

REGISTERED COMPANY NUMBER: 07744211 (England and Wales)
REGISTERED CHARITY NUMBER: 01144246

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
FORTUNATUS HOUSING SOLUTIONS**

Voisey & Co LLP
8 Winmarleigh St
Warrington
Cheshire
WA1 1JW

FORTUNATUS HOUSING SOLUTIONS

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FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objective is to house vulnerable adults in the community, whilst providing them with weekly support to manage their bills and any other housing related issues.

The charity aims to do this with the aid of local government funding and any other fund-raising activities that it sees fit.

In the short term, the charity's aims are to continue to house its' 170 vulnerable adults in the community successfully following a difficult period over the last couple of years caused by the global pandemic of Covid 19.

With rising costs over the last couple of years, the charity will be carrying out a review of its costs in April 2022 and restructuring its charging formula. This will be done in consultation with the local authorities who fund the charity. Based on current tenant levels, this will generate a further approximate £250,000 per year income to ensure that current levels of success and quality can be met.

In the longer term, the charity's main objective is to maintain stability for its tenants and ensure that the charity is always working within the remits of the housing benefit regulations.

The charity's managing director continues to play a key part in the current reform of supported housing funding that is currently being legislated in parliament and in her position as President of the lobbying organisation the IRRV (Institute of Rating, Rents and Valuation) is speaking at several prominent conferences in the coming year about the challenges faced in this sector in the coming year.

Prudent decisions in the short term have meant the charity has come out of the pandemic in a good position and in the coming years aim to solidify that base that has been built up over the last 10 years.

FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

Significant activities

The charity's main activity is the sourcing of individual properties, within respectable areas of the community, which enable successful independent living for its tenants. Once these properties are sourced, the charity's weekly activity includes the support of these individuals in their home.

The charity's tenants are vulnerable adults, referred to the charity by local authorities and NHS trusts for specialist housing.

Working with local authorities and NHS trusts to receive referrals for housing that meet the criteria required for funding, ensures that there is continuity of funding and a best practice method adopted.

The main aim and therefore activity of the charity is that each vulnerable adult is housed for life and often for the first time stays in 1 property for longer than 6 months. This is done by a method of wrap around support available 24 hours a day and a methodology of funding whatever is needed to make that tenancy a success. This includes a fully furnished home, support with bills, replaced furnishings if damaged due to poor mental health, books, specific beds, bedding etc - the list is unlimited.

The majority of the charity's tenants have been housed with the charity for 5 years or more, a very quantifiable success for the individuals housed and for the savings to the wider community.

The charity's achievements are therefore measured by the success of vulnerable adults living with them for longer than 6 months and the money saved therein to the public purse. See Measuring of Success for how these achievements are recorded.

The charity's measure of success is with regards to the meeting of its objectives, as follows:

- * Housing vulnerable adults for a period of 6 months or longer
- * Securing funding to house vulnerable adults by adhering to the housing benefit regulations criteria and keeping abreast of legislation changes
- * Recording Value for Money savings to the public purse

These successes are recorded using a piece of software from Destin Solutions. This enables the charity to record every individual it houses, where they were housed previously, the longevity of their tenancy and the savings provided to the public purse for the period housed with the charity. These saving figures are provided to the individual local authorities.

Continued membership of the IRRV, Chartered Institute of Housing and participation in government reform ensures that legislation is always adhered to.

Public benefit

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and, their guidance on fee-charging regarding services provided.

FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

Grant income

The charity is funded by local government funding, in the form of Housing Benefit for supported and exempt accommodation. This funding is received when certain criteria are met regarding the vulnerability of the tenants and the fact that the charity is a not-for-profit organization.

The funding for supported accommodation was reviewed and the results of that review were published in May 2018. The decision has been made centrally to leave the funding of supported accommodation as it currently is, providing a stable and ongoing funding structure for the charity. From 2020 the charity was required to provide management information to show that it's housing is not a short-term solution (longevity of tenants) and that it provides Value for Money.

To this aim, the charity already collates data of the savings provided by a tenant being housed with Fortunatus, by comparing the weekly costs of living with Fortunatus compared to the weekly costs of where they lived previously (e.g., long term hospital). The savings to the public purse per annum currently exceeds £2,000,000 per annum.

Fortunatus went 'live' with a new system from Destin Solutions in early 2019, which it has continued to develop since, producing reports for local government funding decision makers of the savings to the public purse and wider community. The system records all referrals into the charity and records the length of time for the process of receiving a referral to housing someone, how long they live with Fortunatus, and the weekly savings provided. This enables reports to be produced and provided to both local authorities and central government.

In addition, the charity currently has a waiting list of 14 individuals awaiting housing, the upfront cost to housing each of these is approximately £3,000 per head.

The charity has also committed to another 5-year lease in August 2018 on its premises and has acquired new vehicles to lease for a 3-year period. The total of all its commitments is supported by the reserves it has gradually built and these reserves will also enable the charity to further enhance the quality of life of its tenants.

In September 2021, staff continued to work from home and it was decided that other than the core management team of 7, all staff would be classed as homeworkers, with investment to be made into providing equipment for home offices for all staff.

The Housing Support team now work from home and go out in the community and carry out their fortnightly meetings virtually. They reverted to providing in person weekly visits in October 2021 and despite the national lockdown in January to March 2021, they continued with this and were deemed essential workers. Due to losing two members of staff in 2021 and the further lock down in the early part of 2021 - moves, repairs and expansion were again halted. The decision was made again by trustees to carry forward a provision at year end of £45,000 for known dilapidations at the 31st August 2021 and a provision for this work (as per the same modelling as the previous year) Due to the situation, it was agreed that the maintenance costs, property damage etc would still have occurred during this time and that financially the costs would still be there, in fact probably at a greater level. A combination of known costs that should have been attributed to 2020/21 and a COVID provision to make spending consistent with a 'normal' year, means that £45,000 provision is being carried forward into the next financial year

In addition, the charity currently has a waiting list of 14 individuals awaiting housing, the upfront cost to housing each of these is approximately £3,000 per head.

FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

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Volunteers

The charity currently has no volunteers on a daily basis, although two of the trustees are paid expenses only.

The charity continues to sell Christmas Cards each year and also has become the charity of choice of a local business. However, its main funding remains grants from local government.

FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity did not increase its number of houses and tenants in due to the restrictions of Covid 19, several unavoidable voids due to deaths, severe mental health breakdown and other factors. It has been agreed by the board that growth for 2021/22 will be 0 and the charity will attempt to stay at the same size.

Some maintenance services continue to be contracted out (gardening, window cleaning, decorating) to enable the in-house maintenance team to spend more time with each individual when carrying out other repairs. This has continued throughout the year and is used whenever necessary.

A local 'one-man' company has started to do rubbish removals for the charity, which has reduced costs from using larger firms and preventing build-up of rubbish at the warehouse

The Communications Officer continues to provide concentrated resources into building the charity's presence on the web and within social media, to help build an audience that will work hand in hand with the fundraising team to build both awareness of mental health but also to encourage supporters to support us financially. The Communications Officer also continues to work with the Business Development Manager to raise awareness of fundraising events.

The management team of the MD, Housing Manager, Property and Lettings Manager (previously Operations Manager) and Business Development Manager (previously Fundraising Manager) continue to ensure that all parts of the business work within a tight and transparent framework of procedures that enable the charity to house individuals promptly and safely in the community

What charity did achieve in this period was:

- * It maintained weekly contact with all its vulnerable tenants throughout several lockdowns and working within government guidelines
- * It continued to work with local authorities regarding best practice and legislation reform
- * It continued to receive referrals for housing for vulnerable adults and accept these and successfully maintain its stock level
- * It maintained its stock level despite many voids caused by permanent hospitalisation and deaths of tenants due to the impact of the Covid 19 pandemic.

FINANCIAL REVIEW

Reserves policy

The Trustees have considered the amount that would be required to administer the organisation in the event of a crisis. This would include potential costs of redundancy, notice periods, accounting, legal fees and repayment of any long-term contracts on closure. A prudent sum would equate to three months operating costs with within the unrestricted general reserve - around £600,000

The unrestricted reserves at the year-end totalled £213,683.

FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

FUTURE PLANS

The charity's aim is to continue to provide housing for vulnerable adults in compliance with its funding stream

This requires:

- * Continued involvement in the government review by the charity's Managing Director
- * The review of costings in April 2022 in conjunction with local authorities to allow for increases in rental costs and inflation
- * Working closely with the police, local authorities and the NHS going forward

Due to decreased growth during the Covid pandemic, decisions were made to not replace some staff and an increase in voids enabled the charity to review its internal working practices.

Going forward, this means that the charity has reviewed the following:

- * Voids management, this is managed by a specialised team
- * Acceptance of referrals. Referrals are now only accepted by the Managing Director as the final say and any previous neighbourhood anti-social behaviour has become a red flag regarding housing.
- * The number of tenants each member of staff can support has been reviewed and the structure of this team changed.

Any future developments will only involve a solidification of the quality provided to the charity to its tenants.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07744211 (England and Wales)

Registered Charity number

01144246

Registered office

Unit 9
Colville Court
Winwick Quay
Warrington
Cheshire
WA2 8QT

Trustees

Mrs C Nicholson
I D Theobald
Mrs S Ellison
Mrs S Pimblett
Mrs J Dentith

FORTUNATUS HOUSING SOLUTIONS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

Ms R Langhorn

Auditors

Voisey & Co LLP

8 Winmarleigh St

Warrington

Cheshire

WA1 1JW

Key Management Personnel

Catherine Nicholson - Managing Director

Sara Pimblett - Business Development Manager

Rachel Langhorn - Property and Lettings Manager

Stephen Sweeney - Housing Manager

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Fortunatus Housing Solutions for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for 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 trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FORTUNATUS HOUSING SOLUTIONS

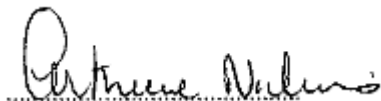
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

AUDITORS

Following the resignation of the previous auditors WatkinsonBlack in 2020 due to the retirement of the senior statutory auditor, Voisey & Co LLP were appointed auditors for the year ending 31st August 2021.

The auditors, Voisey & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 13h May 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Mrs C Nicholson', written over a dotted line.

Mrs C Nicholson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FORTUNATUS HOUSING SOLUTIONS

Opinion

We have audited the financial statements of Fortunatus Housing Solutions (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FORTUNATUS HOUSING SOLUTIONS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FORTUNATUS HOUSING SOLUTIONS

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management, those charged with governance around actual and potential litigation and claims;

Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Warburton (Senior Statutory Auditor)
for and on behalf of Vorse & Co LLP
8 Winmarleigh St
Warrington
Cheshire
WA1 1JW

Date: 13th May 2022

FORTUNATUS HOUSING SOLUTIONS

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted fund £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	974	-	974	1,105
Charitable activities	3				
Activites for generating funds		2,487,551	-	2,487,551	2,539,540
Total		2,488,525	-	2,488,525	2,540,645
EXPENDITURE ON					
Charitable activities	4				
Activites for generating funds		2,476,453	-	2,476,453	2,512,209
NET INCOME		12,072	-	12,072	28,436
RECONCILIATION OF FUNDS					
Total funds brought forward		201,611	-	201,611	173,175
TOTAL FUNDS CARRIED FORWARD		213,683	-	213,683	201,611

The notes form part of these financial statements

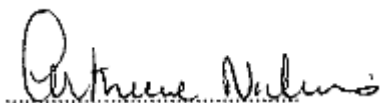
FORTUNATUS HOUSING SOLUTIONS

BALANCE SHEET 31 AUGUST 2021

	Notes	Unrestricted fund £	Restricted fund £	31.8.21 Total funds £	31.8.20 Total funds £
FIXED ASSETS					
Tangible assets	12	20,155	-	20,155	16,091
CURRENT ASSETS					
Debtors	13	236,133	-	236,133	205,765
Cash at bank and in hand		216,548	-	216,548	214,493
		<u>452,681</u>	<u>-</u>	<u>452,681</u>	<u>420,258</u>
CREDITORS					
Amounts falling due within one year	14	(259,153)	-	(259,153)	(234,738)
NET CURRENT ASSETS		<u>193,528</u>	<u>-</u>	<u>193,528</u>	<u>185,520</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>213,683</u>	<u>-</u>	<u>213,683</u>	<u>201,611</u>
NET ASSETS/(LIABILITIES)		<u>213,683</u>	<u>-</u>	<u>213,683</u>	<u>201,611</u>
FUNDS	15				
Unrestricted funds				213,683	201,611
TOTAL FUNDS				<u>213,683</u>	<u>201,611</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 13th May 2022 and were signed on its behalf by:



C Nicholson - Trustee

FORTUNATUS HOUSING SOLUTIONS

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	32,021	74,433
Interest element of hire purchase or finance lease rental payments paid		<u>(14,935)</u>	<u>(15,781)</u>
Net cash provided by operating activities		<u>17,086</u>	<u>58,652</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(15,031)</u>	<u>(9,885)</u>
Net cash used in investing activities		<u>(15,031)</u>	<u>(9,885)</u>
 Change in cash and cash equivalents in the reporting period		 2,055	 48,767
Cash and cash equivalents at the beginning of the reporting period		<u>214,493</u>	<u>165,726</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>216,548</u></u>	 <u><u>214,493</u></u>

The notes form part of these financial statements

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21	31.8.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	12,072	28,436
Adjustments for:		
Depreciation charges	10,967	10,363
Interest element of hire purchase and finance lease rental payments	14,935	15,781
Increase in debtors	(30,368)	(404)
Increase in creditors	24,415	20,257
Net cash provided by operations	<u>32,021</u>	<u>74,433</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	214,493	2,055	216,548
	<u>214,493</u>	<u>2,055</u>	<u>216,548</u>
Total	<u>214,493</u>	<u>2,055</u>	<u>216,548</u>

The notes form part of these financial statements

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Grant income

Grants relating to revenue are recognised in the statement of financial activities on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate.

2. DONATIONS AND LEGACIES

	31.8.21	31.8.20
	£	£
Donations	974	1,105
	<u> </u>	<u> </u>

3. INCOME FROM CHARITABLE ACTIVITIES

		31.8.21	31.8.20
	Activity	£	£
Housing benefit receivable	Activites for generating funds	2,480,265	2,539,540
Grants	Activites for generating funds	7,286	-
		<u> </u>	<u> </u>
		<u>2,487,551</u>	<u>2,539,540</u>

During the year the charity received £7,286 in grant funding via the Coronavirus Job Retention Scheme to support the salaries of furloughed members of staff.

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Activites for generating funds	1,389,673	1,086,780	2,476,453
	<u> </u>	<u> </u>	<u> </u>

5. SUPPORT COSTS

	Management £	Finance £	Information technology £
Activites for generating funds	1,015,795	17,905	26,945
	<u> </u>	<u> </u>	<u> </u>

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

5. SUPPORT COSTS - continued

	Human resources £	Governance costs £	Totals £
Activities for generating funds	13,025	13,110	1,086,780

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21	31.8.20
	£	£
Auditors' remuneration	5,400	3,900
Depreciation - owned assets	10,967	10,363
Hire of plant and machinery	83,404	81,024
Other operating leases	1,206,628	1,214,294

7. TRUSTEES' REMUNERATION AND BENEFITS

	31.8.21	31.8.20
	£	£
Trustees' salaries	124,772	122,275
Trustees' social security	15,703	14,455
Trustees' pensions paid	6,395	6,111
	146,870	142,841

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

8. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	774,222	769,582
Social security costs	69,209	68,295
Other pension costs	30,964	31,022
	874,395	868,899

The average monthly number of employees during the year was as follows:

	31.8.21	31.8.20
Average employees	27	27

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

8. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.8.21	31.8.20
£100,000 - £110,000	<u>1</u>	<u>1</u>

The key management personnel of the charity comprise the trustees, MD, Housing Manager, Property and Lettings Manager (previously Operations Manager) and Business Development Manager (previously Fundraising Manager). The total remuneration of key management personnel during the year was £227,616 (2020: £215,215).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,105	-	1,105
Charitable activities			
Activities for generating funds	2,539,540	-	2,539,540
Total	<u>2,540,645</u>	<u>-</u>	<u>2,540,645</u>
EXPENDITURE ON			
Charitable activities			
Activities for generating funds	2,512,209	-	2,512,209
NET INCOME	<u>28,436</u>	<u>-</u>	<u>28,436</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	173,175	-	173,175
TOTAL FUNDS CARRIED FORWARD	<u>201,611</u>	<u>-</u>	<u>201,611</u>

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

10. LEASING COMMITMENTS

At the balance sheet date the charity had several financial commitments such as vehicle and property leases.

The total amount contracted for but not provided in the financial statements was £214,141 (2020 - £212,333).

The most significant lease commitment being a new 5 year property lease that was signed on 3rd August 2018.

11. EMPLOYEE LOANS

The charity has provided interest free loans to some employees. These loans are all repayable over more than 1 year.

The total balance on these loans at the year end was £23,422, and the amount repayable after more than 1 year was £17,722.

12. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 September 2020	51,850
Additions	15,031
	<hr/>
At 31 August 2021	66,881
	<hr/>
DEPRECIATION	
At 1 September 2020	35,759
Charge for year	10,967
	<hr/>
At 31 August 2021	46,726
	<hr/>
NET BOOK VALUE	
At 31 August 2021	20,155
	<hr/>
At 31 August 2020	16,091
	<hr/>

FORTUNATUS HOUSING SOLUTIONS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade debtors	144,228	134,377
Other debtors	45	45
Bonds recoverable	20,585	21,845
Employee loans	23,422	7,850
Prepayments	47,853	41,648
	<u>236,133</u>	<u>205,765</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	33,990	29,518
Social security and other taxes	20,836	21,183
Pensions	9,098	4,611
Factoring loan	87,230	81,303
Accrued expenses	107,999	98,123
	<u>259,153</u>	<u>234,738</u>

15. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	201,611	12,072	213,683
	<u>201,611</u>	<u>12,072</u>	<u>213,683</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,488,525	(2,476,453)	12,072
	<u>2,488,525</u>	<u>(2,476,453)</u>	<u>12,072</u>

FORTUNATUS HOUSING SOLUTIONS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	173,175	28,436	201,611
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>173,175</u>	<u>28,436</u>	<u>201,611</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,540,645	(2,512,209)	28,436
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,540,645</u>	<u>(2,512,209)</u>	<u>28,436</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.19 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	173,175	40,508	213,683
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>173,175</u>	<u>40,508</u>	<u>213,683</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,029,170	(4,988,662)	40,508
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,029,170</u>	<u>(4,988,662)</u>	<u>40,508</u>

FORTUNATUS HOUSING SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

16. RELATED PARTY DISCLOSURES

During the year the charity paid consultancy fees to IDAT Services Limited of which Ian Theobald, a trustee of the charity, is a director.

The charity also paid accountancy fees to Susan Ellison who is a trustee of the charity.

Both of these engagements were carried out on normal commercial terms.

Julian Nicholson is the husband of a trustee and in a role of prominence.

Remuneration and benefits were paid to Trustees and related parties totalling £195,105 (2020: £189,765).

FORTUNATUS HOUSING SOLUTIONS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	31.8.21 £	31.8.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	974	1,105
Charitable activities		
Housing benefit receivable	2,480,265	2,539,540
Grants	7,286	-
	<hr/> 2,487,551	<hr/> 2,539,540
Total incoming resources	<hr/> 2,488,525	<hr/> 2,540,645
EXPENDITURE		
Charitable activities		
Vehicle lease and plant hire	83,404	81,024
Property rentals payable	1,170,970	1,178,636
Sub-contract costs	15,512	27,979
Repairs and maintenance	58,562	82,545
Motor expenses	27,226	19,022
Consultancy fees	23,032	24,616
Plant and machinery	10,967	10,363
	<hr/> 1,389,673	<hr/> 1,424,185
Support costs		
Management		
Trustees' salaries	124,772	122,275
Trustees' social security	15,703	14,455
Trustees' pensions paid	6,395	6,111
Wages	649,450	647,307
Social security	53,506	53,840
Pensions	30,964	31,022
Rent	35,658	35,658
Rates and water	4,987	5,045
Insurance	29,610	30,908
Light and heat	5,344	7,864
Telephone	30,921	32,232
Office expenses	10,285	6,339
Sundries	18,200	23,313
	<hr/> 1,015,795	<hr/> 1,016,369

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FORTUNATUS HOUSING SOLUTIONS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	31.8.21 £	31.8.20 £
Management		
Finance		
Bank charges	2,970	2,762
Factoring charges	14,935	15,781
	<hr/> 17,905	<hr/> 18,543
 Information technology		
Software and maintenance	26,945	25,865
 Human resources		
Training	824	84
Staff welfare	11,438	9,533
Travel expenses	763	7,375
	<hr/> 13,025	<hr/> 16,992
 Governance costs		
Auditors' remuneration	5,400	3,900
Legal fees	-	955
Accountancy and legal fees	7,710	5,400
	<hr/> 13,110	<hr/> 10,255
 Total resources expended	<hr/> 2,476,453	<hr/> 2,512,209
 Net income	<hr/> <hr/> 12,072	<hr/> <hr/> 28,436

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