

MERSEA ISLAND TRUST

England & Wales · Charity number 206064

Details

Status Registered

Legal form Trust

Registered 1962-09-22

Register [View on the Charity Commission register](#)

Contact

Address Mersea Island Trust
Akhurst Court
Melrose Road West Mersea
Colchester

Phone 01206383706

Email manager@merseaislandtrust.org

Website <https://www.mersea-island-trust.org.uk/>

Activities

Objects: ESTABLISH AND CONDUCT A HOME OR HOMES FOR ELDERLY AND/OR INFIRM RESIDENTS OF MERSEA ISLAND.

Activities: Warden Assisted housing for the elderly

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Accommodation/housing
- **Who:** Elderly/old People

Geography

- **Area of benefit:** MERSEA ISLAND
- Essex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£400,666	£375,450	-	-
2024-03-31	£359,517	£376,175	-	-
2023-03-31	£337,746	£369,358	-	-
2022-03-31	£336,246	£323,242	-	-
2021-03-31	£323,544	£265,221	-	-

Trustees

Name	Role	Appointed
Professor Joanna Margaret Jackson	Chair	2023-12-20
Alison Louise Vico		2024-11-18
CAITRIONA BANTING		2018-10-15
Cheryl Lesley Rutter		2020-05-18
Dr Jayne Dora Taylor		2023-04-17
Rita Enid Kemp		2024-01-15

MERSEA ISLAND TRUST

England & Wales - Charity number 206064

Accounts

MERSEA ISLAND TRUST

ACCOUNTS AND TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2025

Regulator of Social Housing registration number: L1259

Charity registration number: 206064

MERSEA ISLAND TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

Contents

	Page
Mersea Island Trust Information	1
Trustees Report	2-4
Independent Auditor's Report	5-7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-18
<i>The following page does not form part of the statutory accounts</i>	
Property Revenue Account	19

MERSEA ISLAND TRUST

TRUST INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

Charity registration number	206064
Regulator of Social Housing registration number	L1259
Trustees	Caitriona Banting Joanna Jackson (Chairman) Cheryl Rutter Laurie Sharpe (resigned 31 December 2024) Jayne Taylor Rita Kemp Alison Vico (Treasurer) (Appointed 18 November 2024)
Committee members	Carole Butterfield David Payne (resigned September 2024) Yvonne Day Andrea Selway (resigned February 2025)
Tenant representatives	Evelyn Rutter Christine Chamberlain
Registered office	Akhurst Court Melrose Road West Mersea Essex, CO5 8JB
Accountants and auditor	Streets Audit LLP The Old Exchange 64 West Stockwell Street Colchester Essex, CO1 1HE
Solicitor	Ellisons Headgate Court Head Street Colchester Essex
Bankers	Barclays Bank plc 9 High Street Colchester Essex

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The trustees of Mersea Island Trust present their report, and the audited financial statements of the year ended 31 March 2025.

Organisation

The Mersea Island Trust is governed by the trustees who have delegated the operation of the Trust's activities to a Main Committee consisting of trustees and others which meets at least quarterly. The trustees hold an annual general meeting to which committee members are invited. Names of the trustees and committee members are shown on page 1.

Individuals interested in acting as trustees are appointed after they have been recommended as having the qualities and skills expected of trustees and after attending a committee meeting. Training is given where appropriate, dependent upon the requirements of each individual trustee.

Financial review of the past year and future developments

The accounts show the financial performance for the year ended 31 March 2025. The surplus for the year is £42,292 (2024: £1,055).

The operating costs of the Trust are shown as a one line entry on page 8 of the accounts and detailed under note 2 on page 13.

During the year there have been changes to the tenants in the two homes run by the Trust. There were three rental voids at Mersea Court during the year, two of which required major works so there was a delay before reletting; there was one void at Akhurst Court during the year, which was re-let quickly.

We completed the conversion of the former 3 bedroom warden's flat at Akhurst Court into two 1 bedroom flats, both were let earlier than anticipated, resulting in additional income which offset some of the conversion costs.

Flat 11 at Mersea Court was refurbished and was let at an increased rental charge.

Fire safety improvement works were starting during the year at both properties. The improvements came about as a result of a fire safety inspection.

There were staff changes during the year; Mersea Court warden left in March 2025 and has subsequently been replaced; the administration manager left in February 2025, this was a part time role and has been replaced with a full time role following the year end.

The Trustees plan to continue to operate the homes in the manner in the future to best meet the needs of their users.

Objectives and strategies for achieving those objectives

The main objective of the Trustees of the Mersea Island Trust are to:

Keep to and apply, national standard of service and the implementation of a risk Management Statement and National Occupational Standard.

Work in partnership with other organisations to meet the needs of the Tenants and Staff of the homes. To use their discretionary powers to apply funds for the benefit of the elderly residents of Mersea Island and in particular, to acquire and run homes for those purposes. There are two homes, Akhurst Court and Mersea Court, situated in West Mersea, each of which have representation on the Main Committee.

Code of governance

The Mersea Island Trust was established as a charitable trust by a declaration of trust dated 2 May 1961. The founder trustees were headed by Dr J Llewellyn Jones. The Mersea Island Trust is registered as a charity with the Charity Commissioners (no. 206064) and as a registered social landlord with the Regulator of Social Housing.

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2025

The input of volunteers

The Trust has one full time administrative staff member and relies upon the input of unpaid volunteers to act as trustees and committee members.

Public benefit statement

The Trust enables the elderly to continue living on Mersea Island. The Trust has had due regard to the guidance published by the Charity Commission on public benefit.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. It is to establish a policy where the reserves are to be used to maintain the capital commitment of the Trust in keeping within the requirements of the Health and Safety requirements and where necessary the improvement of the facilities.

These reserves are analysed in note 13 on page 17 and where required revalued as required by company law.

Availability and value of assets

The trustees believe that the Trust's assets are available and adequate to fulfil the obligations of the Trust. The market value of the trust's land is substantially in excess of its book value at the year end, as shown in note 10 to these accounts.

Value for money

The Trust is charged with the responsibility for providing and demonstrating that it does provide value for money. The Trust is constantly working to manage its resources to maximise cost effectiveness and efficiency, while at the same time providing quality services to meet tenants needs.

The Trust manages its value for money responsibilities by its approach to budgeting, risk management, interest rates, service quality, voids management and energy consumption whilst keeping an optimum balance between realistically low costs and a quality service.

The Trust's performance against the seven metrics required by the Regulator of Social Housing are:

		2025	2024	Variance % shift	Comments
1	Reinvestment	N/A	N/A		
2	New supply delivered	N/A	N/A		
3	Gearing	-%	-%		No outstanding loan finance
4	Earnings before interest, tax, depreciation major repairs / interest cover	-%	-%		No outstanding loan finance
5	Headline social housing cost per unit	£8,731	£8,957	(3%)	Includes costs of flat refurbishments and fire safety updates.
6	Operating margin	6.29%	(4.63)%	236%	See above
7	Return on capital employed	1.57%	(1.07)%	247%	See above

The Trust has complied with the Governance and Financial Viability Standard.

Donations

During the year the Trust made no charitable donations.

Trustees' responsibilities

The trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2025

Registered social housing legislation require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period.

In preparing these financial statements, the Board of trustees is required to:

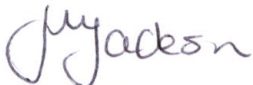
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association 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 Trust and enable it to ensure that the financial statements comply with legislation and the Accounting Direction for private registered providers of social housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities and for maintaining a satisfactory system of control over the Trust's books of accounts and transactions.

Disclosure of information to the auditors

We, the trustees of the Trust who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the trust's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



J Jackson

Chairman on behalf of the trustees

1 September 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Mersea Island Trust for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 Trust's affairs as at 31 March 2025 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

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 trust 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 trust's 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 association'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report³. 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.

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 course of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2025

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Trustees

As explained more fully in the Trustee's Responsibilities Statement set out in the trustees' 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 board 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 board is responsible for assessing the trust'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 board either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with trustees and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2025

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Use of our report

This report is made solely to the board of trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the board of trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the board of trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Streets Audit LLP - Statutory Auditor
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

STREETS AUDIT LLP
Chartered Accountants &
Registered Auditors

1 September 2025

MERSEA ISLAND TRUST

**STATEMENT OF COMPREHENSIVE INCOME
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Turnover	2	400,666	359,517
Operating costs	2	(375,450)	(376,175)
Gross (deficit)/surplus		25,216	(16,658)
Administrative expenditure	2	-	-
Other operating income		-	-
Operating (deficit)/surplus	2	25,216	(16,658)
Interest receivable and similar income	5	17,076	17,713
Interest payable and similar charges	5	-	-
(Deficit)/surplus on ordinary activities for the year	4	42,292	1,055
Revaluation of tangible fixed assets		-	-
Total comprehensive income for the year		42,292	1,055

There are no recognised gains and losses other than the surplus reported above.

Note of historical cost surpluses and deficits

There is no difference between the results disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

The accounts were approved by the Committee on 1 September 2025 and were signed on its behalf by:


J Jackson - Chairman

MERSEA ISLAND TRUST

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Housing properties at depreciated cost		1,697,058	1,682,745
Less:			
Social housing grants		(441,387)	(441,387)
Low carbon buildings programme grant		(64,846)	(64,846)
		<u>1,190,825</u>	<u>1,176,512</u>
Other fixed assets		48,582	37,852
	10	<u>1,239,407</u>	<u>1,214,364</u>
Current assets			
Debtors	11	2,086	1,557
Cash at bank and in hand		373,192	364,027
		<u>375,281</u>	<u>365,584</u>
Creditors: amounts falling due within one year	12	(15,285)	(22,840)
Net current assets		<u>359,993</u>	<u>342,744</u>
Total assets less current liabilities		<u>1,599,400</u>	<u>1,557,108</u>
Creditors: amounts falling due after more than one year		-	-
Total net assets		<u>1,599,400</u>	<u>1,557,108</u>
Reserves			
Income and expenditure reserve	13	1,558,946	1,516,654
Designated reserve	13	40,454	40,454
Total Reserves		<u>1,599,400</u>	<u>1,557,108</u>

The financial statements were approved and authorised for issue by the Committee on 1 September 2025 and were signed on its behalf by:



J Jackson
Chairman

The notes on pages 11 to 19 form part of these accounts.

MERSEA ISLAND TRUST

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flow from operating activities	15	70,250	75,086
Net cash flow from operating activities		<u>70,250</u>	<u>75,086</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(65,599)	(44,372)
Interest received		4,514	5,996
Net cash flow from investing activities		<u>(61,085)</u>	<u>(38,376)</u>
Cash flow from financing activities			
Repayment of long term loans		-	-
Interest paid		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		9,165	36,710
Cash and cash equivalents at 1 April 2024		364,027	327,317
Cash and cash equivalents at 31 March 2025		<u><u>373,192</u></u>	<u><u>364,027</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		373,192	364,027
Cash and cash equivalents at 31 March 2025		<u><u>373,192</u></u>	<u><u>364,027</u></u>

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2025

1 Summary of significant accounting policies

(a) General information and basis of preparation

Mersea Island Trust is registered as a charity with the Charity Commissioners and as a registered social landlord with the Regulator of Social Housing and is a registered provider of social housing in the United Kingdom. The address of the registered office and operating address is given in the Trust information on page 1 of these financial statements. The nature of the Trust's operations and principal activities are set out in the Trustees report on page 2.

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Trust and rounded to the nearest £.

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

(b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties, flats	are stated at cost less Housing Association Grant (HAG). Until 1999 it was considered that housing properties were maintained in a state of repair such that their estimated residual value was not less than their cost so no provision was made on an annual basis for depreciation. Since 1 April 1999 depreciation has been charged at 2% of the estimated cost, net of grants received, of erecting the buildings and making improvements.
Other fixed assets	are stated at cost less accumulated depreciation. Depreciation is charged at 10% per annum straight line.

The useful economic lives of all tangible fixed assets are reviewed annually.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS – (continued) YEAR ENDED 31 MARCH 2025

(c) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

(d) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(e) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is the sheltered housing at each site. The key indicators considered are state of repair and occupancy levels.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(f) Provisions

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

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

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Regulator of Social Housing and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Regulator of Social Housing. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

(g) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Regulator of Social Housing.

Interest receivable

Interest income is recognised using the effective interest method is recognised as the Trust's right to receive payment is established.

(h) Employee benefits

When employees have rendered service to the Trust, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2025

2 Particulars of turnover and administrative expenditure from social housing lettings

	2025 £	2024 £
Turnover		
Rent receivable	157,050	144,684
Service charge income	250,980	219,264
	<u>408,030</u>	<u>363,948</u>
Void losses	(7,364)	(4,431)
Turnover from social housing lettings	<u>400,666</u>	<u>359,517</u>
Administrative expenditure		
Management (including non-routine maintenance)	70,703	89,984
Service charge costs	152,626	144,629
Routine maintenance	111,565	103,881
Depreciation of housing properties	40,556	37,680
Administrative expenditure on social housing lettings	<u>375,450</u>	<u>376,175</u>
Training	-	-
Total operating costs	<u>375,450</u>	<u>376,175</u>
Operating (deficit)/surplus on social housing lettings	<u>25,216</u>	<u>(16,658)</u>

3 Accommodation owned and in management

	Akhurst Court	Mersea Court	Total
Completed units: Housing for older people			
Number of units at 1 April 2024	21	20	41
Changes in year	2	-	2
Number of units at 31 March 2025	<u>23</u>	<u>20</u>	<u>43</u>

Increase relates to the subdivision of the former warden's flat at Akhurst Court.

4 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

	2025 £	2024 £
Auditor's remuneration - for audit	7,956	6,480
Auditor's remuneration – for non-audit services	2,260	1,740
Depreciation of tangible fixed assets	<u>40,556</u>	<u>37,680</u>

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2025**

5 Interest and other finance income and charges

a) Interest receivable and similar income

	2025 £	2024 £
Bank interest receivable	4,515	5,996
Solar panel income	12,561	11,757
	17,076	17,753

b) Interest payable and similar charges

	2025 £	2024 £
Bank loans and overdrafts	-	-
	-	-

6 Trustees

During the year no trustees (2024:None) were reimbursed for expenses.

None of the trustees received any remuneration during the year.

7 Staff costs

The average number of employees during the year was 5 (2024: 5). They were all employed as wardens, deputy wardens, cleaners or co-ordinators.

The aggregate remuneration of such employees was as follows:

	2025 £	2024 £
Wages and salaries	112,310	106,152
	112,310	106,152

There are no employees who received more than £60,000 as their employee package.

8 Board and key management personnel remuneration

No emoluments were paid or were receivable by the trustees or committee.

9 Tax

Mersea Island Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes provided its income is applied to charitable purposes only. Accordingly, no provision is made for corporation tax but this assumes that income continues to be applied solely to charitable purposes.

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2025**

10 Tangible fixed assets

	Housing properties for letting - freeholds £	Furniture fittings and equipment £	Total £
Cost:			
At 1 April 2024	2,193,232	41,792	2,235,024
Additions	49,033	16,566	65,599
Disposals	-	-	-
At 31 March 2025	<u>2,242,265</u>	<u>58,358</u>	<u>2,300,623</u>
Grants from the Housing Corporation			
At 1 April 2024 and 31 March 2025	<u>441,387</u>	-	<u>441,387</u>
Grants from Low Carbon Buildings Programme			
At 1 April 2024 and 31 March 2025	<u>64,846</u>	-	<u>64,846</u>
Depreciation:			
At 1 April 2024	510,487	3,940	514,427
Charge for year	34,720	5,836	40,556
Depreciation on disposals	-	-	-
At 31 March 2025	<u>545,207</u>	<u>9,776</u>	<u>554,983</u>
Net book value:			
At 31 March 2025	<u>1,190,825</u>	<u>48,582</u>	<u>1,239,407</u>
At 31 March 2024	<u>1,176,512</u>	<u>37,852</u>	<u>1,214,364</u>

All of the total cost of household properties relates to completed schemes.

The freehold property at Akhurst Court, Melrose Road, West Mersea is vested in the name of the official custodian for charities. Mersea Court was formerly the Coronation Memorial Trust property and is a freehold property vested in the name of the official custodian for charities. Deducting grants from the cost of the housing properties contravenes the Companies Act however the trustees feel that this is necessary to show a true and fair view of the position.

During the year expenditure of £111,565 (2024: £103,881) on existing properties was made which relates to routine maintenance rather than an enhancement of economic benefits to the housing properties.

Current rebuilding costs for insurance purposes inclusive of fees and VAT are £5,205,379 for Akhurst Court and £3,586,900 for Mersea Court.

Grants from the Housing Corporation may become repayable under certain restricted circumstances such as the sale of property. In this event the grant repayable would become a current liability subordinated to other creditors.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2025

11 Debtors

	2025 £	2024 £
Trade debtors (gross social housing rent arrears)	15	(513)
Other debtors	2,071	2,070
	<u>2,086</u>	<u>1,557</u>

12 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	5,502	10,106
Rents paid in advance	-	-
Other creditors	2,691	5,642
Accruals and deferred income	7,092	7,092
	<u>15,285</u>	<u>22,840</u>

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2025**

13 Reserves

	Provisional Aftercare & Community Contingency Fund £	Income and Expenditure Account £	Total £
At 31 March 2024	40,454	1,516,654	1,557,108
(Deficit)/Surplus for the year	-	42,292	42,292
Transfers			-
At 31 March 2025	40,454	1,558,946	1,599,400

a) Income and expenditure reserve (Revenue Reserve)

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

b) The Provisional Aftercare and Community Contingency Fund (PACCF) (Designated Reserve)

This designated reserve represents those monies the trust has built up over the years to fund its work for and outside of the provision of sheltered accommodation at Akhurst Court and Mersea Court.

The movements on the PACCF during the year are included in the income and expenditure account shown on page 8 of the accounts. A transfer was made from the income and expenditure account to the PACCF, of the net movements in the year which are as follows:-

	2025 £	2024 £
Interest received	-	553
	-	553

14 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts. Our auditors also provide payroll bureau services.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2025

15 Reconciliation of operating surplus to cash flow from operating activities

	2025	2024
	£	£
(Deficit)/surplus for the year	42,293	1,055
Interest payable	-	-
Interest received	(4,515)	(5,996)
Depreciation and impairment of tangible fixed assets	40,556	37,680
(Increase) in trade and other debtors	(529)	15,180
Increase/(decrease) in trade and other creditors	(7,555)	9,505
Loss on disposal of tangible fixed asset	-	17,662
Net cash flow from operating activities	<u>70,250</u>	<u>75,086</u>

16 Pensions

The trust operates a workplace pension scheme for employees. During the year the cost to the trust was £4,856 and at the balance sheet date an amount of £317 was due to the scheme provider.

17 Related party transactions

There were no related party transactions during the year.

18 Critical accounting estimates and judgments

In the application of the charities accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The judgements that the trustees have made that have the most significant effect on the amounts recognised in the financial statements are determining whether there are indicators of impairment of the Charity's tangible assets. The factors taken into consideration when making the judgements include the economic benefits the assets will provide to the charity.

The Trustees have not made any material estimates in relation to these financial statements.

MERSEA ISLAND TRUST

**PROPERTY REVENUE ACCOUNT
YEAR ENDED 31 MARCH 2025**

			2025			2024	
	Akhurst Court £	Mersea Court £	Total £	Akhurst Court £	Mersea Court £	Total £	
Income							
Rents	82,635	74,416	157,051	76,992	67,692	144,684	
Service Charges	143,280	107,700	250,980	119,664	99,600	219,264	
	225,915	182,115	408,030	196,656	167,292	363,948	
Less:							
Losses arising from vacant accommodation	(904)	(6,460)	(7,364)	(2,346)	(2,085)	(4,431)	
Net income	225,011	176,656	400,666	194,310	165,207	359,517	
Expenditure							
Service costs							
- wardens salaries	31,007	30,180	61,187	30,849	24,977	55,826	
- wardens council tax	848	-	848	827	341	1,168	
- helpline monitoring	8,050	7,318	15,368	7,665	6,968	14,633	
- rates	-	-	-	-	-	-	
- water charges	(256)	381	125	4,250	3,611	7,861	
- cleaning	6,639	3,022	9,661	6,051	2,499	8,550	
- garden maintenance	6,035	3,498	9,533	6,021	3,314	9,335	
- gas	16,236	11,390	27,626	10,420	5,509	15,929	
- electricity	10,259	5,911	16,170	4,958	4,229	9,187	
- depreciation of housing properties	20,620	14,100	34,720	21,840	15,840	37,680	
- depreciation of furniture, fittings and equipment	3,316	2,520	5,836	-	-	-	
- telephone	2,065	2,058	4,123	2,676	1,024	3,700	
- insurance	3,992	3,992	7,984	(2,868)	3,646	777	
-loss on disposal	-	-	-	17,662	-	17,662	
Total service cost	108,811	84,371	193,182	110,351	71,958	182,309	
Management							
- administrators salaries	25,562	25,562	51,123	24,535	24,535	49,070	
- postage and stationery	596	327	923	1,573	873	2,446	
- sundries	1,060	1,878	2,938	1,424	1,188	2,612	
- legal and professional	1,677	1,677	3,354	19,708	16,149	35,857	
- accountancy	5,108	5,108	10,216	-	-	-	
-bookkeeping	588	930	1,518	-	-	-	
-advertising	540	-	540	-	-	-	
-bank charges	45	45	90	-	-	-	
Total management costs	35,176	35,527	70,703	47,240	42,745	89,985	
Routine maintenance	47,911	63,654	111,565	58,387	45,494	103,881	
Total expenses before finance costs	191,898	183,552	375,450	215,978	160,196	376,174	
Surplus on properties before finance costs	33,113	(7,897)	25,216	(21,668)	5,010	(16,658)	
Surplus on properties after finance costs	33,113	(7,897)	25,216	(21,668)	5,010	(16,658)	

MERSEA ISLAND TRUST

England & Wales - Charity number 206064

Accounts

MERSEA ISLAND TRUST
ACCOUNTS AND TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2024

Regulator of Social Housing registration number: L1259

Charity registration number: 206064

MERSEA ISLAND TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

Contents

	Page
Mersea Island Trust Information	1
Trustees Report	2-4
Independent Auditor's Report	5-7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-18
<i>The following page does not form part of the statutory accounts</i>	
Property Revenue Account	19

MERSEA ISLAND TRUST
TRUST INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024

Charity registration number	206064
Regulator of Social Housing registration number	L1259
Trustees	Caitriona Banting Jo Jackson (Chairman) David Payne (resigned December 2023) Cheryl Rutter Laurie Sharpe Heather Spalding (resigned December 2023) Jayne Taylor (Treasurer) Rita Kemp
Committee members	Carole Butterfield David Payne (appointed December 2023) Yvonne Day Andrea Selway
Tenant representatives	Evelyn Rutter (appointed April 2023) Christine Chamberlain (appointed November 2023)
Registered office	Akhurst Court Melrose Road West Mersea Essex, CO5 8JB
Accountants and auditor	Streets Audit LLP C/O The Old Exchange 64 West Stockwell Street Colchester Essex, CO1 1HE
Solicitor	Ellison & Co Headgate Court Head Street Colchester Essex
Bankers	Barclays Bank plc 9 High Street Colchester Essex

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

The trustees of Mersea Island Trust present their report, and the audited financial statements of the year ended 31 March 2024.

Organisation

The Mersea Island Trust is governed by the trustees who have delegated the operation of the Trust's activities to a Main Committee consisting of trustees and others which meets at least quarterly. The trustees hold an annual general meeting to which committee members are invited. Names of the trustees and committee members are shown on page 1.

Individuals interested in acting as trustees are appointed after they have been recommended as having the qualities and skills expected of trustees and after attending a committee meeting. Training is given where appropriate, dependent upon the requirements of each individual trustee.

Financial review of the past year and future developments

The accounts show the financial performance for the year ended 31 March 2024. The surplus for the year is £1,055 (2023: deficit £17,920). An amount of £553 was transferred to the Provisional Aftercare and Community Fund in the year (2023: transfer to of £100).

The operating costs of the Trust are shown as a one line entry on page 8 of the accounts and detailed under note 2 on page 13.

During the year there have been a number of changes in the tenants in the two homes run by the Trust and this has increased the level of voids as when a tenant leaves it is often necessary to redecorate and modernise the units before new tenants move in and this can lead to several weeks between tenancies. A large refurbishment was carried out to Flat 19 Akhurst Court which amalgamated an adjacent previously empty room, which was additional to the original budget plan.

A general manager was appointed in mid 2021 to assist the Trustees with the day to day management of the trust.

The Trustees plan to continue to operate the homes in the manner in the future to best meet the needs of their users.

Objectives and strategies for achieving those objectives

The main objective of the Trustees of the Mersea Island Trust is to:

Keep to and apply, national standard of service and the implementation of a risk Management Statement and National Occupational Standard.

Work in partnership with other organisations to meet the needs of the Tenants and Staff of the homes. There are two homes, Akhurst Court and Mersea Court, situated in West Mersea, each of which have representation on the Main Committee.

Code of governance

The Mersea Island Trust was established as a charitable trust by a declaration of trust dated 2 May 1961. The founder trustees were headed by Dr J Llewellyn Jones. The Mersea Island Trust is registered as a charity with the Charity Commissioners (no. 206064) and as a registered social landlord with the Regulator of Social Housing.

The input of volunteers

The Trust has no full-time administrative staff and relies upon the input of unpaid volunteers to act as trustees and committee members.

Public benefit statement

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2024

The Trust enables the elderly to continue living on Mersea Island. The Trust has had due regard to the guidance published by the Charity Commission on public benefit.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risk to the organisation. It is to establish a policy where the reserves are to be used to maintain the capital commitment of the Trust in keeping within the requirements of the Health and Safety requirements and where necessary the improvement of the facilities.

These reserves are analysed in note 12 on page 17 and where required revalued as required by company law.

Availability and value of assets

The trustees believe that the Trust's assets are available and adequate to fulfil the obligations of the Trust. The market value of the trust's land is substantially in excess of its book value at the year end, as shown in note 9 to these accounts.

Value for money

The Trust is charged with the responsibility for providing and demonstrating that it does provide value for money. The Trust is constantly working to manage its resources to maximise cost effectiveness and efficiency, while at the same time providing quality services to meet tenants needs.

The Trust manages its value for money responsibilities by its approach to budgeting, risk management, interest rates, service quality, voids management and energy consumption whilst keeping an optimum balance between realistically low costs and a quality service.

The Trust's performance against the seven metrics required by the Regulator of Social Housing are:

		2024	2023	Variance % shift	Comments
1	Reinvestment	N/A	N/A		
2	New supply delivered	N/A	N/A		
3	Gearing	-%	-%		No outstanding loan finance
4	Earnings before interest, tax, depreciation major repairs / interest cover	-%	-%		No outstanding loan finance
5	Headline social housing cost per unit	£8,957	£8,794	£163	Includes costs of flat refurbishment £20,920, one-off legal fees £24,436 and loss on disposal of lift £17,662
6	Operating margin	(4.63) %	(9.82) %	5.19%	See above
7	Return on capital employed	(1.07) %	(2.13) %	1.06%	See above

The Trust has complied with the Governance and Financial Viability Standard.

Donations

During the year the Trust made no charitable donations.

Trustees' responsibilities

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2024

The trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Registered social housing legislation require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period.

In preparing these financial statements, the Board of trustees is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association 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 Trust and enable it to ensure that the financial statements comply with legislation and the Accounting Direction for private registered providers of social housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities and for maintaining a satisfactory system of control over the Trust's books of accounts and transactions.

Disclosure of information to the auditors

We, the trustees of the Trust who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the trust's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

J Jackson

Chairman on behalf of the trustees
16 September 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Mersea Island Trust for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 Trust's affairs as at 31 March 2024 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

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 trust 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 trust's 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 association'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report³. 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.

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 course of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2024

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Trustees

As explained more fully in the Trustee's Responsibilities Statement set out in the trustees' 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 board 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 board is responsible for assessing the trust'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 board either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with trustees and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2024

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Use of our report

This report is made solely to the board of trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the board of trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the board of trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Streets Audit LLP Statutory Auditor
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

STREETS AUDIT
Chartered Accountants &
Registered Auditors

DATE

MERSEA ISLAND TRUST

**STATEMENT OF COMPREHENSIVE INCOME
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Turnover	2	359,517	337,746
Operating costs	2	376,175	369,358
Gross surplus/(deficit)		<u>(16,658)</u>	<u>(31,612)</u>
Administrative expenditure	2	-	1,540
Other operating income		-	-
Operating surplus/(deficit)	2	<u>(16,658)</u>	<u>(33,152)</u>
Interest receivable and similar income	5	17,713	15,232
Interest payable and similar charges	5	-	-
Surplus/(deficit) on ordinary activities for the year	4	<u>1,055</u>	<u>(17,920)</u>
Revaluation of tangible fixed assets		-	-
Total comprehensive income for the year		<u><u>1,055</u></u>	<u><u>(17,920)</u></u>

There are no recognised gains and losses other than the surplus/(deficit) reported above.

Note of historical cost surpluses and deficits

There is no difference between the results disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

The accounts were approved by the Committee on 16 September 2024 and were signed on its behalf by:

J Jackson - Chairman

J Taylor - Trustee

MERSEA ISLAND TRUST

**BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
Fixed assets			
Housing properties at depreciated cost		1,682,745	1,713,908
Less:			
Social housing grants		(441,387)	(441,387)
Low carbon buildings programme grant		(64,846)	(64,846)
		1,176,512	1,207,675
Other fixed assets		37,852	17,662
	9	1,214,364	1,225,337
Current assets			
Debtors	10	1,557	16,737
Cash at bank and in hand		364,027	327,317
		365,584	344,054
Creditors: amounts falling due within one year	11	(22,840)	(13,339)
Net current assets		342,744	330,715
Total assets less current liabilities		1,557,108	1,556,052
Creditors: amounts falling due after more than one year		-	-
Total net assets		1,557,108	1,556,052
Reserves			
Income and expenditure reserve	12	1,516,654	1,516,151
Designated reserve	12	40,454	39,901
Total Reserves		1,557,108	1,556,052

The financial statements were approved and authorised for issue by the Committee on 16 September 2024 and were signed on its behalf by:

J Jackson
Chairman

MERSEA ISLAND TRUST

**BALANCE SHEET
AS AT 31 MARCH 2024**

**J Taylor
Trustee**

The notes on pages 11 to 18 form part of these accounts.

MERSEA ISLAND TRUST
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flow from operating activities	14	75,086	4,851
Net cash flow from operating activities		<u>75,086</u>	<u>4,851</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(44,372)	-
Interest received		5,996	574
Net cash flow from investing activities		<u>(38,376)</u>	<u>574</u>
Cash flow from financing activities			
Repayment of long term loans		-	-
Interest paid		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		36,710	5,425
Cash and cash equivalents at 1 April 2023		327,317	321,892
Cash and cash equivalents at 31 March 2024		<u>364,027</u>	<u>327,317</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		364,0 27	327,317
Cash and cash equivalents at 31 March 2024		<u>364,0 27</u>	<u>327,317</u>

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2024

1 Summary of significant accounting policies

(a) General information and basis of preparation

Mersea Island Trust is registered as a charity with the Charity Commissioners and as a registered social landlord with the Regulator of Social Housing and is a registered provider of social housing in the United Kingdom. The address of the registered office and operating address is given in the Trust information on page 1 of these financial statements. The nature of the Trust's operations and principal activities are set out in the Trustees report on page 2.

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Trust and rounded to the nearest £.

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

(b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties, flats

are stated at cost less Housing Association Grant (HAG). Until 1999 it was considered that housing properties were maintained in a state of repair such that their estimated residual value was not less than their cost so no provision was made on an annual basis for depreciation.

Since 1 April 1999 depreciation has been charged at 2% of the estimated cost, net of grants received, of erecting the buildings and making improvements.

Other fixed assets

are stated at cost less accumulated depreciation. Depreciation is charged at 10% per annum straight line.

The useful economic lives of all tangible fixed assets are reviewed annually.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2024

(c) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

(d) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(e) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is the sheltered housing at each site. The key indicators considered are state of repair and occupancy levels.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(f) Provisions

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

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

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Regulator of Social Housing and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Regulator of Social Housing. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

(g) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Regulator of Social Housing.

Interest receivable

Interest income is recognised using the effective interest method is recognised as the Trust's right to receive payment is established.

(h) Employee benefits

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2024

When employees have rendered service to the Trust, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2024**

2 Particulars of turnover and administrative expenditure from social housing lettings

	2024 £	2023 £	
Turnover			REVENUE AND EXPENDITURE FROM SOCIAL HOUSING
Rent receivable	144,684	189,441	
Service charge income	219,264	164,735	
	363,948	354,176	
Void losses	(4,431)	(16,430)	
Turnover from social housing lettings	359,517	337,746	
Administrative expenditure			
Management (including non-routine maintenance)	89,984	65,157	
Service charge costs	144,629	138,159	
Routine maintenance	103,881	129,237	
Depreciation of housing properties	37,680	36,805	
Administrative expenditure on social housing lettings	376,175	369,358	
Training	-	1,540	
Total operating costs	376,175	370,898	
Operating (deficit)/surplus on social housing lettings	(16,658)	(33,152)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

20

The dismissal of a former employee resulted in the Trust being taken to an Industrial Tribunal. The Tribunal, held on 7th March 2024, dismissed the former employee's case but the resultant legal fees for the Trust were considerable at £24,436 and are included

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2024

in management costs in administrative expenditure. Although the Trust could have pursued a Costs Order from the former employee, it took the decision not to do this because of the poor prospects of recovering any costs from the individual

3 Accommodation owned and in management

	Akhurst Court	Mersea Court	Total
Completed units: Housing for older people			
Number of units at 1 April 2023	21	20	41
Changes in year	-	-	-
Number of units at 31 March 2024	21	20	41

In addition there is a warden's flat at Akhurst Court.

4 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

	2024 £	2023 £
Auditor's remuneration - for audit	6,480	6,456
Auditor's remuneration - for non-audit services	1,740	1,782
Depreciation of tangible fixed assets	37,680	36,805
	37,680	36,805

5 Interest and other finance income and charges

a) Interest receivable and similar income

	2024 £	2023 £
Bank interest receivable	5,996	574
Solar panel income	11,757	14,658
	17,713	15,232

b) Interest payable and similar charges

	2024 £	2023 £
Bank loans and overdrafts	-	-
	-	-

6 Board and key management personnel remuneration

No emoluments were paid or were receivable by the trustees or committee.

7 Staff costs

The average number of employees during the year was 5 (2023: 6). They were all employed as wardens, deputy wardens, cleaners or co-ordinators.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2024

The aggregate remuneration of such employees was as follows:

	2024 £	2023 £
Wages and salaries	106,152	102,874
	106,152	102,874

There are no employees who received more than £60,000 as their employee package.

8 Tax

Mersea Island Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes provided its income is applied to charitable purposes only. Accordingly, no provision is made for corporation tax but this assumes that income continues to be applied solely to charitable purposes.

9 Tangible fixed assets

	Housing properties for letting - freeholds £	Furniture fittings and equipment £	Total £
Cost:			
At 1 April 2023	2,190,652	24,446	2,215,098
Additions	2,580	41,792	44,372
Disposals	-	(24,446)	(24,446)
At 31 March 2024	2,193,232	41,792	2,235,024
Grants from the Housing Corporation			
At 1 April 2023 and 31 March 2024	441,387	-	441,387
Grants from Low Carbon Buildings Programme			
At 1 April 2023 and 31 March 2024	64,846	-	64,846
Depreciation:			
At 1 April 2023	476,747	6,784	483,531
Charge for year	33,740	3,940	37,680
Depreciation on disposals	-	(6,784)	(6,784)
At 31 March 2024	510,487	3,940	514,427

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2024

Net book value:

At 31 March 2024	1,176,512	37,852	1,214,364
At 31 March 2023	1,207,672	17,662	1,225,334

All of the total cost of household properties relates to completed schemes.

The freehold property at Akhurst Court, Melrose Road, West Mersea is vested in the name of the official custodian for charities. Mersea Court was formerly the Coronation Memorial Trust property and is a freehold property vested in the name of the official custodian for charities. Deducting grants from the cost of the housing properties contravenes the Companies Act however the trustees feel that this is necessary to show a true and fair view of the position.

During the year expenditure of £103,881 (2023: £129,237) on existing properties was made which relates to routine maintenance rather than an enhancement of economic benefits to the housing properties.

Current rebuilding costs for insurance purposes inclusive of fees and VAT are £4,831,302 for Akhurst Court and £3,329,133 for Mersea Court.

Grants from the Housing Corporation may become repayable under certain restricted circumstances such as the sale of property. In this event the grant repayable would become a current liability subordinated to other creditors.

10 Debtors

	2024 £	2023 £
Trade debtors (gross social housing rent arrears)	(513)	207
Other debtors	2,070	16,530
	1,557	16,737

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	10,106	638
Rents paid in advance	-	-
Other creditors	5,642	5,609
Accruals and deferred income	7,092	7,092
	22,840	13,339

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2024**

12 Reserves

	Provisional Aftercare & Communit y Contingen cy Fund £	Income and Expenditur e Account £	Total £
At 31 March 2023	39,901	1,516,151	1,556,052
(Deficit)/Surplus for the year	-	1,055	1,055
Transfers	553	(553)	-
At 31 March 2024	40,454	1,516,654	1,557,108

a) Income and expenditure reserve (Revenue Reserve)

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

b) The Provisional Aftercare and Community Contingency Fund (PACCF) (Designated Reserve)

This designated reserve represents those monies the trust has built up over the years to fund its work for and outside of the provision of sheltered accommodation at Akhurst Court and Mersea Court.

The movements on the PACCF during the year are included in the income and expenditure account shown on page 8 of the accounts. A transfer was made from the income and expenditure account to the PACCF, of the net movements in the year which are as follows:-

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Interest received	553	100
	553	1
	553	100

13 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts. Our auditors also provide payroll bureau services.

14 Reconciliation of operating surplus to cash flow from operating activities

	2024 £	2023 £
(Deficit)/surplus for the year	1,055	(17,920)
Interest payable	-	-
Interest received	(5,996)	(574)
Depreciation and impairment of tangible fixed assets	37,680	36,805
(Increase) in trade and other debtors	15,180	(13,776)
Increase/(decrease) in trade and other creditors	9,505	316
Loss on disposal of tangible fixed assets	17,662	-
Net cash flow from operating activities	75,086	4,851

15 Pensions

The trust operates a workplace pension scheme for employees. During the year the cost to the trust was £1,435 and at the balance sheet date an amount of £399 was due to the scheme provider.

16 Related party transactions

There were no related party transactions during the year.

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2024**

MERSEA ISLAND TRUST

PROPERTY REVENUE ACCOUNT YEAR ENDED 31 MARCH 2024

	2024			2023		
	Akhurst Court £	Mersea Court £	Total £	Akhurst Court £	Mersea Court £	Total £
Income						
Rents	76,992	67,692	144,684	102,580	86,861	189,441
Service Charges	119,664	99,600	219,264	92,200	72,535	164,735
	196,656	167,292	363,948	194,780	159,396	354,176
Less:						
Losses arising from vacant accommodation	(2,346)	(2,085)	(4,431)	(11,030)	(5,400)	(16,430)
Net income	194,310	165,207	359,517	183,750	153,996	337,746
Expenditure						
Service costs						
- wardens salaries	30,849	24,977	55,826	25,211	24,562	49,773
- wardens accommodation	-	-	-	9,000	-	9,000
- wardens council tax	827	341	1,168	1,562	-	1,562
- helpline monitoring	7,665	6,968	14,633	7,665	6,968	14,633
- rates	-	-	-	-	-	-
- water charges	4,250	3,611	7,861	4,963	3,032	7,995
- cleaning	6,051	2,499	8,550	5,524	2,480	8,004
- garden maintenance	6,021	3,314	9,335	6,457	2,588	9,045
- gas	10,420	5,509	15,929	11,127	6,123	17,250
- electricity	4,958	4,229	9,187	6,583	4,246	10,829
- depreciation of housing properties	19,650	14,090	33,740	19,598	14,090	33,688
- depreciation of furniture, fittings and equipment	2,190	1,750	3,940	3,117	-	3,117
- telephone	2,676	1,024	3,700	2,547	767	3,314
- insurance	3,646	3,646	7,292	3,381	3,373	6,754
- Insurance claims	(6,514)	-	(6,514)	-	-	-
- loss on disposal	17,662	-	17,662	-	-	-
	110,351	71,578	182,309	106,735	68,229	174,964
Management						
- Administrators salaries	24,535	24,535	49,070	23,363	23,363	46,726
- postage and stationery	1,573	873	2,446	1,077	632	1,709
- sundries	1,424	1,188	2,612	3,563	2,573	6,136
- legal and professional costs	19,708	16,149	35,857	6,073	4,513	10,586
- website and computer costs	-	-	-	-	-	-
- bad debts	-	-	-	-	-	-
	47,240	42,745	89,985	34,076	31,081	65,157
Routine maintenance	58,387	45,494	103,881	85,764	43,473	129,237
Total expenses before finance costs	215,978	160,196	376,174	226,575	142,783	369,358
Surplus/(deficit) on properties before finance costs	(21,668)	5,010	(16,658)	(42,825)	11,213	(31,612)

MERSEA ISLAND TRUST
PROPERTY REVENUE ACCOUNT
YEAR ENDED 31 MARCH 2024

Finance costs	-	-	-	-	-	-
Surplus/(deficit) on properties after finance costs	<u>(21,668)</u>	<u>5,010</u>	<u>(16,658)</u>	<u>(42,825)</u>	<u>11,213</u>	<u>(31,612)</u>

MERSEA ISLAND TRUST

England & Wales - Charity number 206064

Accounts

MERSEA ISLAND TRUST

**ACCOUNTS AND TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2023**

Regulator of Social Housing registration number: L1259

Charity registration number: 206064

STREETS[®]
WHITTLES
CHARTERED ACCOUNTANTS

MERSEA ISLAND TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

Contents

	Page
Mersea Island Trust Information	1
Trustees Report	2-4
Independent Auditor's Report	5-7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-19
<i>The following page does not form part of the statutory accounts</i>	
Property Revenue Account	20

MERSEA ISLAND TRUST
TRUST INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

Charity registration number	206064
Regulator of Social Housing registration number	L1259
Trustees	Caitriona Banting Jo Jackson Susan Jenner (resigned October 2022) David Payne (Honorary Treasurer) Cheryl Rutter Laurie Sharpe Heather Spalding (Chairman)
Committee members	David Gibbons (Honorary President resigned January 2023) Jayne Taylor (appointed November 2022, appointed as trustee April 2023) Carole Butterfield (appointed February 2023) Rita Kemp (appointed February 2023) Yvonne Day Andrea Selway
Tenant representatives	Jim Crickett Joan Cotton/Sylvia Couling
Registered office	Akhurst Court Melrose Road West Mersea Essex, CO5 8JB
Accountants and auditor	Streets Whittle & Partners LLP The Old Exchange 64 West Stockwell Street Colchester Essex, CO1 1HE
Solicitor	Ellison & Co Headgate Court Head Street Colchester Essex
Bankers	Barclays Bank plc 9 High Street Colchester Essex

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees of Mersea Island Trust present their report, and the audited financial statements of the year ended 31 March 2023.

Organisation

The Mersea Island Trust is governed by the trustees who have delegated the operation of the Trust's activities to a Main Committee consisting of trustees and others which meets at least quarterly. The trustees hold an annual general meeting to which committee members are invited. Names of the trustees and committee members are shown on page 1.

Individuals interested in acting as trustees are appointed after they have been recommended as having the qualities and skills expected of trustees and after attending a committee meeting. Training is given where appropriate, dependent upon the requirements of each individual trustee.

Financial review of the past year and future developments

The accounts show the financial performance for the year ended 31 March 2023. The deficit for the the year is £17,920 (2022: surplus £23,011). An amount of £100 was transferred to the Provisional Aftercare and Community Fund in the year (2022: transfer to of £5).

The operating costs of the Trust are shown as a one line entry on page 8 of the accounts and detailed under note 2 on page 14.

During the year there have been a number of changes in the tenants in the two homes run by the Trust and this has increased the level of voids as when a tenant leaves it is often necessary to redecorate and modernise the units before new tenants move in and this can lead to several weeks between tenancies. A large refurbishment was carried out to Flat 19 Akhurst Court which amalgamated an adjacent previously empty room, which was additional to the original budget plan.

Several of the trustees are also finding that management of the Trust is becoming very demanding and a full time commitment, especially in critical areas where their professional knowledge is limited. As a result, a general manager was appointed in mid 2021 to take on some of these responsibilities in the day to day management of the trust.

The Trustees plan to continue to operate the homes in the manner in the future to best meet the needs of their users.

Objectives and strategies for achieving those objectives

The main objective of the Trustees of the Mersea Island Trust are to:

Keep to and apply, national standard of service and the implementation of a risk Management Statement and National Occupational Standard.

Work in partnership with other organisations to meet the needs of the Tenants and Staff of the homes. To use their discretionary powers to apply funds for the benefit of the elderly residents of Mersea Island and in particular, to acquire and run homes for those purposes. There are two homes, Akhurst Court and Mersea Court, situated in West Mersea, each of which have representation on the Main Committee.

Code of governance

The Mersea Island Trust was established as a charitable trust by a declaration of trust dated 2 May 1961. The founder trustees were headed by Dr J Llewellyn Jones. The Mersea Island Trust is registered as a charity with the Charity Commissioners (no. 206064) and as a registered social landlord with the Regulator of Social Housing.

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

The input of volunteers

The Trust has no full-time administrative staff and relies upon the input of unpaid volunteers to act as trustees and committee members.

Public benefit statement

The Trust enables the elderly to continue living on Mersea Island. The Trust has had due regard to the guidance published by the Charity Commission on public benefit.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risk to the organisation. It is to establish a policy where the reserves are to be used to maintain the capital commitment of the Trust in keeping within the requirements of the Health and Safety requirements and where necessary the improvement of the facilities.

These reserves are analysed in note 12 on page 18 and where required revalued as required by company law.

Availability and value of assets

The trustees believe that the Trust's assets are available and adequate to fulfil the obligations of the Trust. The market value of the trust's land is substantially in excess of its book value at the year end, as shown in note 9 to these accounts.

Value for money

The Trust is charged with the responsibility for providing and demonstrating that it does provide value for money. The Trust is constantly working to manage its resources to maximise cost effectiveness and efficiency, while at the same time providing quality services to meet tenants needs.

The Trust manages its value for money responsibilities by its approach to budgeting, risk management, interest rates, service quality, voids management and energy consumption whilst keeping an optimum balance between realistically low costs and a quality service.

The Trust's performance against the seven metrics required by the Regulator of Social Housing are:

		2023	2022	Variance % shift	Comments
1	Reinvestment	N/A	N/A		
2	New supply delivered	N/A	N/A		
3	Gearing	-%	-%		No outstanding loan finance
4	Earnings before interest, tax, depreciation major repairs / interest cover	-%	-%		No outstanding loan finance
5	Headline social housing cost per unit	£8,794	£7,696	£1,098 14.26%	Includes costs of flat refurbishment £41,766 and remodelling costs £30,434
6	Operating margin	(9.82%)	3.77%	(13.59)%	See above
7	Return on capital employed	(2.13%)	.81%	(2.94).%	See above

The Trust has complied with the Governance and Financial Viability Standard.

Donations

During the year the Trust made no charitable donations.

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2023

Trustees' responsibilities

The trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Registered social housing legislation require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period.

In preparing these financial statements, the Board of trustees is required to:

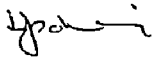
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association 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 Trust and enable it to ensure that the financial statements comply with legislation and the Accounting Direction for private registered providers of social housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities and for maintaining a satisfactory system of control over the Trust's books of accounts and transactions.

Disclosure of information to the auditors

We, the trustees of the Trust who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the trust's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



H Spalding
Chairman on behalf of the trustees
18 September 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Mersea Island Trust for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 Trust's affairs as at 31 March 2023 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

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 trust 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 trust's 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 association'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report³. 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.

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 course of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees's report; or
- 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Trustees

As explained more fully in the Trustee's Responsibilities Statement set out in the trustees 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 board 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 board is responsible for assessing the trust'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 board either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with trustees and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2022

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Use of our report

This report is made solely to the board of trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the board of trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the board of trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Streets Whittle & Partners LLP Statutory Auditor
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

STREETS WHITTLES
Chartered Accountants &
Registered Auditors

18 September 2023

MERSEA ISLAND TRUST

STATEMENT OF COMPREHENSIVE INCOME
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2023

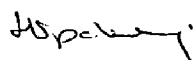
	Note	£	2022 £
Turnover	2	337,746	336,246
Operating costs	2	369,358	323,242
Gross (deficit)/surplus		<u>(31,612)</u>	<u>13,004</u>
Administrative expenditure	2	1,540	316
Other operating income		-	-
Operating (deficit)/surplus	2	<u>(33,152)</u>	<u>12,688</u>
Interest receivable and similar income	5	15,232	10,323
Interest payable and similar charges	5	-	-
(Deficit)/surplus on ordinary activities for the year	4	<u>(17,920)</u>	<u>23,011</u>
Revaluation of tangible fixed assets		-	-
Total comprehensive income for the year		<u>(17,920)</u>	<u>23,011</u>

There are no recognised gains and losses other than the surplus reported above.

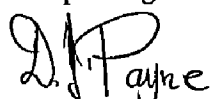
Note of historical cost surpluses and deficits

There is no difference between the results disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

The accounts were approved by the Committee on 18 September 2023 and were signed on its behalf by:



H Spalding - Chairman



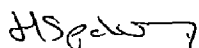
D Payne - Trustee

MERSEA ISLAND TRUST

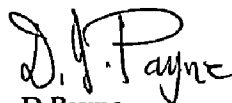
BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Housing properties at depreciated cost		1,713,908	1,747,596
Less:			
Social housing grants		(441,387)	(441,387)
Low carbon buildings programme grant		(64,846)	(64,846)
		<u>1,207,675</u>	<u>1,241,363</u>
Other fixed assets		17,662	20,779
	9	<u>1,225,337</u>	<u>1,262,142</u>
Current assets			
Debtors	10	16,737	2,961
Cash at bank and in hand		327,317	321,892
		<u>344,054</u>	<u>324,853</u>
Creditors: amounts falling due within one year	11	(13,339)	(13,023)
Net current assets		<u>330,715</u>	<u>311,830</u>
Total assets less current liabilities		<u>1,556,052</u>	<u>1,573,972</u>
Creditors: amounts falling due after more than one year		-	-
Total net assets		<u>1,556,052</u>	<u>1,573,972</u>
Reserves			
Income and expenditure reserve	12	1,516,151	1,534,171
Designated reserve	12	39,901	39,801
Total Reserves		<u>1,556,052</u>	<u>1,573,972</u>

The financial statements were approved and authorised for issue by the Committee on 18 September 2023 and were signed on its behalf by:



H Spalding
Chairman



D Payne
Trustee

The notes on pages 11 to 19 form part of these accounts.

MERSEA ISLAND TRUST

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Cash flow from operating activities	14	4,851	55,702
Net cash flow from operating activities		4,851	55,702
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(17,112)
Interest received		574	29
Net cash flow from investing activities		574	(17,083)
Cash flow from financing activities			
Repayment of long term loans		-	-
Interest paid		-	-
Net cash flow from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		5,425	38,619
Cash and cash equivalents at 1 April 2022		321,892	283,273
Cash and cash equivalents at 31 March 2023		327,317	321,892
Cash and cash equivalents consists of:			
Cash at bank and in hand		327,317	321,892
Cash and cash equivalents at 31 March 2023		327,317	321,892

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1 Summary of significant accounting policies

(a) General information and basis of preparation

Mersea Island Trust is registered as a charity with the Charity Commissioners and as a registered social landlord with the Regulator of Social Housing and is a registered provider of social housing in the United Kingdom. The address of the registered office and operating address is given in the Trust information on page 1 of these financial statements. The nature of the Trust's operations and principal activities are set out in the Trustees report on page 2.

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Trust and rounded to the nearest £.

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

(b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties, flats

are stated at cost less Housing Association Grant (HAG). Until 1999 it was considered that housing properties were maintained in a state of repair such that their estimated residual value was not less than their cost so no provision was made on an annual basis for depreciation.

Since 1 April 1999 depreciation has been charged at 2% of the estimated cost, net of grants received, of erecting the buildings and making improvements.

Other fixed assets

are stated at cost less accumulated depreciation. Depreciation is charged at 15% per annum on the reducing balance of written down value.

The useful economic lives of all tangible fixed assets are reviewed annually.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2023

(c) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

(d) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(e) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is the sheltered housing at each site. The key indicators considered are state of repair and occupancy levels.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(f) Provisions

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

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

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Regulator of Social Housing and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Regulator of Social Housing. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

(g) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Regulator of Social Housing.

Interest receivable

Interest income is recognised using the effective interest method is recognised as the Trust's right to receive payment is established.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2023

(h) Employee benefits

When employees have rendered service to the Trust, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2023

2 Particulars of turnover and administrative expenditure from social housing lettings

	2023	2022
	£	£
Turnover		
Rent receivable	189,441	176,184
Service charge income	<u>164,735</u>	<u>169,146</u>
	354,176	345,330
Void losses	(16,430)	(9,084)
	<u>337,746</u>	<u>336,246</u>
Turnover from social housing lettings		
Administrative expenditure		
Management (including non-routine maintenance)	65,157	57,968
Service charge costs	138,159	128,474
Routine maintenance	129,237	99,445
Depreciation of housing properties	36,805	37,355
	<u>369,358</u>	<u>323,242</u>
Administrative expenditure on social housing lettings		
Training	1,540	316
	<u>370,898</u>	<u>323,558</u>
Total operating costs		
	<u>(33,152)</u>	<u>12,688</u>
Operating (deficit)/surplus on social housing lettings		

3 Accommodation owned and in management

	Akhurst Court	Mersea Court	Total
Completed units: Housing for older people			
Number of units at 1 April 2022	21	20	41
Changes in year	-	-	-
Number of units at 31 March 2023	<u>21</u>	<u>20</u>	<u>41</u>

In addition there is a warden's flat at Akhurst Court.

4 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

	2023	2021
	£	£
Auditor's remuneration - for audit	6,456	5,796
Auditor's remuneration - for non-audit services	1,782	1,590
Depreciation of tangible fixed assets	<u>36,805</u>	<u>37,355</u>

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2023

5 Interest and other finance income and charges

a) Interest receivable and similar income

	2023 £	2022 £
Bank interest receivable	574	29
Solar panel income	14,658	10,294
	<u>15,232</u>	<u>10,323</u>

b) Interest payable and similar charges

	2023 £	2022 £
Bank loans and overdrafts	-	-
	<u>-</u>	<u>-</u>

6 Board and key management personnel remuneration

No emoluments were paid or were receivable by the trustees or committee.

7 Staff costs

The average number of employees during the year was 6 (2022: 6). They were all employed as wardens, deputy wardens, cleaners or co-ordinators.

The aggregate remuneration of such employees was as follows:

	2023 £	2022 £
Wages and salaries	102,874	90,885
	<u>102,874</u>	<u>90,885</u>

There are no employees who received more than £60,000 as their employee package.

8 Tax

Mersea Island Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes provided its income is applied to charitable purposes only. Accordingly, no provision is made for corporation tax but this assumes that income continues to be applied solely to charitable purposes.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2023

9	Tangible fixed assets	Housing properties for letting - freeholds £	Furniture fittings and equipment £	Total £
	Cost:			
	At 1 April 2022	2,190,652	24,446	2,215,098
	Additions	-	-	-
	Disposals	-	-	-
	At 31 March 2023	<u>2,190,652</u>	<u>24,446</u>	<u>2,215,098</u>
	Grants from the Housing Corporation			
	At 1 April 2022 and 31 March 2023	<u>441,387</u>	-	<u>441,387</u>
	Grants from Low Carbon Buildings Programme			
	At 1 April 2022 and 31 March 2023	<u>64,846</u>	-	<u>64,846</u>
	Depreciation:			
	At 1 April 2022	443,056	3,667	446,723
	Charge for year	33,688	3,117	36,805
	Depreciation on disposals	-	-	-
	At 31 March 2023	<u>476,744</u>	<u>6,784</u>	<u>483,528</u>
	Net book value:			
	At 31 March 2023	<u>1,207,675</u>	<u>17,662</u>	<u>1,225,337</u>
	At 31 March 2022	<u>1,241,363</u>	<u>20,779</u>	<u>1,262,142</u>

All of the total cost of household properties relates to completed schemes.

The freehold property at Akhurst Court, Melrose Road, West Mersea is vested in the name of the official custodian for charities. Mersea Court was formerly the Coronation Memorial Trust property and is a freehold property vested in the name of the official custodian for charities. Deducting grants from the cost of the housing properties contravenes the Companies Act however the trustees feel that this is necessary to show a true and fair view of the position.

During the year expenditure of £129,237 (2022: £99,445) on existing properties was made which relates to routine maintenance rather than an enhancement of economic benefits to the housing properties.

Current rebuilding costs for insurance purposes inclusive of fees and VAT are £4,831,302 for Akhurst Court and £3,329,133 for Mersea Court.

Grants from the Housing Corporation may become repayable under certain restricted circumstances such as the sale of property. In this event the grant repayable would become a current liability subordinated to other creditors.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS – (continued)
YEAR ENDED 31 MARCH 2023

10 Debtors

	2023 £	2022 £
Trade debtors (gross social housing rent arrears)	207	327
Other debtors	16,530	2,634
	<u>16,737</u>	<u>2,961</u>

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	638	878
Rents paid in advance	-	350
Other creditors	5,609	5,303
Accruals and deferred income	7,092	6,492
	<u>13,339</u>	<u>13,023</u>

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2023

12 Reserves

	Provisional Aftercare & Community Contingency Fund £	Income and Expenditure Account £	Total £
At 31 March 2022	39,801	1,534,171	1,573,972
(Deficit)/Surplus for the year	-	(17,920)	(17,920)
Transfers	100	(100)	-
At 31 March 2023	<u>39,901</u>	<u>1,516,151</u>	<u>1,556,052</u>

a) Income and expenditure reserve (Revenue Reserve)

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

b) The Provisional Aftercare and Community Contingency Fund (PACCF) (Designated Reserve)

This designated reserve represents those monies the trust has built up over the years to fund its work for and outside of the provision of sheltered accommodation at Akhurst Court and Mersea Court.

The movements on the PACCF during the year are included in the income and expenditure account shown on page 8 of the accounts. A transfer was made from the income and expenditure account to the PACCF, of the net movements in the year which are as follows:-

	2023 £	2022 £
Interest received	100	5
	<u>100</u>	<u>5</u>

13 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts. Our auditors also provide payroll bureau services.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2023

14 Reconciliation of operating surplus to cash flow from operating activities

	2023	2022
	£	£
(Deficit)/surplus for the year	(17,920)	23,011
Interest payable	-	-
Interest received	(574)	(29)
Depreciation and impairment of tangible fixed assets	36,805	37,355
(Increase) in trade and other debtors	(13,776)	(1,027)
Increase/(decrease) in trade and other creditors	316	(3,608)
Net cash flow from operating activities	4,851	55,702

15 Pensions

The trust operates a workplace pension scheme for employees. During the year the cost to the trust was £1,272 and at the balance sheet date an amount of £366 was due to the scheme provider.

16 Related party transactions

There were no related party transactions during the year.

MERSEA ISLAND TRUST
PROPERTY REVENUE ACCOUNT
YEAR ENDED 31 MARCH 2023

				2022		
	Akhurst Court £	Mersea Court £	Total £	Akhurst Court £	Mersea Court £	Total £
Income						
Rents	102,580	86,861	189,441	92,412	83,772	176,184
Service Charges	92,200	72,535	164,735	96,636	72,510	169,146
	<u>194,780</u>	<u>159,396</u>	<u>354,176</u>	<u>189,048</u>	<u>156,282</u>	<u>345,330</u>
Less:						
Losses arising from vacant accommodation	(11,030)	(5,400)	(16,430)	(2,524)	(6,560)	(9,084)
Net income	<u>183,750</u>	<u>153,996</u>	<u>337,746</u>	<u>186,524</u>	<u>149,722</u>	<u>336,246</u>
Expenditure						
Service costs						
- wardens salaries	25,211	24,562	49,773	23,642	21,736	45,378
- wardens accommodation	9,000	-	9,000	9,000	-	9,000
- wardens council tax	1,562	-	1,562	1,499	-	1,499
- helpline monitoring	7,665	6,968	14,633	7,619	6,698	14,317
- rates	-	-	-	1,507	-	1,507
- water charges	4,963	3,032	7,995	252	3,672	3,924
- cleaning	5,524	2,480	8,004	6,599	2,411	9,010
- garden maintenance	6,457	2,588	9,045	5,700	2,055	7,755
- gas	11,127	6,123	17,250	11,013	6,518	17,531
- electricity	6,583	4,246	10,829	5,930	4,027	9,957
- depreciation of housing properties	19,598	14,090	33,688	19,598	14,090	33,688
- depreciation of furniture, fittings and equipment	3,117	-	3,117	3,667	-	3,667
- telephone	2,547	767	3,314	2,108	684	2,792
- insurance	3,381	3,373	6,754	2,902	2,902	5,804
	<u>106,735</u>	<u>68,229</u>	<u>174,964</u>	<u>101,036</u>	<u>64,793</u>	<u>165,829</u>
Management						
- Administrators salaries	23,363	23,363	46,726	19,672	19,671	39,343
- postage and stationery	1,077	632	1,709	2,028	1,372	3,400
- sundries	3,563	2,573	6,136	2,307	1,301	3,608
- legal and professional	6,073	4,513	10,586	5,824	5,733	11,557
- website and computer costs	-	-	-	54	45	99
- bad debts	-	-	-	86	(125)	(39)
	<u>34,076</u>	<u>31,081</u>	<u>65,157</u>	<u>29,971</u>	<u>27,997</u>	<u>57,968</u>
Routine maintenance	<u>85,764</u>	<u>43,473</u>	<u>129,237</u>	<u>57,859</u>	<u>41,586</u>	<u>99,445</u>
Total expenses before finance costs	<u>226,575</u>	<u>142,783</u>	<u>369,358</u>	<u>188,866</u>	<u>134,376</u>	<u>323,242</u>
Surplus on properties before finance costs	<u>(42,825)</u>	<u>11,213</u>	<u>(31,612)</u>	<u>(2,342)</u>	<u>15,346</u>	<u>13,004</u>
Finance costs	-	-	-	-	-	-
Surplus on properties after finance costs	<u>(42,825)</u>	<u>11,213</u>	<u>(31,612)</u>	<u>(2,342)</u>	<u>15,346</u>	<u>13,004</u>

MERSEA ISLAND TRUST

England & Wales - Charity number 206064

Accounts

MERSEA ISLAND TRUST

ACCOUNTS AND TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2022

Regulator of Social Housing registration number: L1259

Charity registration number: 206064

MERSEA ISLAND TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

Contents

	Page
Mersea Island Trust Information	1
Trustees Report	2-4
Independent Auditor's Report	5-7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-19

MERSEA ISLAND TRUST
TRUST INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

Charity registration number	206064
Regulator of Social Housing registration number	L1259
Trustees	Catriona Banting Jo Jackson (appointed January 2022) Susan Jenner Elizabeth Kirby (resigned September 2021) Linda Macdiarmid (resigned December 2021) David Payne (Honorary Treasurer) Cheryl Rutter Laurie Sharpe (appointed January 2022) Heather Spalding (Chairman)
Committee members	Beryl Balls (resigned November 2021) Yvonne Day (appointed October 2021) Ian Derrick (resigned December 2021) David Gibbons (Honorary President appointed August 2021) Andrea Selway
Tenant representatives	Jim Crickett Joan Cotton
Registered office	Akhurst Court Melrose Road West Mersea Essex, CO5 8JB
Accountants and auditor	Whittles The Old Exchange 64 West Stockwell Street Colchester Essex, CO1 1HE
Solicitor	Ellison & Co Headgate Court Head Street Colchester Essex
Bankers	Barclays Bank plc 9 High Street Colchester Essex

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The trustees of Mersea Island Trust present their report, and the audited financial statements of the year ended 31 March 2022.

Organisation

The Mersea Island Trust is governed by the trustees who have delegated the operation of the Trust's activities to a Main Committee consisting of trustees and others which meets at least quarterly. The trustees hold an annual general meeting to which committee members are invited. Names of the trustees and committee members are shown on page 1.

Individuals interested in acting as trustees are appointed after they have been recommended as having the qualities and skills expected of trustees and after attending a committee meeting. Training is given where appropriate, dependent upon the requirements of each individual trustee.

Financial review of the past year and future developments

The accounts show the financial performance for the year ended 31 March 2022. The surplus for the year is £23,011 (2021: £69,977). An amount of £5 was transferred to the Provisional Aftercare and Community Fund in the year (2021: transfer from of £3,193).

The operating costs of the Trust are shown as a one line entry on page 8 of the accounts and detailed under note 2 on page 14.

During the year there have been a number of changes in the tenants in the two homes run by the Trust and this has increased the level of voids as when a tenant leaves it is often necessary to redecorate and modernise the units before new tenants move in and this can lead to several weeks between tenancies.

The Covid-19 lockdowns during 2021/22 have continued to impact the workings of the Trust staff and volunteers and the main aim has been to keep all our tenants as safe as possible during this difficult period. To date the financial impact on the Trust has remained minimal although it has taken longer to re-let units as they have become vacant due to longer lead times to carry out refurbishments and also the difficulty of showing potential new tenants the available units.

Several of the trustees are also finding that management of the Trust is becoming very demanding and a full time commitment, especially in critical areas where their professional knowledge is limited. As a result, a general manager was appointed during the year to take on some of these responsibilities in the day to day management of the trust.

The Trustees plan to continue to operate the homes in the manner in the future to best meet the needs of their users.

Objectives and strategies for achieving those objectives

The main objective of the Trustees of the Mersea Island Trust are to:

Keep to and apply, national standard of service and the implementation of a risk Management Statement and National Occupational Standard.

Work in partnership with other organisations to meet the needs of the Tenants and Staff of the homes. To use their discretionary powers to apply funds for the benefit of the elderly residents of Mersea Island and in particular, to acquire and run homes for those purposes. There are two homes, Akhurst Court and Mersea Court, situated in West Mersea, each of which have representation on the Main Committee.

Code of governance

The Mersea Island Trust was established as a charitable trust by a declaration of trust dated 2 May 1961. The founder trustees were headed by Dr J Llewellyn Jones. The Mersea Island Trust is registered as a charity with

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2022

the Charity Commissioners (no. 206064) and as a registered social landlord with the Regulator of Social Housing.

The input of volunteers

The Trust has no full-time administrative staff and relies heavily upon the input of unpaid volunteers to act as trustees and committee members.

Public benefit statement

The Trust enables the elderly to continue living on Mersea Island. The Trust has had due regard to the guidance published by the Charity Commission on public benefit.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risk to the organisation. It is to establish a policy where the reserves are to be used to maintain the capital commitment of the Trust in keeping within the requirements of the Health and Safety requirements and where necessary the improvement of the facilities.

These reserves are analysed in note 12 on page 18 and where required revalued as required by company law.

Availability and value of assets

The trustees believe that the Trust's assets are available and adequate to fulfil the obligations of the Trust. The market value of the trust's land is substantially in excess of its book value at the year end, as shown in note 9 to these accounts.

Value for money

The Trust is charged with the responsibility for providing and demonstrating that it does provide value for money. The Trust is constantly working to manage its resources to maximise cost effectiveness and efficiency, while at the same time providing quality services to meet tenants needs.

The Trust manages its value for money responsibilities by its approach to budgeting, risk management, interest rates, service quality, voids management and energy consumption whilst keeping an optimum balance between realistically low costs and a quality service.

The Trust's performance against the seven metrics required by the Regulator of Social Housing are:

		2022	2021	Variance % shift	Comments
1	Reinvestment	N/A	N/A		
2	New supply delivered	N/A	N/A		
3	Gearing	-%	-%		Loan fully repaid in previous year
4	Earnings before interest, tax, depreciation major repairs / interest cover	-%	74,143%		Loan fully repaid in previous year
5	Headline social housing cost per unit	£7,696	£6,168	£1,528 24.77%	Increased staffing costs and significant expenditure on internal fire doors
6	Operating margin	3.77%	17.95%	(14.18)%	See above
7	Return on capital employed	.81%	3.74%	(2.93).%	See above

The Trust has complied with the Governance and Financial Viability Standard.

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2022

Donations

During the year the Trust made no charitable donations.

Trustees' responsibilities

The trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Registered social housing legislation require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period.

In preparing these financial statements, the Board of trustees is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association 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 Trust and enable it to ensure that the financial statements comply with legislation and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities and for maintaining a satisfactory system of control over the Trust's books of accounts and transactions.

Disclosure of information to the auditors

We, the trustees of the Trust who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the trust's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

H Spalding

Chairman on behalf of the trustees

25 July 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Mersea Island Trust for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 Trust's affairs as at 31 March 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 trust 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 trust's 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 association'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report³. 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.

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 course of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Trustees

As explained more fully in the Trustee's Responsibilities Statement set out in the trustees 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 board 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 board is responsible for assessing the trust'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 board either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with trustees and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2022

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Use of our report

This report is made solely to the board of trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the board of trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the board of trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Whittle & Partners LLP Statutory Auditor
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

WHITTLES
Chartered Accountants &
Registered Auditors

25 July 2022

MERSEA ISLAND TRUST

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 MARCH 2022

	Note	£	2021 £
Turnover	2	336,246	323,544
Operating costs	2	323,242	265,221
Gross surplus		<u>13,004</u>	<u>58,323</u>
Administrative expenditure	2	316	250
Other operating income		-	-
Operating surplus	2	<u>12,688</u>	<u>58,073</u>
Interest receivable and similar income	5	10,323	12,044
Interest payable and similar charges	5	-	(140)
Surplus on ordinary activities for the year	4	<u>23,011</u>	<u>69,977</u>
Revaluation of tangible fixed assets		-	-
Total comprehensive income for the year		<u><u>23,011</u></u>	<u><u>69,977</u></u>

There are no recognised gains and losses other than the surplus reported above.

Note of historical cost surpluses and deficits

There is no difference between the results disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

The accounts were approved by the Committee on 25 July 2022 and were signed on its behalf by:

H Spalding - Chairman

D Payne - Trustee

MERSEA ISLAND TRUST

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Housing properties at depreciated cost		1,747,596	1,781,284
Less:			
Social housing grants		(441,387)	(441,387)
Low carbon buildings programme grant		(64,846)	(64,846)
		<u>1,241,363</u>	<u>1,275,051</u>
Other fixed assets		20,779	7,334
	9	<u>1,262,142</u>	<u>1,282,385</u>
Current assets			
Debtors	10	2,961	1,934
Cash at bank and in hand		321,892	283,273
		<u>324,853</u>	<u>285,207</u>
Creditors: amounts falling due within one year	11	(13,023)	(16,631)
Net current assets		<u>311,830</u>	<u>268,576</u>
Total assets less current liabilities		<u>1,573,972</u>	<u>1,550,961</u>
Creditors: amounts falling due after more than one year		-	-
Total net assets		<u><u>1,573,972</u></u>	<u><u>1,550,961</u></u>
Reserves			
Income and expenditure reserve	12	1,534,171	1,511,165
Designated reserve	12	39,801	39,796
Total Reserves		<u><u>1,573,972</u></u>	<u><u>1,550,961</u></u>

The financial statements were approved and authorised for issue by the Committee on 25 July 2022 and were signed on its behalf by:

H Spalding
Chairman

D Payne
Trustee

The notes on pages 11 to 19 form part of these accounts.

MERSEA ISLAND TRUST
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flow from operating activities	14	55,702	106,198
Net cash flow from operating activities		<u>55,702</u>	<u>106,198</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(17,112)	(7,334)
Interest received		29	170
Net cash flow from investing activities		<u>(17,083)</u>	<u>(7,164)</u>
Cash flow from financing activities			
Repayment of long term loans		-	(22,720)
Interest paid		-	(140)
Net cash flow from financing activities		<u>-</u>	<u>(22,860)</u>
Net (decrease)/increase in cash and cash equivalents		38,619	76,174
Cash and cash equivalents at 1 April 2021		283,273	207,099
Cash and cash equivalents at 31 March 2022		<u>321,872</u>	<u>283,273</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		321,892	283,273
Cash and cash equivalents at 31 March 2022		<u>321,892</u>	<u>283,273</u>

1 Summary of significant accounting policies

(a) General information and basis of preparation

Mersea Island Trust is registered as a charity with the Charity Commissioners and as a registered social landlord with the Regulator of Social Housing and is a registered provider of social housing in the United Kingdom. The address of the registered office and operating address is given in the Trust information on page 1 of these financial statements. The nature of the Trust's operations and principal activities are set out in the Trustees report on page 2.

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Trust and rounded to the nearest £.

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

(b) Going concern

The coronavirus pandemic has significantly disrupted individuals' personal lives and businesses' economic prospects in the UK and across the globe.

The Trust has not been negatively affected by COVID-19 and has continued to operate as before.

We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely operating conditions for a period of twelve months from the date of our approval of these accounts.

(c) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties, flats	are stated at cost less Housing Association Grant (HAG). Until 1999 it was considered that housing properties were maintained in a state of repair such that their estimated residual value was not less than their cost so no provision was made on an annual basis for depreciation. Since 1 April 1999 depreciation has been charged at 2% of the estimated cost, net of grants received, of erecting the buildings and making improvements.
Other fixed assets	are stated at cost less accumulated depreciation. Depreciation is charged at 15% per annum on the reducing balance of written down value.

The useful economic lives of all tangible fixed assets are reviewed annually.

(d) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

(e) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(f) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is the sheltered housing at each site. The key indicators considered are state of repair and occupancy levels.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(g) Provisions

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

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

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Regulator of Social Housing and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Regulator of Social Housing. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

(h) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Regulator of Social Housing.

Interest receivable

Interest income is recognised using the effective interest method is recognised as the Trust's right to receive payment is established.

(i) Employee benefits

When employees have rendered service to the Trust, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

2 Particulars of turnover and administrative expenditure from social housing lettings

	2022 £	2021 £
Turnover		
Rent receivable	176,184	180,587
Service charge income	169,146	163,478
	<u>345,330</u>	<u>344,065</u>
Void losses	(9,084)	(20,521)
Turnover from social housing lettings	<u>336,246</u>	<u>323,544</u>
Administrative expenditure		
Management (including non-routine maintenance)	57,968	33,492
Service charge costs	128,474	135,682
Routine maintenance	99,445	62,363
Depreciation of housing properties	37,355	33,684
Administrative expenditure on social housing lettings	<u>323,242</u>	<u>265,221</u>
Training	316	250
Total operating costs	<u>323,558</u>	<u>265,471</u>
Operating surplus on social housing lettings	<u>12,688</u>	<u>58,073</u>

3 Accommodation owned and in management

	Akhurst Court	Mersea Court	Total
Completed units: Housing for older people			
Number of units at 1 April 2021	22	20	42
Changes in year	-1	-	-1
Number of units at 31 March 2022	<u>21</u>	<u>20</u>	<u>41</u>

One unit in Akhurst Court has been removed and will be incorporated in an existing unit in 2022.

In addition there is a warden's flat at Akhurst Court.

4 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

	2022 £	2021 £
Auditor's remuneration - for audit	5,796	5,520
Auditor's remuneration - for non-audit services	1,590	1,542
Depreciation of tangible fixed assets	<u>37,355</u>	<u>33,684</u>

5 Interest and other finance income and charges

a) Interest receivable and similar income

	2022 £	2021 £
Bank interest receivable	29	170
Solar panel income	10,294	11,874
	<u>10,323</u>	<u>12,044</u>

b) Interest payable and similar charges

	2022 £	2021 £
Bank loans and overdrafts	-	140
	<u>-</u>	<u>140</u>

6 Board and key management personnel remuneration

No emoluments were paid or were receivable by the trustees or committee.

7 Staff costs

The average number of employees during the year was 6 (2021: 5). They were all employed as wardens, deputy wardens, cleaners or co-ordinators.

The aggregate remuneration of such employees was as follows:

	2022 £	2021 £
Wages and salaries	90,885	67,792
	<u>90,885</u>	<u>67,792</u>

There are no employees who received more than £60,000 as their employee package.

8 Tax

Mersea Island Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes provided its income is applied to charitable purposes only. Accordingly, no provision is made for corporation tax but this assumes that income continues to be applied solely to charitable purposes.

9 **Tangible fixed assets**

	Housing properties for letting - freeholds £	Furniture fittings and equipment £	Total £
Cost:			
At 1 April 2021	2,190,652	7,334	2,197,986
Additions	-	17,112	17,112
Disposals	-	-	-
At 31 March 2022	<u>2,190,652</u>	<u>24,446</u>	<u>2,215,098</u>
Grants from the Housing Corporation			
At 1 April 2021 and 31 March 2022	<u>441,387</u>	<u>-</u>	<u>441,387</u>
Grants from Low Carbon Buildings Programme			
At 1 April 2021 and 31 March 2022	<u>64,846</u>	<u>-</u>	<u>64,846</u>
Depreciation:			
At 1 April 2021	409,368	-	409,368
Charge for year	33,688	3,667	37,355
Depreciation on disposals	-	-	-
At 31 March 2022	<u>443,056</u>	<u>3,667</u>	<u>446,723</u>
Net book value:			
At 31 March 2022	<u>1,241,363</u>	<u>20,779</u>	<u>1,262,142</u>
At 31 March 2021	<u>1,275,051</u>	<u>7,334</u>	<u>1,282,385</u>

All of the total cost of household properties relates to completed schemes.

The freehold property at Akhurst Court, Melrose Road, West Mersea is vested in the name of the official custodian for charities. Mersea Court was formerly the Coronation Memorial Trust property and is a freehold property vested in the name of the official custodian for charities. Deducting grants from the cost of the housing properties contravenes the Companies Act however the trustees feel that this is necessary to show a true and fair view of the position.

During the year expenditure of £99,445 (2021:£62,363) on existing properties was made which relates to routine maintenance rather than an enhancement of economic benefits to the housing properties.

Current rebuilding costs for insurance purposes inclusive of fees and VAT are £4,267,935 for Akhurst Court and £2,940,930 for Mersea Court.

Grants from the Housing Corporation may become repayable under certain restricted circumstances such as the sale of property. In this event the grant repayable would become a current liability subordinated to other creditors.

10 Debtors

	2022 £	2021 £
Trade debtors (gross social housing rent arrears)	327	284
Other debtors	2,634	1,650
	<u>2,961</u>	<u>1,934</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	878	(32)
Rents paid in advance	350	337
Other creditors	5,303	9,882
Accruals and deferred income	6,492	6,444
	<u>13,023</u>	<u>16,631</u>

12 Reserves

	Provisional Aftercare & Community Contingency Fund £	Income and Expenditure Account £	Total £
At 31 March 2021	39,796	1,511,165	1,550,961
Surplus for the year	-	23,011	23,011
Transfers	5	(5)	-
At 31 March 2022	<u>39,801</u>	<u>1,534,171</u>	<u>1,573,972</u>

a) Income and expenditure reserve (Revenue Reserve)

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

b) The Provisional Aftercare and Community Contingency Fund (PACCF) (Designated Reserve)

This designated reserve represents those monies the trust has built up over the years to fund its work for and outside of the provision of sheltered accommodation at Akhurst Court and Mersea Court.

The movements on the PACCF during the year are included in the income and expenditure account shown on page 8 of the accounts. A transfer was made from the income and expenditure account to the PACCF, of the net movements in the year which are as follows:-

	2022 £	2021 £
Defibrillators	-	(3,216)
Interest received	5	23
	<u>5</u>	<u>(3,193)</u>

13 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts. Our auditors also provide payroll bureau services.

14 Reconciliation of operating surplus to cash flow from operating activities

	2022	2021
	£	£
Surplus for the year	23,011	69,977
Interest payable	-	140
Interest received	(29)	(170)
Depreciation and impairment of tangible fixed assets	37,355	33,684
(Increase) in trade and other debtors	(1,027)	(212)
Increase/(decrease) in trade and other creditors	(3,608)	2,779
Net cash flow from operating activities	<u>55,702</u>	<u>106,198</u>

15 Pensions

The trust operates a workplace pension scheme for employees. During the year the cost to the trust was £1,094 and at the balance sheet date an amount of £322 was due to the scheme provider.

16 Related party transactions

There were no related party transactions during the year.

MERSEA ISLAND TRUST

England & Wales - Charity number 206064

Accounts

MERSEA ISLAND TRUST

ACCOUNTS AND TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2021

Regulator of Social Housing registration number: L1259

Charity registration number: 206064

MERSEA ISLAND TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Contents

	Page
Mersea Island Trust Information	1
Trustees Report	2-4
Independent Auditor's Report	5-7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-19

MERSEA ISLAND TRUST
TRUST INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

Charity registration number	206064
Regulator of Social Housing registration number	L1259
Trustees	Caitriona Banting David Gibbons (resigned 18 May 2020) Djin Griffiths (resigned 8 Nov 2020) Judy Hutchings (resigned 28 May 2020) Susan Jenner Elizabeth Kirby (appointed 18 May 2020) Linda Macdiarmid David Payne (Honorary Treasurer) Cheryl Rutter (appointed 18 May 2020) Heather Spalding (Chairman – appointed 1 April 2020)
Committee members	Beryl Balls Ian Derrick (appointed 18 May 2020) Mary Sparks (Honorary President appointed 1 April 2020, deceased 19 June 2021)
Tenant representatives	Jim Crickett Sylvia Couling
Registered office	Akhurst Court Melrose Road West Mersea Essex, CO5 8JB
Accountants and auditor	Whittles The Old Exchange 64 West Stockwell Street Colchester Essex, CO1 1HE
Solicitor	Ellison & Co Headgate Court Head Street Colchester Essex
Bankers	Barclays Bank plc 9 High Street Colchester Essex

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees of Mersea Island Trust present their report, and the audited financial statements of the year ended 31 March 2021.

Organisation

The Mersea Island Trust is governed by the trustees who have delegated the operation of the Trust's activities to a Main Committee consisting of trustees and others which meets at least quarterly. The trustees hold an annual general meeting to which committee members are invited. Names of the trustees and committee members are shown on page 1.

Individuals interested in acting as trustees are appointed after they have been recommended as having the qualities and skills expected of trustees and after attending a committee meeting. Training is given where appropriate, dependent upon the requirements of each individual trustee.

Financial review of the past year and future developments

The accounts show the financial performance for the year ended 31 March 2021. The surplus for the year is £69,977 (2020: £54,240). An amount of £3,193 was transferred from the Provisional Aftercare and Community Fund in the year (2020: transfer to of £96).

The operating costs of the Trust are shown as a one line entry on page 8 of the accounts and detailed under note 2 on page 14.

During the year there have been a number of changes in the tenants in the two homes run by the Trust and this has increased the level of voids as when a tenant leaves it is often necessary to redecorate and modernise the units before new tenants move in and this can lead to several weeks between tenancies.

The Covid-19 lockdowns during 2020/21 have continued to impact the workings of the Trust staff and volunteers and the main aim has been to keep all our tenants as safe as possible during this difficult period. To date the financial impact on the Trust has remained minimal although it has taken longer to re-let units as they have become vacant due to longer lead times to carry out refurbishments and also the difficulty of showing potential new tenants the available units.

Several of the trustees are also finding that management of the Trust is becoming very demanding and a full time commitment, especially in critical areas where their professional knowledge is limited. As a result, recent discussions are under-way to investigate strengthening the staff management team.

The Trustees plan to continue to operate the homes in the manner in the future to best meet the needs of their users.

Objectives and strategies for achieving those objectives

The main objective of the Trustees of the Mersea Island Trust are to:

Keep to and apply, national standard of service and the implementation of a risk Management Statement and National Occupational Standard.

Work in partnership with other organisations to meet the needs of the Tenants and Staff of the homes. To use their discretionary powers to apply funds for the benefit of the elderly residents of Mersea Island and in particular, to acquire and run homes for those purposes. There are two homes, Akhurst Court and Mersea Court, situated in West Mersea, each of which have representation on the Main Committee.

Code of governance

The Mersea Island Trust was established as a charitable trust by a declaration of trust dated 2 May 1961. The founder trustees were headed by Dr J Llewellyn Jones. The Mersea Island Trust is registered as a charity with the Charity Commissioners (no. 206064) and as a registered social landlord with the Regulator of Social

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2021

Housing Regulation Committee and also qualifies through the original Coronation Trust as an almshouse charity.

The input of volunteers

The Trust has no full-time administrative staff and relies heavily upon the input of unpaid volunteers to act as trustees and committee members.

Public benefit statement

The Trust enables the elderly to continue living on Mersea Island. The Trust has had due regard to the guidance published by the Charity Commission on public benefit.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in the light of the main risk to the organisation. It is to establish a policy where the reserves are to be used to maintain the capital commitment of the Trust in keeping within the requirements of the Health and Safety requirements and where necessary the improvement of the facilities.

These reserves are analysed in note 12 on page 18 and where required revalued as required by company law.

Availability and value of assets

The trustees believe that the Trust's assets are available and adequate to fulfil the obligations of the Trust. The market value of the trust's land is substantially in excess of its book value at the year end, as shown in note 9 to these accounts.

Value for money

The Trust is charged with the responsibility for providing and demonstrating that it does provide value for money. The Trust is constantly working to manage its resources to maximise cost effectiveness and efficiency, while at the same time providing quality services to meet tenants needs.

The Trust manages its value for money responsibilities by its approach to budgeting, risk management, interest rates, service quality, voids management and energy consumption whilst keeping an optimum balance between realistically low costs and a quality service.

The Trust's performance against the seven metrics required by the Regulator of Social Housing are:

		2021	2020	Variance % shift	Comments
1	Reinvestment	N/A	N/A		
2	New supply delivered	N/A	N/A		
3	Gearing	-%	1.74%	(1.74)%	Loan fully repaid in year
4	Earnings before interest, tax, depreciation major repairs / interest cover	74,143%	3,287.7%	70,855.3%	Loan fully repaid in year
5	Headline social housing cost per unit	£6,168	£6,427	£(257) 4.02%	
6	Operating margin	17.95%	14.24%	3.71%	Lower maintenance costs in year.
7	Return on capital employed	3.74%	3.10%	.64%	

The Trust has complied with the Governance and Financial Viability Standard.

Donations

During the year the Trust made no charitable donations.

MERSEA ISLAND TRUST

ANNUAL REPORT OF THE TRUSTEES - continued FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities

The trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Registered social housing legislation require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its income and expenditure for that period.

In preparing these financial statements, the Board of trustees is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association 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 Trust and enable it to ensure that the financial statements comply with legislation and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities and for maintaining a satisfactory system of control over the Trust's books of accounts and transactions.

Disclosure of information to the auditors

We, the trustees of the Trust who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the trust's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

H Spalding

Chairman on behalf of the trustees

19 July 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Mersea Island Trust for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 Trust's affairs as at 31 March 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 trust 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 trust's 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 association'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report³. 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.

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 course of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the Trustees

As explained more fully in the Trustee's Responsibilities Statement set out in the trustees 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 board 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 board is responsible for assessing the trust'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 board either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MERSEA ISLAND TRUST - continued**

FOR THE YEAR ENDED 31 MARCH 2021

- 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board's 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 trust'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 Trust 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 ie. gives a true and fair view.

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 board of trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the board of trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the board of trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Whittle & Partners LLP Statutory Auditor
The Old Exchange
64 West Stockwell Street
Colchester
Essex
CO1 1HE

WHITTLES
Chartered Accountants &
Registered Auditors

19 July 2021

MERSEA ISLAND TRUST

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 MARCH 2021

	Note	£	2020 £
Turnover	2	323,544	322,510
Operating costs	2	265,221	276,355
Gross surplus		<u>58,323</u>	<u>46,155</u>
Administrative expenditure	2	250	250
Other operating income		-	-
Operating surplus	2	<u>58,073</u>	<u>45,905</u>
Interest receivable and similar income	5	12,044	11,022
Interest payable and similar charges	5	(140)	(2,687)
Surplus on ordinary activities for the year	4	<u>69,977</u>	<u>54,240</u>
Revaluation of tangible fixed assets		-	-
Total comprehensive income for the year		<u>69,977</u>	<u>54,240</u>

There are no recognised gains and losses other than the surplus reported above.

Note of historical cost surpluses and deficits

There is no difference between the results disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

The accounts were approved by the Committee on 19 July 2021 and were signed on its behalf by:

H Spalding - Chairman

D Payne - Trustee

MERSEA ISLAND TRUST

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Housing properties at depreciated cost		1,781,284	1,814,968
Less:			
Social housing grants		(441,387)	(441,387)
Low carbon buildings programme grant		(64,846)	(64,846)
		<u>1,275,051</u>	<u>1,308,735</u>
Other fixed assets		7,334	-
	9	<u>1,282,385</u>	<u>1,308,735</u>
Current assets			
Debtors	10	1,934	1,722
Cash at bank and in hand		283,273	207,099
		<u>285,207</u>	<u>208,821</u>
Creditors: amounts falling due within one year	11	(16,631)	(36,572)
Net current assets		<u>268,576</u>	<u>172,249</u>
Total assets less current liabilities		<u>1,550,961</u>	<u>1,480,984</u>
Creditors: amounts falling due after more than one year		-	-
Total net assets		<u>1,550,961</u>	<u>1,480,984</u>
Reserves			
Income and expenditure reserve	12	1,511,165	1,437,995
Designated reserve	12	39,796	42,989
Total Reserves		<u>1,550,961</u>	<u>1,480,984</u>

The financial statements were approved and authorised for issue by the Committee on 19 July 2021 and were signed on its behalf by:

H Spalding
Chairman

D Payne
Trustee

The notes on pages 11 to 19 form part of these accounts.

MERSEA ISLAND TRUST

**STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash flow from operating activities	14	106,198	88,219
Net cash flow from operating activities		<u>106,198</u>	<u>88,219</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(7,334)	-
Interest received		170	590
Net cash flow from investing activities		<u>(7,164)</u>	<u>590</u>
Cash flow from financing activities			
Repayment of long term loans		(22,720)	(98,622)
Interest paid		(140)	(2,687)
Net cash flow from financing activities		<u>(22,860)</u>	<u>(101,309)</u>
Net (decrease)/increase in cash and cash equivalents		76,174	(12,500)
Cash and cash equivalents at 1 April 2020		207,099	219,599
Cash and cash equivalents at 31 March 2021		<u>283,273</u>	<u>207,099</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		283,273	207,099
Cash and cash equivalents at 31 March 2021		<u>283,273</u>	<u>207,099</u>

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

1 Summary of significant accounting policies

(a) General information and basis of preparation

Mersea Island Trust is registered as a charity with the Charity Commissioners and as a registered social landlord with the Regulator of Social Housing and is a registered provider of social housing in the United Kingdom. The address of the registered office is given in the Trust information on page 1 of these financial statements. The nature of the Trust's operations and principal activities are set out in the Trustees report on page 2.

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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Trust and rounded to the nearest £.

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

(b) Going concern

The coronavirus pandemic has significantly disrupted individuals' personal lives and businesses' economic prospects in the UK and across the globe. The UK entered lockdown in March 2020 and some restrictions and social distancing provisions remain in place.

The Trust has not been negatively affected by COVID-19 and has continued to operate as before.

We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely operating conditions for a period of twelve months from the date of our approval of these accounts.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2021

(c) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties, flats	are stated at cost less Housing Association Grant (HAG). Until 1999 it was considered that housing properties were maintained in a state of repair such that their estimated residual value was not less than their cost so no provision was made on an annual basis for depreciation.
	Since 1 April 1999 depreciation has been charged at 2% of the estimated cost, net of grants received, of erecting the buildings and making improvements.
Other fixed assets	are stated at cost less accumulated depreciation. Depreciation is charged at 15% per annum on the reducing balance of written down value.

The useful economic lives of all tangible fixed assets are reviewed annually.

(d) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

(e) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(f) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is the sheltered housing at each site. The key indicators considered are state of repair and occupancy levels.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2021

(g) Provisions

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

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

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Regulator of Social Housing and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Regulator of Social Housing. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

(h) Tax

Mersea Island Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes provided its income is applied to charitable purposes only. Accordingly, no provision is made for corporation tax but this assumes that income continues to be applied solely to charitable purposes.

(i) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Regulator of Social Housing.

Interest receivable

Interest income is recognised using the effective interest method is recognised as the Trust's right to receive payment is established.

(j) Employee benefits

When employees have rendered service to the Trust, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2021

2 Particulars of turnover and administrative expenditure from social housing lettings

	2021 £	2020 £
Turnover		
Rent receivable	180,587	187,299
Service charge income	163,478	152,557
	<u>344,065</u>	<u>339,856</u>
Void losses	(20,521)	(17,346)
	<u>323,544</u>	<u>322,510</u>
Administrative expenditure		
Management (including non-routine maintenance)	33,492	29,995
Service charge costs	135,682	125,659
Routine maintenance	62,363	87,013
Bad debts	-	-
Depreciation of housing properties	33,684	33,688
Residents' improvements	-	-
	<u>265,221</u>	<u>276,355</u>
Administrative expenditure on social housing lettings		
Training	250	250
	<u>265,471</u>	<u>276,605</u>
Total operating costs		
	<u>58,073</u>	<u>45,905</u>
Operating surplus on social housing lettings		

3 Accommodation owned and in management

	Akhurst Court	Mersea Court	Total
Completed units: Housing for older people			
Number of units at 1 April 2020	22	20	42
Changes in year	-	-	-
Number of units at 31 March 2021	<u>22</u>	<u>20</u>	<u>42</u>

In addition there is a warden's flat at Akhurst Court.

4 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging / (crediting):

	2021 £	2020 £
Auditor's remuneration - for audit	5,520	5,262
Auditor's remuneration - for non-audit services	1,542	1,512
Loss on disposal of tangible fixed assets	-	1,013
Depreciation of tangible fixed assets	<u>33,684</u>	<u>33,688</u>

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2021

5 Interest and other finance income and charges

a) Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	170	590
Solar panel income	11,874	10,432
	<u>12,044</u>	<u>11,022</u>

b) Interest payable and similar charges

	2021 £	2020 £
Bank loans and overdrafts	140	2,687
	<u>140</u>	<u>2,687</u>

6 Board and key management personnel remuneration

No emoluments were paid or were receivable by the trustees or committee.

7 Staff costs

The average number of employees during the year was 5 (2020: 5). They were all employed as wardens, deputy wardens, cleaners or co-ordinators. On a FTE rate based on hours worked the average number of employees was 3.5 (2020:3.5).

The aggregate remuneration of such employees was as follows:

	2021 £	2020 £
Wages and salaries	67,792	64,038
	<u>67,792</u>	<u>64,038</u>

There are no employees who received more than £60,000 as their employee package.

8 Tax

Mersea Island Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes provided its income is applied to charitable purposes only. Accordingly, no provision is made for corporation tax but this assumes that income continues to be applied solely to charitable purposes.

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2021**

9 Tangible fixed assets

	Housing properties for letting - freeholds £	Furniture fittings and equipment £	Total £
Cost:			
At 1 April 2020	2,190,652	-	2,190,652
Additions	-	7,334	7,334
Disposals	-	-	-
At 31 March 2021	<u>2,190,652</u>	<u>7,334</u>	<u>2,197,986</u>
Grants from the Housing Corporation			
At 1 April 2020 and 31 March 2021	<u>441,387</u>	-	<u>441,387</u>
Grants from Low Carbon Buildings Programme			
At 1 April 2020 and 31 March 2021	<u>64,846</u>	-	<u>64,846</u>
Depreciation:			
At 1 April 2020	375,684	-	375,684
Charge for year	33,684	-	33,684
Depreciation on disposals	-	-	-
At 31 March 2021	<u>409,368</u>	-	<u>409,368</u>
Net book value:			
At 31 March 2021	<u>1,275,051</u>	<u>7,334</u>	<u>1,282,385</u>
At 31 March 2020	<u>1,308,735</u>	-	<u>1,308,735</u>

All of the total cost of household properties relates to completed schemes.

The freehold property at Akhurst Court, Melrose Road, West Mersea is vested in the name of the official custodian for charities. Mersea Court was formerly the Coronation Memorial Trust property and is a freehold property vested in the name of the official custodian for charities. Deducting grants from the cost of the housing properties contravenes the Companies Act however the trustees feel that this is necessary to show a true and fair view of the position.

During the year expenditure of £62,363 (2020:£87,013) on existing properties was made which relates to routine maintenance rather than an enhancement of economic benefits to the housing properties.

In June 1991 Akhurst Court was valued at £775,056 and Mersea Court was valued at £563,596. Current rebuilding costs for insurance purposes inclusive of fees and VAT are £3,933,581 for Akhurst Court and £2,710,535 for Mersea Court.

Grants from the Housing Corporation may become repayable under certain restricted circumstances such as the sale of property. In this event the grant repayable would become a current liability subordinated to other creditors.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2021

10 Debtors

	2021 £	2020 £
Trade debtors (gross social housing rent arrears)	284	487
Other debtors	1,650	1,235
	<u>1,934</u>	<u>1,722</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	-	22,720
Trade creditors	(32)	1,016
Rents paid in advance	337	1,351
Other creditors	9,882	5,461
Accruals and deferred income	6,444	6,024
	<u>16,631</u>	<u>36,572</u>

The bank loan relates to a loan taken out in 2015 with NatWest Bank. The loan was fully repaid in the year.

MERSEA ISLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS - (continued)
YEAR ENDED 31 MARCH 2021**

12 Reserves

	Provisional Aftercare & Community Contingency Fund £	Income and Expenditure Account £	Total £
At 1 April 2020	42,989	1,437,995	1,480,984
Surplus for the year	-	69,977	69,977
Transfers	(3,193)	3,193	-
At 31 March 2021	39,796	1,511,165	1,550,961

a) Income and expenditure reserve (Revenue Reserve)

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

b) The Provisional Aftercare and Community Contingency Fund (PACCF) (Designated Reserve)

This designated reserve represents those monies the trust has built up over the years to fund its work for and outside of the provision of sheltered accommodation at Akhurst Court and Mersea Court.

The movements on the PACCF during the year are included in the income and expenditure account shown on page 8 of the accounts. A transfer was made from the income and expenditure account to the PACCF, of the net movements in the year which are as follows:-

	2021 £	2020 £
Defibrillators	(3,216)	-
Interest received	23	96
	(3,193)	96

13 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts. Since April 2016 our auditors have also provided payroll bureau services.

MERSEA ISLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS - (continued) YEAR ENDED 31 MARCH 2021

14 Reconciliation of operating surplus to cash flow from operating activities

	2021	2020
	£	£
Surplus for the year	69,977	54,240
Interest payable	140	2,687
Interest received	(170)	(590)
Depreciation and impairment of tangible fixed assets	33,684	33,688
Loss on disposal of tangible fixed assets	-	1,013
(Increase)/decrease in trade and other debtors	(212)	1,173
Increase/(decrease) in trade and other creditors	2,779	(3,992)
Net cash flow from operating activities	<u>106,198</u>	<u>88,219</u>

15 Pensions

The trust operates a workplace pension scheme for employees. During the year the cost to the trust was £1,071 and at the balance sheet date an amount of £278 was due to the scheme provider.

16 Related party transactions

There were no related party transactions during the year.

