

THE STONE FOUNDATION

Annual Report and Financial Statements

for the year ended
31 March 2021

Charity registration number: 1162893

Field Sullivan Limited
70 Royal Hill
Greenwich
SE10 8RF

The Stone Foundation

Reference and administrative details

Charity registration number 1162893

Principal office Sproughton House, Sproughton, Ipswich, Suffolk, IP8 3AW

Trustees Stephen Broughton
Jane Evans (appointed 15 July 2021)
Emily Keeble (resigned 13 May 2021)
Caroline MacDonald (resigned 22 October 2020)
Liam Mackinder
Anthony Margaritelli (appointed 22 October 2020, resigned 4 March 2021)
Rob Morris
Chris Poole
Jean Poole
Sam Poole
Angela Thompson

Independent examiners Field Sullivan Limited, 70 Royal Hill, Greenwich, SE10 8RF

Bankers Lloyds Bank Plc, 9 Buttermarket, Bury St Edmunds, Suffolk, IP33 1DF

The Stone Foundation

Trustees' Report for the year ended 31 March 2021

The Trustees present their report along with the financial statements of The Stone Foundation for the 12 month period ended 31 March 2021. The Financial Statements have been prepared in accordance with the accounting policies set out on pages 10 to 12 and comply with the Foundation's Constitution and applicable law.

Structure, Governance and Management

The Stone Foundation is a Charitable Incorporated Organisation (CIO) constituted on 28 July 2015. It is a registered charity no. 1162893 and the principal office can be found on the contents page.

The Trustees who have served during the period and since the period end are set out on page 1. All of the Trustees have been appointed for a period of 3 years.

Where there is a requirement for new Trustees, this would be identified by the remaining Trustees. In selecting individuals for appointment as charity Trustees, the Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Foundation faces and confirm that systems have been established to enable regular reports to be produced so that such risks are continuously monitored and that appropriate steps can be taken to lessen these risks.

Objectives and Activities

The objectives of the Foundation are to relieve the financial hardship of people who are in need, living in Essex, Norfolk and Suffolk, through the provision of housing and associated support services.

Our key objectives can be detailed as:

- relieving homelessness;
- helping vulnerable individuals to access accommodation, which includes our Tenancy Training Course – Ready Steady Rent; and
- helping individuals and Local Housing Authorities by providing move-on accommodation from supported housing.

Public Benefit

In meeting the Foundation's objectives the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and judge that their objectives meet this guidance.

Achievements and Performance

The Stone Foundation is responsible for the lease and full management of 26 properties, providing 70 units of accommodation. This is an increase of 1 property from last year providing a further 5 units of accommodation.

All eligible tenants are in receipt of full Housing Benefit, which meets the majority of their rent and service charges.

We are continuing to seek opportunities to acquire more properties from a variety of owners, including properties that require renovation and which can be brought back into use for vulnerable/homeless people. However, in the current market economy, rental property is in high demand and owners can achieve rents significantly higher than the Local Authority Allowance level and are therefore less inclined to lease properties to the Stone Foundation for a relatively low rent, despite the advantages offered.

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Trustees' Report
for the year ended
31 March 2021

Assessing Success

Our success is measured on the one hand by the size of our portfolio, occupancy rates and margins on properties. Unlike previous years, occupancy levels during this financial year have decreased due to the impact of the Covid19 pandemic. More tenants have been evicted yet fewer tenants have replaced them because of partner agencies not referring and/or not being able to access funding.

Other measures relate to our non-property initiatives, which so far include only the Tenancy Training Skills. Criteria for assessing success in this are in respect of numbers of attendees who complete the training and the user perceived outcomes of the training. Again, the pandemic has meant that we were not able to deliver the course face-to-face and although we paid for a bespoke online package to enable us to deliver the course remotely, other, technical challenges facing the delegates meant that fewer people signed up to it or completed it.

Principal Risks

The main risk to the Foundation is a reduction in overall occupancy rates. This is mitigated through various processes

Decisions

Major decisions are discussed and agreed at board meetings which take place every 4-6 weeks and/or via emails.

Induction Training of Trustees

The process for inducting Trustees is simple and straightforward. The CEO and Chair will provide a brief of the organisation, board function and meetings and the expected role of the individual concerned. All Trustees receive the Charity Commission's Guide - "The Essential Trustee ...", a copy of the Constitution, previous minutes and any other relevant information. The prospective Trustee is invited to a board meeting in an observer capacity to meet the other Trustees, and vice versa.

Fund Raising

The Foundation doesn't have an official fund raiser - this is part of the role of the CEO, who will seek appropriate fund giving bodies and submit bids. Trustees opt to raise funds individually or suggest fund raising strategies as part of their role on the board. The Foundation subscribes to grant aiding organisations such as The Giving Machine, Virgin and Easy Fundraising, which offer a wider target audience.

Financial Review

For the 12 month period ended 31 March 2021 the Foundation made a surplus of £5,872, a decrease of £6,331 on the previous 14 month period (a 44% reduction, on a pro-rata basis). This is on gross revenues of £607,413, (period ended 31 March 2020 - £663,592 (£568,793 on a pro-rata basis)). At 31 March 2021 the Foundation held reserves totalling £79,525 (31 March 2020 - £73,653).

Total rental income for the 12 month period was £588,841 (14 month period ended 31 March 2020 - £636,970 (£545,974 on a pro-rata basis)). The split on this is approximately 92% / 8% housing benefit-/tenant contribution.

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Trustees' Report
for the year ended
31 March 2021

The property related costs for the Foundation are for the most part fixed in relation to its capacity to rent accommodation. For the period in question, the main provider of properties was the Mavam Group but the range of providers also includes 11 properties owned by other private landlords – 3 more than the previous year.

During the period the Foundation's available stock of accommodation spaces was 70, including units that were temporarily unavailable due to refurbishment and/or units that were vacant due to development of services.

Reserves Policy

The current level of funding is considered adequate to meet the majority of the Foundation's aims and objectives. The Trustees have a continued commitment from the Mavam Group to provide financial support should additional funds be required. However, the Foundation has proved its ability to raise its own reserves and expects this to continue and increase to a level which is considered satisfactory. The current reserves figure of £79,525 is just over 13% of annual expenditure, which is the same as the previous annual period. There are no hard and fast rules regarding minimum and maximum amounts that should be held in reserves but many charities aim for between three and six months expenditure. On the basis of three months expenditure, the Foundation would need to hold c. £150,000. The Foundation's main risk of reduced income relates to void levels. Forecasts currently base occupancy levels at c.90%, but if reduced to 80%, as happened this year for a period of time as a result of the pandemic, income would decrease by c.£50,000 which is less than the reserves held. Occupancy levels are currently running at 86%.

Going Concern

The Trustees have considered the impact of COVID-19 and concluded that the Foundation has access to sufficient resourcing, to allow it to continue to operate for a period of at least twelve months. The Trustees therefore believe that the going concern basis is an appropriate basis for these financial statements.

Plans for the future

The Trustees will continue to seek additional properties to provide further supported accommodation on favourable terms and is working with Mavam Estates to secure a 10 bedded unit in Lowestoft. It is anticipated that the Foundation will take on the lease of this property early in 2022.

The Stone Foundation remains hopeful of promoting and increasing the success of Ready Steady Rent still further and to be able to demonstrate sufficient outcomes to promote the initiative more widely and robustly with a view to being able to charge for the training course. Although our aim is to obtain accommodation from which to deliver the course, we will seek any alternatives which will make the course more viable and accessible to all.

Trustees' responsibilities in relation to the financial statements

The Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the Foundation's financial activities during the period and of its financial position at the end of the period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Stone Foundation

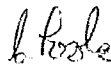
Trustees' Report
for the year ended
31 March 2021

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the Trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 27 January 2022 and signed on their behalf by:



Stephen Broughton
Trustee



Chris Poole
Trustee

The Stone Foundation

Independent examiner's Report to the Trustees of The Stone Foundation

I report to the trustees on my examination of the financial statements of The Stone Foundation ('the charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the Independent examiner's statement.

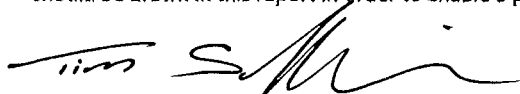
Independent examiner's statement

Since the trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Timothy Sullivan FCA
Field Sullivan Limited
Chartered Accountants
70 Royal Hill
Greenwich
SE10 8RF

31 January 2022

The Stone Foundation

**Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended
31 March 2021**

	Note	Total Funds 2021 (12 months) £	Total Funds 2020 (14 months) £
Income and endowments from:			
Donations and legacies	3	1,159	4,602
Charitable activities	4	606,254	658,990
Total income		<u>607,413</u>	<u>663,592</u>
Expenditure on:			
Charitable activities	5	601,541	651,389
Total expenditure		<u>601,541</u>	<u>651,389</u>
Net movement in funds		<u>5,872</u>	<u>12,203</u>
Reconciliation of funds			
Total funds brought forward		73,653	61,450
Total funds carried forward		<u>79,525</u>	<u>73,653</u>

All of the charity's activities derive from continuing operations during the above two periods.

The Stone Foundation

Balance sheet
as at
31 March 2021


	Note	2021	2020
		£	£
Current assets			
Debtors	8	92,350	60,264
Cash at bank and in hand		<u>45,909</u>	<u>70,070</u>
Total current assets		138,259	130,334
Creditors: amounts falling due within one year	9	<u>(58,734)</u>	<u>(56,681)</u>
Net current assets/(liabilities)		79,525	73,653
Net assets		<u>79,525</u>	<u>73,653</u>
The funds of the charity:			
Unrestricted funds:			
General fund		79,525	73,653
Total charity funds		<u>79,525</u>	<u>73,653</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on 27 January 2022 and signed on their behalf by:



Stephen Broughton
Trustee



Chris Poole
Trustee

The Stone Foundation

Cash flow statement
for the year ended
31 March 2021

	2021		2020	
	£	£	£	£
Net cash flow from operating activities				
Net outgoing resources	5,872		12,203	
Decrease/(increase) in debtors	(32,086)		62,393	
(Decrease)/increase in creditors	<u>2,053</u>		<u>(32,185)</u>	
Net cash outflow from operating activities		(24,161)		42,411
(Decrease)/Increase in cash		<u>(24,161)</u>		<u>42,411</u>
Opening cash position		70,070		27,659
Closing cash position	16	<u>45,909</u>		<u>70,070</u>

The Stone Foundation

Notes to the accounts
for the year ended
31 March 2021

1 Charity status

The charity is a Charitable Incorporated Organisation, incorporated in England and Wales, and consequently does not have share capital.

The address of its principal office is:

Sproughton House
Sproughton House
Ipswich
IP8 3AP

These financial statements were authorised for issue by the trustees on January 2022.

2 Accounting policies

Summary of significant accounting policies

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

Statement of compliance

The financial statements have been prepared in accordance with the 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)) (Issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Stone Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees have considered the impact of COVID-19 and concluded that the Foundation has access to sufficient resourcing, to allow the Foundation to continue to undertake its charitable activities for a period of at least twelve months from the reporting date. The trustees therefore believe that the going concern basis is an appropriate basis for these financial statements.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

The Stone Foundation

Notes to the accounts
for the year ended
31 March 2021

Charitable activities

Income from charitable activities include rental and other connected income and is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the income can be reliably measured.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

The Stone Foundation

Notes to the accounts
for the year ended
31 March 2021

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Total Funds 2021 (12 months) £	Total Funds 2020 (14 months) £
Other grants, donations and community events	1,159	4,602
	<u>1,159</u>	<u>4,602</u>

The Stone Foundation

Notes to the accounts
for the year ended
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4 Income from charitable activities

	Total Funds 2021 (12 months) £	Total Funds 2020 (14 months) £
Rental income:		
Tenants	55,425	59,378
Housing benefits	533,416	577,592
Other connected income:		
Consultancy	7,075	13,506
Other	10,338	8,514
	<u>606,254</u>	<u>658,990</u>

5 Expenditure on charitable activities

	2021 (12 months) £	2020 (14 months) £
Rent	367,633	399,993
Property services and tenancy support	95,189	97,676
Water rates	12,049	15,763
Council tax	14,990	13,121
TV licences	2,264	2,245
Electricity	22,565	24,944
Gas	13,849	19,719
Oil	2,464	3,577
Repairs	160	840
Damages	9,134	7,802
Other	1,475	1,587
Support costs Note 6)	59,769	64,122
	<u>601,541</u>	<u>651,389</u>

The Stone Foundation

Notes to the accounts
for the year ended
31 March 2021

6 Support costs

	2021 (12 months) £	2020 (14 months) £
Training	5,952	400
Travel and subsistence	56	258
Printing and telephone	38	104
Postage and stationery	-	36
Computer and software	-	-
Insurance	3,992	4,161
Refreshments	1	170
Bank charges	341	741
Legal and professional	1,355	260
Accountancy	-	2,760
Consultancy	-	-
Independent examination	2,100	988
Administration and finance services	10,800	12,600
Staff costs (note 7)	31,070	36,132
Motoring	2,400	2,800
Bad debt provision	1,607	2,386
Sundry	57	326
	<u>59,769</u>	<u>64,122</u>

7 Staff costs and numbers

	2021 (12 months) £	2020 (14 months) £
Staff costs were as follows:		
Salaries and wages	28,681	33,691
Social Security costs	-	-
Pension costs	2,389	2,441
	<u>31,070</u>	<u>36,132</u>
Total		

The average number of employees during the year was 2 (2020: 2). There were no employees who received benefits in excess of £60,000 in the year.

Pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £2,389 (2020: £2,441).

Contributions totalling £33 (2020 - £nil) were payable to the scheme at the end of the period and are included in creditors.

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Notes to the accounts
for the year ended
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Trustee remuneration and expenses

No trustees received any remuneration or expenses during the year (2020: £nil).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2020: nil).

8 Debtors

	2021 £	2020 £
Trade debtors	61,007	52,308
Other debtors	-	612
Prepayments and accrued income	31,268	7,104
Amounts owed by associated undertakings	75	240
	<u>92,350</u>	<u>60,264</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	30,339	33,205
Other creditors	705	-
Taxation and social security	507	14
Amounts owed to associated undertakings	2	6
Accruals and deferred income	27,181	23,456
	<u>58,734</u>	<u>56,681</u>

Creditors amounts falling due within one year includes deferred income:

1 April 2020	11,036	11,566
Amounts released to income	(11,036)	(11,566)
Amounts deferred in year	8,731	11,036
31 March 2021	<u>8,731</u>	<u>11,036</u>

10 Related party transactions

Robert Morris, who is a trustee during the year, is also an employee of the Mavam Group. The Stone Foundation works in partnership with the Mavam Group to deliver the Foundations' objectives.