

SWINDEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015



SWINDEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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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
G Lindley – (resigned 28/04/2014)
J R Patel
S Read
M J Sturdy
Dr F Boue-Bigne
C Pogmore – (appointed 04/12/2014)
K Wodezki – (appointed 19/12/2014)
S Simmons – (appointed 19/12/2014)
J James – (appointed 19/12/2014)
C Sutton – (appointed 19/12/2014, resigned 13/04/2015)
S Hajatdoost – (appointed 12/01/2015)

SECRETARY AND REGISTERED OFFICE

M J Sturdy
Swinden House
Moorgate
Rotherham
S60 3AR

Register number: 13987R

Mr G Lindley resigned on 28 April 2014 when he left Tata Steel UK Limited.
Mr C Sutton resigned on 13 April 2015 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 TSB Bank plc
32 Corporation Street
ROTHERHAM
S60 1NQ

SWINDEN HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2015

Report of the Management Committee for the year ended 31 March 2015

The Management Committee presents its report and the audited financial statements for the year ended 31 March 2015.

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 the intention of Tata Steel to relocate the research facilities of Swinden Technology Centre to the University of Warwick from September 2015 onwards , the Association is actively seeking to purchase property in the Warwick area 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 £203,892 following the sale of 25 Francis Crescent North and 5 Oakwood Road East. Rental income fell by 4% year-on-year. Nevertheless, a lower level of voids and operating costs such as council tax and repairs and renewals also contributed to the surplus for the year.

The Association continued to hold its Lloyds TSB Account and National Savings and Investments Account. The total of these accounts at the year end was £408,103, following the disposal of 25 Francis Crescent North and 5 Oakwood Road East.

The Association continued to engage We Let Homes as its Letting Agent during the year.

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 £120,000 was received for 76 Bent Lathes Avenue on 1 April 2015. This sale is presently proceeding, subject to contract.

Changes in Fixed Assets

There were no fixed asset additions during the year. The disposal of 25 Francis Crescent North was completed on 4 April 2014 and that of 5 Oakwood Road East on 25 May 2014.

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 Co-operative and Community Benefit Societies Act 2014 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:

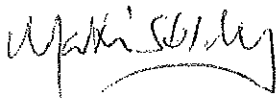
- Select appropriate accounting policies and then apply them consistently ;
- Make judgments and estimates which are reasonable and prudent ;
- State whether applicable accounting standards have been followed , subject to any material disclosures, disclosed and explained in the financial statements ;
- 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 Co-operative and Community Benefit Societies Act 2014 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 16 June 2015

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 2015 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 2008) (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 2015 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 18 June 2015

SWINDEN HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	NOTES	2015 £	2014 £
Turnover	2	252,443	41,691
Less: Operating costs		50,980	59,359
OPERATING SURPLUS/(DEFICIT)		<u>201,463</u>	<u>(17,668)</u>
Interest receivable and other income	6	1,755	584
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>203,218</u>	<u>(17,084)</u>
Tax on surplus/(deficit) on ordinary activities	7	(674)	(1,543)
SURPLUS/(DEFICIT) FOR THE YEAR		<u>203,892</u>	<u>(15,541)</u>
Transfer to sales reserve	13	(210,295)	-
		<u>(6,403)</u>	<u>(15,541)</u>
Revenue reserve brought forward		442,281	457,822
Revenue reserve carried forward	14	<u>435,878</u>	<u>442,281</u>

16 June 2015 and were signed on its behalf by:

SWINDEN HOUSING ASSOCIATION LIMITED

BALANCE SHEET AT 31 MARCH 2015

	NOTES	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		460,423		535,589
CURRENT ASSETS					
Debtors: amounts falling due within one year	9	4,554		4,571	
Cash at bank and in hand		<u>408,103</u>		<u>133,240</u>	
		412,657		137,811	
CREDITORS: Amounts falling due within one year	10		<u>5,172</u>		<u>5,172</u>
NET CURRENT ASSETS			407,485		132,639
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>867,908</u>		<u>668,228</u>
CREDITORS: Amounts falling due after more than one year	11		221,521		225,736
CAPITAL AND RESERVES					
Called up share capital	12		214		209
Cancelled share reserve			-		2
Sales reserve	13		210,295		-
Income and expenditure account	14		435,878		442,281
			<u>867,908</u>		<u>668,228</u>

The financial statements on pages 6 to 12 were approved by the Management Committee on 16 June 2015 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 2015

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) 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.

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

16 June 2015 and were signed on its behalf 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 2015 (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 qualifies as a small entity for the purposes of Financial Reporting Standard No 1. Although a subsidiary of a large entity, no cash flow statement has been prepared as, in the opinion of the committee of management, it would be of no value to the user of accounts.

2. TURNOVER

Turnover can be analysed as follows:	2015		2014	
	£	£	£	£
Rents	61,232		63,894	
Less: Rent losses from voids	<u>(19,084)</u>		<u>(22,203)</u>	
		42,148		41,691
 Sale of properties				
Proceeds	258,852		-	
Less: Net book value of properties sold	<u>(48,557)</u>		-	
		210,295		-
		<u>252,443</u>		<u>41,691</u>

3. DIRECTORS EMOLUMENTS

No remuneration was paid to the directors (defined as the Committee of Management) of the Swinden Housing Association Limited. (2014: nil)

4. EMPLOYEE INFORMATION

The Association has no employees (2014: 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)

	2015	2014
	£	£
This is stated after charging/(crediting):-		
Surplus on sale of freehold property	210,295	-
Depreciation	26,609	27,670
Amortisation of internal funding account	(4,215)	(4,215)
Auditors' remuneration	3,249	3,047
Service costs	1,044	1,312
Repairs and maintenance	<u>7,771</u>	<u>10,696</u>

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (CONT)

	2015 £	2014 £
6.INTEREST RECEIVABLE AND OTHER INCOME		
Interest receivable	<u>1,755</u>	<u>584</u>

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

United Kingdom Corporation Tax at 21% (2014:23%)		
Current	-	674
Adjustment relating to earlier years	(674)	(2,217)
	<u>(674)</u>	<u>(1,543)</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 2014	618,180	166,311	82,507	866,998
Additions	-	-	-	-
Disposals	(63,646)	-	-	(63,646)
At 31 March 2015	<u>554,534</u>	<u>166,311</u>	<u>82,507</u>	<u>803,352</u>
DEPRECIATION				
At 1 April 2014	113,053	138,056	80,300	331,409
Charge for year	9,242	16,631	736	26,609
Eliminated	(15,089)	-	-	(15,089)
At 31 March 2015	<u>107,206</u>	<u>154,687</u>	<u>81,036</u>	<u>342,929</u>
NET BOOK VALUE				
At 31 March 2015	<u>447,328</u>	<u>11,624</u>	<u>1,471</u>	<u>460,423</u>
At 31 March 2014	<u>505,127</u>	<u>28,255</u>	<u>2,207</u>	<u>535,589</u>

	2015 £	2014 £
Housing property comprises:		
Freeholds	244,352	298,144
Long leaseholds	202,976	206,983
	<u>447,328</u>	<u>505,127</u>

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (CONT)

	2015	2014
	£	£
9. DEBTORS: All due within one year		
Prepayments and accrued income	<u>4,554</u>	<u>4,571</u>
10. CREDITORS: Amounts falling due within one year		
Corporation Tax	-	674
Accruals and deferred income	5,172	4,498
	<u>5,172</u>	<u>5,172</u>
11. CREDITORS: Amounts falling due after more than one year		
Internal funding account:		
At 1 April 2014	225,736	229,951
Transferred from sales reserve	-	-
Amortisation in year	(4,215)	(4,215)
At 31 March 2015	<u>221,521</u>	<u>225,736</u>
12. CALLED UP SHARE CAPITAL		
Each member of the Management Committee holds one share of £1 in the Association.		
Alotted, issued and fully paid		
Ordinary shares of £1 each	<u>214</u>	<u>209</u>
13. SALES RESERVE		
At 1 April 2014	-	-
Transfer to internal funding account	-	-
Surplus on sale of freehold property	210,295	-
At 31 March 2015	<u>210,295</u>	<u>-</u>

SWINDEN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (CONT)

	2015 £	2014 £
14. INCOME & EXPENDITURE ACCOUNT		
At 1 April 2014	442,281	457,822
(Deficit) for the year	(6,403)	(15,541)
At 31 March 2015	<u>435,878</u>	<u>442,281</u>

15. CAPITAL COMMITMENTS

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

	2015 £	2014 £
Contracted for	<u>-</u>	<u>-</u>

16. CONTINGENT LIABILITIES

As far as the Management Committee is aware, there were no contingent liabilities. (2014: 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

During the year rents of £1,800 were paid to the Association by TATA Steel Europe Limited for the use of one of the Association's properties for a secondment placement student.

16 June 2015 and were signed on its behalf by:

SWINDEN HOUSING ASSOCIATION LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	£	£
INCOME		
Rental income	61,232	63,894
Less: void periods	(19,084)	(22,203)
Proceeds from property sales	258,852	-
Less: Net book value of properties sold	(48,557)	-
Bank interest receivable	1,755	584
	<u>254,198</u>	<u>42,275</u>
LESS EXPENSES		
Light and heat	1,044	1,312
Insurance	2,382	2,400
Water rates	51	78
Council tax	4,818	7,031
Gardening	-	-
Audit fees	3,249	3,047
Repairs and renewals	7,771	10,696
Ground rents	171	171
Sundries	1,852	1,972
Property agent commission	5,033	7,397
Residents Association fees	2,215	1,800
Depreciation	26,609	27,670
Amortisation of internal funding account	(4,215)	(4,215)
	<u>50,980</u>	<u>59,359</u>
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>203,218</u></u>	<u><u>(17,084)</u></u>