

WINDSOR WALK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2013

WINDSOR WALK HOUSING ASSOCIATION LIMITED

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INFORMATION

BOARD OF MANAGEMENT

Dr L Rowland
Mr A Morgan
Mrs S Anderson
Miss V Spence
Mr R Collins
Mr R Jones

CHIEF EXECUTIVE

Ms A Trenholme

SECRETARY REGISTERED OFFICE

Mrs S Anderson
25 Therapia Road
East Dulwich
London SE22 0SF

HOMES AND COMMUNITIES AGENCY

L1656

INDUSTRIAL AND PROVIDENT SOCIETY NUMBER

IP19228R

REGISTERED CHARITY NUMBER

259589

AUDITORS

Opass Billings Wilson & Honey LLP
Numeric House
98 Station Road
Sidcup
Kent DA15 7BY

BANKERS

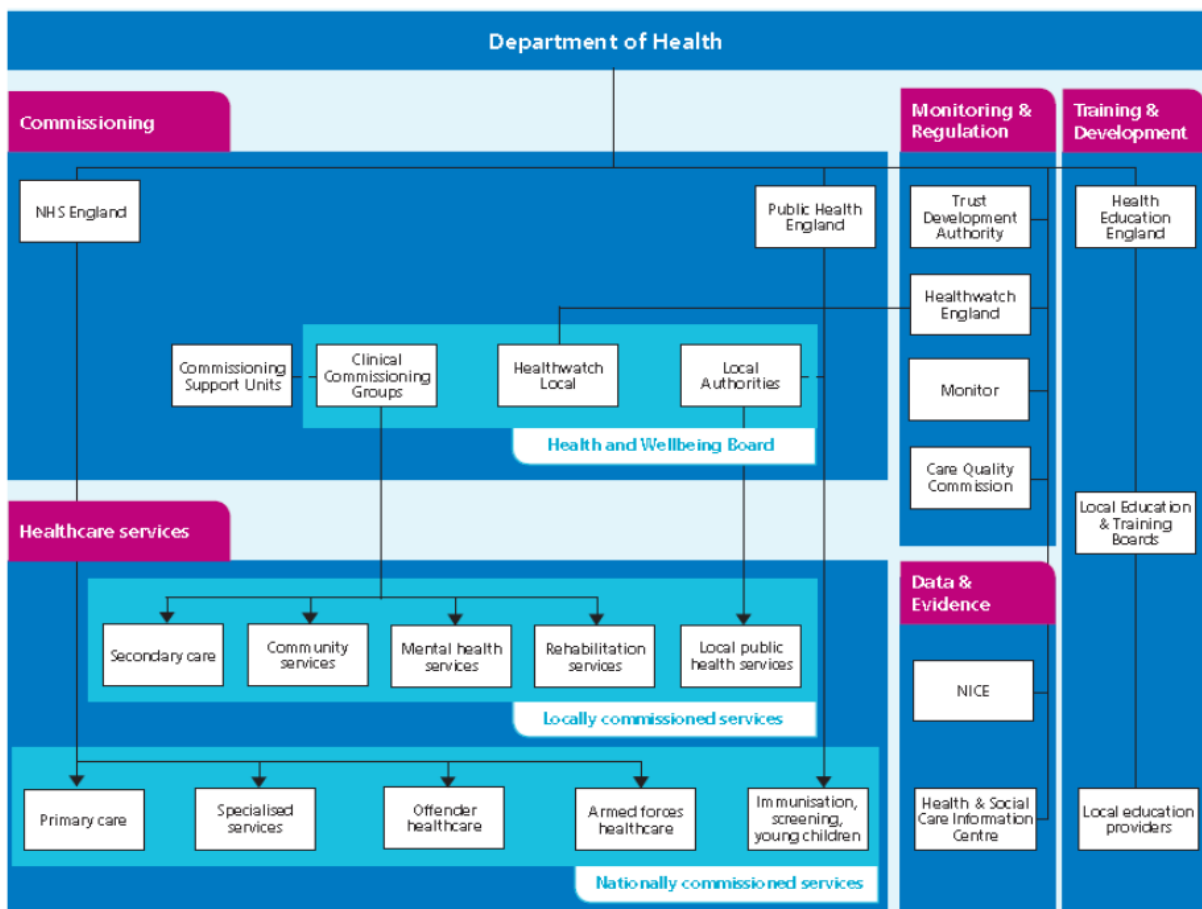
HSBC
28 Borough High Street
London SE1 1YB

CHAIR'S REPORT 2013

Context and Overview

The dominant theme in the Chair’s reports over recent years has been the repeated changes to the NHS, and to the support and welfare systems, and how these have affected, often disadvantageously, the most vulnerable in our society, including those for whom Windsor Walk Housing Association provides accommodation and support. This year has seen perhaps the most far reaching re-organisation of the NHS since its inception in 1948 with the implementation of the Health and Social Care Act (2012) in April 2013.

This is NHS England’s description of the “New NHS”:



(From NHS England, 2014, Understanding the New NHS).

I am sure you will agree that this diagram clearly illustrates the streamlined and patient focused nature of the “New NHS”

The other initiative, which has particular relevance for Windsor Walk Housing Association and its tenants, is the government’s on-going drive to cut spending on welfare. The government’s rhetoric is predominantly focused on spending and reducing this. There is noticeably less attention being paid to the needs of the most vulnerable in our society or the effects of the manner in which the cuts in support are being implemented.

Context and Overview Cont..

There is also growing concern in the voluntary sector over the use both national government and local statutory services, while authorities are making of the voluntary sector to deliver services, including at the same time imposing “gagging clauses” on those charities who receive funding. These “gagging clauses” have the effect of preventing charities from advocating for those they are supporting or commenting on the behaviour and performance of the government and statutory sector. (cf. The Panel on the Independence of the Voluntary Sector Report, 2014).

Having identified these concerns we have to note that Windsor Walk Housing Association and its tenants have not yet been adversely affected by the most recent government initiatives. However, there are lessons to be learned and it would be foolish for us to assume that because we have not, as yet, been adversely affected we are, therefore, “safe” and things will continue as they are currently. It would be unwise for us not to take note of the fact that the drive for centralisation, control and to cut spending is continuing apace, and foolish for us to make our decisions about future services and their financing without an awareness of the zeitgeist of the time.

For the sake of completeness it should be noted that the expensive and disruptive changes have not resulted in noticeably improved or more coherent services to our tenants.

Changes

The most significant change for Windsor Walk Housing Association in the past year has been the retirement, in February of this year, of our long standing manager Mrs Sally Pacetti. Mrs Pacetti was our manager for 30 years and during her tenure she helped steer the organisation through some very challenging times yet we remained financially viable and the tenants continued to receive high quality care and support. The Housing Association is very grateful to Mrs Pacetti for all her hard work and commitment over the years and we wish her well in her, I am sure, active retirement.

Our new manager, Ms Aly Trenholme, took up her post in February and as always with such changes there is a breath of fresh air and we are already beginning to do things somewhat differently. We all look forward to this new and exciting chapter in Windsor Walk’s history

Services

I noted last year that we feared that the re-allocating of *Supporting People* funding would prove to be less of a reorganisation and more of a service cut. So it has proved to be. Our tenants’ needs for support have not been assessed by Southwark Social Service during this year and the burden of supporting them has remained with us, though now unfunded by the state. I said in last year’s report *“It appears that this most vulnerable section of society is one the state can now ignore and when it does consider them it has decided that it cannot afford to care for and support them, despite the fact that the UK Government’s spending on health care and welfare provision is amongst the lowest in the developed world.”* Nothing appears to have changed on this front. Mrs Thatcher, who initiated many of the changes to the health and welfare system, proclaimed that there is no such thing as society and Mr Cameron’s “Big Society” appears to be no more responsive to the needs of the vulnerable and marginalised.

Finances

In the last financial year, for the first time in many years, Windsor Walk failed to balance its books. In fact we experienced over a £100,000 turnaround in our financial fortunes as compared to the previous financial year. We have already begun to address this issue. However, having decided to undertake substantial maintenance and refurbishments of our properties in the coming year we are entering a challenging period financially when both income and expenditure will need to be closely scrutinised.

Developments

The Housing Association has recently had all its properties surveyed and a plan of maintenance and refurbishment work is being put into place. This is likely to necessitate the Housing Association incurring significant expense, however we are confident that by undertaking this work we will maintain the quality of the accommodation for our tenants and maintain, if not improve, the fabric of our accommodation for future years.

Tenants

As I have noted many times before our tenants are an aging population and their physical health is an on-going cause of concern and places considerable demands on the staff in providing additional care and support for them when they are unwell, in arranging and accompanying them to appointments and liaising with GPs and other medical staff. However, the demand for places at Windsor Walk Housing Association is strong and it is hoped that over time our population of tenants will become more mixed with respect to both age and gender.

The Staff

As always the staff have risen to the challenges that have faced them with enthusiasm, commitment and ingenuity. It is largely thanks to their efforts that Windsor Walk Housing Association continues both as a viable organisation and one which offers high quality, person centred services.

It gives me great pleasure to thank the staff of the Association on behalf of the tenants and Committee of the Windsor Walk Housing Association for all their hard work and dedication during the year.

L.A. Rowland

Chair, Windsor Walk Housing Association

BOARD REPORT

The Board present their report and the financial statements for the year ended 31st December 2013.

REVIEW OF THE ASSOCIATION

The principal activity of the Association continued to be that of a Housing Association providing housing for those with mental illness. The Association continues to manage 20 bed spaces.

The Association continues to identify and pursue opportunities for development both in services and additional accommodation.

This year the Association has reported an operating deficit of £105,221 compared to a surplus of £45,107 in the previous year.

THE BOARD OF MANAGEMENT

The members, who are non-executive directors, set out below have held office during the whole of the period from 1st January 2013 to the date of this report unless otherwise stated.

Dr L Rowland	Chairman
Mr A Morgan	
Mrs S Anderson	Secretary
Miss V Spence	
Mr R Collins	
Mr R Jones	

BOARD OF MANAGEMENT AND STAFF

The Board of Management, which is responsible for the management of the Association's affairs, comprises no more than 6 members. The Board Members, who are unpaid, are drawn from a wide background bringing together professional, commercial and local experience. The Board meets five times a year and the Chief Executive Officer reports on the day to day management.

The Board obtains external specialist advice from time to time as necessary.

The staff team comprises the Chief Executive, four service staff and locums as and when necessary.

BOARD MEMBERS' RESPONSIBILITIES

Registered Social Landlord legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association's affairs at the end of the financial year and of the income and expenditure of the Association for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed to the best of the Board's knowledge and belief, by reference to reasonable and prudent judgements and estimates and supplied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the Association is a going concern.

BOARD REPORT (CONTINUED)

BOARD MEMBERS' RESPONSIBILITIES (CONTINUED)

The Board is responsible for ensuring that arrangements are made for keeping proper accounting records with respect to the Association's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Association's accounting records and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL INSTRUMENTS

The Association does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Association does not enter into any hedging transactions and no trading in financial instruments is undertaken.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are Board Members of the Association at the date when this report was approved:

- so far as each of the Board Members are aware, there is no relevant audit information of which the Association's auditors are unaware; and
- each of the Board Members has taken all the steps that they ought to have taken as a Board Member to make them aware of any relevant audit information and to establish that the Association's auditors are aware if that information.

Approved by the Board on and signed on its behalf by:

Member of the Board of Management

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WINDSOR WALK HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of Windsor Walk Housing Association Limited for the year ended 31st December 2013 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of The Board and auditors

As explained more fully in the Statement of Board's Responsibilities set out on pages 4 to 5, the Board is responsible for preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the Association's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968 and the Housing and Regeneration Act 2008. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.or.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements;

- give a true and fair view of the state of the Association's affairs as at 31st December 2013 and of its expenditure 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 Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WINDSOR WALK HOUSING ASSOCIATION LIMITED (*continued*)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 require us to do so, in our opinion;

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- 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.

OPASS BILLINGS WILSON & HONEY LLP

STATUTORY AUDITORS

NUMERIC HOUSE
98 STATION ROAD
SIDCUP
KENT DA15 7BY

Dated: _____

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31st December 2013

	Notes	2013 £	2012 £
TURNOVER	2	310,603	376,312
Operating costs	2	(418,811)	(349,601)
Operating (deficit) / surplus on letting activities		(108,208)	26,711
Other operating income	4	2,260	17,546
OPERATING (DEFICIT) / SURPLUS		(105,948)	44,257
Interest receivable and similar income		727	850
Interest payable and similar charges		-	-
(DEFICIT) / SURPLUS FOR THE YEAR BEFORE TRANSFERS		£(105,221)	£45,107

The Association's turnover and expenses all relate to continuing operations. The Association has no recognised surpluses and deficits other than the result for the year, which has been calculated on an historical cost basis.

BALANCE SHEET

As at 31st December 2013

	Notes	2013	2012
FIXED ASSETS			
Tangible assets			
Housing properties	9		
- Cost		131,206	131,206
- Social housing grant		-	-
- Depreciation		(4,623)	(3,022)
		<u>126,583</u>	<u>128,184</u>
Other fixed assets	9	77,691	89,951
		<u>204,274</u>	<u>218,135</u>
CURRENT ASSETS			
Stock		430	430
Debtors	10	17,799	12,567
Investments		16,116	16,116
Cash at bank and in hand		454,798	448,095
		<u>489,143</u>	<u>477,208</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(124,424)	(21,129)
NET CURRENT ASSETS		<u>364,719</u>	<u>456,079</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£568,993</u>	<u>£674,214</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	13	13
Accumulated reserves	13	568,980	674,201
		<u>£568,993</u>	<u>£674,214</u>

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Management on and were signed on its behalf by:

Member of the Board of Management

Member of the Board of Management

Association Secretary

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31st December 2013****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and in accordance with the Industrial and Provident Societies Acts 1965 to 2002, and the Statement of Recommended Practice, Accounting by registered social housing providers Update 2010.

(a) Accounting convention

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

(b) Turnover

Turnover primarily represents rents and service charges receivable in respect of tenanted properties.

(c) Depreciation

<i>Housing Properties</i>	2% Straight line
<i>Other Property</i>	2% Straight line

Freehold land is not depreciated

<i>Other fixed assets</i>	
Office equipment and computers	33 1/3% Straight line

(d) Improvements to properties

Expenditure on existing housing properties is capitalised to the extent that it improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through the extension of the life of the property.

(e) Pension costs

Contributions payable to individual staff members pension schemes are charged to the income and expenditure account in the period to which they relate.

(f) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2013

2. TURNOVER, OPERATING COSTS AND OPERATING (DEFICIT) / SURPLUS

	2013		
	Turnover £	Operating Costs £	Operating (Deficit) / Surplus £
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation	310,603	(406,551)	(95,948)
OTHER INCOME AND EXPENDITURE			
Other	-	(12,260)	(12,260)
TOTAL	£310,603	£(418,811)	£(108,208)

	2012		
	Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation	376,312	(342,656)	33,656
OTHER INCOME AND EXPENDITURE			
Other	-	(6,945)	(6,945)
TOTAL	£376,312	£(349,601)	£26,711

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2013

3.	INCOME AND EXPENDITURE FROM LETTINGS	2013	2012
		£	£
	Income from lettings - Housing accommodation		
	Rent receivable	310,603	376,312
	Service charges receivable	-	-
		<hr/>	<hr/>
	Net rents receivable	£310,603	£376,312
		<hr/>	<hr/>
	Expenditure on letting activities - Housing accommodation		
	Services	130,857	108,483
	Management	219,727	181,722
	Routine maintenance	13,298	11,348
	Major repairs expenditure	41,068	39,502
	Rent losses from bad debts	-	-
	Depreciation of housing properties	1,601	1,601
		<hr/>	<hr/>
	Total expenditure on lettings	£406,551	£342,656
		<hr/>	<hr/>
	Operating (deficit) / surplus on letting activities	£(95,948)	£33,656
		<hr/> <hr/>	<hr/> <hr/>
	Rent losses from voids	£70,787	£8,577
		<hr/> <hr/>	<hr/> <hr/>
4.	OTHER OPERATING INCOME	2013	2012
		£	£
	Turnover / Other	5,245	23,535
	Cost of sales	(2,100)	(4,222)
	Overheads	(885)	(1,767)
		<hr/>	<hr/>
		£2,260	£17,546
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2013

5. SURPLUS FOR THE YEAR ON ORDINARY ACTIVITIES BEFORE TRANSFERS

The surplus for the year is stated: after charging:	2013 £	2012 £
Depreciation of tangible fixed assets	6,782	8,546
(Profit) / loss on disposal of properties		-
Auditors' remuneration - audit services	6,250	6,250
- other services	3,750	3,750
	<u> </u>	<u> </u>

6. TAXATION

No taxation charge arises as the Association has been granted charitable status.

7. STAFF COSTS

Staff costs including directors:	2013 £	2012 £
Wages and salaries	142,602	137,307
Social security costs	13,727	13,864
Pension and other costs	-	-
	<u> </u>	<u> </u>
	£156,329	£151,171
	<u> </u>	<u> </u>

Average number of persons expressed as full time equivalents (including the directors) employed during the year:

	Number	Number
Office staff	1	1
Service staff	4	4
	<u> </u>	<u> </u>
	5	5
	<u> </u>	<u> </u>

8. DIRECTORS' AND THE EXECUTIVE OFFICERS' EMOLUMENTS

Emoluments (including pension contributions and benefits in kind)	2013 £	2012 £
	£54,453	£54,500
	<u> </u>	<u> </u>

The emoluments of directors and the executive officers disclosed above (excluding pension contributions and benefits in kind) include amounts paid to:

The highest paid director	£54,453	£54,500
	<u> </u>	<u> </u>

None of the non executive directors received any emoluments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2013

9. TANGIBLE FIXED ASSETS

	Housing Properties for letting (including improvements) £	Other Property £	Office equipment and computers £	Total £
COST				
At 1st January 2013	131,206	81,872	75,088	288,166
Additions	-	-	-	-
At 31st December 2013	£131,206	£81,872	£75,088	£288,166
DEPRECIATION				
At 1st January 2013	3,022	2,914	64,095	70,031
Charge for year	1,601	1,457	10,803	13,861
At 31st December 2013	£4,623	£4,371	£74,898	£83,892
NET BOOK VALUE				
At 31st December 2013	£126,583	£77,501	£190	£204,274
At 31st December 2012	£128,184	£78,958	£10,993	£218,135

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2013

10. DEBTORS

	2013	2012
	£	£
Rent in arrears	16,718	11,506
Prepayments	1,081	1,061
	<u>£17,799</u>	<u>£12,567</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Rent in advance	40,803	2,725
Taxation and social security	23,189	3,945
Other creditors	60,432	14,459
	<u>£124,424</u>	<u>£21,129</u>

12. SHARE CAPITAL

	2013	2012
	£	£
At 1st January 2013	13	13
Issued during the year	-	-
	<u>13</u>	<u>13</u>
Forfeited during the year	-	-
	<u>13</u>	<u>13</u>
At 31st December 2013	<u>13</u>	<u>13</u>

13. ACCUMULATED RESERVES

	2013	2012
	£	£
At 1st January 2013	674,201	629,094
(Deficit) / surplus for the year	(105,221)	45,107
	<u>£568,980</u>	<u>£674,201</u>
At 31st December 2013	<u>£568,980</u>	<u>£674,201</u>

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31st December 2013****14. UNITS IN MANAGEMENT AND DEVELOPMENT**

	2013 Number	2012 Number
All social housing units:		
Under management at the year end	20	20
Under development	-	-

15. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed.

16. LEGISLATIVE PROVISIONS

The Association is incorporated under the Industrial and Provident Societies Act 1965.

WINDSOR WALK HOUSING ASSOCIATION LIMITED

MANAGEMENT INFORMATION

For the year ended 31st December 2013

The following pages do not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 7 to 8.

WINDSOR WALK HOUSING ASSOCIATION LIMITED

MANAGEMENT INFORMATION

For the year ended 31st December 2013

	2013	2012
Operating Costs	£	£
Rates and water	17,210	11,653
Light and heat	13,116	10,925
Insurance	4,652	5,501
Routine maintenance	13,298	11,348
Major repairs	41,068	39,502
Garden upkeep	6,474	6,271
Administrative salaries	144,887	137,307
Employer's national insurance contributions	14,712	13,864
Pension Costs	29,907	-
Travel expenses	9,611	9,339
Cleaning	3,817	4,759
Telephone	7,343	6,145
Food costs	28,503	26,281
Office expenses	236	1,537
Hire of equipment	4,189	4,430
Postage and stationery	1,166	1,973
General expenses	2,486	1,254
Advertising	500	946
Holidays and outings	25,492	20,557
Bank charges	991	1,493
Counselling and support	21,945	13,322
Legal and professional fees	759	54
Accountancy fees	6,338	6,344
Auditors' remuneration	6,250	6,250
Depreciation - housing properties	1,601	1,601
	<hr/>	<hr/>
	406,551	342,656
Recovered from tenants	310,603	376,312
	<hr/>	<hr/>
(Deficit) / Surplus on lettings for the year	£(95,948)	£33,656
Other operating income	2,260	17,546
Bank interest receivable	727	850
	<hr/>	<hr/>
	(92,961)	52,052
Depreciation - other	12,260	6,945
Profit / (Loss) on disposal of properties	-	-
	<hr/>	<hr/>
(DEFICIT) / SURPLUS FOR THE YEAR	£(105,221)	£45,107
	<hr/> <hr/>	<hr/> <hr/>