



ABILITY HOUSING ASSOCIATION

(a company limited by guarantee
and not having a share capital)

FINANCIAL STATEMENTS

**YEAR ENDED
30 SEPTEMBER 2001**

Registered Company No: 1261380



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ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 30 September 2001

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ABILITY HOUSING ASSOCIATION
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DIRECTORS' REPORT

year ended 30 September 2001

The directors, being the members of the Board, submit their report and financial statements for the year ended 30 September 2001.

Status

The Association is a company limited by guarantee without a share capital, Company No. 1261380. It is also a registered charity, No. 271547 and a registered social landlord, No. LH2174.

Board members

Jane Cooke	-	Chairman
Ashok Ghose		
Francis Markham		
Joanna Pitts		
Gino Mancini	-	Resigned September 2001
John Knevet		
Peter Wragg	-	Retired March 2001; Rejoined November 2001
Peter Cleland		
Trevor Knowles	-	Resigned September 2001
Diana O'Hara	-	Resigned December 2000
Michael Hoad	-	Appointed July 2001
John Daley	-	Appointed July 2001
Lesley Burton	-	Appointed November 2001

Results

The results for the year are shown in the attached financial statements.

Principal activities

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

Corporate governance

The National Housing Federation (NHF) Code of Governance aims to support housing associations in following the highest standards of governance, accountability and probity, while responding to an environment of change and risk. Its recommendations are meant as guidance to best practice rather than instruction and should not be seen as mandatory.

The Board has considered the NHF Code and has made appropriate changes to its governance arrangements.

The Board currently comprises 10 members and meets 6 times a year in addition to the Annual General Meeting.

ABILITY HOUSING ASSOCIATION
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DIRECTORS' REPORT

year ended 30 September 2001
(continued)

Review of the year

Whilst 1999/2000 was a year of considerable change for Ability, 2000/2001 was a year of consolidation and preparation for the future. It was our Silver Jubilee year and was notable for the departure of Joyce Denny, our chief executive since 1987; and the appointment of our Director of Housing and Care Services, David Williams, as the new Chief Executive.

The Association marked the 25th anniversary of its founding in 1976 at a celebratory event attended by tenants, staff, partners and 'friends' of Ability, where Chairman, Jane Cooke, reaffirmed Ability's continuing commitment to promoting independent living for disabled people and its core values of quality, value, respect and integrity.

Joyce Denny, the Association's chief executive since 1987, chose the occasion of the 25th Anniversary to announce her departure in search of fresh challenges. During her 14 year tenure, Joyce has been instrumental in transforming the Association into the strong, vibrant organisation that it is today. Following an open recruitment process, David Williams, Ability's Director (Housing & Care Services) was appointed as Joyce's successor and he took up his appointment at the beginning of December 2001. David has been with the Association for ten years and his appointment will ensure continuity and adherence to Ability's core values.

Supporting People preparations have taken up a great deal of time and effort of staff and senior managers. The new funding mechanism for supported housing will take effect from April 2003 and Ability is preparing now to ensure that all of its supported housing services meet the required standards and match the strategic priorities of the new commissioning bodies.

Shared supported housing schemes in Dorking and Bracknell have been remodelled to provide self-contained accommodation from previously shared housing and further remodelling projects have been initiated in Farnham and Havant.

Ability has led a partnership project with Reading Borough Council and the Reading Primary Care Trust to develop the country's first web-based disability housing register, with funding from the Government's Invest To Save initiative.

Preparations have begun for rent restructuring and preliminary assessments suggest that the impact on Ability will be broadly neutral.

The Board has been strengthened by the additions of Michael Hoad, John Daley and Lesley Burton..

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

DIRECTORS' REPORT

year ended 30 September 2001
(continued)

Statement of board responsibilities

Housing association and company law requires the Board 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 income and expenditure for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departure 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 Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. It is also responsible for safeguarding the assets of the Association and hence for taking steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial control

The Board is responsible for maintaining a satisfactory system of internal financial control over the accounting records and transactions and for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Board acknowledges that no system of control can provide absolute assurance against material misstatement or loss but the measures in place provide reasonable assurance as to the above.

The Association's internal financial control procedures include:

- financial policies are in place which lay down regulations for investment, borrowing, delegation of authority to place orders and make payments
- the Board reviews these policies annually
- a budget is approved by the Board annually and reports presented quarterly of performance against budget
- quarterly and annual accounts are presented to and approved by the Board
- an internal auditor is appointed by the Board to report directly to it in respect of compliance with the financial and other policies and procedures and to recommend good practice in these areas. His report for the period up to 30 September 2001 shows a satisfactory situation of internal control, commensurate with the size of the Association, and has been reported to the Board
- qualified and competent staff have been employed to undertake the day to day functions of the Association and to apply its policies, and have been provided with the resources to carry them out effectively. Their competency is assessed annually at a formal appraisal.

The Board has reviewed the effectiveness of internal financial control and no weaknesses were found which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

DIRECTORS' REPORT
year ended 30 September 2001
(continued)

Fixed assets

The changes in the fixed assets of the Association are shown in the notes to the financial statements.

Employees

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

Senior staff (as at 30 September 2001)

Joyce Denny MA FRICS FCIH	-	Chief Executive
David Williams BSc	-	Director of Housing and Care Services
Aubrey Vaughan-Dick BA(Hons), B Arch, RIBA	-	Head of Property and Development
Chris Rogers BA, FCA	-	Finance and Administration Manager

Auditors

The Board recommends that a resolution to re-appoint HLB Kidsons be proposed at the Annual General Meeting.

By Order of the Board



Jane Cooke

Chairman

The Coach House
Gresham Road
Staines
Middlesex
TW18 2AE

23-1-2002

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

**REPORT OF THE AUDITORS ON COMPLIANCE WITH
HOUSING CORPORATION CIRCULAR R2-18/96**

To Ability Housing Association

In addition to our audit of the financial statements, we have reviewed the Board's statement on page 3 on the Association's compliance with Housing Corporation Circular R2-18/96, "Internal Financial Control and Financial Reporting" ("The Circular"). The objective of our review is to draw attention to any non-compliance with those paragraphs of the Circular which is not disclosed.

Basis of opinion

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express an opinion on the effectiveness of the Association's system of internal financial control.

Opinion

With respect to the Board's statement on internal financial control on page 3, in our opinion, the Board has provided the disclosures required by the Circular referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.

HLB Kidsons

HLB Kidsons

Chartered Accountants

Registered Auditors

London

23-1-2002

ABILITY HOUSING ASSOCIATION
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REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENTS

Auditors' report to the members of Ability Housing Association

We have audited the financial statements on pages 7 to 20 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of the Board and auditors

As described on page 3 the Board is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our 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 Board in the preparation of the financial statements and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 30 September 2001, and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000.

HLB Kidsons

HLB Kidsons

Chartered Accountants

Registered Auditors

London

23-1-2002

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

INCOME AND EXPENDITURE ACCOUNT

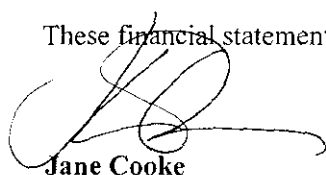
for the year ended 30 September 2001

	Note	2001 £	2000 £
Turnover	2	3,003,052	2,690,186
Operating costs	2	(2,792,469)	(2,515,428)
Operating surplus	2	210,583	174,758
Interest receivable		35,632	36,183
Interest payable	4	(110,314)	(101,053)
Surplus on ordinary activities	5	135,901	109,888
Transfer to restricted reserves	18	(14,196)	(13,739)
Transfer from restricted reserves	18	16,679	44,900
Transfer to designated reserves	19	(85,804)	(86,261)
Transfer from designated reserves	19	<u>39,403</u>	<u>643</u>
Surplus for the year		91,983	55,431
Revenue reserves brought forward		<u>1,249,030</u>	<u>1,193,599</u>
Revenue reserves carried forward		<u>1,341,013</u>	<u>1,249,030</u>

All amounts relate to continuing activities.

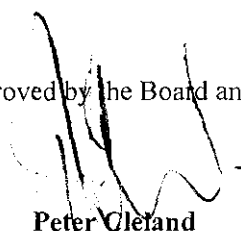
All recognised surpluses and deficits are included in the income and expenditure account, which has been prepared using historical cost accounting.

These financial statements were approved by the Board and signed on its behalf by:



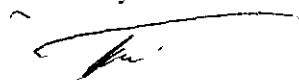
Jane Cooke

Chairman



Peter Cleland

Board member



David Williams

Secretary

Date of approval: 23-1-2002

The notes on pages 10 to 20 form part of these financial statements.

ABILITY HOUSING ASSOCIATION
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BALANCE SHEET

at 30 September 2001

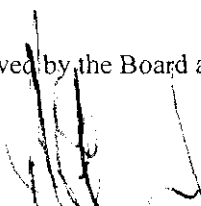
	Note	£	2001	£	£	2000	£
Fixed assets							
Tangible assets							
Housing properties at cost	9		13,959,118			13,480,421	
Depreciation			(47,001)			(40,925)	
Social housing grants			(11,472,482)			(11,061,716)	
Other capital grants			<u>(338,025)</u>			<u>(338,025)</u>	
			2,101,610			2,039,755	
Other fixed assets	10		<u>507,646</u>			<u>481,667</u>	
			2,609,256			2,521,422	
Current assets							
Debtors	11	185,191			132,832		
Cash at bank and in hand		<u>732,697</u>			<u>923,960</u>		
		917,888			1,056,792		
Creditors: amounts falling due within one year	12	<u>(290,672)</u>			<u>(464,259)</u>		
Net current assets			<u>627,216</u>			<u>592,533</u>	
Total assets less current liabilities			<u>3,236,472</u>			<u>3,113,955</u>	
Creditors: amounts falling due after more than one year	13		<u>1,305,471</u>			<u>1,318,855</u>	
Reserves							
Restricted reserve	18		-			2,483	
Designated reserve	19		589,988			543,587	
Revenue reserves			<u>1,341,013</u>			<u>1,249,030</u>	
			<u>1,931,001</u>			<u>1,795,100</u>	
			<u>3,236,472</u>			<u>3,113,955</u>	

These financial statements were approved by the Board and signed on its behalf by:



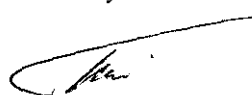
Jane Cooke

Chairman



Peter Cleland

Board member



David Williams

Secretary

Date of approval: 23-1-2002

The notes on pages 10 to 20 form part of these financial statements.

ABILITY HOUSING ASSOCIATION
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CASH FLOW STATEMENT

for the year ended 30 September 2001

		2001	2000
	Note	£	£
Cash flow from operating activities	20	158,485	241,177
Returns on investment and servicing of finance			
Interest received		35,632	36,183
Interest paid		<u>(109,982)</u>	<u>(100,171)</u>
Net cash outflow from returns on investments and servicing of finance		(74,350)	(63,988)
Capital expenditure and financial investment			
Acquisition and construction of housing properties		(572,486)	(890,359)
Social housing grant and other capital grants received		406,306	713,920
Purchase of other tangible fixed assets		(94,502)	(74,618)
Proceeds of disposal of fixed assets		<u>—</u>	<u>8,000</u>
		<u>(260,682)</u>	<u>(243,057)</u>
Cash outflow before use of liquid resources and financing		(176,547)	(65,868)
Management of liquid resources		-	-
Financing			
Housing loans received	22	2,284	44,271
Housing loans repaid		<u>(17,000)</u>	<u>(15,000)</u>
Net cash (outflow)/inflow from financing		<u>(14,716)</u>	<u>29,271</u>
Decrease in cash in the year		<u>(191,263)</u>	<u>(36,597)</u>

The notes on pages 10 to 20 form part of these financial statements.

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001

1 Principal accounting policies

The Association is established under the Companies Act 1985 as a company limited by guarantee. It is registered with both the Charity Commissioners and the Housing Corporation.

The financial statements have been prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000, the Statement of Recommended Practice, "Accounting by Registered Social Landlords" and other applicable accounting standards.

Basis of accounting

The financial statements are prepared on the historical cost basis.

Turnover

Turnover represents rental income receivable net of voids, fees and grants from local authorities and The Housing Corporation.

Fixed assets and depreciation

Tangible fixed assets, except freehold 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 other fixed assets at the following annual rates:

Freehold offices	-	2%
Plant, machinery and fixtures	-	25%
Motor vehicles	-	25%
Hostel furniture	-	25%
Computer equipment	-	33 $\frac{1}{3}$ %

Housing properties

Housing properties are stated at cost, less capital grants receivable.

Depreciation on freehold housing properties is provided where material. Depreciation is calculated by reference to the building cost of the properties, less related grants, and the estimated remaining useful economic lives of the buildings. The estimated useful economic lives are up to 100 years, dependent on property type, age and condition.

Freehold land is not depreciated. Leasehold properties are depreciated on a straight line basis 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. Cost includes directly attributable overheads wholly incurred in the course of construction.

Impairment

In the event that any assets are impaired in value or, in the case of housing properties, in use, provisions are made to reduce the book value of the relevant assets to their value in use.

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001
(continued)

1 Principal accounting policies (continued)

Works to existing housing properties

The cost of works to existing housing properties which extend the useful economic lives of those properties, increase rental income or reduce on going costs are capitalised. Such costs are depreciated over their estimated useful lives of the related works, which range up to 100 years. The cost of any other works not meeting this criteria are expensed as incurred.

Grants

All capital grants received are shown as a deduction from the cost of fixed assets where they contribute towards capital expenditure, or credited to the income and expenditure account as part of turnover where they contribute towards revenue expenditure.

Pension costs

The cost of providing retirement pensions and related benefits is charged to the income and expenditure account over the periods benefiting from employees' services.

Major repairs

The Association designates reserves 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.

The RSF re-investment fund for major repairs is set aside in a restricted reserve as required by Housing Corporation regulations.

Agency managed schemes

A number of the Association's hostel schemes are managed on its behalf under agency arrangements. As the Association retains all of the financial risk of managing these projects, all of the income and expenditure and assets and liabilities relating to these schemes are included in these financial statements.

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001
(continued)

2 Turnover, cost of sales operating costs and operating surplus

	2001				2000			
	Turnover £	Cost of sales £	Operating costs £	Operating surplus £	Turnover £	Cost of sales £	Operating costs £	Operating surplus £
Social housing lettings (note 3)								
General needs	546,800	-	(407,018)	139,782	511,582	-	(335,884)	175,698
Supported housing	914,848	-	(837,581)	77,267	749,960	-	(811,918)	(61,958)
Residential care homes	1,470,771	-	(1,446,645)	24,126	1,350,364	-	(1,296,796)	53,568
Shared ownership	<u>6,091</u>	-	-	<u>6,091</u>	<u>4,206</u>	-	-	<u>4,206</u>
	<u>2,938,510</u>	-	<u>(2,691,244)</u>	<u>247,266</u>	<u>2,616,112</u>	-	<u>(2,444,598)</u>	<u>171,514</u>
Other social housing activities								
Management services	32,140	-	(27,843)	4,297	39,535	-	(24,129)	15,406
Development administration	16,063	-	(49,330)	(33,267)	23,443	-	(23,776)	(333)
Other	<u>16,339</u>	-	<u>(24,052)</u>	<u>(7,713)</u>	<u>11,096</u>	-	<u>(22,925)</u>	<u>(11,829)</u>
	<u>64,542</u>	-	<u>(101,225)</u>	<u>(36,683)</u>	<u>74,074</u>	-	<u>(70,830)</u>	<u>3,244</u>
	<u>3,003,052</u>	-	<u>(2,792,469)</u>	<u>210,583</u>	<u>2,690,186</u>	-	<u>(2,515,428)</u>	<u>174,758</u>

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001
(continued)

3 Income and expenditure from lettings

Social housing	General needs housing £	Support housing £	Residential care Homes £	Shared ownership accommodation £	Total 2001 £	Total 2000 £
Income from lettings						
Rent receivable net of identifiable service charges	467,295	270,989	247,552	6,091	991,927	939,595
Service charges receivable	65,812	125,301	108,465	-	299,578	287,280
Care charges receivable	4,189	-	214,577	-	218,766	230,461
Gross rents receivable	537,296	396,290	570,594	6,091	1,510,271	1,457,336
Less: rent losses from voids	(3,300)	(17,157)	(25,067)	-	(45,524)	(36,463)
Net rents receivable	533,996	379,133	545,527	6,091	1,464,747	1,420,873
Revenue grants from local authorities and other agencies	-	281,717	718,167	-	999,884	766,303
Major repair grants from the Housing Corporation	10,078	3,390	-	-	13,468	10,236
Other grants from the Housing Corporation	2,726	250,608	207,077	-	460,411	418,700
Turnover from social housing lettings	546,800	914,848	1,470,771	6,091	2,938,510	2,616,112

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001
(continued)

3	Income and expenditure from lettings (continued)							
		General needs housing £	Support housing £	Residential care Homes £	Shared ownership accommodation £	Total 2001 £	Total 2000 £	
	Expenditure on letting activities							
	Services	58,708	73,821	94,606	-	227,135	265,151	
	Care and personal service	-	267,018	1,025,213	-	1,292,231	1,099,639	
	Management	202,366	327,418	391,208	-	920,992	848,757	
	Routine maintenance	95,096	42,217	44,045	-	181,358	172,669	
	Rent losses from bad debts	-	25	(47)	-	(22)	2,602	
	Major repairs expenditure	50,848	9,682	9,020	-	69,550	55,780	
	Total expenditure on lettings	<u>407,018</u>	<u>720,181</u>	<u>1,564,045</u>	<u>-</u>	<u>2,691,244</u>	<u>2,444,598</u>	
	Operating surplus on letting activities	<u>139,782</u>	<u>194,667</u>	<u>(93,274)</u>	<u>6,091</u>	<u>247,266</u>	<u>171,514</u>	
	Service charges receivable eligible for housing benefit	61,623	109,137	63,782	-	234,542	240,336	
	Service charges receivable not eligible for housing benefit	<u>4,189</u>	<u>16,164</u>	<u>44,683</u>	<u>-</u>	<u>65,036</u>	<u>46,944</u>	
		<u>65,812</u>	<u>125,301</u>	<u>108,465</u>	<u>-</u>	<u>299,578</u>	<u>287,280</u>	
	Average weekly assured tenancy rent in respect of housing accommodation including service charges eligible for housing benefit					<u>£73,98</u>	<u>£71.03</u>	
	Increase over the year					<u>4.2%</u>		

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001
(continued)

4	Interest payable	2001	2000
		£	£
	On housing loans:		
	Repayable wholly or partly in more than 5 years	109,982	100,170
	Deferred interest	<u>332</u>	<u>883</u>
		<u>110,314</u>	<u>101,053</u>
5	Surplus on ordinary activities		
	Is stated after charging:		
	Depreciation	74,619	89,736
	Auditors' remuneration (inc. VAT):		
	- in their capacity as auditors	7,402	10,124
	- provision of other services	1,998	10,000
	- audit of hostels managed by agent	<u>911</u>	<u>901</u>
6	Taxation		
	The company is a registered charity and is exempt from corporation tax on its income and gains to the extent that these are applied for charitable purposes.		
7	Directors' emoluments		
	The directors are defined as the Board members, the Chief Executive and members of the senior management team.		
	No Board members received any emoluments in the year.		
		2001	2000
		£	£
	Aggregate emoluments of directors (including pension contributions and benefits in kind)	<u>150,514</u>	<u>139,398</u>
	Emoluments of the highest paid director (excluding pension contributions and including benefits in kind)	<u>44,326</u>	<u>41,599</u>
	Total expenses reimbursed to directors not chargeable to United Kingdom income tax	<u>6,691</u>	<u>7,746</u>
	The Chief Executive is an ordinary member of the Association's pension scheme and no special pension arrangements exist.		
8	Employee information	2001	2000
		Number	Number
	Office staff	12	11
	Estate and tenant support staff	<u>72</u>	<u>60</u>
	Full time equivalents:		
	Office staff	11	10
	Estate and tenant support staff	<u>61</u>	<u>50</u>
	Staff costs (for the above persons):	£	£
	Wages and salaries	1,225,695	1,005,323
	Social security costs	98,565	72,514
	Pension costs (see note 16)	<u>31,586</u>	<u>27,172</u>
		<u>1,355,846</u>	<u>1,105,009</u>

ABILITY HOUSING ASSOCIATION
(a company limited by guarantee and not having a share capital)

NOTES ON THE FINANCIAL STATEMENTS

30 September 2001

(continued)

9	Tangible assets	Completed freehold housing properties £	Completed leasehold housing properties £	Housing properties in the course of construction £	Shared ownership housing properties £	Total £
	Cost					
	At 1 October 2000	10,634,482	2,171,116	486,846	187,977	13,480,421
	Additions	235,295	7,381	235,704	317	478,697
	Transfer of completed schemes	<u>232,627</u>	<u>285,540</u>	<u>(598,312)</u>	<u>80,145</u>	<u>-</u>
	At 30 September 2001	<u>11,102,404</u>	<u>2,464,037</u>	<u>124,238</u>	<u>268,439</u>	<u>13,959,118</u>
	Depreciation					
	At 1 October 2000	-	40,925	-	-	40,925
	Charge for the year	<u>-</u>	<u>6,076</u>	<u>-</u>	<u>-</u>	<u>6,076</u>
	At 30 September 2001	<u>-</u>	<u>47,001</u>	<u>-</u>	<u>-</u>	<u>47,001</u>
	Social housing grants					
	At 1 October 2000	9,000,696	1,648,651	288,450	123,919	11,061,716
	Additions	113,866	-	296,900	-	410,766
	Grants transferred for completed schemes	<u>188,170</u>	<u>225,680</u>	<u>(504,850)</u>	<u>91,000</u>	<u>-</u>
	At 30 September 2001	<u>9,302,732</u>	<u>1,874,331</u>	<u>80,500</u>	<u>214,919</u>	<u>11,472,482</u>
	Other capital grants					
	At 1 October 2000 and 30 September 2001	<u>296,206</u>	<u>17,001</u>	<u>-</u>	<u>24,818</u>	<u>338,025</u>
	Net book value					
	At 30 September 2001	<u>1,503,466</u>	<u>525,704</u>	<u>43,738</u>	<u>28,702</u>	<u>2,101,610</u>
	At 30 September 2000	<u>1,337,580</u>	<u>464,539</u>	<u>198,396</u>	<u>39,240</u>	<u>2,039,755</u>

Housing and hostel properties are insured on the basis of reinstatement costs for £18.8 million (2000: £18.2 million).

No impairment review was required to be undertaken in the year.

All housing properties are for social housing use.

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10	Other fixed assets	Freehold office premises	Office equipment and vehicles	Hostel furniture	Total
		£	£	£	£
	Cost				
	At 1 October 2000	435,150	272,870	158,482	866,502
	Additions	-	80,341	14,181	94,502
	Disposals	-	(24,312)	-	(24,312)
	At 30 September 2001	<u>435,150</u>	<u>328,899</u>	<u>172,663</u>	<u>936,712</u>
	Depreciation				
	At 1 October 2000	25,685	217,810	141,340	384,835
	Charge for the year	8,704	47,687	12,152	68,543
	Disposals	-	(24,312)	-	(24,312)
	At 30 September 2001	<u>34,389</u>	<u>241,185</u>	<u>153,492</u>	<u>429,066</u>
	Net book value				
	At 30 September 2001	<u>400,761</u>	<u>87,714</u>	<u>19,171</u>	<u>507,646</u>
	At 30 September 2000	<u>409,465</u>	<u>55,060</u>	<u>17,142</u>	<u>481,667</u>
11	Debtors: amounts receivable within one year			2001	2000
				£	£
	Rental debtors			27,022	27,675
	Less: provisions for bad debts			-	(1,515)
				<u>27,022</u>	<u>26,160</u>
	Prepayments and sundry debtors			<u>158,169</u>	<u>106,672</u>
				<u>185,191</u>	<u>132,832</u>
12	Creditors: amounts falling due within one year				
	Housing loans (see note 14)			16,000	17,000
	Grant received in advance			-	4,460
	Capital creditors			63,077	156,866
	Other taxation and social security			31,678	31,303
	Other creditors			5,146	4,156
	Accruals and deferred income			<u>174,771</u>	<u>250,474</u>
				<u>290,672</u>	<u>464,259</u>
Included in creditors above is £Nil (2000 - £Nil) relating to recycled capital grants.					
The estimated average period between the receipt of invoices and their subsequent payment is not more than 30 days.					
13	Creditors: amounts falling due after more than one year			2001	2000
				£	£
	Housing loans (see note 14)			<u>1,305,471</u>	<u>1,318,855</u>

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14 Housing loans

Housing loans from local authorities and private lenders are repayable at varying rates of interest in instalments due as follows:

	2001 £	2000 £
Between one and two years	17,000	18,000
Between two and five years	38,000	40,000
In five years or more	<u>1,250,471</u>	<u>1,260,855</u>
	1,305,471	1,318,855
In one year or less	<u>16,000</u>	<u>17,000</u>
	<u>1,321,471</u>	<u>1,335,855</u>

The above loans are secured by way of charges over certain of the freehold properties. The amount so secured is equal to the total liability at any time.

15 Capital commitments

	2001 £	2000 £
Authorised and committed	155,182	687,433
Authorised and not contracted	<u>1,301,765</u>	-
	<u>1,456,947</u>	<u>687,433</u>

The capital commitments are to be funded by a Social Housing Grant (£885,000) and the balance from existing cash resources and additional borrowing facilities. The loan facilities are currently available or are in the process of being negotiated.

16 Pension obligations

The Association participates in industry wide defined benefit and money purchase pension schemes known, respectively, as The Pensions Trust - Social Housing Pension Scheme and The Pensions Trust - The Growth Plans. Each scheme had in excess of 18,000 members at the date of the valuations referred to below.

The Pensions Trust - Social Housing Pension Scheme

Three members of staff participate in the Social Housing Pension Scheme, which is a defined benefit scheme with assets held in separate funds administered by independent Trustees. The pension cost to the Association for the year was £14,364 (2000: £14,403).

Although the scheme is a defined benefit scheme, the association is unable to identify its share of the underlying assets and liabilities, and therefore the full disclosure requirements of Financial reporting Standard 17 relating to defined benefit schemes are not relevant.

The latest triennial actuarial valuation of the scheme was carried out as at 30 September 1999 by an independent consulting actuary using the projected unit funding method. The principal assumptions underlying the valuation were as follows:

- Rate of return on investments 6.6% per annum
- Rate of salary increases 4.5% per annum
- Rate of pension increases 2.5% per annum
- Rate of dividend growth 3.0% per annum.

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16 Pension obligations (continued)

At the date of the latest valuation, the actuarial assessed valuation of the Scheme's assets was £614 million (market value £595 million). The valuation revealed an actuarial deficit of £19 million (3.1% of liabilities).

The deficit is to be eliminated by maintaining the employer contributions at 10.6% of salary, as compared to a long term funding rate of 9.3%.

The Pensions Trust - The Growth Plans

Twenty six members of staff participate in The Growth Plans which is a money purchase scheme with assets held in separate funds administered by independent Trustees. The pension cost to the Association for the year was £17,222 (2000: £12,769). The Growth Plans were valued at 30 September 1999. The total market value of assets was £468 million. The actuary concluded that assets exceeded liabilities by 3.8% assuming a real rate of return of 2.5%.

17 Share capital

The company which is incorporated under the Companies Act 1985, is limited by guarantee. No share capital is issued. The liability of each member is limited to £1, being the amount guaranteed.

18 Restricted reserve - rent surplus fund

	2001	2000
	£	£
At beginning of year	2,483	33,644
Transfer from income and expenditure account	14,196	13,739
Transfer to income and expenditure account	<u>(16,679)</u>	<u>(44,900)</u>
At end of year	<u><u>-</u></u>	<u><u>2,483</u></u>

19 Designated reserve - major repairs

At beginning of year	543,587	457,969
Transfer from income and expenditure account	85,804	86,261
Transfer to income and expenditure account	<u>(39,403)</u>	<u>(643)</u>
At end of year	<u><u>589,988</u></u>	<u><u>543,587</u></u>

20 Reconciliation of operating surplus to cash flow from operating activities

Operating surplus	210,583	174,758
Depreciation	74,619	89,736
Change in debtors	(52,359)	(55,798)
Change in creditors	(74,358)	32,904
Surplus on disposal of fixed assets	<u>-</u>	<u>(423)</u>
Cash flow from operating activities	<u><u>158,485</u></u>	<u><u>241,177</u></u>

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21	Reconciliation of net cash outflow to movement in net debt	2001 £	2000 £
	Decrease in cash in the year	(191,263)	(36,597)
	Change in net debt resulting from cash flows	14,716	(29,271)
	Deferred interest	<u>(332)</u>	<u>(882)</u>
	Change in net debt	(176,879)	(66,750)
	Net debt at beginning of year	<u>(411,895)</u>	<u>(345,145)</u>
	Net debt at end of year	<u><u>(588,774)</u></u>	<u><u>(411,895)</u></u>

22	Analysis of net debt	At 1 October 2000 £	Cash flows £	Other changes £	At 30 September 2001 £
	Cash at bank and in hand	<u>923,960</u>	<u>(191,263)</u>	<u>-</u>	<u>732,697</u>
	Debt due after one year	(1,318,855)	(2,284)	15,668	(1,305,471)
	Debt due within one year	<u>(17,000)</u>	<u>17,000</u>	<u>(16,000)</u>	<u>(16,000)</u>
		<u>(1,335,855)</u>	<u>14,716</u>	<u>(332)</u>	<u>(1,321,471)</u>
	Total	<u><u>(411,895)</u></u>	<u><u>(176,547)</u></u>	<u><u>(332)</u></u>	<u><u>(588,774)</u></u>

23 Housing stock

The number of units of housing accommodation in management at 30 September was:

	2001 Number	2000 Number
General needs	153	143
Supported housing and care	160	170
Shared ownership	<u>5</u>	<u>2</u>
	<u><u>318</u></u>	<u><u>315</u></u>

In addition there are 9 units of staff accommodation in the Supported Housing.

Details of hostels managed by agents are as follows:

Agent	Supported housing management grant payable to agent £	Number of units managed by agent
SASBAH	-	6
Wimbledon Care Partnership	34,071	20
North Surrey Group Scope	<u>16,098</u>	<u>6</u>
	<u><u>50,169</u></u>	<u><u>32</u></u>

24 Social housing grant

Total social housing grant received or receivable as at the year end was £11,892,256 (2000 - £11,790,511) comprising capital grants of £11,472,482 (2000 - £11,061,716) and revenue grants of £419,774 (2000 - £728,795).