	1,445,161	-	1,445,161	1,354,326
Depreciation of housing property	12,552	-	12,552	12,552
Other costs	288,038	415,540	703,578	217,588
Government grant related expenditure	-	-	-	356,053
Administrative expenditure on social housing lettings	6,193,575	584,213	6,777,788	6,430,025
Operating surplus / (deficit) on social housing lettings	208,730	(92,298)	116,432	106,293

Void losses for the year totalled £967,336 (2018 - £747,821)

For further details of restricted funds please see note 20.

DERVENTIO HOUSING TRUST CIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>12,000</u>	<u>12,000</u>

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,095,481	1,899,619
Social security costs	170,566	154,741
Pension costs	179,650	169,394
	<u>2,445,697</u>	<u>2,223,754</u>

The average monthly number of employees, including members of the board and the strategic management team, expressed in FTEs (based on a standardised 40 hours) during the year was as follows:

	2019 No.	2018 No.
Supported Housing	56	59
Management and administration	18	14
	<u>74</u>	<u>73</u>

The number of employees who received more than £60,000 as their employee package, including overtime but excluding pension contributions, are as follows:

	2019 No.	2018 No.
£90,000.00 - £99,999.99	3	3
	<u>3</u>	<u>3</u>

DERVENTIO HOUSING TRUST CIC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Board, strategic management and other management

	2019 £	2018 £
Remuneration	577,049	431,875
Company pension contribution	108,262	101,007
	<u>685,311</u>	<u>532,882</u>

The highest paid Director received remuneration, excluding pension contributions, of £99,999.96 (2018 - £99,999.96).

During the year retirement benefits were accruing to 1 Director (2018 - 1) in respect of defined contribution pension schemes. The total amount contributed to the scheme by the Company was £40,000 (2018 - £40,000).

8. Accommodation in management

	2019 No.	2018 No.
Supported housing	594	543
	<u>594</u>	<u>543</u>

DERVENTIO HOUSING TRUST CIC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Housing properties

	Green Lane £	Cotmanhay Road £	Total £
Cost			
At 1 April 2018	742,487	160,990	903,477
At 31 March 2019	<u>742,487</u>	<u>160,990</u>	<u>903,477</u>
Amortisation			
At 1 April 2018	72,138	6,440	78,578
Charge for the year	9,332	3,220	12,552
At 31 March 2019	<u>81,470</u>	<u>9,660</u>	<u>91,130</u>
Net book value			
At 31 March 2019	<u>661,017</u>	<u>151,330</u>	<u>812,347</u>
<i>At 31 March 2018</i>	<u>670,349</u>	<u>154,550</u>	<u>824,899</u>

The cost of housing properties includes £5,521 (2018 - £5,521) of capitalised finance costs.

Housing properties includes non-depreciable land valued at a cost of £123,434 (2018 - £123,434).

The Company has elected to carry housing properties at deemed cost on transition to FRS 102 on 1 April 2014 based on a previous valuation at an open market value. The historic cost equivalent of the asset is £562,480 (2018 - £569,665).

Social housing properties with a net book value of £812,347 (2018 - £824,899) have been pledged as security for the Company's borrowings.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Tangible fixed assets

	Freehold property £	Leasehold improvements £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 April 2018	640,814	75,584	214,143	223,017	1,153,558
Additions	-	-	32,745	14,714	47,459
Disposals	-	-	(15,723)	-	(15,723)
At 31 March 2019	640,814	75,584	231,165	237,731	1,185,294
Depreciation					
At 1 April 2018	36,702	12,489	136,914	172,725	358,830
Charge for the year on owned assets	7,933	2,580	23,271	21,376	55,160
Charge for the year on financed assets	-	-	15,108	-	15,108
Disposals	-	-	(15,723)	-	(15,723)
At 31 March 2019	44,635	15,069	159,570	194,101	413,375
Net book value					
At 31 March 2019	596,179	60,515	71,595	43,630	771,919
At 31 March 2018	604,112	63,095	77,229	50,292	794,728

The net book value of land and buildings may be further analysed as follows:

	2019 £	2018 £
Freehold	596,179	604,112
Long leasehold	60,515	63,095
	656,694	667,207

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Motor vehicles	25,766	52,390
	<u>25,766</u>	<u>52,390</u>

Freehold property includes non-depreciable land valued at a cost of £46,667 (2018: £46,667).

The Company has elected to carry housing properties at deemed cost on transition to FRS 102 on 1 April 2014 based on a previous valuation at an open market value. The historic cost equivalent of the asset is £302,410 (2018: £302,410).

Tangible fixed assets with a net book value of 596,179 (2018: £604,112) have been pledged as security for the Company's borrowings.

The Company received a People's Millions grant as contribution toward the cost of a motor vehicle. The balance on the grant is £Nil (2018: £4,050) and was included within creditors last year.

11. Debtors

	2019 £	2018 £
Trade debtors (gross social housing rent arrears)	340,500	379,595
Prepayments and accrued income	111,517	110,588
	<u>452,017</u>	<u>490,183</u>

Included within trade debtors (gross social housing rent arrears) is £155,881 (2018: £38,392) in relation to a bad debt provision.

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	596,037	514,222
	<u>596,037</u>	<u>514,222</u>

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	-	17,750
Bank loans	36,514	35,947
Rent paid in advance	108,312	108,788
Social housing grant not spent	950	950
Government grants	2,138	6,188
Other taxation and social security	-	26,228
Obligations under finance lease and hire purchase contracts	12,944	20,080
Other creditors	6,404	19,950
Accruals and deferred income	254,350	320,431
	421,612	556,312

Included within other loans last year was an unsecured loan of £17,750 which was repaid during the year.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	631,741	666,756
Net obligations under finance leases and hire purchase contracts	25,559	33,584
Social housing grant not spent	86,749	87,699
Government grants received	162,924	160,721
	<u>906,973</u>	<u>948,760</u>

Included in bank loans is a loan obtained in respect of the purchase of property at 33 Boyer Street. The loan is secured on the property and interest is charged at a rate of 4.65% above LIBOR per annum. The loan is repayable in 240 monthly installments.

Also included in bank loans is a loan obtained in respect of the purchase of property at 1 Grenville Road. The loan is secured on the property and interest is charged at a rate of 4.1% above LIBOR per annum. The loan is repayable in 180 monthly installments.

Also included in bank loans is a loan obtained in respect of the purchase of property at 89-91 Green Lane. The loan is secured on the property and interest is charged at a rate of 3.61% above LIBOR per annum. The loan is repayable in 180 monthly installments.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2019 £	2018 £
Repayable by instalments	467,191	503,102
	<u>467,191</u>	<u>503,102</u>

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	12,944	22,757
Between 2 - 5 years	25,559	41,164
	<u>38,503</u>	<u>63,921</u>

Finance leases are secured against the assets to which they relate.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	596,037	514,222
Financial assets that are debt instruments measured at amortised cost	452,017	490,183
	<u>1,048,054</u>	<u>1,004,405</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,328,585)</u>	<u>(1,505,072)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals, other loans and bank loans.

17. Provisions

	Dilapidation provision £
At 1 April 2018	689,100
Charged to profit or loss	104,900
At 31 March 2019	<u><u>794,000</u></u>

The dilapidation provision is an estimate of the cost to return tenanted properties to a rentable standard.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

18. Reserves

Revaluation reserve

The revaluation reserve represents the cumulate effect of revaluations of tangible fixed assets and housing properties. From the date of transition to FRS 102 the Company has elected to follow the deemed cost approach for tangible fixed assets and housing properties.

Restricted funds

Restricted funds represent funding received from grant bodies in which expenditure much be made in accordance with the terms of the grant. An analysis of restricted funds has been provided in note .

Income and expenditure

The income and expenditure reserve represents the cumulative surplus and deficits.

19. Restricted funds

	Income £	Expenditure £	Transfer £
Talent Match	85,718	(129,450)	43,732
Clinical Commissioning Group	150,943	(159,492)	8,549
Opportunity & change	114,446	(121,344)	6,898
Towards Work	132,308	(164,746)	32,438
Safe Space	8,500	(9,181)	681
	<u>491,915</u>	<u>(584,213)</u>	<u>92,298</u>

There were no balances brought forward or carried forward on the above restricted funds as the funds were all spent within the year.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Description of funds

Talent Match relates to a restricted grant from the Big Lottery Fund which has been used to fund the Talent Match programme. This came to an end on 31 December 2019. The accounts include £85,718.

Income from Southern Derbyshire Clinical Commissioning Group relates to a restricted grant of £52,000 awarded to deliver the Healthy Futures – High Intensity Users project.

£17,333 has been received from Erewash Clinical Commissioning Group to deliver the Healthy Futures – High Intensity Users Project.

A further £14,985 from Hardwick Commissioning Group and £14,985 from Derbyshire Constabulary has been received to deliver the Hardwick High Intensity User service.

£50,000 has been received from Chesterfield Borough Council to deliver the Healthy Futures – Homeless in Hospital (North) project.

£114,446 has been received to deliver the Opportunity and Change project. Opportunity and Change is jointly funded by the European Social Fund and the National Lottery Community Fund, as part of Building Better Opportunities, a national programme to tackle the root causes of poverty and promote social inclusion.

£132,308 has been received relating to the BBO Towards Work project. Towards Work is jointly funded by the European Social Fund and the National Lottery Community Fund, as part of Building Better Opportunities, a national programme to tackle the root causes of poverty and promote social inclusion.

£8,500 has been received from the Police and Crime Commissioner for Derby to deliver the Safe Space Project in March 2019.

A grant of £21,940 was received from the Arts Council National Lottery Projects Grants; Do you see the world differently now. The accounts include £18,942 of this to 31 March 2019.

Acknowledgements

A grant of £33,334 was received from the Tudor Trust to employ an Asset Coach to be part of the Mayday Trust Innovation Partnership, delivering the Personal Transitions Service.

A grant of £9,147 was received from Foundation Derbyshire: Tom Carey Fund. The grant runs from October 2018 to September 2019. The accounts include £4,489 to 31 March 2019.

A grant of £2,000 was received from Foundation Derbyshire: Jefford-Weller Fund.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £179,650 (2018: £169,394). Contributions totalling £337 (2018: £12,936) were payable to the fund at the balance sheet date.

DERVENTIO HOUSING TRUST CIC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

21. Related party transactions

During the year under review the Company made purchases from Homes2Opportunities Limited, a Company under common control, of £1,028,537 (2018: £919,288). Included within year end creditors are amounts owed to Homes2Opportunities Limited of £38,921 (2018: £Nil).

22. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on 10 October 2019 by Lisa Richards FCCA (Senior Statutory Auditor) on behalf of Dains LLP.

705341/15

CIC 34

Community Interest Company Report

For official use
(Please leave blank)

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*Please
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capitals.*

**Company Name in
full**

DERVENTIO HOUSING TRUST CIC

Company Number

05886593

Year Ending

31 MARCH 2019

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Derventio tackles homelessness head-on, providing accommodation, support and opportunities to help people facing tough times to get back on their feet.

SmartShare – shared supported accommodation in Derbyshire, Nottinghamshire, Staffordshire, Shropshire, Gloucestershire and Wiltshire.

SmartShare for Young People – supported accommodation for looked-after young people, 16+.

Growing Lives – supported learning and work experience, providing skills and experience to help people build their lives and escape homelessness for good.

Talent Match – support into employment, learning and work experience for disadvantaged 18 to 24 year olds.

Building Better Opportunities Opportunity and Change – part of Building Better Opportunities, a national programme to tackle the root causes of poverty and promote social inclusion.

Towards Work is funded by the European Social Fund and the National Lottery Community Fund.

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Healthy Futures – improving hospital discharge for homeless people, reducing bed blocking and providing intensive support to homeless people to reduce high intensity use of health services.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

We consult with all our stakeholders.

We involve residents and the people we work with using our services in a range of ways, through:

- Our annual satisfaction survey, delivered to all residents in our accommodation, and completed anonymously
- Feedback questionnaires, particularly used for Growing Lives activities
- Where possible we involve people we work with in the development of our activities and processes. In recent times this has included sitting on interview panels, consultation with clients regarding our client handbook.

Other stakeholders include local authorities, other statutory providers and voluntary / community organisations in the areas we work in. We are fully engaged with a range of local networks and regular meetings and have established good working relationships with key players. We have changed our service in response to feedback, for example, providing accommodation in the locations to fit local authorities' housing strategies, and in response to requests from local authorities.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

The details of the Directors remuneration may be found in the notes to the annual financial statements of the company.

There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which are required to be disclosed.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that “no transfer of assets other than for full consideration has been made” below.

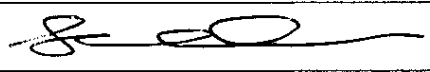
No transfer of assets other than for full consideration have been made.

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY

The original report must be signed by a director or secretary of the company

Signed



Date 22.10.19.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Dains Accountants	
Charlotte House, Stainer Way	
The Wyvern Business Park, Derby	
DE21 6BF	Tel 01332 826799
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

The accounts and CIC34 **cannot** be filed online

(N.B. Please enclose a cheque for £15 payable to Companies House)

Amended.

8/11

CIC 34

Community Interest Company Report

For official use
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Company Name in
full

DERVENTIO HOUSING TRUST CIC

Company Number

05886593

Year Ending

31 MARCH 2019

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* updated

The remuneration are shown at
Point 7 of the Notes to the financial
Statements' for the year ended
31 March 2019.



9.6.2022

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that “no transfer of assets other than for full consideration has been made” below.

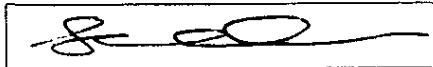
No transfer of assets other than for full consideration have been made.

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY

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Signed



Date

22.10.17.

Office held (delete as appropriate) Director/Secretary

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Dains Accountants

Charlotte House, Stainer Way

The Wyvern Business Park, Derby

DE21 6BF

Tel 01332 826799

DX Number

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