

Registrar of Companies

ACRE HOUSING

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006

The MGroup Partnership
Registered Auditors
Cranbrook House
287-291 Banbury Road, Oxford
OX2 7JQ



Company Registration Number: 2677365
Registered Charity Number: 1010701

ACRE HOUSING

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

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ACRE HOUSING

COMPANY INFORMATION FOR THE YEAR ENDED 31 MARCH 2006

TRUSTEES

Kim Faulkner
Ken Templeton
Andrew Taylor

SECRETARY

Susan Elizabeth Vandersteen

REGISTERED OFFICE

CAB International Business Centre
Nosworthy Way
Wallingford
Oxon
OX10 8DE

COMPANY REGISTRATION NUMBER

2677365

REGISTERED CHARITY NUMBER

1010701

AUDITORS

The MGroup Partnership
Registered Auditors
Cranbrook House
287-291 Banbury Road
Oxford
OX2 7JQ

BANKERS

Natwest Bank Plc
PO Box 13
30 Market Place
Newbury
Berkshire
RG14 5AJ

ACRE HOUSING

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2006**

SOLICITORS

Field Seymour Parkes
The Old Coroner's Court
No 1 London Street
PO Box 174
Reading
Berkshire
RG1 4QW

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The trustees present their annual report with the financial statements of the company for the year ended 31 March 2006.

CHARITABLE OBJECTS

The charity is established to relieve the needs of persons with learning disabilities by:

1. The provision, maintenance and management of residential and other accommodation;
2. The provision of advice and assistance in matters relating to their housing needs.

LEGAL STATUS

The company does not have a share capital and is limited by the guarantee of its members to the extent of £1 each.

The governing instruments under which the charity operates are its Memorandum and Articles of Association.

TRUSTEES

The following trustees held office during the year:

Kim Faulkner
Ken Templeton
Andrew Taylor

The existing trustees may make appointments of new trustees but all trustees must retire at the first Annual General Meeting, thereafter one third of trustees must retire at the Annual General Meeting and can seek re-election.

RETIRING TRUSTEES

The trustee retiring by rotation at the next Annual General Meeting in accordance with the Articles of Association is K Faulkner who being eligible offers himself for re-election.

LEGAL AND ADMINISTRATION INFORMATION

Further legal and administrative information is provided on pages 1 and 2 of these accounts.

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2006

ORGANISATIONAL STRUCTURE

Acre Housing has run in its new form for two years.

Acre Housing is run by a Board of Trustees which is responsible for organising all aspects of the daily running of the charity.

The Trustees are appointed by the Board and all Trustees must be at least 18 years of age and capable of managing his or her own affairs.

TRUSTEE INDUCTION AND TRAINING

New Trustees are given a thorough induction in line with guidance from the Charity Commission. They are encouraged to meet tenants and to understand their particular needs. Training is organised as required and the trustees review their skills mix on an annual basis.

RISK MANAGEMENT

The Trustees are responsible for undertaking an annual risk assessment of the organisation and its activities and presenting their findings to the Board for their approval. From this an annual improvement and development plan is drawn and implemented. A thorough risk assessment of all areas of the organisation has been completed and will be repeated annually.

ACHIEVEMENTS AND PERFORMANCE

This has been a very successful year for the charity. The tenants have settled into their new homes and are well established in their communities. The properties are in good order and are maintained by a local property management company. There are no major repairs required to any of the properties. All rents are paid on a regular basis and there are no arrears. There have been no voids over the last year.

The tenants continue to meet four times a year in a well supported Tenants' group. Feedback is given to the charity if there are any concerns about properties. There has been no negative feedback to date. The properties are visited three times per annum to check condition.

FINANCIAL REVIEW

Acre Housing has run under its new name and with its new memorandum and articles of association for two years. The Trustees are very happy that robust financial procedures are in place and that the charity is financially secure.

The majority of the charity's income is derived from rental income from the properties which are let to people with learning disabilities. This year this has amounted to £106,031 and the remaining income has arisen from interest earned (£18,369) .

A fundraising campaign has been launched since the end of the financial year to finance new property purchases.

Expenditure (£25,780) has been low this year due to a planned development being delayed.

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2006

FUTURE PLANS

An additional bungalow has been purchased this year in Cholsey after the year end. The charity is currently pursuing planning permission to demolish the existing small bungalow and to build a larger, disabled access bungalow for four people with very high physical support needs in addition to their learning disabilities.

The charity has launched a fund raising appeal to pay for the building which will cost £270,000. It is hoped that the new bungalow will be completed in 2007.

The charity will be looking for another project during 2007 and will be fundraising to support this.

RESERVES POLICY

Total funds of Acre Housing stood at £1,825,376 at the year end.

The trustees have a policy of retaining unrestricted funds of £50,000 in order to maintain their properties. Restricted and designated funds are recorded and reported separately.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are 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.

AUDITORS

The auditors The MGroup Partnership have expressed their willingness to continue in office, and in accordance with section 385 of the Companies Act 1985 a resolution proposing their appointment will be submitted at the 2006 Annual General Meeting.

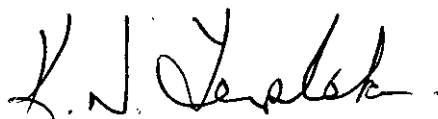
ACRE HOUSING

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

SPECIAL EXEMPTION

The report of the Trustees is prepared in accordance with the special provisions of Part VII of the Companies Act 1985, applicable to small companies.

On behalf of the Trustees



Trustee



ACRE HOUSING

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

TO THE MEMBERS OF ACRE HOUSING

We have audited the financial statements of Acre Housing for the year ended 31 March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities and Statement of Recommended Practice 2005 (SORP 2005), 'Accounting and Reporting by Charities' and the Charities Act 1993.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Trustees' Report the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or other material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the circumstances set out on page 11 of the financial statements.

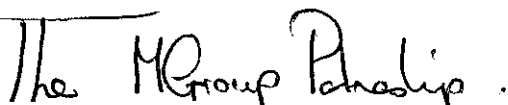
ACRE HOUSING

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

OPINION

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "The MGroup Partnership". The signature is written in a cursive, flowing style.

THE MGROUP PARTNERSHIP
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
OXFORD

15 December 2006

ACRE HOUSING

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2006

		Unrestricted funds	Designated funds	Total 2006	Total 2005 (restated per note 2)
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations and bequests		45	-	45	456
<i>Investment income:</i>					
Bank interest receivable		18,369	-	18,369	6,502
Incoming resources from charitable activities:					
Housing benefit		100,311	-	100,311	92,022
Rental income		5,720	-	5,720	4,160
Other incoming resources:					
Other income		2,808	-	2,808	4,174
Profit on disposal of fixed assets		-	-	-	658,685
Total incoming resources		127,253	-	127,253	765,999
Resources expended					
Charitable activities	5	32,956	-	32,956	48,469
Governance costs	6	4,612	-	4,612	29,039
Total resources expended		37,568	-	37,568	77,508
Net income for the year	3	89,685	-	89,685	688,491
Transfer between funds		(89,685)	89,685	-	-
Transfer to related charity		-	(9,898)	(9,898)	(36,763)
Net movement in funds		-	79,787	79,787	651,728
Reconciliation of funds					
Funds brought forward		50,000	1,695,589	1,745,589	1,093,861
Total funds at 31 March 2006		50,000	1,775,376	1,825,376	1,745,589

The statement of financial activities includes all gains and losses in the year. All incoming resources expended derive from continuing activities.


ACRE HOUSING

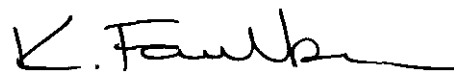
**BALANCE SHEET
AS AT 31 MARCH 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	1,299,625	1,297,688
		<u>1,299,625</u>	<u>1,297,688</u>
CURRENT ASSETS			
Debtors	10	6,136	13,403
Cash at bank and in hand		524,615	443,841
		<u>530,751</u>	<u>457,244</u>
CREDITORS: Amounts falling due within one year	11	5,000	9,343
		<u>525,751</u>	<u>447,901</u>
NET CURRENT ASSETS			
		<u>1,825,376</u>	<u>1,745,589</u>
NET ASSETS			
		<u>1,825,376</u>	<u>1,745,589</u>
FUNDS			
Designated funds		1,775,376	1,695,589
Unrestricted funds		50,000	50,000
TOTAL FUNDS		<u>1,825,376</u>	<u>1,745,589</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985, applicable to small companies.

These accounts were approved by the board on 5th Dec. 2006 and signed on its behalf by the following:


Trustee


TRUSTEE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

1 STATEMENT OF ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The accounts have been prepared in accordance with the Statement of Recommended Practice 2005 (SORP 2005), 'Accounting and Reporting by Charities' and the Charities Act 1993.

Incoming resources

Incoming resources represent income receivable from fundraising, donations and gifts, interest received, rental income and housing benefits.

Depreciation

Depreciation has been provided at the following rates so as to write off the cost less residual value of the assets over their estimated useful lives.

Fixtures and fittings	10% reducing balance basis per annum
Motor vehicles	10% reducing balance basis per annum

Depreciation has not been provided in respect of freehold and leasehold buildings. The company adopts a policy of fully maintaining its buildings and as such the residual value is so high, and the expected useful life is so long, that the depreciation charge would be immaterial, both in terms of the depreciation charged for the year and the cumulative charge to the balance sheet. The freehold and leasehold buildings are reviewed annually for any sign of impairment by the Trustees.

Items included in fixed assets are capitalised when the purchase cost exceeds £500.

Resources expended

All expenditure is included in the financial statements on an accruals basis and is recognised when there is a legal or constructive obligation to pay for such expenditure.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Resources are expended in the furtherance of the charity's objectives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

1 STATEMENT OF ACCOUNTING POLICIES CONTINUED

Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charity's objectives at the discretion of the Trustees.

Designated funds - these funds represent monies set aside for specific purposes at the discretion of the Trustees rather than the donors.

Restricted funds - funds received can only be used for specifically nominated expenditure by the donor and are credited to income in the year in which they are received. Where amounts are not specifically allocated against expenditure in that year the balance is deferred and added to the balance brought forward on the restricted funds reserve and is used in subsequent years in line with the restrictions placed by the donor.

Goodwill

Goodwill has been fully amortised over its useful economic life.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

APB Ethical Standard - Provisions available for smaller entities

In common with many other businesses of our size and nature we use our auditors to prepare and assist with the preparation of the financial statements.

The auditors also assist us with processing year end adjustments on our accounting system.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

2 RESTATEMENT OF COMPARATIVES

Due to the introduction of the Statement of Recommended Practice 2005 (SORP 2005), 'Accounting and Reporting by Charities' the analysis of expenditure in the accounts for the year ended 31 March 2005 are not comparable to the current year figures, the financial statements have therefore been restated as follows:

	Charitable activities £	Governance costs £	Bank charges £	Grants paid to related charity £	Depreciation £
2005 as previously reported	12,632	11,774	27,699	23,717	1,686
Adjustment for reallocation of expenditure under SORP (2005)	35,837	17,265	(27,699)	(23,717)	(1,686)
2005 restated	<u>48,469</u>	<u>29,039</u>	<u>-</u>	<u>-</u>	<u>-</u>

The total funds held as at 31 March 2005 as previously reported were £1,745,589, the above adjustment has an overall effect of £nil. Opening reserves as at 1 April 2005 were £1,745,589.

Charitable activities were stated in the accounts for the year ended 31 March 2005 as Building Costs and Services.

Governance costs were stated in the accounts for the year ended 31 March 2005 as Administration Costs.

3 NET INCOMING RESOURCES

	2006 £	2005 £
This is stated after charging:		
Auditors' remuneration - audit fees	2,266	1,500
Depreciation	240	1,686
and after crediting:		
Profit on sale of tangible fixed assets	-	658,685

4 TAXATION

The charitable status of the organisation has been confirmed and the company is not liable to corporation tax on its surplus or gains to the extent that they are applied for charitable purposes.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

5 CHARITABLE ACTIVITIES

	2006	2005 (restated per note 2)
	£	£
Water rates	-	175
General rates	-	685
Heat and Light	1,858	3,127
Repairs and renewals	4,626	8,645
Insurance	1,684	3,987
Management fees	4,257	1,724
Legal and professional fees	3,944	651
Training costs	-	90
Loss on sale of motor vehicle	3,630	-
Bank charges and interest	929	27,699
Depreciation	240	1,686
Grants made to related charity	11,788	-
	<u>32,956</u>	<u>48,469</u>

6 GOVERNANCE COSTS

	2006	2005 (restated per note 2)
	£	£
Administrative wages and temporary staff	-	185
General expenses	80	2,137
Auditors' remuneration - audit fees	2,266	1,500
Auditors' remuneration - non audit fees	2,266	1,500
Grants paid to related charity	-	23,717
	<u>4,612</u>	<u>29,039</u>

7 GRANTS PAYABLE

During the year the charity made grants of £11,788 (2005 - £23,717) to Style Acre. Style Acre used to be part of Style Acre Friends and therefore these grants are made in furtherance of the charity's common objects.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

8 INTANGIBLE ASSETS

Goodwill
£

Cost

At 1 April 2005 and 31 March 2006

10,000

Accumulated amounts written off

At 1 April 2005 and 31 March 2006

10,000

Net book value

At 1 April 2005

-

At 31 March 2006

-

9 TANGIBLE ASSETS

	Freehold Property £	Leasehold Property £	Furniture and Fixtures £	Motor Vehicles £	Total £
Cost					
At 1 April 2005	926,616	355,896	2,668	17,745	1,302,925
Additions	5,919	9,033	-	-	14,952
Disposals	-	-	-	(17,745)	(17,745)
At 31 March 2006	932,535	364,929	2,668	-	1,300,132
Accumulated depreciation					
At 1 April 2005	-	-	267	4,970	5,237
Charge for year	-	-	240	-	240
Disposals	-	-	-	(4,970)	(4,970)
At 31 March 2006	-	-	507	-	507
Net book value					
At 1 April 2005	926,616	355,896	2,401	12,775	1,297,688
At 31 March 2006	932,535	364,929	2,161	-	1,299,625

The net book value represents fixed assets used for direct charitable purposes.

Included in the above are assets held under finance leases and hire purchase contracts as follows:

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	Freehold Property £	Leasehold Property £	Furniture and Fixtures £	Motor Vehicles £	Total £
Depreciation charge for year	-	-	-	-	-
Net book value					
At 1 April 2005	-	-	-	12,775	12,775
At 31 March 2006	-	-	-	-	-

10 DEBTORS

	2006 £	2005 £
Accrued income	4,441	3,403
Other debtors	1,695	10,000
	<u>6,136</u>	<u>13,403</u>

Included in other debtors is a loan to Style Acre, a related charity (Note 14) totalling £Nil (2005 - £10,000). This loan is interest free and has no fixed date of repayment.

11 CREDITORS: amounts falling due within one year

	2006 £	2005 £
H.P. contracts and finance leases	-	6,343
Other creditors	5,000	3,000
	<u>5,000</u>	<u>9,343</u>

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2006 represented by:

	Designated funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	1,299,625	-	1,299,625
Current assets	475,751	55,000	530,751
Current liabilities	-	(5,000)	(5,000)
	<u>1,775,376</u>	<u>50,000</u>	<u>1,825,376</u>

Sufficient resources are considered to be held to enable each fund to be applied in accordance with any restrictions imposed.

Sufficient unrestricted funds are held to ensure efficient operations of the charity.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

13 CASH FLOW STATEMENT

The company has taken advantage of the exemption available under the Financial Reporting Standards for Smaller Entities, not to prepare a cash flow statement.

14 RELATED PARTY TRANSACTIONS

The properties that Acre Housing (*formerly known as Style Acre Friends*) own are rented to people with learning disabilities who currently receive support services from Style Acre. On 1 April 2004, most of the charitable objectives of Style Acre Friends were transferred to Style Acre.

As at 31 March 2006 Acre Housing was owed £Nil (2005 - £10,000) from Style Acre, this has been included within other debtors (Note 10).

During the year Acre Housing sold a motor vehicle to Style Acre for the market value of the vehicle of £9,145.

During the year, Acre Housing received £2,783 (2005 - £4,174) income from Style Acre in respect of hire charges for the motor vehicle loaned from Acre Housing to Style Acre.

During the year Acre Housing made a grant to Style Acre totalling £11,788.

15 TRUSTEES REMUNERATION

No Trustees or any connected person have received any remuneration from the charity for the year ended 31 March 2006.

No individual expenses incurred by the Trustees for services provided to the charity have been reimbursed for the year ended 31 March 2006.

16 LEGAL STATUS

The company does not have a share capital and is limited by the guarantee of its members to the extent of £1 each.

17 POST BALANCE SHEET EVENTS

On 5 May 2006 the charity purchased an additional property for £250,100.