

SWINDEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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SWINDEN HOUSING ASSOCIATION LIMITED

MEMBERS, EXECUTIVES AND ADVISERS

MANAGEMENT COMMITTEE

Dr S Pike
L G Brimacombe
K A Frost
M S Hindley
J R Patel
S Read – (resigned 31/05/2016)
M J Sturdy
Dr F Boue-Bigne
C Pogmore - (resigned 03/05/2016)
K Wodezki – (resigned 08/07/2015)
S Simmons
J James – (resigned 06/05/2016)
C Sutton – (resigned 13/04/2015)
S Hajatdoost
T Baxter – (appointed 13/07/2015)
S Sharma – (appointed 13/07/2015)

SECRETARY AND REGISTERED OFFICE

M J Sturdy
Swinden House
Moorgate
Rotherham
S60 3AR

Register number: 13987R

T Baxter will resign from the management committee on 8 July 2016 prior to leaving Tata Steel UK Limited.

C Sutton, K Wodezki, C Pogmore and J James resigned prior to leaving Tata Steel UK Limited.

EXECUTIVE OFFICERS

Chairman: S Pike
Vice Chairman: L G Brimacombe
Secretary: M J Sturdy

AUDITORS

Allotts Business Services Ltd
Chartered Accountants
The Old Grammar School
13 Moorgate Road
ROTHERHAM
S60 2EN

SOLICITORS

hlw Keeble Hawson LLP
Commercial House
Commercial Street
SHEFFIELD
S1 2AT

Norrie, Waite and Slater
9-12 East Parade
SHEFFIELD
S1 2ET

BANKERS

Lloyds Bank plc
32 Corporation Street
ROTHERHAM
S60 1NQ

SWINDEN HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2016

Report of the Management Committee for the year ended 31 March 2016

The Management Committee presents its report and the audited financial statements for the year ended 31 March 2016.

Principal Activities

The objective of the Swinden Housing Association, as stated in its Rules (Model G 1969), is to carry on the industry, business or trade of providing housing and any associated amenities.

Within the overall objective, the Association has assisted current, retired and former employees of Tata Steel UK (formerly known as Corus and before that British Steel) who are based at Swinden Technology Centre with the provision of suitable accommodation. It also provides accommodation for individuals who are attached to Swinden Technology Centre on a short – term basis, for example, during periods of industrial training. In an effort to boost occupancy of the Association's properties, it has also sought to accommodate non – Tata Steel personnel on a short term lettings basis, typically for a period of six months. With Tata Steel relocating the research facilities of Swinden Technology Centre to the University of Warwick from September 2015 onwards, the Association has purchased three properties in Coventry in order to accommodate employees who are seeking to relocate to the new facility.

Review of Business

The Association is reporting a surplus for the year of £241,740 following the sale of 8 Sitwell Park Road and 76 Bent Laithes Avenue. Rental income net of voids fell by 4.4% year-on-year.

The Association continued to hold its Lloyds Account and National Savings and Investments Account. The total of these accounts at the year end was £332,585.

The Association continued to engage We Let Homes as its Letting Agent for its Rotherham properties, while Payne Associates were engaged to manage its Coventry properties.

Future Developments

The Association re – affirms its policy to locate and secure further suitable properties, as appropriate, to meet its objectives and needs. This also includes disposing of properties which no longer meet its requirements. An offer of £132,000 was received for 39 Beaconsfield Road on 11 May 2016.

Changes in Fixed Assets

Three properties were purchased in Coventry during the year: Flat 20 Ryton House, 376 Monticello Way and 117 Glendale Way. Of the Rotherham properties: 8 Sitwell Park Road was sold for £140,000 and 76 Bent Lathes Avenue was sold for £120,000.

The Management Committee and Executive Officers

The Management Committee and executive officers of the Association are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 and Tata Steel UK Limited holds 200 fully paid shares of £1 in the Association. The executive officers of the Association, although not having the legal status of directors, act as executives within the authority delegated by the committee.

Statement of the Management Committee's Responsibilities

The Industrial and Provident Societies Acts and Housing Association law require the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing those financial statements, the Management Committee is required to:

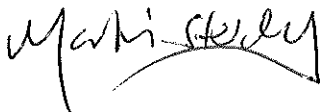
- Select appropriate accounting policies and then apply them consistently;
- Make judgments and estimates which are reasonable and prudent;
- State whether applicable accounting standards have been followed , subject to any material disclosures, disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee is responsible for keeping proper accounting records which disclose the financial position of the Association and to enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965, the Friendly and Industrial Provident Societies Act 1968 and the Housing Associations Act 1985. The Management Committee is responsible for maintaining adequate systems of internal control and safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Allotts Business Services Ltd will be proposed for re-appointment as auditor at the forthcoming Annual General Meeting.

BY ORDER OF THE COMMITTEE



M. J. STURDY
SECRETARY

DATE 15 June 2016

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWINDEN HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Swinden Housing Association Limited for the year ended 31 March 2016 on pages six to twelve. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Association's members, as a body, 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 Association'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 association and association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Committee of Management and Auditors

As explained more fully in the Statement of the Management Committee's Responsibilities, the Association's Management Committee is responsible for the preparation of the financial statements which 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and with the Co-operative and Community Benefit Societies Act 2014.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SWINDEN HOUSING ASSOCIATION LIMITED
(CONTINUED)

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the income and expenditure account to which our report relates and the balance sheet are not in agreement with the books of account of the Association,
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Allotts Business Services Limited, Statutory Auditor
Chartered Accountants
The Old Grammar School,
13 Moorgate Road
ROTHERHAM
S60 2EN

Date 16 June 2016

SWINDEN HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	NOTES	2016 £	2015 £
Turnover	2	289,319	252,443
Less: Operating costs		49,554	50,980
OPERATING SURPLUS		<u>239,765</u>	<u>201,463</u>
Interest receivable and other income	6	1,975	1,755
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>241,740</u>	<u>203,218</u>
Tax on surplus on ordinary activities	7	-	(674)
SURPLUS FOR THE YEAR		<u>241,740</u>	<u>203,892</u>
Transfer to sales reserve	13	(249,015)	(210,295)
		<u>(7,275)</u>	<u>(6,403)</u>
Revenue reserve brought forward		435,878	442,281
Revenue reserve carried forward	14	<u>428,603</u>	<u>435,878</u>

SWINDEN HOUSING ASSOCIATION LIMITED

BALANCE SHEET AT 31 MARCH 2016

	NOTES	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		765,322		460,423
CURRENT ASSETS					
Debtors: amounts falling due within one year	9	6,411		4,554	
Cash at bank and in hand		<u>332,585</u>		<u>408,103</u>	
		338,996		412,657	
CREDITORS: Amounts falling due within one year	10	<u>4,451</u>		<u>5,172</u>	
NET CURRENT ASSETS'			334,545		407,485
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>1,099,867</u></u>		<u><u>867,908</u></u>
CREDITORS: Amounts falling due after more than one year	11		545,784		221,521
CAPITAL AND RESERVES					
Called up share capital	12		215		214
Sales reserve	13		125,265		210,295
Income and expenditure account	14		428,603		435,878
			<u><u>1,099,867</u></u>		<u><u>867,908</u></u>

The financial statements on pages 6 to 12 were approved by the Management Committee on 15 June 2016 and were signed on its behalf by:

Dr S Pike

Chairman

L G Brimacombe

Vice Chairman

M J Sturdy

Secretary

The notes attached form part of these financial statements.

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and Statements of Recommended Practice in the United Kingdom

Where considered appropriate, additional disclosures have been made.

A summary of the more important accounting policies, which have been applied consistently is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting.

TURNOVER

Turnover represents rental income receivable, net of rent losses from voids, together with the proceeds of property sales.

HOUSING PROPERTIES

Housing properties are stated at cost less depreciation. The cost of properties is their purchase price together with incidental costs of acquisition and development costs.

DEPRECIATION

Depreciation is charged on a straight line basis so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned at the following annual rates:

Freehold land and buildings	over 60 years
Leasehold land and buildings	over 60 years or the life of the lease, whichever is the shorter
Improvements to property	over 10 years
Fixtures and fittings	over 5 years

REPAIRS AND MAINTENANCE

Major refurbishment and improvements are capitalised as fixed assets.

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 (CONT)

TAXATION

Provision is made for deferred taxation on all material timing differences.

SALES RESERVE

Net surpluses arising on "right to buy" and on voluntary sale of properties are credited to a sales reserve. The reserve may be applied in the furtherance of the Association's objectives.

INTERNAL FUNDING ACCOUNT

Amounts applied to purchase properties out of the sales reserve in furtherance of the Association's objectives are credited to the internal funding account and released to the income and expenditure account over the expected useful lives of the properties concerned.

CASH FLOW STATEMENT

The Association is exempt from the requirement to produce a cash flow statement under FRS No 1 as the Association is small and is consolidated into the financial statements of a group whose consolidated accounts are publicly available.

2. TURNOVER

Turnover can be analysed as follows:	2016		2015	
	£	£	£	£
Rents	46,634		61,232	
Less: Rent losses from voids	(6,330)		(19,084)	
	<u>40,304</u>		<u>42,148</u>	
Sale of properties				
Proceeds	255,271		258,852	
Less: Net book value of properties sold	(6,256)		(48,557)	
	<u>249,015</u>		<u>210,295</u>	
	<u><u>289,319</u></u>		<u><u>252,443</u></u>	

3. DIRECTORS EMOLUMENTS

No remuneration was paid to the directors (defined as the Committee of Management) of the Swinden Housing Association Limited. (2015: nil)

4. EMPLOYEE INFORMATION

The Association has no employees (2015: none)

A charge is levied by the Association's parent company in respect of administration costs when these costs are significant.

5. OPERATING SURPLUS/(DEFICIT)

This is stated after charging/(crediting):-	2016	2015
	£	£
Surplus on sale of freehold property	(249,015)	(210,295)
Depreciation	28,004	26,609
Amortisation of internal funding account	(9,782)	(4,215)
Auditors' remuneration	4,048	3,249
Service costs	1,516	1,044
Repairs and maintenance	<u>8,635</u>	<u>7,771</u>

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 (CONT)

	2016	2015
	£	£
6.INTEREST RECEIVABLE AND OTHER INCOME		
Interest receivable	<u>1,975</u>	<u>1,755</u>

7.TAX ON SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES

United Kingdom Corporation Tax at 20% (2015:21%)

Current	-	-
Adjustment relating to earlier years	-	(674)
	<u>-</u>	<u>(674)</u>

Tax has not been provided as group relief is expected to be available to relieve taxable profits in the year.

8.TANGIBLE FIXED ASSETS

	Housing Property	Alterations to property	Fixtures and Fittings	Total
	£	£	£	£
COST				
At 1 April 2015	554,534	166,311	82,507	803,352
Additions	334,045	-	5,114	339,159
Disposals	(11,292)	-	-	(11,292)
At 31 March 2016	<u>877,287</u>	<u>166,311</u>	<u>87,621</u>	<u>1,131,219</u>
DEPRECIATION				
At 1 April 2015	107,206	154,687	81,036	342,929
Charge for year	14,622	11,624	1,758	28,004
Eliminated	(5,036)	-	-	(5,036)
At 31 March 2016	<u>116,792</u>	<u>166,311</u>	<u>82,794</u>	<u>365,897</u>
NET BOOK VALUE				
At 31 March 2016	<u>760,495</u>	<u>-</u>	<u>4,827</u>	<u>765,322</u>
At 31 March 2015	<u>447,328</u>	<u>11,624</u>	<u>1,471</u>	<u>460,423</u>

	2016	2015
	£	£
Housing property comprises:		
Freeholds	65,553	74,764
Long leaseholds	<u>694,942</u>	<u>372,564</u>
	<u>760,495</u>	<u>447,328</u>

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 (CONT)

	2016 £	2015 £
9.DEBTORS: All due within one year		
Prepayments and accrued income	<u>6,411</u>	<u>4,554</u>
10.CREDITORS: Amounts falling due within one year		
Corporation Tax	-	-
Accruals and deferred income	4,451	5,172
	<u>4,451</u>	<u>5,172</u>
11.CREDITORS: Amounts falling due after more than one year		
Internal funding account:		
At 1 April 2015	221,521	225,736
Transferred from sales reserve	334,045	-
Amortisation in year	(9,782)	(4,215)
At 31 March 2016	<u>545,784</u>	<u>221,521</u>
12.CALLED UP SHARE CAPITAL		
Each member of the Management Committee holds one share of £1 in the Association.		
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>215</u>	<u>214</u>
13.SALES RESERVE		
At 1 April 2015	210,295	-
Transfer to internal funding account	(334,045)	-
Surplus on sale of freehold property	249,015	210,295
At 31 March 2016	<u>125,265</u>	<u>210,295</u>

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 (CONT)

	2016 £	2015 £
14. INCOME & EXPENDITURE ACCOUNT		
At 1 April 2015	435,878	442,281
(Deficit) for the year	(7,275)	(6,403)
At 31 March 2016	<u>428,603</u>	<u>435,878</u>

15. CAPITAL COMMITMENTS

Capital expenditure authorised by the Management Committee but not provided in the accounts amounted to:-

	2016 £	2015 £
Contracted for	<u>-</u>	<u>-</u>

16. CONTINGENT LIABILITIES

As far as the Management Committee is aware, there were no contingent liabilities (2015: none).

17. LEGISLATIVE PROCEDURES

The Association is a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

18. CONTROL RELATIONSHIP

The Association is a subsidiary of Tata Steel Europe Limited.

The ultimate controlling party is Tata Group, a company registered in India.

19. RELATED PARTY TRANSACTIONS

As far as the Management Committee is aware, there were no rents paid to the Association by TATA Steel Europe Limited for the use of one of the Association's properties for a secondment placement student. (2015: £1,800).

There were also no other related party transactions that occurred during the year.

SWINDEN HOUSING ASSOCIATION LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
INCOME		
Rental income	46,634	61,232
Less: void periods	(6,330)	(19,084)
Proceeds from property sales	255,271	258,852
Less: Net book value of properties sold	(6,256)	(48,557)
Bank interest receivable	1,975	1,755
	<u>291,294</u>	<u>254,198</u>
LESS EXPENSES		
Light and heat	1,516	1,044
Insurance	2,306	2,382
Water rates	10	51
Council tax	4,362	4,818
Gardening	530	-
Audit fees	4,048	3,249
Cleaning	365	-
Repairs and renewals	7,740	7,771
Ground rents	464	171
Sundries	2,534	1,852
Property agent commission	4,970	5,033
Residents Association fees	2,487	2,215
Depreciation	28,004	26,609
Amortisation of internal funding account	(9,782)	(4,215)
	<u>49,554</u>	<u>50,980</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>241,740</u></u>	<u><u>203,218</u></u>