

# **THE CHESHIRE FOUNDATION HOUSING ASSOCIATION**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER 1994**

Company No 1261380  
Charity No 271547



THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

REPORT OF THE AUDITOR  
TO THE MEMBERS OF  
THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

I have audited the financial statements on pages 1 to 16 which have been prepared under the accounting policies set out on pages 7 and 8.

**Respective Responsibilities of the Committee of Management and Auditor**

As described on page 3, the Association's Committee of Management is responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements, and to report my opinion to you. It is also my responsibility to state the fact in my report if I am of the opinion that the Association has not maintained a satisfactory system of control over its transactions.

**Basis of Opinion**

I conducted my audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee of Management in the preparation of the financial statements, and of whether accounting policies are appropriate to the Association's circumstances, consistently applied, and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from any material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of the information in the financial statements.

**Opinion**

In my opinion, the financial statements give a true and fair view of the state of affairs of the Association as at 30th September, 1994, and of its income and expenditure accounts for the year then ended, and have been properly prepared in accordance with the Companies Act 1985, the Housing Associations Act 1985 and the Registered Housing Associations (Accounting Requirements) Order 1992.

Guy Mayers,  
Chartered Accountant and Registered Auditor,  
5/7 Vernon Yard,  
London W11 2DX



29th March 1995

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## REPORT OF THE COMMITTEE OF MANAGEMENT for the year ended 30th September 1994

The Directors, being the members of the Committee of Management, submit their Report and Accounts for the year ended 30th September 1994.

### COMMITTEE OF MANAGEMENT

Mr Matthew Bennett - *Chairman*  
Mr Michael Cohen  
Mr Keith Cook  
Mr J. Cedric Dennis  
Mr Geoffrey Dunn (until 23.3.94)  
Mr Guy Eason  
Mr. Graham Faulkner (from 17.11.93)  
Mr Ashok Ghose  
Mr Howard Hughes  
Mr C. Wycliffe Noble, OBE  
Lady Tuema Pattie  
Mrs Alice Renton

### RESULTS AND DIVIDENDS

The results for the year are as shown in the attached accounts. The Company is a company limited by guarantee without a share capital. Therefore no dividend is payable to its members. It is also a Registered Charity, No 271547.

### PRINCIPAL ACTIVITIES

The Company's principal activities are the provision, by construction or conversion, and the management of housing for people with disabilities and others in housing need.

### REVIEW OF THE DEVELOPMENT OF THE COMPANY

The Cheshire Foundation Housing Association has developed in strength and stability during the year 1993/94. New posts have enabled the Association to provide a better and more comprehensive service to its tenants and many issues have been addressed with a view to further improvement. The Association operates efficiently as evidenced by its low voids arrears and other performance indicators

Planning delays held up the construction stage of the principal scheme of last year's allocation, but work is due to start at the beginning of 1995. A modest allocation of finance from the Housing Corporation was received during 1993/94 and unprecedented support for some of the Association's proposed schemes was received from Local Authorities with whom the Association had been working closely in formulating the bid for finance for 1995/96.

As this report is being written, the allocations for 1995/96 were being announced and in common with most other associations the Cheshire Foundation Housing Association did not receive any new development allocation due to the Government cuts in the national housing budget.

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## REPORT OF THE COMMITTEE OF MANAGEMENT (continued)

However, CFHA is now in such a position that it does not rely on development income for its continued viability, and although the news is disappointing, the Association will continue to seek new partnerships, sources of finance and opportunities to continue its work of meeting the housing need of people with disabilities, knowing that it is financially sound.

### FIXED ASSETS

The changes in the Fixed Assets of the Company are shown in the notes to the accounts.

### EMPLOYEES

It is the Company's policy to recruit the best person for the job, regardless of age, sex, sexuality, disability, appearance, marital status, race or religious beliefs.

### AUDITORS

In accordance with Housing Corporation recommendations, tenders for the audit of the accounts to 30th September 1995 were invited and Messrs Stoy Hayward were successful. A resolution to appoint Messrs. Stoy Hayward will be put to the members at the Annual General Meeting.

### STATEMENT OF COMMITTEE RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs at the year end and of the income and expenditure of the company for that period.

The Cheshire Foundation Housing Association, is a company registered under the Companies Act 1985, and governed by a Committee of Management, who are the Directors of the Company.

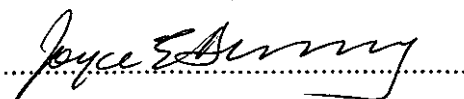
In preparing those financial statements the Committee has chosen suitable accounting policies and have then applied them consistently making judgements and estimates that are reasonable and prudent. Applicable account standards have been followed.

The Committee is also required to indicate where the financial statements are prepared other than on the basis that the company will continue in business.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Committee of Management (the Board)

Date: 29th March, 1995



.....

THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 30th September 1994

|                                    | Notes | 1994           | 1993           |
|------------------------------------|-------|----------------|----------------|
|                                    |       | £              | £              |
| Turnover                           | 3     | 1,828,198      | 1,463,892      |
| Operating Costs                    | 4     | -1,573,249     | -1,223,300     |
| Operating Surplus                  |       | <u>254,949</u> | <u>240,592</u> |
| Other Income                       |       | 18,746         | 13,366         |
| Other Expenditure                  |       | -35,023        | -5,000         |
| Development Income                 |       | 46,550         | 40,725         |
| Development Expenditure            |       | -38,553        | -40,725        |
|                                    |       | <u>246,669</u> | <u>248,958</u> |
| Interest receivable                |       | 28,620         | 16,450         |
| Interest payable                   | 8     | -58,172        | -50,224        |
| Surplus on ordinary activities     |       | <u>217,117</u> | <u>215,184</u> |
| Transfer to Designated Reserves    | 19    | -14,058        | -17,801        |
| Transfer from other Capital Grants | 10    | 2,981          | -2,981         |
| Surplus for the year               |       | <u>206,040</u> | <u>194,402</u> |
| Surplus brought forward            |       | 635,120        | 440,718        |
| Surplus carried forward            |       | <u>841,160</u> | <u>635,120</u> |

THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

BALANCE SHEET AS AT 30TH SEPTEMBER 1994

| FIXED ASSETS   | Note | 1994<br>£        | £              | 1993<br>£        | £              |
|--|------|------------------|----------------|------------------|----------------|
| TANGIBLE ASSETS                                      |      |                  |                |                  |                |
| Housing Properties                                   | 10   | 8,544,127        |                | 7,679,577        |                |
| Less Housing Association and other<br>Capital Grants | 10   | <u>7,815,508</u> |                | <u>7,109,690</u> |                |
|  |      |                  | 728,619        |                  | 569,887        |
| Other Tangible Assets                                | 11   |                  | 174,285        |                  | 133,921        |
| Investments  | 12   |                  | 1              |                  | 1              |
| CURRENT ASSETS                                       |      |                  |                |                  |                |
| Debtors  | 13   | 243,261          |                | 302,226          |                |
| Cash at bank and in hand                             |      | <u>690,111</u>   |                | <u>956,732</u>   |                |
|  |      | 933,372          |                | 1,258,958        |                |
| CREDITORS:   |      |                  |                |                  |                |
| Amounts falling due within one year                  | 14   | <u>286,811</u>   |                | <u>744,388</u>   |                |
| NET CURRENT ASSETS                                   |      |                  | 646,561        |                  | 514,570        |
| TOTAL ASSETS LESS CURRENT LIABILITIES                |      |                  | 1,549,466      |                  | 1,218,379      |
| CREDITORS:   |      |                  |                |                  |                |
| Amounts falling due after more than one              | 15   |                  | <u>661,900</u> |                  | <u>550,911</u> |
|  |      |                  | <u>387,566</u> |                  | <u>667,468</u> |
| CAPITAL AND RESERVES                                 |      |                  | £              |                  | £              |
| Designated Reserves                                  | 19   |                  | 46,406         |                  | 32,348         |
| General Reserves                                     |      |                  | <u>841,160</u> |                  | <u>635,120</u> |
|  |      |                  | <u>887,566</u> |                  | <u>667,468</u> |

The financial statements on page 1 to 16 were approved by the Committee of Management  
29th March 1995 and were signed on its behalf by:



Archie Renton

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## CASHFLOW STATEMENT

for the year ended 30th September 1994

|   | £                 | 1994<br>£       | £                 | 1993<br>£        |
|---|-------------------|-----------------|-------------------|------------------|
| <b>OPERATING ACTIVITIES</b>   |                   |                 |                   |                  |
| Cash received from tenants  | 1,297,544         |                 | 1,006,470         |                  |
| Cash received from revenue grants                                     | 540,729           |                 | 656,884           |                  |
| Cash paid to and on behalf of employees                               | -428,196          |                 | -297,472          |                  |
| Cash paid for operating costs   | <u>-1,162,911</u> |                 | <u>-1,000,223</u> |                  |
| Net Cash Inflow from operating activities - Note 20                   |                   | 247,166         |                   | 365,659          |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>                |                   |                 |                   |                  |
| Interest received   | 28,620            |                 | 16,450            |                  |
| Interest paid   | <u>-56,112</u>    |                 | <u>-37,963</u>    |                  |
| Net Cash Outflow from returns on investments and servicing of finance |                   | -27,492         |                   | -21,513          |
| <b>INVESTING ACTIVITIES</b>   |                   |                 |                   |                  |
| Acquisition and construction of housing properties                    | -953,452          |                 | -1,877,958        |                  |
| Housing association grants receivable                                 | 425,576           |                 | 3,165,658         |                  |
| Capital grants receivable   | 0                 |                 | 57,141            |                  |
| Purchase of other tangible fixed assets                               | -78,483           |                 | -18,579           |                  |
| Proceeds on disposal of fixed assets                                  | <u>23,585</u>     |                 | <u>0</u>          |                  |
| Net Cash Inflow/Outflow from investing activities                     |                   | <u>-582,774</u> |                   | <u>1,326,262</u> |
| Net Cash Inflow/Outflow before financing                              |                   | -363,100        |                   | 1,670,408        |
| <b>FINANCING</b>  |                   |                 |                   |                  |
| Housing loans received  | 202,536           |                 | 927,215           |                  |
| Housing loans repaid  | -46,921           |                 | -1,885,182        |                  |
| Other Loans repaid  | <u>-58,139</u>    |                 | <u>-7,707</u>     |                  |
| Net Cash Outflow/Inflow from financing - Note 23                      |                   | <u>97,476</u>   |                   | <u>-965,674</u>  |
| Increase(Decrease) in cash and cash equivalent - Note 21              |                   | <u>-265,624</u> |                   | <u>704,734</u>   |

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th September 1994

### 1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 1985, as amended, and applicable Accounting Standards.

#### **Basis of Accounting**

The financial statements are prepared on the historical cost basis of accounting and comply with the Registered Housing Association (Accounting Requirements) Order 1992

#### **Turnover**

Turnover represents rental income receivable net of voids and bad debts, income from the sale of properties, fees and grants from local authorities and The Housing Corporation.

#### **Fixed assets and depreciation**

Tangible fixed assets, except housing properties, are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

|                               |     |
|-------------------------------|-----|
| Freehold offices              | 2%  |
| Plant, machinery and fixtures | 25% |
| Motor vehicles                | 25% |

#### **Housing properties**

Housing properties are stated at cost, less Capital Grants receivable. As housing properties are maintained in a state of repair such that their estimated residual value is not less than their cost or valuation amount, (less Housing Association and other Capital Grants), no depreciation is charged on Freehold Properties. Leasehold properties are depreciated over the term of the lease.

Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed.

#### **Housing Association and other grants**

In accordance with the statement of recommended practice all capital grants received are shown as deduction from the cost of fixed assets where they contribute towards capital expenditure, or credited to the income and expenditure account where they contribute towards revenue expenditure.

#### **Capitalisation of interest**

Interest on the mortgage loan financing a development is capitalised up to the date of practical completion of the scheme.

#### **Deferred interest**

The finance cost of loans is allocated to the income and expenditure account at a constant rate on the carrying amount of the debt at the balance sheet date.



# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th September 1994

### **Pension costs**

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employee's services.

### **Cyclical repairs and maintenance**

Due to the numbers of properties held and the establishment of regular programmes of repair and maintenance, the Association does not make provision for future works but charges actual costs incurred to the income and expenditure account.

### **Major repairs**

The Association provides for future major repairs expenditure on all housing properties developed under the 1988 Housing Act arrangements and for other properties in so far as the major repairs expenditure is not eligible for grants from The Housing Corporation or local authorities. These amounts are shown as Designated Reserves.

**THE CHESHIRE FOUNDATION HOUSING ASSOCIATION**

**2. TURNOVER, OPERATING SURPLUS AND SURPLUS  
FOR THE YEAR ENDED 30TH SEPTEMBER, 1994**

|                                     | Housing<br>Accommodation |            | 1994<br>Total | Housing<br>Accommodation |            | 1993<br>Total |
|-------------------------------------|--------------------------|------------|---------------|--------------------------|------------|---------------|
|                                     | £                        | £          | £             | £                        | £          | £             |
| Turnover - Note 3                   | 260,690                  | 1,567,508  | 1,828,198     | 177,035                  | 1,286,857  | 1,463,892     |
| Operating Costs - Note 4            | -147,965                 | -1,425,284 | -1,573,249    | -88,035                  | -1,135,265 | -1,223,300    |
| Operating Surplus                   | 112,725                  | 142,224    | 254,949       | 89,000                   | 151,592    | 240,592       |
| Other Income                        | 0                        | 18,746     | 18,746        |                          | 13,366     | 13,366        |
| Other Expenditure                   | 0                        | -35,023    | -35,023       |                          | -5,000     | -5,000        |
| Development Admin. Income           | 0                        | 46,550     | 46,550        |                          | 40,725     | 40,725        |
| Development Admin. Costs            | 0                        | -38,553    | -38,553       |                          | -40,725    | -40,725       |
| Surplus                             | 112,725                  | 133,944    | 246,669       | 89,000                   | 159,958    | 248,958       |
| Investment income                   | 18,596                   | 10,024     | 28,620        | 10,417                   | 6,033      | 16,450        |
| Interest Payable                    | -46,367                  | -11,805    | -58,172       | -38,363                  | -11,861    | -50,224       |
| Surplus for the year                | 84,954                   | 132,163    | 217,117       | 61,054                   | 154,130    | 215,184       |
| Transfer to:                        |                          |            |               |                          |            |               |
| Designated Reserves - Major repairs |                          |            | -14,058       |                          |            | -17,801       |
| Fixed Asset Grants                  |                          |            | 2,981         |                          |            | -2,981        |
| Surplus for the year                |                          |            | 206,040       |                          |            | 194,402       |
| Surplus brought forward             |                          |            | 635,120       |                          |            | 440,718       |
| Surplus carried forward             |                          |            | 841,160       |                          |            | 635,120       |

**3. TURNOVER**

|  | £       | £         | 1994<br>£ | £       | £       | 1993<br>£ |
|--|---------|-----------|-----------|---------|---------|-----------|
| Turnover from Lettings                           |         |           |           |         |         |           |
| Rents and Service charges                        | 255,383 | 1,112,650 | 1,368,033 | 152,952 | 930,911 | 1,083,863 |
| Rent Losses from bad debts and voids             | -6,562  | -77,330   | -83,892   | -4,010  | -74,170 | -78,180   |
|  | 248,821 | 1,035,320 | 1,284,141 | 148,942 | 856,741 | 1,005,683 |
| Grants from local Authorities and other agencies | 11,799  | 539,583   | 551,382   |         |         | 433,616   |
| Housing Corporation:                             |         |           |           |         |         |           |
| Hostel Deficit Grant                             |         |           |           |         |         | 16,417    |
| Hostel Deficit Grant Disallowed                  |         | -15,538   | -15,538   |         |         | 0         |
| Major Repairs Grant                              | 0       | 8,143     | 8,143     |         |         | 3,396     |
| Donations  | 70      | 0         | 70        |         |         | 4,780     |
|  | 260,690 | 1,567,508 | 1,828,198 |         |         | 1,463,892 |

**4. OPERATING COSTS**

|                                | 1994<br>£ | 1993<br>£ |
|--------------------------------|-----------|-----------|
| Direct Costs:                  |           |           |
| Services                       | 751,270   | 614,668   |
| Repairs and Maintenance        | 58,505    | 44,242    |
| Other direct costs             | 643,536   | 468,490   |
| Total direct Costs             | 1,453,311 | 1,127,400 |
| Administration Costs           | 119,938   | 95,900    |
| Total Operating Costs (Note 2) | 1,573,249 | 1,223,300 |

**THE CHESHIRE FOUNDATION HOUSING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENT for the year ended 30th September 1994**

**5. SERVICE INCOME, HOUSING CORPORATION ALLOWANCES AND OTHER OPERATING COSTS**

|  | 1994   |                         |                            | 1993   |                         |                            |
|--|--|-------------------------|----------------------------|--|-------------------------|----------------------------|
|  | Housing<br>Corporation<br>Allowances/<br>Service Inco<br>£ | Operating<br>Costs<br>£ | Surplus/<br>(Deficit)<br>£ | Housing<br>Corporation<br>Allowances/<br>Service Inco<br>£ | Operating<br>Costs<br>£ | Surplus/<br>(Deficit)<br>£ |
| <b>Housing Accommodation</b>                       |  |                         |                            |  |                         |                            |
| No. of units in Management: 83<br>(1993: 65 units) |  |                         |                            |  |                         |                            |
| Services   | 39,690   | 39,125                  | 565                        | 32,427   | 42,008                  | -9,581                     |
| Management   | 42,374   | 38,357                  | 4,017                      | 25,700   | 30,090                  | -4,390                     |
| Day to Day repairs & Maintenance                   | 21,122   | 18,740                  | 2,382                      | 9,562  | 13,349                  | -3,787                     |
| Cyclical repairs & Maintenance                     | 9,227  | 9,640                   | -413                       | 11,267   | 2,588                   | 8,679                      |
|  | <u>112,413</u>   | <u>105,862</u>          | <u>6,551</u>               | <u>78,956</u>  | <u>88,035</u>           | <u>-9,079</u>              |
| <b>Hostels</b>                                     |  |                         |                            |  |                         |                            |
| No. of units in Management: 111<br>(1993 : 108)    |  |                         |                            |  |                         |                            |
| Service  | 712,145  | 712,145                 | 0                          | 572,660  | 572,660                 | 0                          |
| Management   | 110,716  | 677,802                 | -567,086                   | 102,838  | 531,725                 | -428,887                   |
| Day to Day repairs & Maintenance                   | 16,433   | 21,673                  | -5,240                     | 13,748   | 13,782                  | -34                        |
| Cyclical repairs & Maintenance                     | 27,081   | 292                     | 26,789                     | 22,762   | 11,359                  | 11,403                     |
| Major repairs                                      | 8,143  | 8,160                   | -17                        | 3,164  | 3,164                   | 0                          |
|  | <u>874,518</u>   | <u>1,420,072</u>        | <u>-545,554</u>            | <u>715,172</u>   | <u>1,132,690</u>        | <u>-417,518</u>            |
|  | <u>986,931</u>   | <u>1,525,934</u>        | <u>-539,003</u>            | <u>794,128</u>   | <u>1,220,725</u>        | <u>-426,597</u>            |
| <b>Other operating costs</b>                       |  |                         |                            |  |                         |                            |
| Depreciation of housing properties                 |  | 2,575                   |                            |  | 2,575                   |                            |
| Rent/Management Fee Payable                        |  | 44,740                  |                            |  | 0                       |                            |
|  |  | <u>1,573,249</u>        |                            |  | <u>1,223,300</u>        |                            |
| <b>Housing Accommodation</b>                       |  | 152,098                 |                            |  | 88,035                  |                            |
| <b>Hostels</b>                                     |  | 1,421,151               |                            |  | 1,135,265               |                            |
| <b>Operating Costs - Note 4</b>                    |  | <u>1,573,249</u>        |                            |  | <u>1,223,300</u>        |                            |

Excess management and maintenance costs on hostel accommodation are covered by topping up finance from local authorities and other public bodies.

**6. SURPLUS ON ORDINARY ACTIVITIES**

|   | 1994<br>£ | 1993<br>£ |
|---|-----------|-----------|
| Surplus on ordinary activities is stated after charging |           |           |
| Depreciation:   | 27,709    | 12,477    |
| Auditors' remuneration:                                 |           |           |
| In their capacity as auditors                           | 6,000     | 10,000    |
| In respect of other services                            |           | 4,052     |
| In respect of audit of hostels managed by Agents        | 8,610     | 9,165     |
| Accountancy services to hostels managed by Agencies     | 5,580     | 2,786     |

**7. TAXATION**

The Company is a Registered Charity and as such exempt from Corporation Tax.

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th September 1994

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

|   | 1994<br>£     | 1993<br>£     |
|---|---------------|---------------|
| On bank loans, overdrafts and other loans:      |               |               |
| Repayable within 5 years, by Instalments        |               |               |
| Repayable wholly or partly in more than 5 years | 56,723        | 179,252       |
| Deferred Interest                               | 2,080         | 7,686         |
| Less: Capitalised Interest                      | -611          | -136,714      |
|   | <u>58,172</u> | <u>50,224</u> |

### 9. DIRECTORS' EMOLUMENTS

The Directors of the Company are the members of the Committee of Management.  
No. remuneration is paid to any director.

|   | 1994<br>£ | 1993<br>£ |
|---|-----------|-----------|
| Total expenses re-imbursed to the directors not chargeable to United Kingdom Income tax | 319       | 646       |

### EMPLOYEE INFORMATION

|   | No.            | No.            |
|---|----------------|----------------|
| The average number of persons (including the Chief Executive) employed during the year was: |                |                |
| Office staff  | 7              | 6              |
| Estate and Tenant Support Staff   | 30             | 21             |
| Staff costs (for the above persons)   | £              | £              |
| Wages and salaries  | 386,223        | 266,001        |
| Social security costs and pension costs   | 43,215         | 31,471         |
|   | <u>429,438</u> | <u>297,412</u> |

Emoluments (excluding pension contribution and employers national insurance contribution) include amounts paid to the highest paid employee (Chief Executive)

|  | 1994<br>£ | 1993<br>£ |
|--|-----------|-----------|
|  | 28,222    | 27,132    |

Staff at hostels managed by agents of the Association are not employees of the Housing Association

**THE CHESHIRE FOUNDATION HOUSING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 1994

**10. TANGIBLE FIXED ASSETS- Housing Properties**

|                                 | Freehold         | Leasehold      | Properties In<br>the course of<br>Construction | Shared<br>Owner-<br>ship | Total            |
|---------------------------------|------------------|----------------|--|--------------------------|------------------|
|                                 | £                | £              | £  | £                        | £                |
| Cost at 1 October 1993          | 4,704,524        | 875,184        | 1,990,477                                      | 26,497                   | 7,696,682        |
| Additions                       | 31,098           | 2,242          | 853,214  | 1,696                    | 888,250          |
| Disposals                       |                  |                |  | -21,125                  | -21,125          |
| Transfer to completed schemes   | 2,701,004        |                | -2,701,004                                     |                          | 0                |
| Balance as at 30 September 1994 | <u>7,436,626</u> | <u>877,426</u> | <u>142,687</u>                                 | <u>107,068</u>           | <u>8,563,807</u> |

**DEPRECIATION**

|                              |               |               |
|------------------------------|---------------|---------------|
| BALANCE at 1 October 1993    | 17,105        | 17,105        |
| Charge for the period        | 2,575         | 2,575         |
| Balance at 30 September 1994 | <u>19,680</u> | <u>19,680</u> |

**NET BOOK VALUE of Housing Properties**

|                         |                  |                |                  |                |                  |
|-------------------------|------------------|----------------|------------------|----------------|------------------|
| As at 30 September 1994 | <u>7,436,626</u> | <u>857,746</u> | <u>142,687</u>   | <u>107,068</u> | <u>8,544,127</u> |
| As at 30 September 1993 | <u>4,704,524</u> | <u>858,079</u> | <u>1,990,477</u> | <u>26,497</u>  | <u>7,679,577</u> |

**HOUSING ASSOCIATION GRANTS**

|                                      |                  |                |                |               |                  |
|--------------------------------------|------------------|----------------|----------------|---------------|------------------|
| Balance at 1 October 1993            | 4,160,115        | 652,150        | 1,911,093      | 67,272        | 6,790,630        |
| Additions                            | 13,901           | 1,921          | 692,737        | 240           | 708,799          |
| HAG transferred to completed schemes | 2,462,911        |                | -2,462,911     |               |                  |
| Balance at 30 September 1994         | <u>6,636,927</u> | <u>654,071</u> | <u>140,919</u> | <u>67,512</u> | <u>7,499,429</u> |

**OTHER CAPITAL GRANTS**

|                                   |                  |                |                |               |                  |
|-----------------------------------|------------------|----------------|----------------|---------------|------------------|
| Balance at 1 October 1993         | 264,206          | 17,001         | 14,981         | 22,872        | 319,060          |
| Transfer to Revenue Account       | 0                |                | -2,981         |               | -2,981           |
| Transfer to completed schemes     | 12,000           |                | -12,000        |               | 0                |
| Balance at 30 September 1994      | <u>276,206</u>   | <u>17,001</u>  | <u>0</u>       | <u>22,872</u> | <u>316,079</u>   |
| Total Grants at 30 September 1994 | <u>6,913,133</u> | <u>671,072</u> | <u>140,919</u> | <u>90,384</u> | <u>7,815,508</u> |

**HOUSING PROPERTIES**

**NET OF DEPRECIATION AND CAPITAL GRANTS**

|                               |                |                |               |               |                |
|-------------------------------|----------------|----------------|---------------|---------------|----------------|
| Value as at 30 September 1994 | <u>523,493</u> | <u>186,674</u> | <u>1,768</u>  | <u>16,684</u> | <u>728,619</u> |
| Value as at 30 September 1993 | <u>280,203</u> | <u>188,928</u> | <u>64,403</u> | <u>36,353</u> | <u>569,887</u> |

As an indication of current values these housing and hostel properties are insured for £9,371,000 (£8,585,000 at September 1993)

**THE CHESHIRE FOUNDATION HOUSING ASSOCIATION.**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th September 1994

**11. OTHER FIXED ASSETS**

|                                   | 8 Summer<br>Road<br>(Freehold) | Office<br>Equipment<br>and Vehicles | Hostel<br>Furniture | Total          |
|-----------------------------------|--------------------------------|-------------------------------------|---------------------|----------------|
|                                   | £                              | £                                   | £                   | £              |
| Balance at 1st October 1993       | 118,055                        | 42,046                              | 70,234              | 230,335        |
| Additions                         | 608                            | 42,747                              | 22,143              | 65,498         |
| Disposals                         |                                | -17,429                             |                     | -17,429        |
| Balance as at 30th September 1994 | <u>118,663</u>                 | <u>67,364</u>                       | <u>92,377</u>       | <u>278,404</u> |

**DEPRECIATION**

|                                     |                |               |               |                |
|-------------------------------------|----------------|---------------|---------------|----------------|
| Balance at 1st October 1993         | 3,827          | 26,367        | 66,220        | 96,414         |
| Charge for the period               | 2,373          | 16,796        | 5,965         | 25,134         |
| Disposal                            |                | -17,429       |               | -17,429        |
| Balance at 30th September 1994      | <u>6,200</u>   | <u>25,734</u> | <u>72,185</u> | <u>104,119</u> |
| Net Book Value at 30 September 1994 | <u>112,463</u> | <u>41,630</u> | <u>20,192</u> | <u>174,285</u> |
| Net Book Value at 30 September 1993 | <u>114,228</u> | <u>15,679</u> | <u>4,014</u>  | <u>133,921</u> |

**12. INVESTMENTS**

|   | 1994 | 1993 |
|---|------|------|
|   | £1   | £1   |
| Investment in Prospect Housing Association at cost: |      |      |

**13. DEBTORS**

|                                       | 1994           | 1993           |
|---------------------------------------|----------------|----------------|
|                                       | £              | £              |
| Amounts falling due within one year:  |                |                |
| Rental debtors                        | 2,657          | 1,285          |
| Hostel deficit grant receivable       | 0              | 48,427         |
| Revenue Grants receivable             | 101,680        | 50,206         |
| Housing association grants receivable | 18,119         | 140,964        |
| Prepayments and sundry debtors        | <u>120,805</u> | <u>61,344</u>  |
|                                       | <u>243,261</u> | <u>302,226</u> |

An amount of £15,538 of the claim for Hostel deficit grant for 1991/92 was disallowed and has been written back to the income and expenditure account.

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENT for the year ended 30th September 1994

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | £              | £              |
|---|----------------|----------------|
| Housing loans                                   | 47,258         | 50,197         |
| Non Housing loans - Leonard Cheshire Foundation | 0              | 8,514          |
| Bank loans and overdraft                        | 5,166          | 6,163          |
| HAG in advance                                  | 39,215         | 445,283        |
| Cost of capital schemes                         | 48,609         | 113,811        |
| Accruals and deferred income                    | 146,563        | 120,420        |
|   | <u>286,811</u> | <u>744,388</u> |

Housing Loans falling due within one year include £41,846 (1993 £49,624)  
for loans on properties under construction for which 100% Housing Association  
Grants will be receivable

### 15. CREDITORS: AMOUNTS FALL DUE AFTER MORE THAN ONE YEAR

|   | 1994<br>£      | 1993<br>£      |
|---|----------------|----------------|
| Housing loans                                   | 661,900        | 501,286        |
| Non Housing Loans - Leonard Cheshire Foundation | 0              | 49,625         |
|   | <u>661,900</u> | <u>550,911</u> |

The Non-Housing Loan, due to The Leonard Cheshire Foundation, was  
repaid during the year to 30th September 1994

In accordance with the accounting policy set out in note 1, deferred interest of £2,060  
is charged to the income and expenditure account (1993 : £7,686)

### Housing loans - (excluding development loans eligible for 100% HAG)

Housing loans from The Housing Corporation and local authorities are secured by  
specific charges on the Association's housing properties and are repayable at  
varying rates of interest in instalments due as follows:

|                            | 1994<br>£      | 1993<br>£      |
|----------------------------|----------------|----------------|
| In one year or less        | 5,412          | 573            |
| Between one and two years  | 5,922          | 631            |
| Between two and five years | 6,452          | 2,330          |
| In five years or more      | 649,526        | 498,325        |
|                            | <u>667,312</u> | <u>501,859</u> |

### 16. CAPITAL COMMITMENTS

At 30th September 1994 the Association was committed to Capital expenditure of  
£560,000 (£1993 : £962,700)

# THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th September 1994

### 17. PENSION OBLIGATIONS

The Cheshire Foundation Housing Association participates in an industry wide defined benefit scheme as well as a money purchase pension scheme.

#### The NFHA/HA Scheme

Three members of staff participate in the NFHA/HA scheme which is a final salary scheme. The latest actuarial valuation was undertaken at 30 September 1993 when the total market value of assets were shown as £170,963,000. The actuaries report concluded that assets exceeded past service liabilities by 6% assuming a real rate of return of 3.5%.

#### The Growth Plans

Five members of staff participate in money purchase pension schemes which provide benefits based on members' contributions. The growth plans were valued at 30 September 1993. Total market value was shown as £250,840,000. The actuaries concluded that assets exceeded accrued liabilities by 6% assuming a real rate of return of 3.5%.

### 18. CALLED UP SHARE CAPITAL

The Company is limited by Guarantee. No Share Capital is issued.

### 19. RENT SURPLUS FUND

|   | 1994   | 1993   |
|---|--------|--------|
|   | £      | £      |
| Relevant net rental income for the year | 9,050  | 9,437  |
| Transfer to major repairs (60%)         | -5,430 | -5,662 |
| Transfer to major repairs (20%)         | -1,810 | -1,887 |
| Retention (20%)                         | -1,810 | -1,888 |

#### MAJOR REPAIRS RESERVES

|                                    | Major<br>60% | Repairs<br>20% | Mixed<br>Funded |        | Total  |
|------------------------------------|--------------|----------------|-----------------|--------|--------|
|                                    | £            | £              | £               | £      | £      |
| Balance at 1st October 1993        | 16,613       | 3,550          | 12,185          |        | 32,348 |
| Transfer from Income & Expenditure | 5,430        | 1,810          | 12,686          | 19,926 |        |
| Interest earned on reserves        | 1,617        |                |                 | 1,617  |        |
| Spent during the period            |              | -5,360         | -2,125          | -7,485 |        |
|                                    |              |                |                 |        | 14058  |
| Balance at 30th September 1994     | 23,660       | NIL            | 22,746          |        | 46,406 |



THE CHESHIRE FOUNDATION HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30th September 1994

20. Reconciliation of operating surplus to net cash inflow from operating activities

|                                       | 1994<br>£      | 1993<br>£      |
|---------------------------------------|----------------|----------------|
| Operating surplus                     | 246,669        | 248,958        |
| Depreciation and other non-cash items | 25,249         | 10,352         |
| Increase in debtors (1993 decrease)   | -63,880        | 121,879        |
| Increase in creditors (1993 decrease) | 39,128         | -15,530        |
|                                       | <u>247,166</u> | <u>365,659</u> |

21. Analysis of changes in cash and cash equivalent during the year

|                                | £               | £              |
|--------------------------------|-----------------|----------------|
| Balance at 1st October 1993    | 950,569         | 245,835        |
| Net cash inflow/outflow        | <u>-265,624</u> | <u>704,734</u> |
| Balance at 30th September 1994 | <u>684,945</u>  | <u>950,569</u> |

22. Analysis of the balances of cash and cash equivalent as shown in the balance sheet

|                          | £              | £              |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 690,111        | 456,732        |
| Short-term investments   | 0              | 500,000        |
| Bank overdraft           | <u>-5,166</u>  | <u>-6,163</u>  |
|                          | <u>684,945</u> | <u>950,569</u> |

23. Analysis of changes in financing during the year

|                                   | Housing<br>Loan<br>£ | Non-Housing<br>Loan<br>£ | 1994<br>Total<br>£ |
|-----------------------------------|----------------------|--------------------------|--------------------|
| Balance at 1st October 1993       | 551,483              | 58,139                   | 609,622            |
| Repayments net of new loans       | 155,615              | -58,139                  | 97,476             |
| Interest deferred during the year | 2,060                | 0                        | 2,060              |
| Balance at 30th September 1994    | <u>709,158</u>       | <u>0</u>                 | <u>709,158</u>     |