

## Treasurers report and 2020 income and expenditure summary for BNHS AGM

	2020	2019	2018	Difference prior year	Notes
<b>Income</b>					
Tenants rent	£188,365.00	£184,497.00	£177,621.00	£3,868.00	Reflects mainly annual rent increase for 2020 - see Note 2
Other property income	£1,075.00	£1,075.00	£1,075.00	£0.00	Income from Durrants Row, Cley
Disposal of freehold	£0.00	£85,000.00	£0.00	-£85,000.00	Sale of flying freehold 103 High Street in 2019, no sale in 2020
Donations	£622.00	£6,407.00	£6,673.00	-£5,785.00	Fall of donations, including regular ones, in 2020 and also reflects accountancy adjustment for previous years accruals
Legacies	£1,000.00	£0.00	£270,742.00	£1,000.00	1 legacy in 2020
Gift aid	£0.00	£1,078.00	£1,380.00	-£1,078.00	The 2020 Gift Aid payment accrued in 2019 accounts
Deposit a/c interest	£557.00	£691.00	£298.00	-£134.00	Interest rates have fallen in 2020 but as new accounts have been opened in 2020 this should increase in 2021 - see note 3
<b>Income total</b>	<b>£191,619.00</b>	<b>£278,748.00</b>	<b>£457,789.00</b>	<b>-£87,129.00</b>	The main difference reflects the income from the freehold sale in 2019
<b>Property maintenance</b>					
Repairs and maintenance	£143,738.00	£309,987.00	£62,454.00	-£166,249.00	A significant fall in this expenditure in 2020 due to Covid 19 restrictions
Property Mgt Fee	£6,360.00			£6,360.00	This cost moved from administration expenses for prior years - the monthly cost same as 2019
Property insurance	£10,665.00	£11,411.00	£12,565.00	-£746.00	Premium reduction in 2020 due to going out to tender
Other property costs	£1,907.00	£868.00	£2,537.00	£1,039.00	Mainly legal costs for new development and 2019 accrual of Council Tax costs for 103HS
Depreciation	£43,926.00	£39,011.00	£39,527.00	£4,915.00	Historic costs - see Note 5
<b>Property maintenance sub total</b>	<b>£206,596.00</b>	<b>£361,277.00</b>	<b>£117,083.00</b>	<b>-£154,681.00</b>	Mainly reflects significantly less spend with maintenance contractor - see Note 4
<b>Administration expenses</b>					
Property Management fee	£0.00	£0.00	£4,200.00	£0.00	This cost has been moved to property costs above from 2020
Accountants fees	£8,074.00	£8,640.00	£9,300.00	-£566.00	Reduced fees in 2020 which should be significantly less with no audit required for 2021
FCA	£0.00	£124.00	£437.00	-£124.00	These costs ceased from 2020 as no longer due
Website	-£28.00	£67.00	£83.00	-£95.00	Reduced costs reflect prior years accruals
Misc. expenses	£2,229.00	£2,185.00	£401.00	£44.00	Legal costs for review of tenancy agreement and Trustees insurance
<b>Admin sub total</b>	<b>£10,275.00</b>	<b>£11,016.00</b>	<b>£14,421.00</b>	<b>-£741.00</b>	Small reduction for the year which should further reduce for 2021
<b>Bank charges</b>	<b>£88.00</b>	<b>£60.00</b>	<b>£60.00</b>	<b>£28.00</b>	Monthly fee bank fee increased in 2020
<b>All expenses total</b>	<b>£216,959.00</b>	<b>£372,353.00</b>	<b>£131,564.00</b>	<b>-£155,394.00</b>	Large 2020 reduction mainly due to reduced property expenditure which should increase in 2021 with "catchup"
<b>Surplus/Deficit</b>	<b>-£25,340.00</b>	<b>-£93,605.00</b>	<b>£326,225.00</b>	<b>£68,265.00</b>	The deficit is explained by the reditors year on year depreciation charge in the accounts (see Notes 1 & 5). Without the depreciation charge there was a Surplus of £18,586 and purely on a cash basis there was an addition of £25,474 to BNHS funds which reflects the other accounting changes in; accruals, debtors and creditors year on year.
<b>Bank balances</b>					
Current account	£661.00	£449,373.00	£509,887.00	-£448,712.00	See Note 3 - we have worked to move more funds to interest bearing accounts.
Deposit accounts	£515,996.00	£41,811.00	£41,574.00	£474,185.00	As above
<b>Bank total</b>	<b>£516,657.00</b>	<b>£491,184.00</b>	<b>£551,461.00</b>	<b>£25,473.00</b>	In summary the reserves hold £350K for new property development, £100K for unplanned property refurbishments so there is currently an additional cash reserves of £65,657 for "catchup" maintenance in 2021 and beyond.

### Treasurers Report

What a challenging year 2020 has been for all due to Covid19. But I am pleased to report that the Society, tenants and suppliers have coped remarkably well and far better than perhaps we feared 12 months ago. In summary, on a purely financial note the major impact has meant that the Society's funds have increased over the year as tenants income has been maintained on the whole (though assistance has been provided in a few cases to tenants where Covid19 effected their income) and expenditure has been considerably reduced due to the Covid19 restrictions placed on our main contractor.

- 1. Surplus/Deficit** - this year's surplus/deficit is; a) deficit of -£25340 if depreciation is included, b) without depreciation charges a surplus of £18,586 c) and looking purely at cash movements an addition to reserves of £25,474
- 2. Income** - although rental income increased they were lower than unexpected as 103 High Street was under refurbishment for the year and some Covid 19 relief provided to tenants . The Committee agreed not to raise tenants rents for 2021 due
- 3. Income** - a lot of work completed in 2020 to open bank new accounts for BNHS funds so that all accounts are now covered by the FCS scheme and to access higher rates of interest than before
- 4. Property Maintenance** - the significant reduction in planned maintenance in the year will have to be made up in the future year(s) especially where there is a legal requirement to complete inspections/tests e.g. Energy Performance Certification and Electrical Tests and thereafter any necessary remedial work
- 5. Fixed Assets and Depreciation** - the Committee have reviewed the Society's policy to simplify this for the future so that it reflects more the activities of the Society. It will take a number of years for the impact of this to be noticed in the accounts.

**Summary** - it has been a very satisfactory year for the Society especially in light of the challenging circumstances, so thanks to all involved. The Society is in a strong financial position ready to take advantage of development opportunities and the funds to continue a programme of planned maintenance and respond to unplanned refurbishments/repairs