

REGISTRATION NUMBER: 31141R

**Keswick Community Housing Trust**  
**Financial Statements**  
**31st December 2019**

# Keswick Community Housing Trust

## Financial Statements

Year ended 31st December 2019

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# Keswick Community Housing Trust

## Officers and Professional Advisers

<b>Management committee</b>	Bill Bewley - Chairman Lorraine Taylor (Resigned 27th June 2019) - Member Peter Roberts - Treasurer Wendy Bewley - Member Jo Brand - Member Sue Roberts - Member Joyce Swainbank - Member Andrew Thorburn - Member Vic Gibson - Member Allan Daniel - Member Rebecca Greenwell - Member Katie Bunting - Member Tricia Horner (Appointed 27th June 2019) - Member
<b>Secretary</b>	Lorraine Taylor
<b>Registered office</b>	1 Fenton Keswick Cumbria CA12 4AZ
<b>Auditor</b>	Lamont Pridmore Chartered Accountants & statutory auditor Milburn House 3 Oxford Street Workington Cumbria CA14 2AL
<b>Bankers</b>	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB  Cumberland Building Society 30a Station Street Keswick Cumbria CA12 5HF

# Keswick Community Housing Trust

## Management Committee Report

Year ended 31st December 2019

The trustees present their report and the financial statements of the society for the year ended 31st December 2019.

### Principal activities

The principal activity of the Trust during the year was that of a Community Land Trust formed for the benefit of the local community. Keswick Community Housing Trust is registered with the Financial Conduct Authority as an Industrial and Provident Society, registered number IP031141.

Keswick Community Housing Trust is formed for the benefit of the community to operate as a Community Land Trust primarily in Keswick (the "area of benefit"). Its objects shall be to carry on for the benefit of the community:

\* the business of providing social housing, housing, accommodation, and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people on terms appropriate to their means; and

\* any other charitable object that can be carried out by an Industrial and Provident Society.

### Trustees

The trustees who served the society during the year were as follows:

Bill Bewley  
Peter Roberts  
Wendy Bewley  
Jo Brand  
Sue Roberts  
Joyce Swainbank  
Andrew Thorburn  
Vic Gibson  
Allan Daniel  
Rebecca Greenwell  
Katie Bunting  
Tricia Horner (Appointed 27th June 2019)  
Lorraine Taylor (Resigned 27th June 2019)

### Management committee's responsibilities statement

The management committee is responsible for preparing the management committee report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the management committee to prepare financial statements for each financial year. Under that law the management committee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Co-operative and Community Benefit Society legislation the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and the profit or loss of the society for that period.

# Keswick Community Housing Trust

## Management Committee Report *(continued)*

Year ended 31st December 2019

In preparing these financial statements, the management committee are required to:

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

The management committee is responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

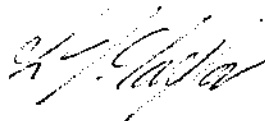
- so far as they are aware, there is no relevant audit information of which the society's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the society's auditor is aware of that information.

The auditor is re-appointed in accordance with section 93 of the Co-operative and Community Benefit Societies Act 2014.

This report was approved by the management committee on 30th April 2020 and signed on behalf of the board by:



Bill Bewley  
Chairman



Lorraine Taylor  
Secretary

Registered office:  
1 Fenton  
Keswick  
Cumbria  
CA12 4AZ

# Keswick Community Housing Trust

## Independent Auditor's Report to Keswick Community Housing Trust

Year ended 31st December 2019

### Opinion

We have audited the financial statements of Keswick Community Housing Trust (the 'society') for the year ended 31st December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 society's affairs as at 31st December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

### 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 respective responsibilities of management committee and auditor section of our report. We are independent of the society 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the management committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the management committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Keswick Community Housing Trust

## Independent Auditor's Report to Keswick Community Housing Trust *(continued)*

Year ended 31st December 2019

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the management committee report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account or has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the society's books of account; or
- we fail to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

### Respective responsibilities of the management committee and independent accountant

As explained more fully in the management committee's responsibilities statement, the management committee is 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 management committee determines 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 management committee is responsible for assessing the society'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 management committee either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

# Keswick Community Housing Trust

## Independent Auditor's Report to Keswick Community Housing Trust *(continued)*

Year ended 31st December 2019

### Respective responsibilities of management committee and auditor

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee'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 society'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 society 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.



# Keswick Community Housing Trust

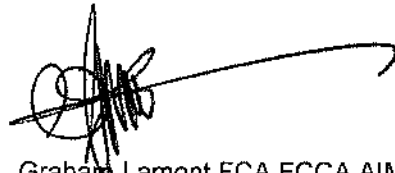
## Independent Auditor's Report to Keswick Community Housing Trust *(continued)*

Year ended 31st December 2019

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 society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society those matters we are required to state to it 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 society, for our audit work, for this report, or for the opinions we have formed.



Graham Lamont FCA FCCA AIMC ACIS FRSA  
MCMI (Senior Statutory Auditor)

For and on behalf of  
Lamont Pridmore  
Chartered Accountants & statutory auditor

Milburn House  
3 Oxford Street  
Workington  
Cumbria  
CA14 2AL

30th April 2020

# Keswick Community Housing Trust

## Statement of Comprehensive Income

Year ended 31st December 2019

	Note	2019 £	2018 £
Turnover		253,804	174,627
<b>Gross surplus</b>		<u>253,804</u>	<u>174,627</u>
Administrative expenses		27,809	31,033
Other operating income		1,544	1,750
<b>Operating surplus</b>		<u>227,539</u>	<u>145,344</u>
Interest payable and similar expenses		43,214	41,582
<b>Surplus before taxation</b>		<u>184,325</u>	<u>103,762</u>
Tax on surplus		—	—
<b>Surplus for the financial year and total comprehensive income</b>		<u>184,325</u>	<u>103,762</u>

The society has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 14 to 15 form part of these financial statements.

# Keswick Community Housing Trust

## Statement of Financial Position

31st December 2019

	Note	2019 £	£	2018 £
<b>Fixed assets</b>				
Tangible assets	4		6,690,000	6,690,000
<b>Current assets</b>				
Debtors	5	148,647		7,448
Cash at bank and in hand		115,609		157,244
		<u>264,256</u>		<u>164,692</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>92,892</u>		<u>143,369</u>
<b>Net current assets</b>			<u>171,364</u>	<u>21,323</u>
<b>Total assets less current liabilities</b>			<b>6,861,364</b>	<b>6,711,323</b>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>984,150</u>	<u>1,018,434</u>
<b>Net assets</b>			<u><b>5,877,214</b></u>	<u><b>5,692,889</b></u>

The statement of financial position  
continues on the following page.

The notes on pages 14 to 15 form part of these financial statements.

# Keswick Community Housing Trust

## Statement of Financial Position *(continued)*

31st December 2019

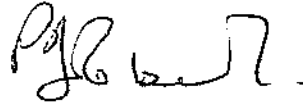
	Note	2019 £	2018 £
<b>Capital and reserves</b>			
Called up share capital		60,051	60,051
Revaluation reserve		2,200,000	2,200,000
Fair value reserve		2,055,701	2,055,701
Profit and loss account		1,561,462	1,377,137
<b>Members funds</b>		<b>5,877,214</b>	<b>5,692,889</b>

These financial statements have been prepared in accordance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

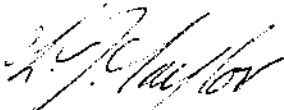
These financial statements were approved by the management committee and authorised for issue on 30th April 2020, and are signed on their behalf by:



Bill Bewley  
Chairman



Peter Roberts  
Treasurer



Lorraine Taylor  
Secretary

Registration number: 31141R

The notes on pages 14 to 15 form part of these financial statements.

# Keswick Community Housing Trust

## Statement of Changes in Equity

Year ended 31st December 2019

	Called up share capital £	Revaluation reserve £	Fair value reserve £	Profit and loss account £	Total £
<b>At 1st January 2018</b>	61,050	2,200,000	2,055,701	1,273,375	5,590,126
Surplus for the year				103,762	103,762
<b>Total comprehensive income for the year</b>				103,762	103,762
Cancellation of subscribed capital	(999)				(999)
<b>Total investments by and distributions to owners</b>	(999)				(999)
<b>At 31st December 2018</b>	60,051	2,200,000	2,055,701	1,377,137	<b>5,692,889</b>
Surplus for the year				184,325	184,325
<b>Total comprehensive income for the year</b>				184,325	184,325
<b>At 31st December 2019</b>	<u>60,051</u>	<u>2,200,000</u>	<u>2,055,701</u>	<u>1,561,462</u>	<u>5,877,214</u>

The notes on pages 14 to 15 form part of these financial statements.

# Keswick Community Housing Trust

## Accounting Policies

Year ended 31st December 2019

### (a) Basis of preparation

#### Legal status

The association is registered under the Cooperative and Community Benefit Societies Act 2014 and is a community land trust.

#### Basis of accounting

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

#### Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (b) Revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value of goods and services supplied in the year and grants receivable in the year.

### (c) Tangible assets

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at valuation.

Completed housing and shared ownership properties are stated at fair value at the date of valuation, less subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not materially differ from the fair value of the properties as at the year end.

Housing properties under construction are stated at cost, which includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

### (d) Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss. The methods and significant assumptions used to ascertain the fair value at the balance sheet date and fair value movement included in the profit for the year are as follows: Properties are valued using RICS open market valuation on freehold basis, conducted annually by Edwin Thompson Chartered Surveyors.

### (e) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

# Keswick Community Housing Trust

## Accounting Policies *(continued)*

### Year ended 31st December 2019

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the society are assigned to those units.

#### **(f) Financial Instruments**

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# Keswick Community Housing Trust

## Notes to the Financial Statements

Year ended 31st December 2019

### 1. General information

The society is registered under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is 1 Fenton, Keswick, Cumbria, CA12 4AZ.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Particulars of employees

No salaries or wages have been paid to employees, including the trustees, during the year.

### 4. Tangible assets

	Social Housing Properties held for letting £	Completed Shared Ownership Housing Properties £	Total £
<b>Cost</b>			
At 1st January 2019 and 31st December 2019	4,750,000	1,940,000	6,690,000
<b>Depreciation</b>			
At 1st January 2019 and 31st December 2019	—	—	—
<b>Carrying amount</b>			
At 31st December 2019	4,750,000	1,940,000	6,690,000
At 31st December 2018	4,750,000	1,940,000	6,690,000

#### Tangible assets held at valuation

The freehold land and properties were revalued according to valuations provided in April 2018 by Edwin Thompson Chartered Surveyors LLP, 28 St John's Street, Keswick, Cumbria CA12 5AF, who are independent of the Trust and have experience of valuing similar properties. The properties have been valued on an open market existing use basis. Under FRS 102 the Trust obtains revaluations with sufficient regularity such that the carrying amount does not differ materially from the fair value at the balance sheet date. The directors do not anticipate that the valuation of these properties will be materially different at the year end from the revaluation performed in April 2018.



# Keswick Community Housing Trust

## Notes to the Financial Statements *(continued)*

Year ended 31st December 2019

### 5. Debtors

	2019	2018
	£	£
Prepayments and accrued income	133	98
Housing properties under construction	142,414	–
Other debtors	6,100	7,350
	<u>148,647</u>	<u>7,448</u>

The amount recorded within debtors as housing properties under construction relates to the costs incurred during the year in respect of the ongoing housing development project located on Southey Street, Keswick, Cumbria.

### 6. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	76,221	74,946
Trade creditors	9,470	702
Accruals and deferred income	7,201	67,721
	<u>92,892</u>	<u>143,369</u>

Security has been given by the company to secure £76,221 (2018: £74,946) of the amount shown under creditors.

### 7. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	984,150	1,018,434

Security has been given by the company to secure £984,150 (2018: £1,018,434) of the amount shown under creditors.

Included within creditors: amounts falling due after more than one year is an amount of £679,265 (2018: £718,651) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

### 8. Related party transactions

The Trust is controlled by the Management Committee, who do not receive payment for their services.

### 9. Ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**Keswick Community Housing Trust**

**Management Information**

**Year ended 31st December 2019**

**The following pages do not form part of the financial statements.**

# Keswick Community Housing Trust

## Detailed Income and Expenditure Account

Year ended 31st December 2019

	2019 £	2018 £
<b>Turnover</b>		
Grants received	66,848	33,745
Legacies and bequests	60,107	10,000
Rental income received	120,782	119,541
Communal charge income and contributions towards house insurance	6,067	7,341
Other sales income from tenants of part-ownership properties	–	4,000
	<u>253,804</u>	<u>174,627</u>
<b>Gross surplus</b>	<b>253,804</b>	<b>174,627</b>
<b>Overheads</b>		
<b>Administrative expenses</b>		
Light and heat	131	118
insurance	4,745	4,616
Repairs and maintenance	7,943	4,379
Telephone	146	143
Computer costs	115	194
Sundry expenses	36	–
Registrations & subscriptions	755	1,625
Advertising	–	112
Mortgage arrangement fees	–	1,025
Bank charges	151	144
Legal fees	561	947
Property management services	3,231	2,965
Planning fees	141	1,848
Architects fees	2,700	7,320
Site survey fees	1,290	1,097
Other professional fees	1,294	–
Audit and accountancy fees	4,570	4,500
	<u>27,809</u>	<u>31,033</u>
<b>Surplus on society trading</b>	<b>225,995</b>	<b>143,594</b>
Input VAT recoverable	1,544	1,750
<b>Operating surplus</b>	<b>227,539</b>	<b>145,344</b>
Interest payable and similar expenses	(43,214)	(41,582)
<b>Surplus before taxation</b>	<b><u>184,325</u></b>	<b><u>103,762</u></b>

# Keswick Community Housing Trust

## Notes to the Detailed Income and Expenditure Account

Year ended 31st December 2019

	2019 £	2018 £
<b>Interest payable and similar expenses</b>		
Mortgage loan interest	<u>43,214</u>	<u>41,582</u>