

Company number 01299109
Charity number 274403

BROADWAY HOMELESSNESS AND SUPPORT

Report and Financial Statements

For the year ended

31 March 2017

WEDNESDAY



A6FV5BE3

A15

27/09/2017

#406

COMPANIES HOUSE

CONTENTS	PAGES
Legal and administrative information	1
Trustees' report	2-4
Independent auditor's report	5-6
Statement of financial activities	7
Balance sheet	8
Cash flow statement	9
Notes to the accounts	10-15

BROADWAY HOMELESSNESS AND SUPPORT**Company number 01299109**
Charity number 274403**Legal and administrative information**

Board of Trustees	Robert Napier, Chair Sir Leigh Lewis, Vice-Chair Rolande Anderson Yvonne Arrowsmith Alexander Beidas (appointed 21 March 2017) Daniel Corry (appointed 21 March 2017) Michael Foster (resigned 21 March 2017) Tim Gadd Alastair Keir (resigned 20 September 2016) Ashwin Kumar John Maxted Jeffrey Spear (appointed 21 March 2017) Otto Thoresen Helen Walters
Chief Executive Officer	Howard Sinclair
Secretary	Helen Giles (resigned 7 February 2017) Louise Wykes (appointed 7 February 2017)
Registered office	5 th Floor 3 Thomas More Square London E1W 1YW
Auditor	RSM UK Audit LLP St Phillips Point Temple Row Birmingham West Midland B2 5AF
Company number	01299109
Charity number	274403

**TRUSTEES' REPORT
for the year ended 31 March 2017**

The Trustees, who act as directors for the purposes of company law, present Broadway Homelessness and Support's ("Broadway") audited accounts for the year ended 31 March 2017. Broadway is a registered charity and a company limited by guarantee. The organisation is governed by its memorandum and articles of association and all work falls within its charitable objects; which, in turn, fall within the description of charitable purposes as set out in the Charities Act 2011.

Broadway is a charitable subsidiary of St Mungo Community Housing Association ("St Mungo's"). From the beginning of July 2014 substantially all the operational activities of Broadway were transferred to St. Mungo's. The comparative results to March 2016 contained in these accounts, relate to finalizing the sale of a property.

Charitable objectives

Broadway's principal objective is the relief of homelessness, through the provision of housing, support and advice. It shares this objective with St Mungo's and achieves this through its support of St Mungo's.

Public benefit

The Trustees ensure that the activities of the charity are consistent with its charitable objects and aims. In agreeing our annual plans, the Trustees take into account public benefit as set out in the Charity Commission's general guidance on public benefit in relation to the prevention and relief of poverty, the advancement of education and health and the relief of those in need. The Trustees believe there is clear public benefit derived from the activities of the charity.

Activities undertaken to achieve public benefit

Broadway transferred its operating activities to St Mungo's from July 2014 and these operating activities continue to be carried out by St Mungo's.

Financial Review

Broadway Homelessness and Support retains the lease and certain associated property costs in connection with the old head office at Half Moon Court. Under the terms of the transfer of assets to St Mungo's, the parent company agrees to cover the building costs of this property.

Comparative figures relate to the disposal of a property and transfer of operating activities to St Mungo's. The freehold property was sold on the open market for £2,525,000 generating a gain of £2,003,532. The sale together with a number of other minor income and costs resulted in a net income for the prior year of £1,908,598.

The Coming Year and Future Strategy

Broadway is part of the St Mungo's group. It will continue to manage the lease at Half Moon Court but will undertake no other trading activities.

Please refer to the Report and Accounts of St Mungo Community Housing Association for more information, these may be obtained from the Association's website www.mungos.org

Reserves Policy

Broadway's total unrestricted reserves stand at £3,664,683 (2016: £3,666,982).

As no material costs are expected in the future, the trustees consider that the reserves are adequate to meet all the needs of the organisation.

TRUSTEES' REPORT**for the year ended 31 March 2017 (continued)**

Statement on risk

From July 2014, the risk review for Broadway has been performed by St Mungo's as part of the group risk review. A risk management policy has been agreed which sets out how risks are identified, assessed and managed across the group. As the charity has no employees or operations, the Trustees are satisfied that policies and procedures covering the main areas of risk are in place and applied.

Social Responsibility

Broadway seeks to conduct its activities in a socially responsible way.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Broadway Homelessness and Support for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Board

The Board was responsible for all decisions made in Broadway and has a mirror board to that of St Mungo's. The Trustees are listed on page 1.

Training for Board members is provided on appointment to ensure that governance responsibilities are clearly understood.

The Board is covered by Trustees' indemnity insurance policy. No claims have been made during the year.

TRUSTEES' REPORT

for the year ended 31 March 2017 (continued)

Senior Executives

Day to day running of the charity is delegated to the Chief Executive and Senior Management Team. None of the Senior Management Team is a Trustee of the charity

Small companies exemption

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Auditors

RSM UK Audit LLP were appointed as group auditors.

Approved by the board of trustees and signed on behalf of the board.



Sir Leigh Lewis
Vice-Chair of St Mungo's Broadway

Date: 25 July 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADWAY HOMELESSNESS AND SUPPORT

Opinion on financial statements

We have audited the financial statements of Broadway Homelessness and Support (the 'charitable company') for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROADWAY
HOMELESSNESS AND SUPPORT (continued)**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Stephanie Warboys (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Date: *12th September 2017*

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2017

	Notes	Total Unrestricted 2017 £	Restated Total Unrestricted 2016 £
Income			
Charitable activities	2.1	136,634	134,934
Investment income	2.2	-	8,010
Other	2.3	-	2,003,532
		<u>136,634</u>	<u>2,146,476</u>
Expenditure			
Charitable activities	4	138,933	237,878
Net (expenditure) / income		<u>(2,299)</u>	<u>1,908,598</u>

Reconciliation of funds:

Net movement in funds	(2,299)	1,908,598
Total funds brought forward	3,666,982	1,758,384
Total funds carried forward	<u>3,664,683</u>	<u>3,666,982</u>

The accompanying notes on pages 10 to 15 form part of these financial statements.

BROADWAY HOMELESSNESS AND SUPPORTCompany number 01299109
Charity number 274403**BALANCE SHEET as at 31 MARCH 2017**

	Notes	2017 £	2016 £
Current assets			
Debtors	6	3,669,131	3,160,472
Bank deposit	7	-	508,010
Total current assets		3,669,131	3,668,482
Creditors: amounts falling due within one year	8	(4,448)	(1,500)
Net current assets		3,664,683	3,666,982
Total net assets		3,664,683	3,666,982
The funds of the charity:			
Unrestricted funds		3,664,683	3,666,982

The accompanying notes on pages 10 to 15 form part of these financial statements.

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

Approved by the Board, authorised for issue and signed on its behalf by:

Sir Leigh Lewis:



Date:

25 July 2017

CASH FLOW STATEMENT for the year ended 31 MARCH 2017

	Notes	2017 £	2016 £
Operating Activities			
Net cash used in operations	13	-	(865,303)
Interest received	2.2	-	8,010
Net cash used in operations		-	(857,293)
Cash flow from investing activities			
Transfer of deposits matured to Parent		(508,010)	-
Proceeds on disposal of tangible fixed assets		-	2,525,000
Sale proceeds transferred to parent undertaking		-	(2,525,000)
		(508,010)	-
Net decrease in cash and cash equivalents		(508,010)	(857,293)
Cash and cash equivalents at beginning of year		508,010	1,365,303
Cash and cash equivalents at end of year		-	508,010

1 Accounting policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice (UK GAAP), Charities SORP (FRS 102). There were no material departures from the standard.

The charity constitutes a public benefit entity as defined by FRS102 and is part of a public benefit entity group.

The financial statements have been prepared on a going concern basis. There are no material uncertainties that require disclosure.

b. Restatement of prior year figures

All assets and liabilities were transferred to St Mungo Community Housing association at book value on the 1 July 2015 with the exception of the lease on Half Moon Court which previously served as the head office of Broadway.

As the leased property continues to be used for activities undertaken by the "parent", St Mungo Community Housing Association, undertook to accept liability for all costs relating to the lease.

In the financial statements for the year ended 31 March 2016 the costs incurred by Broadway of £134,120 were set off against the income charged to St Mungo Community Housing association of £134,120.

Although there is no impact on the prior year results, the costs incurred and income charged have been corrected, restated and split out as outlined below:

Explanation	As previously reported £	Adjustment £	As restated £
Income charitable activities	814	(134,120)	134,934
Expenditure charitable activities	103,758	134,120	(237,878)

c. Income

All income is credited to the statement of financial activities as soon as receivable or when receipt is probable. The following specific policies are applied to particular categories of income:

- Charitable and other trading income is included in full in the statement of financial activities as soon as entitlement is established or earned.
- Investment income is included when receivable.

d. Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

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

e. Fund accounting

The unrestricted reserves comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

f. Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis throughout the period of the lease.

g. Taxation

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Broadway is a registered charity and is therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

h. Management of liquid reserves

Since the transfer of services and staff to St Mungo's the liquid funds of Broadway have been made available to the parent company and managed on a group basis in line with St Mungo's investment policy.

i. Financial instruments

The charity only has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j. Financial estimates

There are no critical accounting estimates or judgements made in preparation of these financial statements.

2 Income:

	2017	2016
	£	£
2.1 Charitable activities		
Rents & Service Charges	136,634	134,120
Other	-	814
	<hr/> 136,634	<hr/> 134,934
	2017	2016
	£	£
2.2 Investment income		
Interest received	<hr/> -	<hr/> 8,010
	2017	2016
	£	£
2.3 Other		
Surplus on sale of freehold property	<hr/> -	<hr/> 2,003,532

The freehold property was sold on the 23 March 2016 for £2,525,000. At that time the book value was £521,468, generating a profit on sale of £2,003,532.

3 Net (expenditure) / income

	2017	2016
	£	£
Net (expenditure) / income is stated after charging:		
Auditor's remuneration	2,000	15,773
Operating lease charge	127,296	127,296
Depreciation	-	71,871

Audit fees are payable to RSM UK Audit LLP in respect of audit services.

4 Analysis of expenditure on charitable activities

	Governance costs	Direct activities	Total 2017	Governance costs	Direct activities	Total 2016
	£	£	£	£	£	£
Audit fees	2,000	-	2,000	15,773	-	15,773
Legal & professional fees	-	299	299	-	1,510	1,510
Service expenditure	-	-	-	-	14,605	14,605
Office costs – rent & service charges	-	136,634	136,634	-	134,120	134,120
Depreciation	-	-	-	-	71,870	71,870
Total expenditure	2,000	136,933	138,933	15,773	222,105	237,878

5 Staff costs and Board of Trustees' remuneration

No staff were employed by the charity during the year.

No member of the Board of Trustees received any remuneration in respect of their services as a member of the Board of Trustees (2016: £nil). Expenses of £nil were reimbursed (2016: £nil).

During the year no pension contributions were paid (2016 - £nil).

6 Debtors

2017	2016
£	£

Due from parent company	<u>3,669,131</u>	<u>3,160,472</u>
-------------------------	------------------	------------------

The intercompany debt due from St Mungo Community Housing Association is a result of the transfer of resources to the parent company.

The intercompany debt is non interest bearing and not covered by any security from St Mungo Community Housing Association.

7 Bank Deposit

An amount of £507,187 was placed on a three months fixed deposit with Lloyds Bank Plc on the 6 January 2016. This deposit matured on the 6 April 2016 and was repaid to Broadway.

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Accruals	<u>(4,448)</u>	<u>(1,500)</u>

9 Financial commitments

The Charity has an office lease with an annual rent of £127,296. The lease has a break clause which allows the Charity to terminate the lease on the 24 December 2019. After the transfer of the Charity's activities to St Mungo Community Housing Association in June 2014, the property continues to be used by the combined operations. As the activity is being conducted by the parent company, the parent company has undertaken to cover the rent commitment.

The obligations remain within the charity.

	2017	2016
	Land & buildings	Land & buildings
	£	£
Within one year	127,296	127,296
Within two to five years	<u>220,320</u>	<u>350,064</u>
	<u>347,616</u>	<u>477,360</u>

10 Related party transactions

All assets and liabilities were transferred to St Mungo Community Housing association at book value on the 1 July 2015 with the exception of the lease disclosed in note 9 above.

The leased property continues to be used for activities undertaken by the "parent", St Mungo Community Housing Association.

11 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up members are required to contribute an amount not exceeding £1.

At the end of the year there was one member (2016: one member)

12 Ultimate parent company

From 1 April 2014, St Mungo Community Housing Association became the immediate and ultimate parent company. St Mungo Community Housing Association is a company incorporated in England under the Companies Act 2006 registration number 08225808 and a registered charity number 1140985.

The Directors of the company are also Trustees of the parent company.

The Company's accounts are included in the consolidated financial statements of St Mungo Community Housing Association.

The registered office of both companies is:

5th Floor
3 Thomas More Square
London
E1W 1YW

13 Reconciliation of net movement in funds for the year to net cash generated from / (used in operations)

	2017 £	2016 £
Net movement in funds	(2,299)	1,908,599
Adjustments for:		
Depreciation	-	71,870
Gain on disposal of fixed assets	-	(2,003,531)
Interest receivable	-	(8,010)
Operating cash flows before movement in working capital	(2,299)	(31,072)
Increase in Debtors	(649)	(635,473)
Increase/(decrease) in Creditors	2,948	(198,758)
Cash used in operations	-	(865,303)