

KING GEORGE V MEMORIAL HOUSES

REGISTERED CHARITY NUMBER 212358

SOCIAL HOUSING REGULATOR NUMBER A2250

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2023

Independent Examiner:

Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London
EC3A 2AD

King George V Memorial Houses
Financial Statements
For The Year Ended 31st March 2023

Index

	<u>Page</u>
Report of the Trustees	1 - 12
Independent Examiners Report	13
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17-27

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

The Trustees submits its report and the financial statements for the year ended 31st March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity Registration

King George V Memorial Houses is an unincorporated charity registered with the Charity Commission under number 212358 and registered with the Regulator of Social Housing under number A2250.

Principal and Administration address:

33 Dean Court
Bowmans Close
Ealing
London
W13 9YU

Trustees

On 1st April 2022, by order of a Scheme of the Charity Commission Housing Pathways ceased to be trustee of the charity and the existing trustees of Housing Pathways were appointed as the trustees of the charity.

Housing Pathways	Corporate Trustee until 1 st April
------------------	---

From 1st April 2022:

Rev. Mark Melliush	Ex-Officio, Chair
Ms Janet Weekes	Retired 15 th September 2022
Ms Katherine Yentumi	Retired 27 th October 2022
Ms Isabella Rossi	
Mr Matthew Doyle	
Ms Andrea Joseph	
Mr Joshua Reddaway	Appointed 27 th October 2022
Mr Andrew Jefford	Retired 14 th March 2023
Ms Fiona Howie	Appointed 13 th July 2023
Ms Tycia Riley	Appointed 13 th July 2023

Custodian Trustees:

Title to the charity's housing properties is vested in Housing Pathways as Custodian

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY (continued)

Officers and advisors

Chief Executive Officer and management team

The Board appointed Steve McNaughton as the Chief Executive on the 31st of October 2022. Bolaji Omotade is the Head of Finance & Company Secretary.

The operational manager Mike Smart left Pathways in March 2023. The new operational Manager has been appointed and will be joining Pathways in November 2023.

Principal Advisors

Principal Auditors

Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London EC3A 2AD

Principal Chartered Surveyors

Ingleton Wood
10 Lake Meadows Business Park
Woodbrook Crescent
Billericay
Essex CM12 0EQ

Principal Bankers

Royal Bank of Scotland
49 Bishopsgate
London
EC2N 3AS

Principal Solicitors

Devonshires
30 Finsbury Circus
London EC2M 7DT

Principal Investment Managers

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by a Trust Deed dated 23rd December 1936, as amended by Trust deeds dated 27th October 1969; 11th June 1993; 2nd June 1997; and an Order issued by The Charity Commission of England and Wales dated 30th November 2011. As amended resolution dated 1st April 2022.

How Trustees are Recruited, Appointed, Inducted and Trained

Housing Pathways is the Corporate Trustee until 1st April 2022. There are no geographical restrictions on trustees' appointment and applications from persons living in Greater London boroughs, particularly where we have a presence, are welcomed. Vacancies are advertised in the local press and on charity-related websites, with a nationwide reach. Applicants for trustee vacancies are interviewed by the Chair of the Board and 2 other Board members of the nominations committee prior to appointments. All new trustees receive an induction session that covers core areas of the business.

Existing trustees also have access to ongoing training opportunities, to assist them in fulfilling their roles and responsibilities. In addition to the Board meetings, trustees attend an annual review day, which allows for detailed discussions on strategic planning issues.

Organisation and Management

The day-to-day management of the charity is delegated to the senior management team. The Chief Executive reports to the Chair and the Board of Trustees.

Housing Pathways Trust provides a full management service to the charity, including all operational, administrative, and financial functions, for which it charges a management fee.

The Board of Trustees usually meets six times a year to agree strategy, oversee operations, manage risk, and consider the financial standing of the Charity. In addition to the main meetings of the Board of Trustees, there are the following sub-committees which focus on specific areas of the business in more detail: Audit and Risk, Grants, Nominations and Remuneration. Governance matters are dealt with by the main board, except that the Nominations & Remuneration committee oversees the recruitment of new Trustees.

The Board and each sub-committee have an agreed Terms of Reference, detailing their purpose and responsibilities. The key decision-making protocols are contained in the Committees' terms of reference and the Financial Standing orders, the latter being reviewed by the Audit and Risk Committee annually.

During the year, the two board members who retired from the board were appointed as co-optees to the committees. Janets Weekes was appointed as a co-optee to the Audit & Risk Committee and Katherine Yentumi was appointed to the Grant Committee as a co-optee.

The board considers a range of peer organisations' pay reviews as a benchmark, and the overall economic and regulatory conditions in which the Charity is expected to operate in the coming year. In assessing the April 2022 staff pay review, the prevailing CPI rate, the cost-of-living crisis and its possible effect on the economy in general and house prices and rents in particular were considered.

Staff are responsible for carrying out the strategy agreed by the Board and the Chief Executive may act within the constraints of the overall expense budget agreed by the Board. The management team during the year comprised, in addition to the Chief Executive, an operation team and a Finance team.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

OBJECTIVES AND ACTIVITIES

Objects

The object of the charity is to provide Housing for aged people living in the Borough of Gillingham.

Activities

The Charity provides accommodation for older people who are in need and who have lived for at least two years in the Borough of Gillingham, Kent. The Trustees has considered the Charity Commissioners guidance on public benefit and considers that the activities of the Almshouse meet its charitable objects and provide a benefit to the public. The charity owns and manages 12 units of accommodation for older people.

In the year ended 31 March 2023, we housed 1 (2022: 2) new residents in our Almshouse accommodation for older people.

During the year Bathroom refurbishment was carried out for six properties, boiler additions for two properties, new radiators for all the properties, window replacements, kitchen replacement, and a new fencing was carried to the charity's properties.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

VALUE FOR MONEY (VFM)

Our aim is to deliver services of the right quality economically, efficiently, and effectively, thus meeting the needs of our residents and all other stakeholders. The charity is committed to continuously improving our VFM for our residents in all aspects of our business.

Our VFM reporting and analysis are now focused on the seven key metrics that are used for comparison across the sector. The peer group median used comprised 34 smaller housing associations primarily providing Housing for Older People (HfOP) accommodation nationally of which 20 members' data was included in the calculation.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

VALUE FOR MONEY (VFM) (continued)

Value for Money Key Metrics

	HfOP peer group 2022-23	King George V
1. Reinvestment % Considers the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.	4.02%	27.82%
2. New Supply Delivered % The number of new social housing and non-social housing homes that have been acquired or developed in the year as a proportion of total social housing and non-social housing homes owned at period end. A. New supply delivered (Social housing homes) B. New supply delivered (Non-social housing homes)	0% 0%	0% 0%
3. Gearing % Assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.	5.42%	(44.3) %
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %. A key indicator for liquidity and investment capacity. Measures the level of surplus generated compared to interest payable	439%	N/A
5. Social Housing Cost Per Unit The headline social housing cost per unit as defined by the Regulator	£5,864	£9,818
6. Operating Margin% Demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. A. Operating Margin (social housing lettings only) B. Operating Margin (overall) after adjusting for impairment and merger costs	10.29% -	(2.02) % 11.4%
7. ROCE % Compares the operating surplus to total assets less current liabilities. An assessment of the efficient investment of capital resources.	1.20%	(0.15) %

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

VALUE FOR MONEY (VFM) (continued)

We recognise that our spend is above that of the sector and by continuing to review our programme, together with our long-term financial modelling we will ensure that the pace at which we reinvest remains financially sustainable and continues to demonstrate Value for Money and improve resident satisfaction and replacing major components to significantly reduce future ongoing responsive repair costs.

Social Housing Cost per Unit

	HfOP peer group 2022-23	King George V
Cost per home		
Management costs		1,323
Service charge costs		252
Routine maintenance cost		2,031
Planned maintenance		-
Major repairs expenditure		6,212
Other social housing costs		-
Total	£5,864	£9,818

The charity incurred significant major repair costs in the year in respect of the planned refurbishment programme. We anticipated the spend and expect this to reduce significantly as our Value for Money begins to yield the benefits we identified.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

Key Performance Indicators (KPIs)

As members of the Housing for Older People (HfOP) benchmarking group, run by Acuity, which comprises about 26 similarly sized housing providers. We have access to a range of KPIs, both for the immediate group and national comparisons with Housemark, enabling us to compare performance and share good practice to drive improvements and reporting to stakeholders. The KPIs cover areas of organizational performance including resident satisfaction, Value for Money, repairs, lettings, voids, and compliance but they also provide benchmarking information on areas such as average working days lost due to staff sickness days.

Key Performance Indicators

	HfOP 2022-23	Pathways 2022-23
Current resident annual WMC* collection rate	100.9%	101.3%
Current resident arrears as a % of the annual WMC	0.71%	2.3%
Homes with a valid Gas Safety Certificate %	100%	-
Rent loss through dwelling being vacant %	1.6%	1.9%
Average re-lets time (calendar days)	30 days	75 days
Re-lets as a percentage of stock %	13%	4.1%

*WMC – Weekly Maintenance Contribution.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

Information Communication Technology (ICT)

We have upgraded our IT equipment and have modernised software to ensure our systems are fit for purpose. We updated our website to make it more user-friendly for our residents and stakeholders. To continuously improve services and streamline key processes, we will continue to improve and embrace the best of new and emerging digital technology.

COMPLIANCE WITH THE 2020 NHF CODE OF CONDUCT

King George V Memorial Houses adheres to the National Housing Federation 2020 code of compliance, except where specified below.

The code includes a provision that trustees should serve no more than six years in total. Housing Pathways was the corporate trustee of King George V Memorial and was compliant regarding Trustees' tenure and has appointed a number of new Trustees since 2020, based on needs identified through a skills audit. From 1st April 2022 Housing Pathways cease to be corporate trustee and the individual trustees became the trustees of King George V. The board not only includes people from diverse backgrounds and with diverse attributes, their membership helps to ensure healthy debate and challenge from a range of perspectives, the board also has a majority of newer members.

In April 2021, The Board of Trustees agreed to adopt the 2020 NHF Code of Governance and work will be done to ensure compliance with the 2020 Code of Governance.

Our Asset & Liabilities register comprises details of our assets including investments, debtors, bank accounts, owned Housing properties including title and charges, property type, Weekly Maintenance Contributions by property, and details with cross-references to the location of component values of housing stock. Planned maintenance and major repair contracts; pension deficit information, insurance, and claims information, Pay As You Earn and Value Added Tax obligations.

The Board continue to monitor the evolving landscape, particularly considering the cost-of-living crisis and ensure that stress testing business plans with changing scenarios.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

FINANCIAL REVIEW

The Charity recorded a net movement in funds of £ (4,023) (2022: £56,786). This is due to unfavourable movement on the value of investments of £14,449 (2022: favourable movement of £38,841).

In the year the Charity made a deficit on Social Housing lettings of £1,208 (2022: surplus £7,523) due to undertaking the maintenance at the scheme. The Statement of Financial Activities shows a decrease of £4,023 in Funds to £801,676 (2022: £805,699) and is mainly attributable to a decrease in the carrying value of fixed asset investments and increased replacement of fixed asset components.

Reserves Policy and Reserves

Designated reserves are maintained in accordance with guidance issued by the National Almshouse Association for the cyclical maintenance and repair of the properties. Details of the designated reserves can be found in note 16. The Trustees continue to review the Charity's reserves.

Total Funds at 31st March 2023 of £801,676 (2022: £805,699) comprised cyclical repairs and maintenance £26,876, extraordinary repairs £42,403 general funds of £687,123 and restricted Fixed Asset fund of £114,553.

The level of maintenance reserves is considered adequate to cover any such costs that are likely to be charged to the revenue account. Unrestricted funds amount to £687,123 (2022: £688,350) and are in place to ensure ongoing trading in the event of any material loss of income, and as a result of the need to build up liquidity to fund future capital costs of Planned Maintenance and expansion of our housing stock. Taking into account fixed assets held for the charity's activities, reserves amount to £33,667 (2022: £525,252).

Investment Policy

The investment policy lodged with M&G and CCLA is to invest prudently in a broad range of fixed interest securities and equities, which are quoted on a Registered Investment Exchange, and unit trusts, within an agreed range of percentage holdings for each class of investment. Ethical restrictions are determined by the board of each investment fund and prohibit investment in companies which produce certain products or earn a significant amount of their turnover from certain activities. The next annual review of the investment providers and investment product is planned to be undertaken by December 2023.

Risk Management

The major risks to which the Almshouse charities are exposed, as identified by the Trustees, are regularly reviewed. In addition, the Trustees have put in place systems, policies, and procedures to mitigate these risks once they are identified and assessed. All reports presented to Board and sub-committees include an executive summary of risk which cross refers to the risks identified in the key risks register.

The Key risks and uncertainties facing the charity cover a number of areas of operation and are controlled using procedures and sub-committee overview identifies further mitigations and the responsible manager. Key risks include loss of income, breach of legislation or covenants, compliance failure, a build-up of arrears and misappropriation of funds through fraud.

Fraud

The Board has a policy on fraud covering prevention, detection and reporting of fraud and the recovery of assets. The Chair and A&R Committee chair are notified immediately of any attempted fraud.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

FINANCIAL REVIEW (continued)**Anti-bribery policy statement**

We seek to maintain the highest standards of ethics and integrity in the way we conduct our business. We recognise that bribery and corruption in all its forms, is illegal and unacceptable. Our bribery policy statement has been integrated into our code of conduct and our gifts and hospitality policy, adopted by the Board, signed by the Chairman and Chief Executive. We expect our business partners to adopt a similar approach to bribery or corruption.

FUTURE PLANS

Our key priorities are to:

- Improve customer satisfaction and deliver value for money for our residents.
- Carry out planned maintenance to our alms-houses in accordance with our stock condition survey and planned maintenance programme.
- To reduce our cost base and seek better value for money, which is seen as a sensible approach in what are generally uncertain economic times.

The Board is in the process of defining its asset management strategy and asset management plan. We will continue to reduce our cost base and improve Value for Money in accordance with the standard whilst driving and improving performance against the seven key metrics year on year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities and to entities under the Regulator of Social Housing in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, and which enable them to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing 2022 and the Charities Act 2011. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

TRUSTEES' STATEMENT ON INTERNAL FINANCIAL CONTROLS

The Trustees acknowledges its ultimate responsibility for ensuring that King George V Memorial Houses has in place a system of controls that is appropriate to the various business environments in which it operates.

These controls are designed to give reasonable assurance with respect to:

- (a) the reliability of financial information used within the charity or for publication
- (b) the maintenance of proper accounting records, and
- (c) the safeguard of assets against unauthorised use or disposition

It is the Trustees' responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable but not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- (a) formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorized use of the charity's assets.
- (b) experienced and suitably qualified staff take responsibility for important business functions.
- (c) forecasts and budgets are prepared which allow the Trustees and management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and medium term; regular management accounts are prepared promptly; providing relevant, reliable and up-to-date financial and other information and significant variance from budgets are investigated as appropriate.
- (d) all significant new initiatives, major commitments and investment projects are subject to formal authorization procedures, through relevant sub-committees comprising Trustees and others.
- (e) the trustees of King George V Memorial Houses review reports from management and from external auditors to provide reasonable assurance that control procedures are in place and are being followed and this includes a general review of the major risks facing the charity.

King George V Memorial Houses
Annual Report of the Trustees
For The Year Ended 31st March 2023

CHAIRMAN'S REPORT

It is always a delight to reflect back on the previous year and look at some of the things we have achieved as Pathways.

Recently, I had the opportunity to visit some of our properties and meet with residents in their homes. Their feedback to me reflected what was said at the Residents conference this year by those who had attended who were expressing a greater level of contentment and satisfaction with the service provided by our staff and team.

Having come out of the difficult season of the pandemic, we are now looking to invest in our housing stock in a greater way and this last year has been about preparing to do that, to ensure that we are on top of our maintenance and improvements.

Obviously, staff is an important factor in providing continuity for our residents and for the work going forward. It has been a delight to see all our staff who have been on temporary contracts now on permanent contracts with us which places us as a Trust in a good position going forward.

I am, as ever, grateful to our strong and dedicated staff team and our skilled Board whose members offer their services to help make us a safe and secure Trust.

Approved by the Board of Trustees at its meeting on ... 28/09/2023

2023 and signed on its behalf by:



Mark Melliush

Chair of Board of Trustees

Independent Examiner's Report
To The Trustees of King George V Memorial House
For the year ended 31st March 2023

I report to the charity trustees on my examination of the accounts of King George V Memorial Houses (the Charity) for the year ended 31 March 2023.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. Our work has been undertaken so that we might carry out an Independent Examination of the financial statements in accordance with the General Directions given by the Charity Commissioners. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our work or for this report.

Responsibilities and basis of report

As the charity trustees of the Charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011.

Having satisfied myself that the accounts of the Charity are not required to be audited under Section 136(3) of the Housing and Regeneration Act 2008, an independent examination has been carried out.

I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the Charities Act 2011; or section 135(2)(a) of the Housing and Regeneration Act 2008; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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


Matthew Elkins FCA

Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London
EC3A 2AD

Date: 29/09/2023
.....

King George V Memorial Houses

Statement of Financial Activities

For the year ended 31st March 2023

	Notes	2023			2022		
		Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from							
Charitable Activities							
Almshouse Accommodation	2	59,766	-	59,766	58,631	-	58,631
Investments	3	11,634	-	11,634	10,422	-	10,422
		71,400	-	71,400	69,053	-	69,053
Expenditure on							
Charitable Activities							
Almshouse Accommodation	4	58,178	2,796	60,974	48,312	2,796	51,108
		58,178	2,796	60,974	48,312	2,796	51,108
Gains/(losses) on revaluation of investments	11	(14,449)	-	(14,449)	38,841	-	38,841
Net income/(expenditure) and net movement in funds		(1,227)	(2,796)	(4,023)	59,582	(2,796)	56,786
Funds brought forward 1st April 2022	14	688,350	117,349	805,699	628,768	120,145	748,913
Funds carried forward 31st March 2023		687,123	114,553	801,676	688,350	117,349	805,699

King George V Memorial Houses


Balance Sheet

As at 31st March 2023

		2023	2022
	Notes	£	£
Fixed Assets			
Housing Properties	9	268,009	211,168
Investments	11	452,197	459,654
		<u>720,206</u>	<u>670,822</u>
Current Assets			
Debtors	12	3,017	3,604
Cash at Bank and In Hand		118,666	142,227
		<u>121,683</u>	<u>145,831</u>
Creditors: amounts falling due within one year	13	<u>(40,213)</u>	<u>(10,954)</u>
Net Current Assets		<u>81,470</u>	<u>134,877</u>
Total Net Assets		<u>£801,676</u>	<u>£805,699</u>
Funds			
Unrestricted funds		687,123	688,350
Restricted funds		<u>114,553</u>	<u>117,349</u>
Total funds	14	<u>£801,676</u>	<u>£805,699</u>

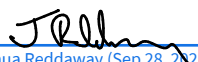
The financial statements were approved by the Trustees 28/09/2023
behalf by:

2023 and signed on their



Trustee

Mark Melliush (Chair)



Joshua Reddaway (Sep 28, 2023 14:32 GMT+1)

Trustee

Joshua Reddaway

King George V Memorial Houses

Statement of Cash Flows

For the year ended 31st March 2023

	Notes	2023 £	2022 £
Net cash (used in)/provided by Operating Activities	A	46,345	7,570
Cash flows from Investing Activities			
Purchase of tangible fixed assets		(74,548)	(7,600)
Proceeds on sale of investments		-	-
Dividends received		4,046	3,958
Interest received		596	24
Net cash provided by/(used in) Investing Activities		<u>(69,906)</u>	<u>(3,618)</u>
Cash Flows from Financing Activities		<u>-</u>	<u>-</u>
Net change in cash and cash equivalents		(23,561)	3,952
Cash and cash equivalents at the beginning of the year		<u>£142,227</u>	<u>£138,275</u>
Cash and cash equivalents at the end of the year		<u>£118,666</u>	<u>£142,227</u>

A	Cash flows from Operating Activities		
	Net Income/(Expenditure) for the year	(4,023)	56,786
	Depreciation	9,711	7,473
	Investment Income and Interest Receivable	(11,634)	(10,422)
	(Increase)/Decrease in Debtors	1,591	753
	Increase/(Decrease) in Creditors	28,254	(9,340)
	Loss/(Gain) on Disposal of Components	7,996	1,161
	(Gains)/Losses on Investments	14,449	(38,841)
		<u>£46,345</u>	<u>£7,570</u>

B	Changes in Net Funds	At 01/04/2022	Cash Flows	At 31/03/2023
	Cash at bank and in hand	<u>142,227</u>	<u>(23,561)</u>	<u>118,666</u>

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

1. Accounting Policies

(a) Status

King George V Memorial Houses is an unincorporated charity registered in England and Wales, registered number 212358. The principal office address is as disclosed on page 1 of the annual report. The presentational currency is the Pound Sterling (£).

(b) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (second edition issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounts comply with the Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Social Housing in England 2022. The accounts are prepared on the historical cost basis of accounting except that the listed investments are shown at their market value at the Statement of Financial Position date.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Second Edition issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

King George V Memorial Houses constitutes a public benefit entity as defined by FRS102. The trustees considers there are no material uncertainties about the charity's ability to continue as a going concern.

(c) Income:

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

Income from Almshouse Accommodation represents weekly maintenance and service contributions receivable from residents.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. The Trustees consider it is not practical to identify investment management costs incurred within funds managed by M&G and CCLA with reasonable accuracy the investment income is reported net of these costs. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund.

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

(d) *Expenditure:*

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs. The Charity is not registered for VAT, therefore all expenditure is shown inclusive of irrecoverable VAT.

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

1. Accounting Policies (continued)

(e) *Housing Properties:*

King George V Memorial Houses were established in 1936 and there is no record of the original cost and no value is attributed thereto. The Housing Properties cost relates to improvements carried out since 1993 which partly were funded by a Housing and Communities Agency Grant.

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties.

Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified and the depreciation rate applied to each component are set out below:

Land	-	not depreciated
Main fabric	-	Over 70 years
Roof structure and covering	-	Over 70 years
Windows & external doors	-	Over 30 years
Boilers	-	Over 15 years
Kitchen	-	Over 20 years
Bathrooms	-	Over 30 years
Mechanical systems	-	Over 30 years
Electrics	-	Over 40 years
Fire Alarms/Warden Call	-	Over 15 years

(f) *Investments:*

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise. The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(g) *Debtors:*

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(h) *Cash at bank and in hand:*

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

(i) *Creditors:*

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

1. Accounting Policies (continued)

(j) *Financial Instruments:*

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 13.

(k) *Fund Accounting:*

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(l) *Significant Management Judgements and Estimation Uncertainties*

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standard requiring frequent replacement of components

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

1. Accounting Policies (continued)

Significant Management Judgements and Estimation Uncertainties (continued)

Bad debt provision

A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

2. Income from Charitable Activities

	2023	2022
	£	£
<i>Almshouse Accommodation</i>		
Residents Contributions	57,857	55,181
Service Charges	3,211	3,851
Voids	(1,302)	(401)
	<u>£59,766</u>	<u>£58,631</u>

3. Income from Investments

	2023	2022
	£	£
Deposit Interest	596	25
Investment Income	<u>11,038</u>	<u>10,397</u>
	<u>£11,634</u>	<u>£10,422</u>

4. Expenditure on Charitable Activities

	2023	2022
	£	£
<i>Almshouse Accommodation</i>		
Services	3,023	5,353
Maintenance	24,372	23,560
Bad Debts	-	270
Depreciation	9,711	7,473
Replacement of fixed asset components	7,996	1,161
Support costs (Note 5)	15,872	13,291
	<u>£60,974</u>	<u>£51,108</u>

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

5. Support Costs

	2023	2022
	£	£
<i>Almshouse Accommodation</i>		
Management charges	11,918	11,012
Bank charges	78	77
Residents' welfare	27	144
Subscription	1,054	-
Legal and professional fees	1,045	-
Governance costs	1,750	2,058
	<u>£15,872</u>	<u>£13,291</u>

Included within Governance Costs is independent examiner's remuneration amounting to £1,750 (2022: auditor's remuneration £2,058, excluding VAT £1,715).

6. Social Housing Activities

	2023	2022
	£	£
Turnover from Social Housing Activities	59,766	58,631
Operating Costs	(60,974)	(51,108)
	<u>£(1,208)</u>	<u>£7,523</u>

7. Staff Costs

All employees were jointly employed by Housing Pathways and the charities of which it is corporate trustee until 30th June 2022, and their costs are recharged across the charities on a set basis reviewed annually.

From 1st July 2022, all employees are employed by Housing Pathways Trust and King George V. The day-to-day management of the charity is carried out by Housing Pathways Trust and Housing Pathways Trust charges a management fee of 20% of the Turnover of the charity. Within the management fee, the proportion of staff costs charged to the Charity is as follows:

	2023	2022
	£	£
Wages and salaries	3,800	5,944
Social security costs	357	547
Pension costs	231	340
Redundancy	159	291
Off-payroll contractors	2,501	262
	<u>£7,048</u>	<u>£7,384</u>

The average weekly numbers of full-time equivalent employees during the year was 7 (2022: 10) and the average number of employees was 8 (2022: 10). Key management personnel is defined as the trustees of King George V Memorial Houses, the Chief Executive, the Operations manager, and the Head of Finance & Company Secretary. The proportion of remuneration payable to key management personnel for their services to the Charity amounted to £2,462 (2022: £2,726).

The number of staff whose total remuneration payable by the group fell in the band £60,000 to £70,000 was nil (2022: nil), in the band £70,000 to £80,000 was nil (2022: nil), in the band £80,000 to £90,000 was nil (2022: nil), and in the band £90,000 to £100,000 was nil (2022: nil).

KING GEORGE V MEMORIAL HOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023

8. Taxation

King George V Memorial Houses is a registered Charity, and is, therefore, exempt from liability to taxation on Income and Capital Gains.

9. Housing Properties

	Total Completed Housing Properties £
Cost	
At 1st April 2022	281,516
Works to existing properties	74,548
Components replaced	(14,264)
At 31st March 2023	<u>341,800</u>
Accumulated Depreciation	
At 1st April 2022	70,348
Charge for the year	9,711
Depreciation released on components replaced	(6,268)
At 31st March 2023	<u>73,791</u>
Net Book Value	
At 31st March 2023	<u>£268,009</u>
At 31st March 2022	<u>£211,168</u>

King George V Memorial Houses were established in 1936. There is no record of the original cost and no value is attributed thereto. The above details relate to improvements carried out since 1993, which were partly funded by a Homes and Communities Agency Grant of £195,597. King George V Memorial Houses holds the freehold to the land on which these improvements are situated.

10. Capital Grants

	2023	2022
	£	£
Aggregate Amount Received		
At 1st April 2022		
and 31st March 2023	<u>£195,597</u>	<u>£195,597</u>
Released to Statement of Financial Activities		
At 1st April 2022		
and 31st March 2023	<u>£195,597</u>	<u>£195,597</u>
Capital Grants Carrying Value	<u>£-</u>	<u>£-</u>

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

11. Fixed Asset Investments

	2023	2022
	£	£
Market Value:		
At 1st April 2022	459,654	415,377
Disposals in year	-	-
Accumulated income	6,991	5,536
Realised gains on investments	-	-
Unrealised gains/(losses) on investments	(14,449)	38,841
At 31st March 2023	<u>£452,196</u>	<u>£459,654</u>
Historical cost as at 31st March 2023	<u>£153,244</u>	<u>£146,253</u>

Included in fixed asset investments is financial assets of £452,197 (2022: £459,654) measured at fair value through net income/(expenditure).

12. Debtors: amounts falling due within one year

	£	£
Amounts due from residents	1,068	2,031
Prepayments and accrued income	1949	1,573
Amounts due from related organisations (Note 16)	-	-
	<u>£3,017</u>	<u>£3,353</u>

13. Creditors: amounts due within one year

	£	£
Trade Creditors	5,260	-
Accruals and other creditors	24,603	5,879
Amounts due to related organisations (Note 16)	10,350	5,075
	<u>£40,213</u>	<u>£10,954</u>

King George V Memorial Houses

Notes to the Financial Statements

For the year ended 31st March 2023

14. Funds

	Balance at 1 April 2022	Income	Expenditure	Gains/(Losses) on investments	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£
Unrestricted Funds						
General Funds	619,071	71,400	(58,178)	(14,449)		617,844
<i>Designated Funds</i>						
Cyclical Repairs and Maintenance Reserve	26,876	-	-	-	-	26,876
Extraordinary Repairs Reserve	42,403	-	-	-	-	42,403
	688,350	71,400	(58,178)	(14,449)	-	687,123
Restricted Funds						
Fixed Asset Fund	117,349	-	(2,796)	-	-	114,553
	£805,699	£71,400	£(60,974)	£(14,449)	£ -	£801,676

	Balance at 1 April 2021	Income	Expenditure	Gains/(Losses) on investments	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Unrestricted Funds						
General Funds	559,489	69,053	(48,312)	38,841	-	619,071
<i>Designated Funds</i>						
Cyclical Repairs and Maintenance Reserve	26,876	-	-	-	-	26,876
Extraordinary Repairs Reserve	42,403	-	-	-	-	42,403
	628,768	69,053	(48,312)	38,841	-	688,350
Restricted Funds						
Fixed Asset Fund	120,145	-	(2,796)	-	-	117,349
	£748,913	£69,053	£(51,108)	£38,841	£ -	£805,699

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

14. Funds (continued)**Cyclical Repairs and Maintenance Reserve**

This designated fund represented amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year, and is considered adequate at this point in time.

Extraordinary Repairs Reserve

This designated fund represented amounts set aside to carry out major repairs on Housing Properties. With the advent of component accounting, major repairs are usually capitalised. The level of the reserve is considered adequate to cover any such costs that are likely to be charged to the revenue account.

Fixed Asset Fund

This restricted fund represents social housing grants recognised within income. A portion of the depreciation of housing properties is charged against this fund annually over the life of the properties which the grants funded.

Social housing grants may be repayable if the charity sells a property or ceases to use them for a qualifying purpose.

15. Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	2023 Total £
Housing Properties	153,456	114,553	268,009
Investments	452,197	-	452,197
Net Current Assets	81,470	-	81,470
	£687,123	£114,553	£801,676
	Unrestricted Funds £	Restricted Funds £	2022 Total £
Housing Properties	93,819	117,349	211,168
Investments	459,654	-	459,654
Net Current Assets	134,877	-	134,877
	£688,350	£117,349	£805,699

16. Related Party Transactions

All employees were jointly employed by Housing Pathways and the charities of which it is corporate trustee until 30th June 2022, Housing Pathways act as paymaster and allocate £888 (2022: £7,384) to the charity. Amounts due to Housing Pathways at the year-end amounted to £5,686 (2022: £5,075).

From 1st July 2022, the administration function moved to Housing Pathways Trust with all employees jointly employed by Housing Pathways Trust and King George V Memorial Houses with an agreed fee of 20% of turnover including allocated staff costs. Staff costs of £6,160 were allocated to the Charity, of which £5,598 was charged during the year. Amounts due to Housing Pathways Trust at the year-end amounted to £4,664 (2022: £Nil).

King George V Memorial Houses
Notes to the Financial Statements
For the year ended 31st March 2023

17. Housing Units

The Charity owned and managed 12 units of sheltering housing at 31 March 2023 and 31 March 2022.

18. Capital Commitments

At 31 March 2023, there were no known capital commitments.











KING GEORGE V MEMORIAL HOUSES FINANCIAL STATEMENT

Final Audit Report

2023-09-29

Created:	2023-09-28
By:	Bolaji Omotade (bolaji.omotade@yourpathways.org.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIV574RNer14t0TufTUY8jMvOF2jJEqV-

"KING GEORGE V MEMORIAL HOUSES FINANCIAL STATEMENT" History

-  Document created by Bolaji Omotade (bolaji.omotade@yourpathways.org.uk)
2023-09-28 - 1:11:02 PM GMT- IP address: 2.25.188.92
-  Document emailed to Mark Melliush (mark.melliush@yourpathways.org.uk) for signature
2023-09-28 - 1:11:08 PM GMT
-  Email viewed by Mark Melliush (mark.melliush@yourpathways.org.uk)
2023-09-28 - 1:11:34 PM GMT- IP address: 104.47.85.62
-  Document e-signed by Mark Melliush (mark.melliush@yourpathways.org.uk)
Signature Date: 2023-09-28 - 1:12:36 PM GMT - Time Source: server- IP address: 81.133.246.145
-  Document emailed to Joshua Reddaway (joshua.reddaway@yourpathways.org.uk) for signature
2023-09-28 - 1:12:38 PM GMT
-  Email viewed by Joshua Reddaway (joshua.reddaway@yourpathways.org.uk)
2023-09-28 - 1:29:07 PM GMT- IP address: 172.226.114.11
-  Document e-signed by Joshua Reddaway (joshua.reddaway@yourpathways.org.uk)
Signature Date: 2023-09-28 - 1:32:07 PM GMT - Time Source: server- IP address: 82.132.233.235
-  Document emailed to Matthew Elkins (matthew.elkins@knoxcropper.com) for signature
2023-09-28 - 1:32:08 PM GMT
-  Email viewed by Matthew Elkins (matthew.elkins@knoxcropper.com)
2023-09-29 - 9:28:28 AM GMT- IP address: 104.47.21.254
-  Document e-signed by Matthew Elkins (matthew.elkins@knoxcropper.com)
Signature Date: 2023-09-29 - 9:49:54 AM GMT - Time Source: server- IP address: 194.74.59.170

✔ Agreement completed.

2023-09-29 - 9:49:54 AM GMT