

Charity Number: 265192

Quintus Housing Trust

Report and financial statements
For the year ended 31 March 2018

Quintus Housing Trust

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For the year ended 31 March 2018

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Quintus Housing Trust

Reference and administrative information

For the year ended 31 March 2018

Charity number 265192 – A charitable trust approved by the Charity Commissioners

Country of registration England & Wales

Registered office and operational address 89 Heath Road, Twickenham, TW1 4AW

Trustee SPEAR Housing Association Limited (Known and operating as SPEAR)

Key management personnel	Stuart Nevill	Chief Executive
	Lesleigh Bounds	Operations Director
	Syed Ali Naqi	Finance Director (until 22.06.2018)
	Donna Marshall	Finance Director (from 16.07.2018)

Bankers National Westminster Bank plc
25 King St
Twickenham
TW1 3SU

Solicitors Russell Cooke LLP
Bishop's Palace House
Kingston-Upon-Thames
KT1 1QN

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Message from Stuart Nevill, Chief Executive and Jack Stephen, Chair of Trustee

Since becoming the corporate Trustee of Quintus Housing Trust (QHT) in October 2016, we have consolidated the day to day operations of the charity: supporting our residents and maintaining the properties, paying particular attention to fire safety and the health and wellbeing of residents. We have also reviewed how to utilise the combined resources of SPEAR and QHT efficiently and effectively to maximise public benefit. To this end we have been in dialogue with the Charity Commission who have approved changes to the governing documents of QHT and issued an order unifying the direction of SPEAR and QHT, (effective from 3rd July 2018). These changes have enabled us more easily to utilise permanent endowment funds to acquire properties in line with the charities' objectives, integrate the infrastructure of both charities and focus the activities of both charities on the same charitable objectives.

This will be the last year QHT publishes its own set of annual accounts. In the 2018–19 accounts, QHT's permanent endowments will be included in one set of accounts for both charities.

Now that we are to focus our energy on utilising the combined resources of both charities, we are determined to provide more secure, safe and high quality homes and support to ever more people in need in the years ahead.

Stuart Nevill, Chief Executive

Jack Stephen, Chair of Trustee

The Trustee presents the annual report for the year ended 31 March 2018.

Aims and Objectives

The Trustee has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

At 31st March 2018 the charity operates two branches: the Almshouse branch and the Housing branch

The objects of the Almshouse branch are the relief of the beneficiaries by the provision of the almshouses and such charitable purpose for the residents as the Trustee decided. In appointing residents to the Almshouses at 81–83 Queens Road, the Trustee may give preference to persons who are Peculiar or Calvinistic Baptists.

The objects of the Housing branch are the relief of beneficiaries by provision of housing and associated amenities upon terms appropriate to their means.

The beneficiaries of both branches are persons in conditions of need, hardship or distress, and either resident in the area of benefit or have at any time lived in the area of benefit for at least five years or who have lived outside the area of benefit and are appointed in exceptional circumstances to be decided. The number of persons appointed in exceptional circumstances must not exceed one-third of the number of residents at any one time.

Key Events

The objects of the Charity are contained in the Trust deed.

The following events have taken place during 2017–18 and subsequently which affect the Aims and Objectives of QHT, the governing documents, activities and treatment of assets, and the future management of the charity:

- 1 On 8th December 2017 the Charity Commission published a Scheme which amended the existing governing documents in the following respects:
 - The previous objects pertinent to residential care have been removed, because the charity no longer operates a residential care home
 - The previous objects stated that beneficiaries must be over the age of 60. This age restriction has been removed to allow the charity to meet the needs of the wider community

Quintus Housing Trust

Trustees' annual report

For the year ended 31 March 2018

- The charity will hold unrestricted funds, without allocating these to particular 'branches' of the charity
- 2 On 3rd July 2018, the Charity Commission issued a further amending Scheme, with the following effect:
- QHT unrestricted reserves were transferred into SPEAR's unrestricted reserves
 - Permanent endowment funds in the Almshouse branch transferred to the Housing branch, resulting in just one cash permanent endowment fund
- 3 Also, on 3rd July 2018, the Charity Commission issued an Order unifying the direction of QHT with SPEAR, with the following effect:
- The permanent endowment assets, (property and cash funds) remain a distinct trust which can only be utilised for the acquisition of property.
 - The wider charitable objects of QHT became consistent with those of SPEAR
 - QHT is not required to publish separate annual accounts for financial years ending after 31st March 2018.
- 4 On the 20th August 2018, the Trustee made the following resolutions:
- SPEAR, in its capacity as Trustee of QHT resolved, under section 280 of the Charities Act 2011 that the provisions of the trusts of Quintus relating to the powers exercisable by the trustees of Quintus in the administration of Quintus shall be modified by changing the name of Quintus to the Spear Endowment Trust with immediate effect and that the governing document was amended by replacing the references to QHT with references to the Spear Endowment Trust (SET).
 - All income that SET receives from the date of this resolution (whether from investments, rent or otherwise) shall be transferred to SPEAR as soon as the income arises, subject to the conditions that SPEAR shall meet all the maintenance costs and ensure that the SET properties are maintained to a standard that is in line with good practice.

The combined assets of SPEAR and SET are detailed below in Note 16.

Principal Funding Sources

The Charity continues to receive income from cash deposits and rental income. This income allows the Charity to meet its expenses and liabilities and to place provisions and reserves aside for future cyclical maintenance, major repairs and furniture replacements. Net income for the year was £193,745 (2017: £224,057) net expenditure £290,535 (2017: £238,834) including major works funded from the designated reserves of £62,017.

Investments

The Charity holds investments which comprise NAACIF shares and quoted stocks and shares worth £2,433.

Reserves

Endowment reserves represented by property and investments are held within the Almshouse and Housing branch and are applied to works on the respective categories of property.

The Trustee has designated part of the General funds to be applied to the maintenance of the properties, the amount is reviewed periodically and determined by the Trustee.

Other unrestricted funds are freely available to meet the charity's objectives.

The Charity holds reserves totalling £7,391,697 (2017 £7,488,487) represented by property and investments as follows: –

	2018	2017
Endowment reserves	£	£
Almshouse branch	1,213,124	1,213,831
Housing Branch	2,802,480	2,802,480
Total endowment Funds	4,015,604	4,016,311
Unrestricted Reserves	£	£
Designated maintenance	822,342	884,359
General funds	2,553,751	2,587,817
Total Unrestricted Reserves	3,376,093	3,472,176
Overall Total reserves	<u>7,391,697</u>	<u>7,488,487</u>

Plans for Future Periods

The Trustee plans to:

- Acquire housing with SET funds and where appropriate medium term debt to increase housing stock
- Review redevelopment potential of existing properties

Structure, governance, management and remuneration policy

The Trust is a registered charity and the governing document is a Scheme approved by the Charity Commissioners on 1 October 2007. The Scheme is based on the amalgamation of five separate charities, namely (with charity registration numbers in brackets) – Parks Almshouses Trust (PAT) (248015), Tollemache Charity of Ham (TCH) (220754), Julian Memorial Trust (JMT) (265192), Fulham Old People' s Home (FOPH) (262309) and Lyle Park Trust (LPT) (209052).

These charities are administered as one charity as part of Julian Memorial Trust in accordance with this Scheme. The Scheme replaces the former trusts of those charities. The Julian Memorial Trust is to be administered in accordance with this Scheme. For the purpose of administration and management, the Scheme states that the charity will be divided into two branches: the Almshouses branch (PATTCH and JMT) and the housing (FOPH) and residential home (LPT) branch.

The assets and liabilities of the previous charities were merged to form Quintus Housing Trust with effect from 1 October 2007 at their reported book value on 30 September 2007.

The Scheme outlined above has since been amended by the revised 2018 Scheme, described in the key events section of this report.

The Trustee Board comprises of 11 members. No members received remuneration for their roles or were paid for any other activity relating to the charity in the year. The Board is supported in discharging these responsibilities through an Audit and Risk Committee. Overall operational management by SPEAR is delegated to the Chief Executive. Throughout the year, the Trustee, the Chief Executive and the wider Senior Management Team monitored effectiveness and best practice.

All trustees of SPEAR give their time voluntarily and receive no benefits from the charity.

Risk Management

An Audit & Risk Committee reviews major risks facing the charity on a quarterly basis. The committee reviews a Risk Map and Management Plan drafted by the Senior Management Team, updating the full Trustee Board as required.

The principal risks and their mitigations are:

- Historical restrictions related to the utilisation of QHT assets to delivery public benefit through the delivery of services and acquisition of property. This risk informed our plan to seek Charity Commission changes to the charity's governing documents, (which was subsequently agreed)
- Health and Safety with a particular emphasis on fire safety. Following the Grenfell Tower tragedy all possible steps were taken to mitigate fire risks, this included: a review of our health and safety policy, ensuring integrated smoke alarms were installed in all properties; reviewing the quality of fire doors and other fire safety equipment; seeking specialist advice from an external expert on fire safety.

Statement of responsibilities of the Trustee

The Trustee is responsible for preparing the Trustee's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements,

The Trustee is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for

Quintus Housing Trust

Trustees' annual report

For the year ended 31 March 2018

safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustee has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustee is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustee's annual report has been approved by the Trustee on 11 December 2018 and signed on their behalf by

Jack Stephen
Chair of SPEAR trustees

Independent auditor's report

To the members of

Quintus Housing Trust

Opinion

We have audited the financial statements of Quintus Housing Trust (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other

Independent auditor's report

To the members of

Quintus Housing Trust

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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; 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 require for our audit

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a

Independent auditor's report

To the members of

Quintus Housing Trust

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' 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 entity'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 entity 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 charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose.

Independent auditor's report

To the members of

Quintus Housing Trust

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

18 December 2018

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Quintus Housing Trust

Statement of financial activities (incorporating income and expenditure account)

For the year ended 31 March 2018

	Note	Unrestricted Funds £	Endowment Funds £	2018 Total £	Unrestricted Funds £	Endowment Funds £	2017 Total £
Income from:							
Charitable activities:							
Almshouses and Housing	3	189,746	-	189,746	210,253	-	210,253
Investments	2	3,999	-	3,999	13,804	-	13,804
Total income		193,745	-	193,745	224,057	-	224,057
Expenditure on:							
Charitable activities:							
Almshouses and Housing	3	289,828	707	290,535	177,166	11,600	188,766
Other		-	-	-	50,068	-	50,068
Total expenditure		289,828	707	290,535	227,234	11,600	238,834
Net (expenditure) for the year		(96,083)	(707)	(96,790)	(3,177)	(11,600)	(14,777)
Reconciliation of funds:							
Total funds brought forward		3,472,176	4,016,311	7,488,487	3,475,353	4,027,911	7,503,264
Total funds carried forward		3,376,093	4,015,604	7,391,697	3,472,176	4,016,311	7,488,487

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 9 to the financial statements.

Quintus Housing Trust

Balance sheet

As at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets					
Property	5		1,295,230		1,312,769
Investments	6		2,433		2,433
			<u>1,297,663</u>		<u>1,315,202</u>
Current assets:					
Debtors	7	26,010		720,858	
Cash at bank and in hand		6,127,593		5,577,320	
		<u>6,153,603</u>		<u>6,298,178</u>	
Liabilities:					
Creditors: amounts falling due within one year	8	59,569		124,893	
			<u>6,094,034</u>		<u>6,173,285</u>
Net current assets			<u>6,094,034</u>		<u>6,173,285</u>
Total net assets			<u><u>7,391,697</u></u>		<u><u>7,488,487</u></u>
The funds of the charity:	9				
Endowment Funds		4,015,604		4,016,311	
Unrestricted Funds – Designated		822,342		884,359	
Unrestricted Funds – General		2,553,751		2,587,817	
		<u>2,553,751</u>		<u>2,587,817</u>	
Total charity funds			<u><u>7,391,697</u></u>		<u><u>7,488,487</u></u>

Approved by the corporate trustee on 11 December 2018 and signed on its behalf by

Jack Stephen
Chairman of trustees – SPEAR Housing Association Ltd

Quintus Housing Trust

Statement of cash flows

For the year ended 31 March 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	15		552,681		(742,827)
Cash flows from investing activities:					
Dividends, interest and rents from investments		3,999		13,804	
Purchase of fixed assets		(6,407)		(26,640)	
Proceeds from sale of property		-		720,000	
			(2,408)		707,164
Change in cash and cash equivalents in the year			550,273		(35,663)
Cash and cash equivalents at the beginning of the year			5,577,320		5,612,983
Cash and cash equivalents at the end of the year			6,127,593		5,577,320

1 Accounting policies

These financial statements have been prepared for the year ended 31 March 2018. The principal accounting policies which are adopted in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustee does not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

With effect from 1 April 2018 Quintus Housing Trust (QHT) became a linked charity with SPEAR Housing Association Limited (SPEAR). As a result, it will no longer be required to publish its own accounts, and its activities and net assets will be consolidated within the accounts of SPEAR for the year ended 31 March 2019 and subsequently. As part of the linking arrangements and under a unifying scheme issued by the Charity Commission, QHT donated in full its unrestricted funds of £3,376,093 to SPEAR. The remaining funds of QHT are held as permanent endowment, and the assets of these funds (properties and cash at bank) will remain within QHT as a distinct trust, sufficient to ensure QHT remains a going concern in its own right. These endowed funds can only be used to acquire and hold properties to accommodate people in a condition of need, hardship and distress. The impact of these changes is shown in note 16 below.

Following these changes, on 20 August 2018, Quintus Housing Trust changed its name to the SPEAR Endowment Trust (SET).

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. The charity's key income source is rents receivable, which are included in the financial statements on an accruals basis.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of our charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Fund accounting

Endowment funds are to be used for specific purpose of purchase and maintenance of properties.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustee for particular purposes.

h) Tangible fixed assets

Housing properties are stated at cost less depreciation. Property depreciation has been provided on the freehold buildings and long leasehold building on the basis of a remaining useful life of 75 years. Freehold

The Trust capitalises the element of improvement expenditure on existing properties which adds to the value of the property or extends its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The estimated useful economic lives are as follows:

▪ Freehold land and buildings	Not
▪ Freehold building structures	75 years
▪ Property components, Furniture, fixtures and fittings	Between 8 and 30 years

i) Debtors

Rental and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial assets and liabilities

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Reserves

The basis of the charity's Endowment, Restricted and Designated Funds are set out in Note 9. The General Fund is freely available for the charity's purposes.

2 Investment income

	2018 £	2017 £
Dividends	13	51
Interest	3,986	13,753
	<u>3,999</u>	<u>13,804</u>

All Investment Income relates to unrestricted income

3 Charitable activities – operation of almshouses and housing services

	Unrestricted funds £	Endowment funds £	2018 £	2017 £
Income				
Net rent, service & support	189,746	–	189,746	210,253
	<u>189,746</u>	<u>–</u>	<u>189,746</u>	<u>210,253</u>
Expenses:				
Management costs	11,084	–	11,084	8,269
Service costs	41,858	–	41,858	31,658
Care costs	92	–	92	1,928
Maintenance costs	41,295	–	41,295	30,177
Depreciation	23,239	707	23,946	30,003
	<u>117,569</u>	<u>707</u>	<u>118,276</u>	<u>102,035</u>
Support and governance costs:				
Note 4	172,259	–	172,259	86,731
	<u>(100,082)</u>	<u>(707)</u>	<u>(100,789)</u>	<u>21,487</u>
Net operating (deficit) / surplus				

4 Support and governance costs

	2018 £	2017 £
Management charge	148,919	65,030
Auditor's remuneration	4,049	7,200
Legal fees	19,291	14,501
	<u>172,259</u>	<u>86,731</u>

All support and governance costs in 2018 relate to unrestricted reserves.

5 Tangible Fixed Assets

	Land and buildings Almshouses £	Land and buildings Housing £	Furniture, Fixtures & Equipment £	Total £
Cost				
As at 1 April 2017	486,348	1,084,055	33,031	1,603,434
Additions	-	-	6,407	6,407
Disposals	-	-	-	-
As at 31 March 2018	486,348	1,084,055	39,438	1,609,841
Depreciation				
As at 1 April 2017	156,754	126,712	7,199	290,665
Charge for the year	9,928	9,088	4,930	23,946
Disposals	-	-	-	-
As at 31 March 2018	166,682	135,800	12,129	314,611
Net Book Value				
As at 31 March 2018	319,666	948,255	27,309	1,295,230
As at 31 March 2017	329,594	957,343	25,832	1,312,769

6 Investments

	2018 £	2017 £
Market Value:		
Market value at 1 April 2017	2,433	2,433
Market value at 31 March 2018	2,433	2,433

7 Debtors

	2018 £	2017 £
Trade Debtors	22,060	-
Proceeds due on sale of property	-	720,000
Prepayment & accrued Income	3,950	858
	26,010	720,858

8 Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts due to SPEAR	8,895	23,399
Trade creditors	43,673	50,846
Accruals & deferred Income	7,001	50,648
	59,569	124,893

9 Movement in reserves (current year)

	As at 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	As at 31 March 2018 £
Endowment Funds					
Almshouses					
Property reinvestment	1,213,831	-	(707)	-	1,213,124
Housing					
Property reinvestment	2,802,480	-	-	-	2,802,480
Total endowment funds	4,016,311	-	(707)	-	4,015,604
Unrestricted funds					
Designated funds					-
Cyclical maintenance fund	884,359	-	(62,017)	-	822,342
Total designated funds	884,359	-	(62,017)	-	822,342
General funds					
General funds	2,587,817	193,745	(227,811)	-	2,553,751
Total general funds	3,472,176	193,745	(289,828)	-	3,376,093
Total Funds	7,488,487	193,745	(290,535)	-	7,391,697

Endowment Funds

Almshouses and housing

Property reinvestment – represents funds invested in the charity's property funded by endowments, historically intended for the provision of almshouses or housing.

Designated Funds

Cyclical maintenance – This fund has been established to meet future expenditure as it becomes necessary. Further contributions to the fund may be made as is considered necessary by the Trustee.

General Funds

These accounts have been prepared as if the scheme agreed with the Charity Commission on 8 December 2017 had been in force throughout the year. The new scheme allows for all the charity's funds to be applied for the benefit of all of its beneficiaries, therefore the previous allocation of unrestricted funds into Branches is no longer required.

9 Movement in reserves (prior year)

	As at 1 April 2016 £	Income & gains £	Expenditure & losses £	Transfers £	As at 31 March 2017 £
Endowment Funds					
Almshouses					
Property reinvestment	1,220,885	-	(7,054)	-	1,213,831
Housing					
Property reinvestment	2,807,026	-	(4,546)	-	2,802,480
Total endowment funds	4,027,911	-	(11,600)	-	4,016,311
Restricted Funds					
Almshouses					
Social Housing grant	294,838	-	(3,734)	(291,104)	-
Total Restricted Funds	294,838	-	(3,734)	(291,104)	-
Unrestricted funds					
Designated funds					
Other designated funds	1,450,641	-	-	(1,450,641)	-
Cyclical maintenance fund	133,828	-	(30,177)	780,708	884,359
Total designated funds	1,584,469	-	(30,177)	(669,933)	884,359
General funds					
General funds	1,596,046	224,057	(193,323)	961,037	2,587,817
Total general funds	1,596,046	224,057	(193,323)	961,037	2,587,817
Total Funds	7,503,264	224,057	(238,834)	-	7,488,487

10a Analysis of net assets between funds (current year)

	General Funds £	Designated funds £	Endowment Funds £	Total Funds £
Fixed Assets and Investments	2,433	-	1,295,230	1,297,663
Net current Assets	2,551,318	822,342	2,720,374	6,094,034
	2,553,751	822,342	4,015,604	7,391,697

10b Analysis of net assets between funds (prior year)

	General funds £	Designated funds £	Endowment Funds £	Total Funds £
Fixed Assets	2,433	-	1,312,769	1,315,202
Net current Assets	2,585,384	884,359	2,703,542	6,173,285
	2,587,817	884,359	4,016,311	7,488,487

Quintus Housing Trust

Notes to the financial statements

For the year ended 31 March 2018

11 Related Parties

The Trustee SPEAR Housing Association Limited administers Quintus Housing Trust, for which it recharges costs incurred in respect of Quintus Housing Trust. The Trustee does not receive remuneration for services or reimbursement of expenses acting in its capacity as trustee.

During the year SPEAR recharged expenses of £123,390 to Quintus Housing Trust (2017: £29,082). There were no other related party transactions for 2018 (2017: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

Quintus Housing Trust is a registered charity and as such potentially exempt from taxation on income and capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to further its charitable objectives.

13 Staffing

The charity does not employ staff directly (2017: Nil). Fees are paid under a management and service level agreement with SPEAR in respect of the administration and provision services. The corporate trustee does not receive remuneration or reimbursement of expenses.

14 Accommodation in management

	2018 No.	2017 No.
Housing for older people		
Almshouses	15	21
Housing	8	8
	<u>23</u>	<u>29</u>

15 Net cash used in operating activities for the year

	2018 £	2017 £
Net (expenditure)	(96,790)	(14,777)
Adjustments for:		
Depreciation	23,946	30,003
Losses on sale of property	-	50,068
Dividends and Interest from investments	(3,999)	(13,804)
Decrease / (Increase) in debtors	694,848	(679,235)
Decrease in creditors	(65,324)	(115,082)
	<u>552,681</u>	<u>(742,827)</u>

16 Post balance sheet event

Following a detailed review of the activities of Quintus Housing Trust (QHT), SPEAR, as corporate trustee, obtained agreement in July 2018 from the Charity Commission for changes to the governing scheme, and an order to unify QHT with SPEAR. This has resulted in QHT becoming a linked charity with SPEAR, and to reflect this, its name has now been changed to Spear Endowment Trust.

As a result of these changes, with effect from 1 April 2018, QHT donated in full its unrestricted funds of £3,376,093 to SPEAR. The remaining funds of QHT are held as permanent endowment, and the assets of these funds (properties and cash at bank) will remain within QHT as a distinct trust. These endowed funds can only be used to acquire and hold properties to accommodate people in a condition of need, hardship and distress.

With effect from 1 April 2018, QHT as a linked charity will no longer be required to publish its own accounts. The results of the Trust will be included in consolidated accounts, prepared by SPEAR for the year ended 31 March 2019, when the results and assets of the Trust will be shown as a separate restricted endowed fund.

Following these changes, SPEAR's unrestricted funds will increase, and SPEAR will prepare group accounts for the first time. In summary, with effect from 1 April 2018, SPEAR's funds will be as stated below:

Of this amount £ 1,250,000 has been designated as a property maintenance fund and £ 1,290,994 as a property development fund to cover works not eligible under SET

SPEAR/QHT COMBINED RESERVES

	SPEAR Restricted £	Unrestricted £	QHT General £	Unrestricted Designated (Mtce) £	Designated (Devt) £	Restricted Endowment £
Balance b/f 1st April 2017	43,250	445,299	2,587,817	884,359		- 4,016,311
Net Income / expenditure for the year	61,955	24,107	(34,066)	(62,017)		- (707)
Balance c/f 31st March 2018	105,205	469,406	2,553,751	822,342		- 4,015,604
Reserve transfers post balance sheet	-	835,099	(2,553,751)	427,658	1,290,994	-
Post transfer balances	105,205	1,304,505	-	1,250,000	1,290,994	4,015,604
Summary	SPEAR £	SET £				
Restricted	105,205	4,015,604				
Unrestricted General funds*	1,304,505					
Designated Property Maintenance	1,250,000					
Designated Property Development	1,290,994					
Total	3,845,499					

* Unrestricted general funds represent approximately 6 months revenue expenditure in accordance with the reserves policy.