

REGISTERED COMPANY NUMBER: 02677365 (England and Wales)
REGISTERED CHARITY NUMBER: 1010701

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
ACRE HOUSING**



Logan & Brewerton
Statutory Auditor
Astral House
Granville Way
Bicester
Oxfordshire
OX26 4JT

ACRE HOUSING

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ACRE HOUSING

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2018. These have been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102.

OBJECTIVES AND ACTIVITIES

Charitable objects

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

1. the provision, maintenance and management of residential accommodation specifically for those individuals;
2. the provision of advice and assistance in matters relating to their housing needs.

Charitable activities

Operating in Oxfordshire, Acre Housing has been providing specialised housing for adults with learning disabilities since 2004. Beneficiaries are able to approach us directly for help or via their care manager. At the year end, Acre Housing owned or rented 37 properties providing homes for up to 107 tenants, all of whom are adults with learning disabilities and a wide variety of conditions such as autism, cerebral palsy, dementia and Down's syndrome. There were 11 voids at year end but 7 of these were development voids.

Public benefit

Acre Housing provides rented housing for adults aged over 18 years with a learning disability regardless of sex, financial means, sexual orientation or ethnic background. Potential tenants are able to ask the charity directly for housing or to approach us through their care manager.

Being able to live in their own home is a great benefit to the people we support as, historically, they have been a group of people for whom housing has been difficult to obtain. Acre Housing gives a new lease of life to its tenants, providing them with specially adapted accommodation to suit their individual needs and requirements.

The charity is only limited in its ability to provide housing by its income and donations. The provision of housing is also of great benefit to the families of the people we house as they may have been the main carers for many years and this enables them to feel reassured for the long term future of their relative. We also provide tangible benefits to local communities which gain from the overall experience of getting to know people with learning disabilities (who now live amongst them) and recognising that they have the same rights of access to the local community as every other member of society. If people with learning disabilities and other associated conditions were not supported to live in ordinary houses they would be at risk of being forced into more institutionalised forms of care.

In preparing these financial statements and their report, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit and that they consider that the objectives and activities of Acre Housing have historically and continue to fall within the scope of that guidance.

ACRE HOUSING
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Operating review

This has been another successful year for Acre Housing. The charity has not conducted any fundraising activities during the year, as there were no major projects to support and the purchase of an additional property in March 2017 was financed from current cash balances.

During 2015-16, one of our tenants in a two person supported living property in Drayton died, and subsequently in mid-April 2016, the surviving tenant re-located to supported housing elsewhere. Initially, our plans were to sell the property and reinvest in a new larger sized property elsewhere. Sales interest in the property was low, and in the interim the house was let to a family as temporary accommodation whilst they were waiting to occupy a new property. This property was developed throughout 2017/18 to meet the changing needs of an existing tenant and house 3 new tenants. The property now consists of a self-contained 1 bed studio apartment on the first floor and a separate 3 bed ground floor apartment. There were some delays to the redevelopment following the discovery of inadequate foundations which also had an impact upon the budgeted expenditure. The accommodation provides a high standard of accommodation and has been future proofed to ensure future financial viability and flexibility.

In November 2016, we were offered the opportunity to acquire the partner to a semi-detached bungalow we already own in Brightwell, and we completed this purchase, which was funded from current cash balances in mid-March 2017. The property was refurbished and the new tenant moved in to the property in June 2017. The tenant moved from one of our Wallingford properties as this no longer met her needs. This will enable us to convert the loft at that property into a self-contained annexe and increase occupancy from three to four tenants.

In Brightwell, our existing adjoining property is singly occupied too, but we also own the neighbouring pair of semi-detached bungalows, which are currently configured as a single property housing four tenants. At this cluster, during 2017-18 we obtained grant funding to improve the disabled access to future proof the service as the current client group are becoming frailer. The addition of the sleep in room to this property was delayed due to planning complications but the work started in March 2018 and is due to be completed in July 2018.

All of the properties in our portfolio continue to be well maintained with our annual maintenance programme highlighting areas of concern. Remedial works highlighted by our contractors are carried out in a timely manner to prevent future damage to the properties. In particular this year, partly as a result of water leaks, we have been addressing the re-routing of sub-floor pipework and the water tightness of showers and bathrooms.

We purchased two new properties this year, one in Carterton and one in Didcot. Both properties will enable new tenants to move into more suitable accommodation which better meets their needs. Both properties underwent significant remodelling and refurbishment and are due for completion during the summer of 2018.

In order to purchase the above properties two loans were taken out with National Westminster Bank plc. The fifteen year loans have a fixed interest rate for the first ten years. The loans were in accordance with the constitution of the charity and also enabled us to pay off two smaller loans early and tidy up our loan portfolio.

During the year we terminated our leases for the two properties currently rented from Cottsway Housing. One property had been carrying two voids due to the death of a tenant and another moving on to a care home, the third tenant is currently intending to move into a shared household elsewhere. The other property was in single occupation and its direct running costs, which included our rent payment to Cottsway, were not covered by our rental income and we had no scope to increase the number of tenants housed there.

We have been negotiating the lease of two neighbouring properties in Henley with Oxfordshire County Council and the NHS for a number of years and finally reached agreement and signed 15 year leases on 12th March 2018. One of these properties comes with a legacy fund from the landlord (NHS) to carry out remedial work and the peppercorn rent will enable us to build up a sinking fund to ensure both properties are maintained to a high standard.

Given the extent of our redevelopment programme this year we have had to delay some other planned improvements and these will now take place through the summer of 2018.

We have maintained our programme of cyclical maintenance and following the tough winter months we carried out a number of remedial works to our plumbing and heating infrastructure.

ACRE HOUSING

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Operating review

Feedback is given to the charity if there are any concerns about properties by the support providers who facilitate tenant groups. There has been no negative feedback to date. The properties are visited three times per annum to check their condition and to establish a redecoration and refurbishment programme.

We are delighted to see all our tenants taking an active part in their local communities, regularly attending groups, clubs and activities organised by the local church, social and sports clubs and other community groups.

FINANCIAL REVIEW

Financial position

The trustees are very happy that robust financial procedures are in place and that the charity is financially secure. Detailed financial information is made available at each trustee meeting, with performance against budget monitored closely.

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 £839,879 and the remaining income has arisen from interest earned of £131 and a restricted donation of £4,280 from Percy Bilton for blinds at Hagbourne Road. The leases on two properties in north Oxfordshire were terminated but no other properties were disposed of in the year.

Cash reserves have increased to £520,859 during the year. The charity acquired two new properties in Didcot and Carterton, costing £482,291 and £385,406 respectively, including modifications. A further £328,121 was invested in an existing property in Drayton to modify it from a 2 bedroom bungalow, to two separate self-contained apartments providing accommodation for four tenants. A subsequent revaluation of the latter property resulted in a decision to write down the book value of that property by £115,017 to reflect its value on the open market. However as mentioned earlier, the modifications will ensure future financial viability and flexibility.

Additionally, the charity recognises a continuing liability of £180,000 in Didcot. This is for a grant made by the Secretary of State for Health when the property was originally purchased, which is secured by a covenant and charge over the property. The covenant states that the grant is an interest free loan, which is repayable in the event that the property is sold, unless the purchaser continues to use the property for the purpose of providing supporting living. In these circumstances, the liability represented by the covenant and charge over the property can be transferred to a new owner.

Reserves policy

Total funds of Acre Housing stood at £9,681,047 at 31st March 2018.

The trustees have a policy of retaining unrestricted funds of £10,000 towards the cost of maintaining the organisation's properties. Restricted and designated funds are recorded and reported separately.

ACRE HOUSING

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

FUTURE PLANS

During the year the Trustees reviewed the current 5 year strategy (2021), recognising the financial pressures which the local authority and care providers operate under, and how this may impact housing demand, both in the nature of the properties required and their location.

The Trustees also reviewed the charity's overall property portfolio to consider how well individual properties are performing and how well they fit with housing demand from our target resident group. Part of our strategy is to incorporate self-contained annexes in our existing portfolio where such potential exists. This may be achieved by the conversion of existing spaces, such as lofts, garages or summerhouses, or by building separately where part of the garden provides enough space and suitable access. This helps provide single person accommodation, which would be unsustainable as an individual property.

We own a one bedroom leasehold flat in Oxford, which is geographically isolated from our other properties, and it is our long term intention to dispose of this property whenever it next becomes void. This will be when the tenant chooses to move on, and we currently plan to sustain their tenancy until they decide to do so.

We are looking to create two new services in summer 2018, reusing existing stock in Didcot following our reconfiguration this year. These services are for people who have been assessed as requiring individual accommodation with 24 hour staffing.

We are also looking to purchase a new house in Wantage and this may require a further loan. We are also in discussion with a number of parents who have purchased their own properties but are looking to pass on the day to day housing management to a specialist like Acre Housing, and we are developing some financial models to see if we can accommodate this.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Induction and training of new trustees

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 have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for undertaking an annual risk assessment of the charity. From this an annual development plan is drawn up and implemented. A maintenance and refurbishment schedule is set each year to ensure the housing stock remains in good condition.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02677365 (England and Wales)

Registered Charity number

1010701

Registered office

1 London Street
Reading
Berkshire
RG1 4PN

ACRE HOUSING

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

K Faulkner	- resigned 18.6.17
K N Templeton	
J Pozzoni	
Lady J Thomson	
S Tearle	- appointed 30.11.17
A S Bryan	- appointed 30.11.17

Kim Faulkner retired due to ill health on 18 June 2017.

Jennie Pozzoni, who was appointed on 20 May 2015, retired in accordance with the Articles of Association at the 2017 Annual General meeting and was re-elected.

Two new Trustees Simon Tearle and Andy Bryan were appointed to the Board on 30 November 2017 bringing with them considerable business, logistics and property expertise.

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. For the purposes of the company, trustees become members on appointment and cease to be members on resignation.

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

Company Secretary

S E Vandersteen

Auditors

Logan & Brewerton
Statutory Auditor
Astral House
Granville Way
Bicester
Oxfordshire
OX26 4JT

Bankers

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

Solicitors

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

ACRE HOUSING

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Acre Housing for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with the Companies Act 2006, a resolution proposing the re-appointment of Logan & Brewerton was submitted at the 2017 Annual General Meeting and was carried unanimously.

Logan & Brewerton will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 23/03/18..... and signed on its behalf by:


K N Templeton - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACRE HOUSING

Opinion

We have audited the financial statements of Acre Housing (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACRE HOUSING

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gary Brewerton (Senior Statutory Auditor)
for and on behalf of Logan & Brewerton
Statutory Auditor
Astral House
Granville Way
Bicester
Oxfordshire
OX26 4JT

Date: 25 July 2018.....

ACRE HOUSING

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	Total 2018 funds £	Total 2017 funds £
	Not es				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	4,280	4,280	188,546
Charitable activities	4				
Accommodation provision and related services		839,879	-	839,879	879,455
Investment income	3	<u>131</u>	<u>-</u>	<u>131</u>	<u>435</u>
Total		840,010	4,280	844,290	1,068,436
 EXPENDITURE ON					
Raising funds	5	115,017	-	115,017	-
Charitable activities	6				
Accommodation provision and related services		<u>549,344</u>	<u>4,280</u>	<u>553,624</u>	<u>501,917</u>
Total		664,361	4,280	668,641	501,917
 NET INCOME		175,649	-	175,649	566,519
Transfers between funds	18	<u>533</u>	<u>(533)</u>	<u>-</u>	<u>-</u>
Net movement in funds		176,182	(533)	175,649	566,519
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>8,911,622</u>	<u>593,776</u>	<u>9,505,398</u>	<u>8,938,879</u>
 TOTAL FUNDS CARRIED FORWARD		<u>9,087,804</u>	<u>593,243</u>	<u>9,681,047</u>	<u>9,505,398</u>

The notes form part of these financial statements

ACRE HOUSING

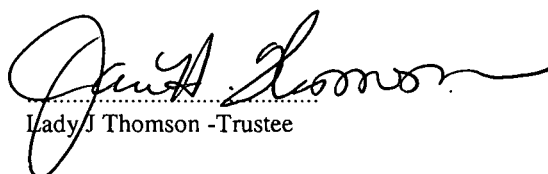
BALANCE SHEET AT 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	12	10,331,167	593,243	10,924,410	9,834,878
CURRENT ASSETS					
Debtors	13	43,411	-	43,411	37,340
Cash at bank		<u>520,859</u>	<u>-</u>	<u>520,859</u>	<u>497,934</u>
		564,270	-	564,270	535,274
CREDITORS					
Amounts falling due within one year	14	(309,688)	-	(309,688)	(164,464)
NET CURRENT ASSETS		<u>254,582</u>	<u>-</u>	<u>254,582</u>	<u>370,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,585,749	593,243	11,178,992	10,205,688
CREDITORS					
Amounts falling due after more than one year	15	(1,497,945)	-	(1,497,945)	(700,290)
NET ASSETS		<u>9,087,804</u>	<u>593,243</u>	<u>9,681,047</u>	<u>9,505,398</u>
FUNDS	18				
Unrestricted funds				9,087,804	8,911,622
Restricted funds				<u>593,243</u>	<u>593,776</u>
TOTAL FUNDS				<u>9,681,047</u>	<u>9,505,398</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 23/07/18 and were signed on its behalf by:


K N Templeton -Trustee


Lady J Thomson -Trustee

The notes form part of these financial statements

ACRE HOUSING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	477,632	587,250
Interest paid		<u>(50,499)</u>	<u>(23,804)</u>
Net cash provided by (used in) operating activities		<u>427,133</u>	<u>563,446</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,223,389)	(327,635)
Interest received		<u>131</u>	<u>435</u>
Net cash provided by (used in) investing activities		<u>(1,223,258)</u>	<u>(327,200)</u>
Cash flows from financing activities:			
New loans in year		1,100,000	-
Loan repayments in year		<u>(280,950)</u>	<u>(116,224)</u>
Net cash provided by (used in) financing activities		<u>819,050</u>	<u>(116,224)</u>
Change in cash and cash equivalents in the reporting period		22,925	120,022
Cash and cash equivalents at the beginning of the reporting period		<u>497,934</u>	<u>377,912</u>
Cash and cash equivalents at the end of the reporting period		<u><u>520,859</u></u>	<u><u>497,934</u></u>

The notes form part of these financial statements

ACRE HOUSING

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income for the reporting period (as per the statement of financial activities)	175,649	566,519
Adjustments for:		
Depreciation charges	18,840	19,333
Interest received	(131)	(435)
Interest paid	50,499	23,804
Impairment	115,017	-
Increase in debtors	(6,071)	(3,486)
Increase/(decrease) in creditors	<u>123,829</u>	<u>(18,485)</u>
Net cash provided by (used in) operating activities	<u>477,632</u>	<u>587,250</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Incoming resources

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

Grants and donations receivable are included in the year in which the offer is conveyed to the charity, except in those cases where the offer has conditions, such as grants and donations being recognised as income when the conditions have been fulfilled. Grants and donations offered subject to conditions which have not been met at the year end are not included in the financial statements.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 15% on reducing balance

Long leasehold - over the term of the lease

Depreciation has not been provided in respect of freehold property. 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 long leasehold buildings are reviewed annually for any signs of impairment by the trustees.

Items included in fixed assets are capitalised where the purchase cost exceeds £1,000, where the expenditure is deemed to add to the market value of the property. Where works are carried out specifically to meet the needs of current or incoming tenants the cost is written off when incurred.

Taxation

The charity is exempt from corporation tax on its charitable activities.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. 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 charitable 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. The trustees have designated the funds to be used to invest in new properties, in accordance with the charity's objectives.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	<u>4,280</u>	<u>188,546</u>

Unrestricted donations of £nil (2017: £188,547) were received in the year ended 31 March 2018.

Restricted donations of £4,280 (2017: £nil) were received in the year ended 31 March 2018.

3. INVESTMENT INCOME

	2018	2017
	£	£
Bank interest receivable	<u>131</u>	<u>435</u>

4. INCOME FROM CHARITABLE ACTIVITIES

None of the charitable company's turnover is attributable to geographical markets outside the United Kingdom.

5. RAISING FUNDS

Investment management costs

	2018	2017
	£	£
Impairment losses	<u>115,017</u>	<u>-</u>

The impairment loss relates to the revaluation of one of the charity's freehold properties. As the market value was deemed to be less than cost, an impairment adjustment was made at 31 March 2018.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2018**

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Grant funding of activities (See note 8) £	Support costs (See note 9) £	Totals £
Accommodation provision and related services	<u>457,570</u>	<u>91,000</u>	<u>5,054</u>	<u>553,624</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2018 £	2017 £
Rates and water	31,059	26,188
Insurance	10,469	9,047
Housing rent paid	15,030	20,519
Leasehold service charges	28,036	27,084
Repairs and renewals	231,555	233,794
Administration and housing management fees	64,104	62,800
Legal and professional fees	7,978	9,293
Depreciation	18,840	19,333
Bank charges and interest	2,244	489
Loan interest	48,255	23,315
	<u>457,570</u>	<u>431,862</u>

8. GRANTS PAYABLE

	2018 £	2017 £
Accommodation provision and related services	<u>91,000</u>	<u>65,000</u>

A donation of £91,000 was paid during the year to 31 March 2018 (2017: £65,000) to Style Acre.

9. SUPPORT COSTS

	Governance costs £
Accommodation provision and related services	<u>5,054</u>

Support costs, included in the above, are as follows:

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

9. SUPPORT COSTS - continued

	2018	2017
	Accommodati on provision and related services	Total activities
	£	£
Auditors' remuneration	2,140	1,960
Auditors' remuneration for non audit work	2,540	2,540
General expenses	<u>374</u>	<u>555</u>
	<u>5,054</u>	<u>5,055</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	2,140	1,960
Auditors' remuneration for non audit work	2,540	2,540
Depreciation - owned assets	<u>18,840</u>	<u>19,333</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Totals £
COST				
At 1 April 2017	8,494,535	1,457,623	19,622	9,971,780
Additions	1,195,818	27,571	-	1,223,389
Impairments	<u>(115,017)</u>	<u>-</u>	<u>-</u>	<u>(115,017)</u>
At 31 March 2018	<u>9,575,336</u>	<u>1,485,194</u>	<u>19,622</u>	<u>11,080,152</u>
DEPRECIATION				
At 1 April 2017	-	121,525	15,377	136,902
Charge for year	<u>-</u>	<u>18,204</u>	<u>636</u>	<u>18,840</u>
At 31 March 2018	<u>-</u>	<u>139,729</u>	<u>16,013</u>	<u>155,742</u>
NET BOOK VALUE				
At 31 March 2018	<u>9,575,336</u>	<u>1,345,465</u>	<u>3,609</u>	<u>10,924,410</u>
At 31 March 2017	<u>8,494,535</u>	<u>1,336,098</u>	<u>4,245</u>	<u>9,834,878</u>

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

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2018**

12. TANGIBLE FIXED ASSETS - continued

The trustees are of the opinion that freehold properties with a net book value of £9,575,336 at 31 March 2018 have a market value of £9,800,000.

Long leasehold properties with a net book value of £1,345,489 have a market value of £1,550,000 as at 31 March 2018.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	8,419	10,242
Other debtors	3,563	2,299
Prepayments and accrued income	<u>31,429</u>	<u>24,799</u>
	<u>43,411</u>	<u>37,340</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 16)	132,176	110,782
Trade creditors	13,921	15,988
Other creditors	4,885	38
Accruals and deferred income	<u>158,706</u>	<u>37,656</u>
	<u>309,688</u>	<u>164,464</u>

The bank loans are secured against the freehold properties of the charity (note 17 also refers).

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans (see note 16)	<u>1,497,945</u>	<u>700,290</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>132,176</u>	<u>110,782</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Bank loan	<u>1,497,945</u>	<u>700,290</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

17. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank loans	<u>1,630,121</u>	<u>811,072</u>

18. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted funds				
General fund	10,000	175,884	(175,884)	10,000
Designated funds	4,225,430	(235)	186,869	4,412,064
Designated funds - donated properties	<u>4,676,192</u>	<u>-</u>	<u>(10,452)</u>	<u>4,665,740</u>
	8,911,622	175,649	533	9,087,804
Restricted funds				
Charles Road	202,457	-	(277)	202,180
Hagbourne Road	72,791	-	(256)	72,535
Fir Tree Avenue	25,000	-	-	25,000
Bradstocks Way	82,299	-	-	82,299
Slade Road	41,500	-	-	41,500
Bryan Way	155,500	-	-	155,500
Steventon Road	429	-	-	429
Virginia Way	<u>13,800</u>	<u>-</u>	<u>-</u>	<u>13,800</u>
	593,776	-	(533)	593,243
TOTAL FUNDS	<u>9,505,398</u>	<u>175,649</u>	<u>-</u>	<u>9,681,047</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	840,009	(664,125)	175,884
Designated funds	<u>1</u>	<u>(236)</u>	<u>(235)</u>
	840,010	(664,361)	175,649
Restricted funds			
Hagbourne Road	4,280	(4,280)	-
TOTAL FUNDS	<u>844,290</u>	<u>(668,641)</u>	<u>175,649</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted Funds				
General fund	10,000	566,519	(566,519)	10,000
Designated funds	3,647,080	-	578,350	4,225,430
Designated funds - donated properties	<u>4,686,644</u>	<u>-</u>	<u>(10,452)</u>	<u>4,676,192</u>
	8,343,724	566,519	1,379	8,911,622
Restricted Funds				
Charles Road	203,271	-	(814)	202,457
Hagbourne Road	73,356	-	(565)	72,791
Fir Tree Avenue	25,000	-	-	25,000
Bradstocks Way	82,299	-	-	82,299
Slade Road	41,500	-	-	41,500
Bryan Way	155,500	-	-	155,500
Steventon Road	429	-	-	429
Virginia Way	<u>13,800</u>	<u>-</u>	<u>-</u>	<u>13,800</u>
	595,155	-	(1,379)	593,776
TOTAL FUNDS	<u>8,938,879</u>	<u>566,519</u>	<u>-</u>	<u>9,505,398</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,068,436	(501,917)	566,519
TOTAL FUNDS	<u>1,068,436</u>	<u>(501,917)</u>	<u>566,519</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

18. MOVEMENT IN FUNDS - continued

Purpose of restricted funds:

Charles Road

The funds received in respect of Charles Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Included within restricted funds in respect of Charles Road is a donation for the purchase of fixtures and fittings of £9,040. These funds are being amortised to match the depreciation being charged in the financial statements of £277 (2017: £814).

Hagbourne Road

The funds received in respect of Hagbourne Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Included within restricted funds in respect of Hagbourne Road is a donation for the purchase of fixtures and fittings of £6,278. These funds are being amortised to match the depreciation being charged in the financial statements of £256 (2017: £565).

Fir Tree Avenue

The funds received in respect of Fir Tree Avenue have been utilised and then capitalised within tangible fixed assets under freehold property.

Bradstocks Way

The funds received in respect of Bradstocks Way have been utilised and then capitalised within tangible fixed assets under freehold property.

Slade Road

The funds received in respect of Slade Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Bryan Way

The funds received in respect of Bryan Way have been utilised and then capitalised within tangible fixed assets under freehold property.

Steventon Road

The funds received in respect of Steventon Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Virginia Way

The funds received in respect of Virginia Way have been utilised and then capitalised within tangible fixed assets under freehold property.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

19. RELATED PARTY DISCLOSURES

Style Acre, a charitable company, provide day to day executive management for Acre Housing and are deemed to be a related party.

During the year the following transactions took place with Style Acre:

Administration charges totalling £64,104 (2017: £62,800) were charged by Style Acre in respect of general administration costs, including housing and property management.

As at 31 March 2018 an amount of £259 (2017: £38) was owed to Style Acre.

Style Acre Trading Limited is a wholly owned trading subsidiary of Style Acre. Style Acre Trading Limited have granted a tenancy to Acre Housing for part of a building it owns, which Acre Housing in turn sublets to service users in supported housing.

During the year the following transactions took place with Style Acre Trading Limited:

Housing rent and leasehold service charges totalling £30,004 (2017: £30,004) were charged by Style Acre Trading Limited.

20. LEGAL STATUS

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

On becoming a Trustee of Acre Housing, whether by casual appointment or by election at an AGM, a Trustee automatically becomes a member for the purposes of the Articles of the Charity. Equally when a person ceases to be a serving Trustee of Acre Housing, whether by resignation or by retirement on rotation, they are automatically deemed to have ceased to be a member of the charity for the purposes of the Articles.

ACRE HOUSING

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	4,280	188,546
Investment income		
Bank interest receivable	131	435
Charitable activities		
Housing benefit	839,012	879,455
Property Management	<u>867</u>	<u>-</u>
	<u>839,879</u>	<u>879,455</u>
Total incoming resources	844,290	1,068,436
EXPENDITURE		
Investment management costs		
Impairment losses for tangible fixed assets	115,017	-
Charitable activities		
Rates and water	31,059	26,188
Insurance	10,469	9,047
Housing rent paid	15,030	20,519
Leasehold service charges	28,036	27,084
Repairs and renewals	231,555	233,794
Administration and housing management fees	64,104	62,800
Legal and professional fees	7,978	9,293
Depreciation	18,840	19,333
Bank charges and interest	2,244	489
Loan interest	48,255	23,315
Charitable Donation	<u>91,000</u>	<u>65,000</u>
	548,570	496,862
Support costs		
Governance costs		
Auditors' remuneration	2,140	1,960
Auditors' remuneration for non audit work	2,540	2,540
General expenses	<u>374</u>	<u>555</u>
	<u>5,054</u>	<u>5,055</u>
Total resources expended	668,641	501,917
Net income	<u>175,649</u>	<u>566,519</u>

This page does not form part of the statutory financial statements