

Financial Conduct Authority registration number 19118R  
Homes and Communities Agency registration number L1306

**CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## INFORMATION

---

**Directors**

S Clawson	
V T Foote	
L Grange	
M McJennett	(Appointed 13 December 2016)
D Parfitt	
D J Siggs	
B Stimpson	
T Willcocks	(Appointed 13 December 2016)
P Williams (co-optee)	(Appointed 12 July 2017)

**Chief Executive & Secretary** S Morgan

**FCA registration number** 19118R

**HCA registration number** L1306

**Registered office**

The Forum  
Stirling Road  
Chichester  
West Sussex  
PO19 7DN

**Auditor**

Jones Avens Limited  
Piper House  
4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

**Bankers**

Barclays Bank plc  
74/75 East Street  
Chichester  
West Sussex  
PO19 1HT

---

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## CONTENTS

---

	<b>Page</b>
Board report	1 - 3
Independent auditor's report	4 - 5
Income and expenditure account	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 21

---

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## BOARD REPORT

### *FOR THE YEAR ENDED 30 SEPTEMBER 2017*

---

The directors present their annual report and financial statements for the year ended 30 September 2017.

#### **Principal activities**

The principal activity of the association continued to be that of the development, rental and management of social housing accommodation.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R E Brown	(Retired 13 December 2016)
S Clawson	
G F Clifford	(Retired 13 December 2016)
G E Etherington	(Retired 13 December 2016)
V T Foote	
L Grange	
M McJennett	(Appointed 13 December 2016)
D Parfitt	
D J Siggs	
B Stimpson	
T Willcocks	(Appointed 13 December 2016)
P Williams (co-optee)	(Appointed 12 July 2017)

All directors, other than co-optees, hold one share in the association.

For the purposes of the association's rules and of the Co-operative and Community Benefit Societies Act 2014, a co-optee is not included in the expression "board member" or "member of the board". For the purposes of the Housing and Regeneration Act 2008, board members and co-optees are officers.

#### **Results**

The results for the year are set out on page 6.

#### **Directors' insurance**

The association maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the association.

#### **Auditor**

A resolution proposing that Jones Avens Limited be reappointed as auditors of the association will be put to the Annual General Meeting.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## BOARD REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

#### Directors' responsibilities statement

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation requires the directors 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 its income and expenditure for that period.

In preparing these financial statements, the directors are 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 departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015. The directors have general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the association's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditors are aware of that information.

#### Code of governance

The association has adopted and complied with Excellence in Governance, revised edition, code of governance as published by the National Housing Federation.

#### Internal control

The board maintain an ongoing programme of internal reviews of financial control accounts, together with further internal reviews of financial and other significant procedures.

#### Value for money

The association aims to deliver value for money *and social value* by ensuring it takes account of:

- **Economy** - careful use of resources to save expense, time or effort.
- **Efficiency** - delivering the same level of service for less cost, time or effort.
- **Effectiveness** - delivering a better service or getting a better return for the same amount of expense, time or effort.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## BOARD REPORT (CONTINUED)

### *FOR THE YEAR ENDED 30 SEPTEMBER 2017*

---

#### **Value for money - continued**

The ways in which the association does this are:

- Regularly reviewing all the maintenance specifications and contracts to make sure the best prices are obtained. In the last year the contract for the servicing and maintenance of stair lifts and the grounds maintenance contracts have been reviewed.
- A pilot is underway for the carrying out of routine joinery and plumbing maintenance items. The objective is to achieve a high quality standard of service at a reduced cost by employing one contractor for the majority of the work with the Association purchasing the materials direct thereby avoiding any on-costs.
- The planned maintenance programme during the year has ensured that work identified in the Property Condition Survey Report of 2015 has been carried out. This will continue in future years with the objective of reducing the work required on routine maintenance items thereby achieving better value for money.
- Comparing our performance with other similar housing associations in order to identify any areas where we might obtain better value for money.
- Examples of improvement in performance are as follows:
  - Emergency repairs completed within the required timescale – 97% (2016 - 89%).
  - Urgent repairs completed within the required timescale – 82% (2016 – 76%).
  - The percentage of spend on responsive maintenance has reduced from 37% to 24%.
- The introduction of on-line banking has reduced postage costs.

By order of the board

S Morgan

**Chief Executive & Secretary**

12 December 2017

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

---

#### Opinion

We have audited the financial statements of Chichester Greyfriars Housing Association Limited (the 'association') for the year ended 30 September 2017 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 30 September 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015.

#### 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association 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 the provisions available for small entities, in the circumstances set out in note 22 to the financial statements, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

---

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records;
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors 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 directors 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 directors are responsible for assessing the association'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 directors either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's 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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Jones Avens Limited**

**Chartered Accountants  
Statutory Auditor**

.....

Piper House  
4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

	Notes	2017 £	2016 £
Turnover	3	411,722	399,755
Administrative expenses		(361,564)	(323,829)
<b>Operating surplus</b>	<b>5</b>	50,158	75,926
Interest receivable and similar income	8	19,340	28,872
<b>Surplus before taxation</b>		69,498	104,798
Taxation	9	-	-
<b>Surplus for the financial year</b>		69,498	104,798

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

Signed on behalf of the board

D Parfitt  
Director

D J Siggs  
Director

S Morgan  
Secretary

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		1,257,220		885,610
<b>Current assets</b>					
Debtors	12	13,377		16,675	
Investments	13	1,770,935		2,004,102	
Cash at bank and in hand		171,419		226,818	
		<u>1,955,731</u>		<u>2,247,595</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(26,045)</u>		<u>(12,874)</u>	
<b>Net current assets</b>			<u>1,929,686</u>		<u>2,234,721</u>
<b>Total assets less current liabilities</b>			<u>3,186,906</u>		<u>3,120,331</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(312,964)</u>		<u>(315,889)</u>
<b>Net assets</b>			<u><u>2,873,942</u></u>		<u><u>2,804,442</u></u>
<b>Capital and reserves</b>					
Share capital	18		30		28
Income and expenditure account			<u>2,873,912</u>		<u>2,804,414</u>
<b>Total equity</b>			<u><u>2,873,942</u></u>		<u><u>2,804,442</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 December 2017 and are signed on its behalf by:

D Parfitt  
Director

D J Siggs  
Director

S Morgan  
Secretary

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

		Share Income and capital expenditure account		Total
	Notes	£	£	£
<b>Balance at 1 October 2015</b>		27	2,699,616	2,699,643
<b>Year ended 30 September 2016:</b>				
Surplus and total comprehensive income for the year		-	104,798	104,798
Issue of share capital	<b>18</b>	4	-	4
Forfeited shares		(3)	-	(3)
<b>Balance at 30 September 2016</b>		28	2,804,414	2,804,442
<b>Year ended 30 September 2017:</b>				
Surplus and total comprehensive income for the year		-	69,498	69,498
Issue of share capital	<b>18</b>	3	-	3
Forfeited shares		(1)	-	(1)
<b>Balance at 30 September 2017</b>		30	2,873,912	2,873,942

---

---

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		134,052		142,823
<b>Investing activities</b>					
Purchase of tangible fixed assets		(443,974)		(12,962)	
Current assets investments maturing		(55,146)		64,630	
Interest received		21,353		30,193	
<b>Net cash (used in)/generated from investing activities</b>			(477,767)		81,861
<b>Financing activities</b>					
Proceeds from issue of shares		3		4	
<b>Net cash generated from financing activities</b>			3		4
<b>Net (decrease)/increase in cash and cash equivalents</b>			(343,712)		224,688
Cash and cash equivalents at beginning of year			1,658,464		1,433,776
<b>Cash and cash equivalents at end of year</b>			1,314,752		1,658,464
<b>Relating to:</b>					
Cash at bank and in hand			171,419		226,818
Short term deposits included in current asset investments			1,143,333		1,431,646

---

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

---

### **1 Accounting policies**

#### **Company information**

Chichester Greyfriars Housing Association Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is The Forum, Stirling Road, Chichester, West Sussex, PO19 7DN. The nature of the association's operations and principal activities are the rental and management of social housing sheltered flats.

The association constitutes a public benefit entity as defined by FRS 102.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice for Social Housing Providers 2014 (SORP), and with the Accounting Direction for private registered providers of social housing 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

#### **1.2 Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is measured at the fair value of the consideration received. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charge income receivable in the year (net of rent & service charge losses from voids), revenue grants and the amortisation of government grants.

Interest income is recognised using the effective interest method and dividend income is recognised as the association's right to receive payment is established.

#### **1.4 Tangible fixed assets**

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold housing properties	150 years straight line basis or components as below
Leasehold housing properties	life of the lease or components as below
Landlords equipment	10 years straight line basis
Fixtures, fittings & equipment	10% reducing balance basis
Computers	5 years straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

Major components of housing properties, including roofs (55 years), double glazing (30 years), boilers and heating (12 to 30 years), bathrooms (20 years), kitchens (20 years) and adaptations (20 years), have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

The useful economic lives of all tangible fixed assets are reviewed annually.

#### 1.5 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered at scheme level. The key indicators considered are:

- A change in demand for a property.
- Obsolescence of a property.
- A change in government policy.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income. No such indications were noted and therefore no review was considered necessary.

#### 1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include rent arrears and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified at fair value through the income and expenditure account are measured at fair value.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in income and expenditure, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through the income and expenditure account, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through income and expenditure are measured at fair value.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the association's contractual obligations expire or are discharged or cancelled.

### 1.8 Taxation

The association has charitable status with HM Revenue and Customs, and on the basis of these accounts, no charge to Corporation Tax arises. Deferred tax is therefore also not applicable.

The association is not registered for VAT and all expenditure is shown inclusive of VAT.

### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.12 Government grants

Social housing or other government grants are received to finance social housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Under certain circumstances, primarily following the sale of a property, the grant is repayable or recyclable but this is often restricted to the net proceeds of sale. Where government grants are required to be recycled, a liability is included to recognise this obligation.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

### 2 Judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Estimated useful lives***

The useful life of housing properties and their components has been estimated using the National Housing Federation matrix of property components as a basis.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 3 Turnover and other revenue

	2017 £	2016 £
Rents receivable excluding service charges	374,182	367,374
Service charges receivable	34,614	29,453
Other sundry income	1	3
Amortisation of capital grants	2,925	2,925
	<u>411,722</u>	<u>399,755</u>
Social housing activity expenditure	(361,564)	(323,829)
	<u>50,158</u>	<u>75,926</u>
Operating surplus/(deficit) from social housing activities	<u>69,498</u>	<u>104,798</u>
Net surplus/(deficit) from social housing activities	<u>69,498</u>	<u>104,798</u>
Void losses	<u>(5,326)</u>	<u>(2,357)</u>

### 4 Accommodation owned and in management

	Number of units at 30 September 2017	Number of units at 30 September 2016
<b>Completed units:</b>		
Housing for older people let at social rent	83	83
Housing for older people let at affordable rent	4	-
	<u>87</u>	<u>83</u>

### 5 Operating surplus

	2017 £	2016 £
Operating surplus for the year is stated after charging/(crediting):		
Remuneration, exclusive of VAT, payable to the external auditors:		
Auditing of the accounts	2,565	2,000
Depreciation of owned tangible fixed assets	68,821	68,322
Deficit on disposal of tangible fixed assets	3,543	1,426
Operating lease charges	250	250
	<u>75,180</u>	<u>74,000</u>

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 6 Employees

The average monthly number of persons (including members of the executive team) employed by the association during the year was:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Management and administration	3	3
Average full time equivalent (based on a 37 hour week)	1	1

Their aggregate remuneration comprised:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	63,169	65,369
Social security costs	2,299	3,240
Pension costs	4,762	2,091
	<u>70,230</u>	<u>70,700</u>

No employees received remuneration of more than £60,000.

### 7 Board and key management personnel remuneration

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	46,939	53,011
Association pension contributions to defined contribution schemes	4,073	4,012
	<u>51,012</u>	<u>57,023</u>

No remuneration was receivable by board members.

The highest paid director received £27,050 (2016 - £26,996) remuneration (excluding pension contributions).

The association does not operate an occupational pension scheme but contributes a proportion of salary to the chief executive's personal pension scheme. Whilst the chief executive's pension contributions are in line with the current policy there was a change in policy 2 years ago which was applied to new staff. The chief executive's receives a 10% contribution whilst all other staff receive a 7% contribution.

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Other interest income	19,340	28,872

### 9 Taxation

The association has charitable status with HM Revenue & Customs, and on the basis of these financial statements no provision has been made for corporation tax.

### 10 Tangible fixed assets

	Freehold housing properties £	Landlords equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 October 2016	1,955,025	52,650	5,625	2,013,300
Additions - components replaced	38,437	-	-	38,437
Additions - completed properties acquired	405,537	-	-	405,537
Disposals	(24,934)	-	-	(24,934)
At 30 September 2017	2,374,065	52,650	5,625	2,432,340
<b>Depreciation and impairment</b>				
At 1 October 2016	1,071,551	52,650	3,489	1,127,690
Depreciation charged in the year	68,191	-	630	68,821
Eliminated in respect of disposals	(21,391)	-	-	(21,391)
At 30 September 2017	1,118,351	52,650	4,119	1,175,120
<b>Carrying amount</b>				
At 30 September 2017	1,255,714	-	1,506	1,257,220
At 30 September 2016	883,474	-	2,136	885,610

The carrying value of land and buildings comprises:

	2017 £	2016 £
Freehold	1,165,483	791,334
Long leasehold	90,231	92,140
	1,255,714	883,474

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 11 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	7,973	12,308
Equity instruments measured at cost less impairment	1,770,935	2,004,102
	<u>                    </u>	<u>                    </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	23,120	9,949
	<u>                    </u>	<u>                    </u>

### 12 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Social housing rent arrears	3,170	5,492
Other debtors	4,803	6,816
Prepayments and accrued income	5,404	4,367
	<u>                    </u>	<u>                    </u>
	13,377	16,675
	<u>                    </u>	<u>                    </u>

### 13 Current asset investments

	2017 £	2016 £
Bank deposits and investment bonds	1,770,935	2,004,102
	<u>                    </u>	<u>                    </u>

The association also holds 382 ordinary shares of 25p each in Lloyds Banking Group plc with a market value of £259 (2016 - £208) and a cost of £nil.

### 14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Rents paid in advance		20	975
Government grants	16	2,925	2,925
Accruals		23,100	8,974
		<u>                    </u>	<u>                    </u>
		26,045	12,874
		<u>                    </u>	<u>                    </u>

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Government grants	16	312,964	315,889

Deferred income is comprised of social housing government grants which are amortised over the useful economic of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £301,264 (2016: £304,189).

### 16 Government grants

Deferred income is included in the financial statements as follows:

	2017 £	2016 £
Current liabilities	2,925	2,925
Non-current liabilities	312,964	315,889
	<u>315,889</u>	<u>318,814</u>
<b>Social housing government grants</b>		
At 1 October 2016	482,716	482,716
At 30 September 2017	<u>482,716</u>	<u>482,716</u>
<b>Amortisation</b>		
At 1 October 2016	163,902	160,977
Amortised during the year	2,925	2,925
At 30 September 2017	<u>166,827</u>	<u>163,902</u>
<b>Carrying amount</b>		
At 30 September 2017	<u>315,889</u>	<u>318,814</u>

### 17 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to expenditure in respect of defined contribution schemes	4,762	2,091

The association does not operate an occupational pension scheme but will contribute a proportion of salary to an employee's personal pension scheme.

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 18 Share capital

	2017	2016
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
Brought forward	28	27
Issued during the year	3	4
Forfeited during the year	(1)	(3)
	<u>30</u>	<u>28</u>
30 Ordinary shares of £1 each		

These shares do not carry any right to a dividend, cannot be redeemed and do not give any provision for a distribution on a winding up. All members are entitled to vote at General Meetings.

### 19 Operating lease commitments

#### Lessee

At the reporting end date the association had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
In over five years	<u>250</u>	<u>250</u>

### 20 Related parties

The association reserves a seat on the board for a tenant who is willing and elected to serve. The rent payable is the same as that charged on the association's other properties of a similar type. The tenant board member had no year-end rent arrears.

### 21 Cash generated from operations

	2017	2016
	£	£
Surplus for the year after tax	69,498	104,798
<b>Adjustments for:</b>		
Investment income	(19,340)	(28,872)
Loss on disposal of tangible fixed assets	3,543	1,426
Depreciation and impairment of tangible fixed assets	68,821	68,322
Capitalised development costs written off	-	19,448
Forfeited shares	(1)	(3)
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	1,285	(5,265)
Increase/(decrease) in creditors	13,171	(14,106)
(Decrease) in deferred income	(2,925)	(2,925)
<b>Cash generated from operations</b>	<u>134,052</u>	<u>142,823</u>

# CHICHESTER GREYFRIARS HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 30 SEPTEMBER 2017*

---

### **22 Non-audit services provided by auditor**

In common with many other association's of our size and nature we use our auditors to assist with the preparation of the statutory financial statements.