

**REGISTERED NUMBER: 06953867 (England and Wales)**

**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**FOR**  
**HILLDALE HOUSING ASSOCIATION LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Page</b>
<b>Statement of Financial Position</b>	<b>1</b>
<b>Notes to the Financial Statements</b>	<b>3</b>

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 as restated £
<b>FIXED ASSETS</b>			
Tangible assets	5	1,204,812	1,284,563
<b>CURRENT ASSETS</b>			
Debtors	6	2,056,641	1,438,570
Cash at bank		<u>199,322</u>	<u>247,380</u>
		2,255,963	1,685,950
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>2,761,273</u>	<u>1,947,746</u>
<b>NET CURRENT LIABILITIES</b>		<u>(505,310)</u>	<u>(261,796)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		699,502	1,022,767
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	<u>578,700</u>	<u>686,295</u>
<b>NET ASSETS</b>		<u><u>120,802</u></u>	<u><u>336,472</u></u>
<b>RESERVES</b>			
Income and expenditure account		<u>120,802</u>	<u>336,472</u>
<b>MEMBERS' FUNDS</b>		<u><u>120,802</u></u>	<u><u>336,472</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income and Reserves has not been delivered.

**HILLDALE HOUSING ASSOCIATION LIMITED (REGISTERED NUMBER: 06953867)**

**STATEMENT OF FINANCIAL POSITION - continued**  
**31 DECEMBER 2019**

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2021 and were signed on its behalf by:

David William Pickard - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. STATUTORY INFORMATION**

Hilldale Housing Association Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address are as below:

**Registered number:** 06953867

**Registered office:** Rear of 761-763 Ormskirk Road  
Wigan  
WN5 8AT

The company is established as a registered provider of social housing with the regulator of social housing (registration number 4760).

**2. STATEMENT OF COMPLIANCE**

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The directors are satisfied that the current accounting policies are the most appropriate for the organisation. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Financial Statements are presented in Pounds Sterling (£). This is also the functional currency.

**Going Concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company has access to a long-term loan facility which provides adequate resources to finance committed liabilities, along with the day to day operations. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The Covid-19 pandemic was unexpected and it is recognised that it may have an impact on the future income and expenditure of the company. In the initial stages of the pandemic the company accessed government support schemes in respect of Covid-19 (Furlough, Bounce Back Loan Scheme). However there are no ongoing impacts and the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

**Significant judgements and estimates**

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

Operating leases - the directors have considered the classification of properties leased and do not consider that substantially all the risks and rewards of ownership of the leased assets have been transferred to the company. As such the directors consider it appropriate for the leases to be classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES - continued

**Changes in accounting policies**

There has been a review of accounting policies in the year, with changes being adopted where deemed appropriate. Further details of the changes are set out in the prior year adjustment note

**Turnover**

Turnover comprises rental income and service charges receivable in the year and other services included at the invoiced value of services supplied in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Deferred income at the year-end is included in creditors for rent contribution, sinking fund, voids, furniture and white goods.

**Tangible fixed assets**

Tangible fixed assets are stated in the statement of financial position at cost less depreciation.

Depreciation is provided so as to write off the cost of the assets, in equal instalments over the estimated useful lives of the assets.

The depreciation rates used for assets are as follows:

Housing properties	- straight line over 50 years
Lease costs	- straight line over the term of the lease
Fixtures, fittings and equipment :	
Electricals	- straight line over 5 years
IT/telephony	- straight line over 5 years
Flooring and decoration	- straight line over 7 years
Furniture	- straight line over 7 years
Specialist equipment	- straight line over 7 years
Other	- straight line over 10 years
Building fabric	- straight line over 15 years

**Government grants and amortisation**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

The company has received a grant relating to a property asset and this is being recognised in income on a systematic basis over the expected useful life of the asset, which is estimated to be 50 years. This income is shown as other income in the statement of income and retained earnings.

The grant is included within other creditors and is apportioned between amounts falling due within one year and after more than one year according to the expected amortisation period.

**Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES - continued

**Operating leases**

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term. Where the rental payments are structured to increase in line with expected general inflation, the company recognises annual rent expense equal to amounts owed to the lessor.

**Value added tax**

The company is an exempt business from Value Added Tax (VAT). The nature of supplied services of residential letting for social housing is exempt from VAT. The financial statements include VAT to the extent that it is suffered by the company and not recoverable.

**Employee benefits**

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**Financial instruments**

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

**Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 23 (2018 - 19) .

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. TANGIBLE FIXED ASSETS**

	Housing properties £	Lease costs £	Fixtures, fittings and equipment £	Totals £
<b>COST</b>				
At 1 January 2019	583,036	340,433	625,002	1,548,471
Additions	-	-	55,445	55,445
Disposals	-	-	(115,581)	(115,581)
At 31 December 2019	<u>583,036</u>	<u>340,433</u>	<u>564,866</u>	<u>1,488,335</u>
<b>DEPRECIATION</b>				
At 1 January 2019	34,983	23,437	205,488	263,908
Charge for year	11,661	13,617	75,362	100,640
Eliminated on disposal	-	-	(81,025)	(81,025)
At 31 December 2019	<u>46,644</u>	<u>37,054</u>	<u>199,825</u>	<u>283,523</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>536,392</u>	<u>303,379</u>	<u>365,041</u>	<u>1,204,812</u>
At 31 December 2018	<u>548,053</u>	<u>316,996</u>	<u>419,514</u>	<u>1,284,563</u>

Housing properties relate to a completed social housing property available for letting.

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19 £	31.12.18 as restated £
Rental debtors	1,598,747	963,392
Less : provision for bad debts	(363,913)	-
Other debtors	514,185	384,791
Directors' current accounts	90,453	-
Prepayments and accrued income	<u>217,169</u>	<u>90,387</u>
	<u>2,056,641</u>	<u>1,438,570</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18 as restated
	£	£
Other loans (see note 9)	178,424	139,175
Trade creditors	1,098,931	434,121
Corporation tax	40,152	69,632
Social security and other taxes	16,966	10,699
Other creditors	7,184	8,764
Directors' current accounts	-	151,547
Accruals and deferred income	1,406,756	1,120,948
Deferred government grants	12,860	12,860
	<u>2,761,273</u>	<u>1,947,746</u>

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

	31.12.19	31.12.18 as restated
	£	£
Other loans (see note 9)	-	94,735
Deferred government grants	578,700	591,560
	<u>578,700</u>	<u>686,295</u>

9. LOANS

An analysis of the maturity of loans is given below:

	31.12.19	31.12.18 as restated
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>178,424</u>	<u>139,175</u>
Amounts falling due between one and two years:		
Other loans	<u>-</u>	<u>94,735</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.19	31.12.18 as restated
	£	£
Within one year	8,203,490	8,050,043
Between one and five years	33,143,467	32,984,198
In more than five years	177,599,615	185,962,374
	<u>218,946,572</u>	<u>226,996,615</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. LEASING AGREEMENTS - continued**

The operating leases all relate to land and buildings and do not include any contingent rent or restrictions. The leases include clauses for renewals after 25 years.

**11. SECURED DEBTS**

Other loans include an amount of £94,737 (2018 : £150,233) in respect of a loan for which the company has provided security

Security has also been provided in respect of the government grant amount of £591,560 (2018 : £604,420), which is included in creditors.

**12. DEFERRED GOVERNMENT GRANT**

The government grant balance of £591,560 (2018 : £604,420) is included within creditors, as detailed in notes 7 and 8. There is provision for the grant to be repaid should any of the conditions of the grant be breached. The grant is being released to income at an amount of £12,860 per year.

**13. RELATED PARTY DISCLOSURES**

Included within the balances in the statement of financial position are amounts due from related companies of £513,852 (2018 - £358,944). These related companies shared commonality of directorship or persons with significant control with the company.

In addition, an amount of £90,453 was due from the director at the year-end.

All of the balances due from related parties, and from the director, have been repaid since the year-end, with the related parties post year end ceasing to be related parties to the company following the changes in board of directors at the company.

**14. SOCIAL HOUSING ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT**

At the year end, the company had 884 (2018 - 710) supported housing units under management. Of these, 77 (2018 - 97) were under development.

The company also had 1 (2018 - 1) supported housing unit under its ownership at the year-end

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

15. PRIOR YEAR ADJUSTMENTS

Prior year adjustments have been made to reflect the changes in accounting policy and the correction of a misstatement, together with the related taxation impact, as follows :

	Reserves as at 1 Jan 18 £	Operating surplus after tax for year ended 31 Dec 18 £	Reserves as at 31 Dec 18 £
As previously stated	235,385	101,607	336,992
Prior year adjustment :			
Change in accounting policy (Mobilisation fees)	-	(22,205)	(22,205)
Change in accounting policy (Sinking fund)	-	(133,357)	(133,357)
Taxation adjustment	-	2,153	2,153
Correction of misstatement	8,657	144,231	152,888
As restated	<u>244,042</u>	<u>92,249</u>	<u>336,471</u>

Change in accounting policy (Mobilisation fees) - the company has adopted a policy of recognising mobilisation fee income by deferral over a 12 month period as this is considered to match the related costs incurred. The previous policy was to spread the fees over the full term of the lease.

Change in accounting policy (Sinking fund) - the company has adopted a policy of recognising sinking fund amounts charged to tenants within income to match the related expenditure incurred, once the company has performed its obligations within the leases. There was no previous policy of matching this income against expenditure and the newly adapted policy is considered to provide a more appropriate view of the company's financial position

Correction of misstatement in previously issued financial statements - the company has various supporting housing schemes which have previously been managed by a third party. The company's financial statements have historically not included the financial results of these schemes on the basis that the risks and rewards of the schemes were considered to have been substantially transferred to the third party. The directors now consider that this was a misinterpretation of the position and that the company should have accounted for the schemes. Therefore, the financial results of the schemes are included in full for the current year, with the prior year figures being restated accordingly.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.