

SANCTUARY MAINTENANCE CONTRACTORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Company Number: 6822831



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Directors and advisors at the date of approval of the financial statements

Directors

Simon Clark
Ed Lunt
Craig Moule (Chair)
James Whitmore

Company Secretary

Nicole Seymour

Registered office

Chamber Court
Castle Street
Worcester
WR1 3ZQ

Independent statutory auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Internal auditor

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Legal advisors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Bankers

Barclays Bank PLC
Barclays Corporate
Social Housing Team
Level 27
1 Churchill Place
London E14 5HP

Registered number

Company Number: 6822831

Strategic Report for the year ended 31 March 2019

Review of the business and future developments

Sanctuary Maintenance Contractors Limited (the Company) forms part of the Sanctuary Group of entities (the Group). The Company's ultimate parent undertaking is Sanctuary Housing Association.

The Company provides a wide range of property and facilities maintenance services to an extensive portfolio of properties owned by other businesses within the Group, as well as providing services to external clients. Services include responsive repairs, planned maintenance, estate services, gas servicing and repair, and reinvestment works.

The Company has seen improvement in performance during the year, maintaining satisfaction levels whilst increasing the utilisation of the internal maintenance team to 80.7 per cent (2018: 78.1 per cent), assisted by the continued roll-out of the 'Sanctuary Way', designed to enhance customer service while ensuring the protection of the Group's assets. The maintenance service has been further expanded with the in-house fire services team, which will provide fire safety servicing and routine repairs, reducing our reliance on external contractors.

The Company will continue to roll-out in-house delivery of gas repairs and servicing with the aim of delivering 97 per cent of all gas servicing and repair needs in this way during 2019/2020, thus providing a high quality, sustainable service which will support the future growth aspirations of the Group. During the year, work has been underway to scope the internalisation of additional services which are currently provided by external contractors, in order to deliver greater customer benefits and efficiencies. Our continued investment in technology will support operational improvements and efficiency through increased customer self-service and integrated materials management.

Results and financial position

The Company achieved a profit before taxation for the financial year of £522,000 (2018: £468,000). The profit relates entirely to the provision of external services during the year; no profit is made on the provision of services to the Group.

At the year end the Company had a profit and loss account of £nil (2018: £176,000).

Key performance indicators

	2019	2018
Percentage of repairs carried out by own operatives	81%	78%
Urgent and routine jobs completed on time	93%	94%
Maintenance first time fix	82%	86%
Repairs satisfaction	93%	94%
Average cost per responsive repair	£119	£115
Average cost per responsive repair (internally delivered works)	£101	£98
Responsive jobs completed	226,000	229,000

Strategic Report for the year ended 31 March 2019 continued

Principal risks

The Group operates a comprehensive risk mapping process as part of its annual business planning cycle. This process identifies a number of factors which affect both the Group and the Company. These factors include the Group's ability to increase the fees charged to customers due to the restrictions of inflation; this has a consequent impact on future income levels. Other risks highlighted and mitigated include the delivery of compliance activities, meeting contractual obligations and compliance with health and safety procedures.

The Executive Committee and Group Audit and Risk Committee review and scrutinise the risk maps for all Group entities. The Group Board approves the Group risk map.

By order of the Board of Directors.



Craig Moule
Chair

12 September 2019

Directors' Report for the year ended 31 March 2019

The Directors present their Annual Report and financial statements of the Company for the year ended 31 March 2019.

Principal activities

The Company was registered on 18 February 2009 under the Companies Act 2006 number 6822831, with the purpose of providing a wide range of property and facilities maintenance services. Further details of activities are included within the Strategic Report on page 3.

The Company's ultimate parent undertaking is Sanctuary Housing Association and the Company forms part of the Sanctuary Group of entities:

Going Concern

The Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in its financial statements.

Gift aid payments

The Directors approve a Gift Aid payment of £698,000 (2018: £468,000) to the Company's parent undertaking, Sanctuary Housing Association.

Employee involvement

It is Group and Company policy to involve all employees in matters affecting their functions. At a formal level this takes place through the Staff Council where management consult with elected staff representatives. At an operational level a team briefing system is in place to keep all employees updated on core Group business issues.

Ethical business

The Group and Company are committed to conducting their business in an ethical and responsible manner. This involves making decisions which take into account not only economic considerations but social and environmental impacts too. It also means running our operations efficiently, supporting the communities where we work, providing training and employment opportunities and ensuring that the homes we own and operate are energy efficient. We understand that the work we do affects people's lives and we are working hard to ensure that the difference we make is a positive one.

Equality and diversity

The Group and Company aim to be open and inclusive organisations, where diversity is promoted and discrimination eliminated. Our single equality scheme – 'Fairness for All' – outlines our commitment to ensuring that our services meet the needs of all our diverse customers. It ensures that equality, diversity and human rights are integrated into the way we plan, develop and deliver our services, covering our internal functions as an employer and our external operations as a provider of housing, care and facilities maintenance services.

Political and charitable donations

The Company made no donations to political or charitable organisations (2018: none).

Directors' Report for the year ended 31 March 2019 continued

The Directors, who have served during the year and to the date of the financial statements being approved, unless otherwise stated, were:

Simon Clark	
Ed Lunt	(appointed 22 May 2019)
Craig Moule (Chair)	
James Whitmore	

Company Secretary

Craig Moule	(resigned 23 May 2018)
Nicole Seymour	(appointed 23 May 2018)

Directors' Report for the year ended 31 March 2019 continued

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

In the case of each Director in office at the date the Directors' Report is approved:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

KPMG LLP has indicated its willingness to continue in office. A resolution concerning the appointment of the auditor will be proposed at the Annual General Meeting.

By order of the Board of Directors.



Craig Moule
Chair

12 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY MAINTENANCE CONTRACTORS LIMITED

Opinion

We have audited the financial statements of Sanctuary Maintenance Contractors Limited ("the Company") for the year ended 31 March 2019 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors, such as the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY MAINTENANCE CONTRACTORS LIMITED CONTUNUED

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities


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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANCTUARY MAINTENANCE
CONTRACTORS LIMITED CONTUNUED**

The purpose of our audit work and to whom we owe our responsibilities

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



**Gordon Docherty (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

Date: 8 October 2019

Profit and Loss Account for the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Revenue			
Group revenue		140,279	137,781
External revenue		3,650	3,479
		<u>143,929</u>	<u>141,260</u>
Cost of sales		<u>(138,829)</u>	<u>(137,121)</u>
Gross profit		5,100	4,139
Operating expenses		<u>(4,588)</u>	<u>(3,674)</u>
Operating profit		512	465
Interest receivable	3	15	4
Interest payable	4	(5)	(1)
		<u></u>	<u></u>
Profit before taxation		522	468
Taxation	7	<u>(99)</u>	<u>(89)</u>
Profit for the financial year	2	423	379
		<u><u></u></u>	<u><u></u></u>

The profit for the current and prior years relates wholly to continuing activities.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

There are no recognised gains and losses other than those included in the Profit and Loss Account above, and therefore no Statement of Other Comprehensive Income has been presented.


The notes on pages 14 to 21 form part of these financial statements.

Balance Sheet as at 31 March 2019

	Notes	2019 £'000	2018 £'000
Current assets			
Stocks	8	1,390	824
Debtors	9	8,993	16,020
Cash at bank and in hand		8,562	4,330
		<u>18,945</u>	<u>21,174</u>
Creditors: amounts falling due within one year	10	<u>(18,663)</u>	<u>(20,716)</u>
Net current assets		<u>282</u>	<u>458</u>
Net assets		<u>282</u>	<u>458</u>
Capital and reserves			
Called up share capital	12	282	282
Profit and loss account		-	176
Total shareholders' funds		<u>282</u>	<u>458</u>

The notes on pages 14 to 21 form part of these financial statements.

The financial statements were approved by the Board of Directors on 12 September 2019 and signed on its behalf by:



Craig Moule
 Chair

Statement of Changes in Equity 31 March 2019

	Share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
At 1 April 2017	282	176	458
Comprehensive income			
Profit for the year	-	379	379
Total comprehensive income	-	379	379
Transactions with owners			
Gift aid	-	(468)	(468)
Tax credit on gift aid	-	89	89
Total transactions with owners	-	(379)	(379)
At 31 March 2018	282	176	458
At 1 April 2018	282	176	458
Comprehensive income			
Profit for the year	-	423	423
Total comprehensive income	-	423	423
Transactions with owners			
Gift aid	-	(698)	(698)
Tax credit on gift aid	-	99	99
Total transactions with owners	-	(599)	(599)
At 31 March 2019	282	-	282

The notes on pages 14 to 21 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2019

1. Principal accounting policies

General information

The Company is incorporated and domiciled in the UK.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Unless otherwise stated, amounts are denominated in thousands (£'000) rounded to the nearest thousand.

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has adopted IFRS 15 Revenue from Contracts with Customers (IFRS 15) and IFRS 9 Financial Instruments (IFRS 9) from 1 April 2018, when they became effective. There was no material impact on the Company from adoption of these new standards.

The Company's parent undertaking, Sanctuary Housing Association, includes the Company in its consolidated financial statements. The consolidated financial statements of Sanctuary Housing Association are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Sanctuary Housing Association, Chamber Court, Castle Street, Worcester WR1 3ZQ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries of the Group;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel;
- certain disclosures required by IFRS 15.

As the consolidated financial statements of Sanctuary Housing Association include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared on the historical cost basis.

Notes to the financial statements for the year ended 31 March 2019 continued

1. Principal accounting policies continued

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 3. The Directors confirm that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its Financial Statements.

Critical accounting estimates, judgements and assumptions

The Directors have not been required to make any judgements which have a significant impact upon the financial statements, nor have they been required to make any significant estimates or assumptions which could result in a significant risk of material adjustments in future periods.

Group revenue

Group revenue comprises amounts charged to Group undertakings for maintenance and reinvestment services as well as the provision of management staff and a consultancy function. Group charges are not subject to value added tax (VAT) due to VAT grouping arrangements. Turnover is measured at the fair value of the consideration received or receivable, net of discounts. Where charges are billed in advance these are recorded as deferred income.

External revenue

External revenue comprises third party fees receivable for maintenance services as well as the provision of call centre services and management staff. Turnover is measured at the fair value of the consideration received or receivable, net of discounts, VAT and other sales related taxes. Where charges are billed in advance these are recorded as deferred income.

Cost of sales and operating expenses

Costs directly relating to the provision of services are shown as cost of sales; these include raw materials, direct staff costs, subcontractor costs and commercial vehicle running costs. General overheads and indirect staff costs are shown as operating expenses.

Value Added Tax

The majority of the Company's turnover is not subject to VAT. However, certain activities are subject to VAT and give rise to VAT recovery on related input costs. Where appropriate, costs are stated including irrecoverable VAT.

Corporation tax

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements for the year ended 31 March 2019 continued

1. Principal accounting policies continued

Gift Aid

Where Gift Aid payments are made to the Company's parent undertaking, Sanctuary Housing Association, these are treated as a distribution of reserves.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Stocks

Stock is valued at the lower of cost and net realisable value and comprises consumables used in maintenance operations. Net realisable value represents estimated selling price less any anticipated selling costs.

Retirement benefits

The Company participates in defined contribution schemes and a defined benefit scheme.

Defined benefit scheme

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The underlying assets and liabilities of the defined benefit scheme operated by the Company are not separately identifiable. Therefore, under the provisions of International Accounting Standard 19 – Employee Benefits, the scheme is accounted for as a defined contribution scheme.

Where it is not possible to separately identify the share of the underlying assets and liabilities of a defined benefit scheme the amount charged to the Profit and Loss Account represents the contributions payable in the year.

The Company has determined that it is not possible to identify the share of underlying assets and liabilities for the following main reasons:

- Scheme assets are not allocated to individual employers;
- Contributions are the same for all employers irrespective of underlying assets; and
- Residual (orphan) members whose employer has withdrawn from the scheme cannot be allocated to specific remaining employers.

All of the above reduce the accuracy with which an individual employer's liability could be calculated.

Note 13 contains further information.

Defined contribution schemes

For the defined contribution arrangements, the cost charged to the Profit and Loss Account represents the Company's accrued contributions to the scheme in the period in which they fall due.

Notes to the financial statements for the year ended 31 March 2019 continued

2. Profit for the financial year

	2019 £'000	2018 £'000
Profit for the financial year is stated after charging:		
Operating lease rentals – land and buildings	385	378
Operating lease rentals – vehicles	3,389	3,531
Auditor's remuneration for audit services	23	22
	<u> </u>	<u> </u>

No non-audit services were provided in the current or prior year.

3. Interest receivable

	2019 £'000	2018 £'000
Bank interest receivable	<u>15</u>	<u>4</u>

4. Interest payable

	2019 £'000	2018 £'000
Interest on intercompany loans	<u>5</u>	<u>1</u>

During the year Sanctuary Housing Association provided short-term working capital loans to the Company on which interest was charged at a rate of 3.73% (2018: 3.25%).

5. Directors' emoluments

All of the Directors receive salaries in their capacity as employees of the ultimate parent undertaking, Sanctuary Housing Association. Any salary payable in respect of services to the Company is negligible. Expenses payable are also borne by the ultimate parent undertaking as they are incidental to their services provided to other Sanctuary Group companies. Expenses borne by the ultimate parent undertaking in respect of the Directors are negligible.

Notes to the financial statements for the year ended 31 March 2019 continued

6. Employee information

Employee costs charged during the year amounted to:

	2019 £'000	2018 £'000
Wages and salaries	41,007	35,846
Social security costs	3,870	3,329
Other pension costs	900	557
	<u>45,777</u>	<u>39,732</u>

The average monthly number of persons employed during the year expressed in full time equivalents was:

	2019 Number	2018 Number
Maintenance staff	1,212	1,111
Office based staff	210	165
	<u>1,422</u>	<u>1,276</u>

Full-time equivalents have been calculated based on hours worked compared to the standard level of working hours per week for an equivalent employee in the same business area.

7. Taxation

a) Analysis of tax charge in the year

	2019 £'000	2018 £'000
Current tax:		
UK corporation tax charge on profits	99	89
Tax on profit	<u>99</u>	<u>89</u>

b) Factors affecting the tax charge in the year.

The current tax charge for the year is at the main rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £'000	2018 £'000
Profit before tax	<u>522</u>	<u>468</u>
Profit before tax multiplied by main rate of corporation tax in the UK of 19% (2018: 19%)	99	89
Tax charge for the year	<u>99</u>	<u>89</u>

Due to the charitable allowance of gift aid the overall expectant tax charge payable to HMRC will be £nil.

Notes to the financial statements for the year ended 31 March 2019 continued

7. Taxation continued

(c) Factors affecting future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future current tax charge accordingly.

8. Stocks

	2019 £'000	2018 £'000
Raw materials and consumables	1,390	824
	<u>1,390</u>	<u>824</u>

9. Debtors

	2019 £'000	2018 £'000
Trade debtors	579	279
Amounts due from parent undertaking	-	4,628
Amounts due from fellow group undertakings	2,757	2,923
Other debtors	24	-
Prepayments and accrued income	5,633	8,190
	<u>8,993</u>	<u>16,020</u>

Amounts disclosed as due from parent undertaking and due from fellow group undertakings are trading in nature, repayable on demand and do not bear interest.

Notes to the financial statements for the year ended 31 March 2019 continued

10. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	2,692	3,157
Amounts owed to parent undertaking	250	-
Amounts owed to fellow group undertakings	332	252
Other taxation and social security	1,543	960
Other creditors	435	244
Deferred Income	956	216
Accruals	12,455	15,887
	<u>18,663</u>	<u>20,716</u>

Amounts owed to parent and fellow group undertakings, shown above, are trading in nature, repayable on demand and do not bear interest.

During the year Sanctuary Housing Association provided short-term working capital loans to the Company on which interest was charged at a rate of 3.73% (2018: 3.25%). No amounts were outstanding at year end (2018: £nil).

11. Operating lease rentals

Non-cancellable operating lease rentals are payable as follows:

	2019 £'000	2018 £'000
Land and buildings:		
Under one year	241	269
In the second to fifth year inclusive	427	616
In more than five years	170	221
	<u>838</u>	<u>1,106</u>
Vehicles:		
Under one year	3,180	2,459
In the second to fifth year inclusive	8,305	6,357
In more than five years	1,116	553
	<u>12,601</u>	<u>9,369</u>
Total:		
Under one year	3,421	2,728
In the second to fifth year inclusive	8,732	6,973
In more than five years	1,286	774
	<u>13,439</u>	<u>10,475</u>

Minimum lease payments are presented on an undiscounted basis and do not include discretionary rent reviews.

Notes to the financial statements for the year ended 31 March 2019 continued

12. Called up share capital

All shares are owned by the parent undertaking.

	2019 £'000	2018 £'000
Authorised, allotted, issued and fully paid:		
282,001 (2017: 282,001) ordinary shares of £1 each		
At 1 April	282	282
Issued during the year	-	-
At 31 March	<u>282</u>	<u>282</u>

13. Retirement benefits

Defined benefit schemes

During the year, the Company made contributions to the Cheshire County Council Pension Fund, a local government pension scheme; these included payments in relation to maintenance staff employed by Sanctuary Housing Association, but recharged to the Company. Contributions made by the Company during the year totalled £667,000 (2018: £683,000). Sanctuary Housing Association is solely responsible for any surplus or deficit on the scheme. The deficit on the scheme at 31 March 2019 attributed to Sanctuary Group as a whole, and disclosed as such in its financial statements, is £7.8m (2018: £8.1m).

Defined contribution schemes

The Company also participates in a defined contribution scheme for members of staff. Contributions made by the Company to the defined contribution scheme during the year amounted to £802,000 (2018: £469,000). At 31 March 2019, there were £69,000 (2018: £41,000) of accrued contributions due for payment after the year end.

14. Post balance sheet events

There are no post balance sheet events to report.

15. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Sanctuary Housing Association being the smallest and largest group to consolidate these financial statements, registered in England as a Registered Society (Number 19059R) and with the Regulator of Social Housing (Number L0247).