

***Co-operative and Community Benefit Society (FCA) No 23202R***

***Homes and Communities Agency No SL3224***

**Plumlife Homes Limited  
Report and Financial Statements  
For the Year ended 31 March 2016**

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**CONTENTS**

	<b>PAGE</b>
Association Information	1
Report of the Board	2
Independent Auditor's Report to the Members of Plumlife Homes Limited	8
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Reserve	12
Notes to the Financial Statements	13

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**ASSOCIATION INFORMATION**

***Board***

Chairman A. Davison

Deputy Chairman J. Rayner

Other Members C. Cashman  
J. Fitzgerald  
J. Green  
M. Harrison  
B. Nevin  
D. Robinson  
R. Sear

***Executive Officers***

Senior Executive Officer M. Harrison

Company Secretary P. Elvy

***Web site***

[www.greatplaces.org.uk](http://www.greatplaces.org.uk)  
[www.plumlife.co.uk](http://www.plumlife.co.uk)

***Registered office***

Southern Gate  
729 Princess Road  
MANCHESTER  
M20 2LT

***Registered Numbers***

HCA No: SL3224  
Co-operative and Community  
Benefit Society No: 23202R

***External Auditors***

BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

***Internal Auditors***

PWC  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

***Bankers***

The Royal Bank of Scotland plc  
P.O. Box 356  
38 Mosley Street  
Manchester  
M60 2BE

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**REPORT OF THE BOARD**

The Board presents its report and the audited financial statements for the year ended 31 March 2016.

**Principal activities**

Plumlife Homes Limited's principal activities include the management of shared ownership and rent to homebuy properties for the Great Places Housing Group and management of leasehold and private housing schemes.

**Business review**

The surplus after tax for the year ended 31 March 2016 was £99,000 (2015: £145,000). At the year-end the reserves amounted to £2,176,000 (2015: £2,077,000).

Staircasing (sale of equity tranches in properties) and sales activity has continued to be slow with only 3 staircasings taking place, yielding a net gain on disposal of £49,000.

In respect of the year ended 31 March 2016 a gift aid payment of £500,000 (2015: £950,000) was made on 30 March 2016 to Great Places Housing Association.

**Housing property assets**

Details of changes to the Association's property assets are shown in note 11 of the financial statements.

**Trade creditors**

The Association's trade creditors fall into three main categories – contractors engaged under formal contracts, utilities and others. The Association has a policy of paying contractors in accordance with contractual terms, utilities upon receipt of invoice and others by at least the end of the month following that of invoice.

**Donations**

During the years ended 31 March 2016 and 2015 the Association has made no political contributions and any charitable donations were made during the course of its ordinary activities.

**Post balance sheet events**

There have been no events since the year-end that have had a significant effect on the Association's financial position.

**Equality and diversity**

We are committed to equal opportunities and in particular we support the employment of disabled people. The Association has, and continually reappraises, a full and comprehensive policy of diversity and equal opportunities.

**Health and safety**

The Board is aware of its responsibilities on all matters relating to health and safety. The Association has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

## **REPORT OF THE BOARD**

### **Board members and executive directors**

The directors of the Association comprise the members of the Board and a senior executive officer. Details of the members of the Board and senior executive officer who served in the year ending 31 March 2016 are set out on page 1. All have served throughout the year and to the date of this report unless otherwise stated.

### **Internal controls assurance**

The Board of Great Places is the ultimate governing body and is responsible for the system of internal control. The Board is answerable for ensuring that its business is conducted in accordance with the law and proper standards, that public assets and money are safeguarded and properly accounted for, and that they are being used economically, efficiently and effectively.

A wide range of internal control mechanisms are in place and being operated to help the organisation meet its strategic objectives. These controls provide assurance to Board that an effective system of internal controls is in place. The most significant sources of assurance are:

- Our approach to combined assurance, based around the 3 lines of defence model;
- An independent internal audit function;
- The existence of the Audit and Assurance Committee, with appropriate terms of reference;
- The external auditors;
- Financial and non-financial performance monitoring and management;
- Effective tenant scrutiny arrangements; and
- External stakeholders, including the regulator and accreditation bodies such as Investors in People, Investors in Excellence and OHSAS 18001.

### **Internal controls framework**

To assess the effectiveness of the internal control system, a comprehensive framework is in place consisting of sources of assurance that bring together information from all key parts of the business.

The primary forms of assurance include:

- A new Risk and Assurance Strategy is supported by an embedded framework of risk registers at strategic, operational and project level, including articulation of risk appetite, tolerance levels and risk targets. These are monitored at high level at every Board meeting, with detailed 6 monthly reviews, and additional scrutiny provided by the Audit and Assurance Committee.
- Effective recruitment and selection processes are in place.
- The scheme of delegation sets out levels of financial approvals across the organisation, and these are replicated in our invoicing system to ensure that authorisation levels are adhered to.
- A range of strategic documents are “owned” at Board level, whilst the intranet ensures that all documents are regularly reviewed and approved at the appropriate management level.
- Both the internal and external auditors have the opportunity to meet the members of the Audit and Assurance committee without officers present to allow them to raise any concerns.

**REPORT OF THE BOARD**

- Compliance reports and regulatory judgements issued by the HCA, other regulatory bodies and the Group's credit rating agencies.
- A full range of insurances are in place to safeguard assets. These are regularly reviewed to ensure they are fit for purpose.
- A rigorous approvals process (and scheme of delegations contained within the Code of Governance) to ensure that all significant new initiatives or investments are subject to formal authorisation procedures by the Executive Team, the Board or its Committees.
- A range of surveys including customer satisfaction and employee satisfaction, including detailed analysis of the results and actions taken to address areas of concern.
- Whistleblowing and anti-fraud policies, and a register of all actual or potential fraud which is reported to the Audit and Assurance Committee, and to the regulator via an annual report.
- Appropriate tenant involvement structures to ensure the customers voice is taken into account, including our tenant scrutiny group "Insight" and our mystery shoppers.
- A risk based assurance system which ensures checks are carried out at a local level on key procedures to ensure processes are being followed and risks are minimised.
- Supported housing scheme audits conducted to monitor the quality of outcomes at a local level in order to identify trends, training requirements, policy limitations, etc.

**Specific progress during 2015/16**

- In April 2015, a new Corporate Plan was launched which identified 6 corporate priorities – customers and communities, growth, assets, financial viability, people and good governance.
- Ten Critical Success Factors (CSF's), which are clearly linked to the Corporate plan and the 6 priorities, ensure the performance management framework is clearly focused.
- Annual business plans with detailed supporting budgets allow careful monitoring of financial performance in the short, medium and long term, with a view to update if there is material change. Precisely this happened following the announcement of the 4 year rent reduction – the business plan was reviewed and resubmitted to the regulator.
- In the spring of 2015 Great Places were reviewed by the HCA as a pilot for the new In Depth Assessment (IDA) programme. The feedback from the HCA was positive and subsequently confirmed our G1/V1 status. A limited number of areas for improvement were identified and the following progress has been made that has improved our internal control environment:
  - Enhancements to our stress testing environment;
  - An enhanced focus on the completion of stock condition surveys with a target in place to have 100% of data by March 2018.
- Appointment of a new senior post – "Head of Business Assurance" – with specific responsibilities around risk management, assurance and regulatory compliance.

## **REPORT OF THE BOARD**

### **Audit work in 2015/16**

Our new internal auditors, PWC, carried out 4 advisory reviews, and 10 compliance audits across a broad range of service areas. The 10 compliance audits produced 2 x low risk areas (fire risk assessments and safeguarding), 6 x medium risk areas (gas safety, performance reporting, leasehold management, payroll, financial controls and development) and 2 x high risk areas (ghost tenancies and software development). There were no critical risk areas.

In their annual report for 2015/16 PwC conclude “...there are adequate and effective governance, risk management and control processes to enable the related risks to be managed and objectives to be met”.

Our external auditors, BDO, have also confirmed that they have not identified any significant deficiencies in internal control during their audit and have issued an unmodified opinion on the financial statements.

### **Internal controls assurance conclusion**

To assist the Audit and Assurance Committee in the review process, it has received the Chief Executive’s report regarding the effectiveness of the system of internal control for the Group. The Chief Executive’s report concludes:

- That there is sufficient evidence to confirm that adequate systems of internal control have existed and have operated throughout the year;
- That those systems are aligned to the management of significant risks facing the organisation.
- That the organisation has suitable internal controls for maintaining adequate accounting records, for safeguarding the assets of the Company, and for taking reasonable steps to prevent and detect fraud and other irregularities.
- That no weaknesses have been identified which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

The system of internal control is a significant part of Great Places’ governance arrangements and is designed to manage risk to a reasonable level rather than to eliminate all risk. It can, therefore, only provide reasonable rather than absolute assurance.

The Audit and Assurance Committee has conducted its own review of the effectiveness of the systems currently in place, has reported its findings to the Board and has confirmed that all necessary actions have been taken to remedy any significant failings or weaknesses.

The Board is therefore able to confirm that the system of internal controls is ongoing and has been in place for the year to 31<sup>st</sup> March 2016 and up to the date of the approval of these financial statements.

The Board also confirms that it is satisfied that there are ongoing processes in place to identify, evaluate, control and manage any significant risks faced by the organisation. These processes have been in place during the year under review, up to the date of the annual report and accounts and they are regularly reviewed by the Board.

The Board confirms that no weaknesses were found in the internal controls for the year ended 31<sup>st</sup> March 2016 which might otherwise have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

## **REPORT OF THE BOARD**

### **Board members' responsibilities**

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

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2014 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 board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply 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. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on the association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.



**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**REPORT OF THE BOARD**

**Strategic Report**

The Association has decided not to include a Strategic Report, however a Group Strategic Report as been included in the financial statements of its parent company Great Places Housing Group Limited.

**Going Concern**

After making enquiries, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

**Annual general meeting**

The annual general meeting will be held on Thursday 8th September 2016 at Southern Gate, Manchester.

**External auditors**

A resolution to re-appoint BDO LLP will be proposed at the AGM on 8<sup>th</sup> September 2016.

The report of the Board was approved on 28<sup>th</sup> July 2016 and signed on its behalf by:



**Phil Elvy**  
**Secretary**

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED**

We have audited the financial statements of Plumlife Homes Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in reserves and the related notes. 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).

This report is made solely to the association's members, as a body, in accordance with the Housing and Regeneration Act 2008 and 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.

***Respective responsibilities of the board and auditors***

As explained more fully in the statement of board member responsibilities, the board members are responsible for the preparation of the 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

***Scope of the audit of the financial statements***

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

***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 31 March 2016 and of the association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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.

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUMLIFE HOMES LIMITED**

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

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the association; or
- a satisfactory system of control has not been maintained over transactions; or
- the association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

*BDO LLP, Statutory Auditor  
Manchester  
United Kingdom*

*Date 2/08/2016.*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**STATEMENT OF COMPREHENSIVE INCOME**

	Note	2016 £'000	2015 restated £'000
<b>Turnover</b> (excluding amortisation of government grants)	4	<b>3,630</b>	4,187
Amortisation of government grants	4	<b>23</b>	23
<b>Total turnover</b>	4	<b>3,653</b>	4,210
<b>Operating costs</b>	4	<b>(3,093)</b>	(3,157)
<b>Operating surplus</b>	5	<b>560</b>	1,053
Surplus on sale of fixed assets – housing properties	6	<b>49</b>	73
Interest receivable	7	<b>15</b>	13
Interest and financing costs	8	<b>(10)</b>	(13)
<b>Surplus on ordinary activities before taxation</b>		<b>614</b>	1,126
Gift aid payment	9	<b>(500)</b>	(950)
Tax on surplus on ordinary activities	10	<b>(15)</b>	(31)
<b>Surplus for the financial year and total comprehensive income</b>		<b>99</b>	145

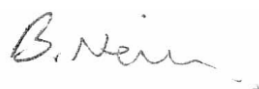
All amounts relate to continuing activities.

The accompanying notes on pages 13 to 28 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board of Directors on 28<sup>th</sup> July 2016.



Board member  
C. Cashman



Board member  
B. Nevin



Secretary  
P. Elvy

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**BALANCE SHEET**

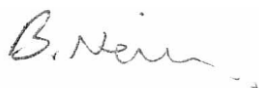
	Note	2016 £'000	2015 restated £'000
<b>Tangible fixed assets</b>			
Housing properties at cost	11	3,339	3,380
Depreciation	11	<u>(454)</u>	<u>(430)</u>
		<b>2,885</b>	<b>2,950</b>
<b>Current assets</b>			
Debtors	12	586	536
Cash at bank and in hand		<u>4,327</u>	<u>3,766</u>
		<b>4,913</b>	<b>4,302</b>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(3,637)</u>	<u>(3,142)</u>
<b>Net current assets</b>		<u><b>1,276</b></u>	<u><b>1,160</b></u>
<b>Total assets less current liabilities</b>		<b>4,161</b>	<b>4,110</b>
<b>Creditors:</b>			
Deferred capital grant due after more than one year	14	(1,905)	(1,949)
Other creditors falling due after more than one year	14	<u>(80)</u>	<u>(84)</u>
<b>Net assets</b>		<u><b>2,176</b></u>	<u><b>2,077</b></u>
<b>Capital and reserves</b>			
Non-equity share capital	19	-	-
Revenue reserves		<u>2,176</u>	<u>2,077</u>
<b>Association's funds</b>		<u><b>2,176</b></u>	<u><b>2,077</b></u>

The accompanying notes on pages 13 to 28 form part of these financial statements.

The financial statements were authorised for issue and approved by the Board on 28<sup>th</sup> July 2016 and signed on its behalf by:



Board member  
C. Cashman



Board member  
B. Nevin



Secretary  
P. Elvy

**PLUMLIFE HOMES LIMITED**  
**Year ended 31 March 2016**

**STATEMENT OF CHANGES IN RESERVES**

	<b>Revenue reserve £'000</b>	<b>Total reserves £'000</b>
Balance at 1 April 2015	2,077	2,077
Surplus for the year and total comprehensive income	99	99
Balance at 31 March 2016	<u>2,176</u>	<u>2,176</u>

	<b>Revenue reserve £'000</b>	<b>Total reserves £'000</b>
Balance at 1 April 2014	1,932	1,932
Surplus for the year and total comprehensive income	145	145
Balance at 31 March 2015	<u>2,077</u>	<u>2,077</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 Legal status**

The Association is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 and is a registered with the Homes and Communities Agency as a social housing provider.

### **2 Accounting policies**

Major accounting policies are detailed within the relevant note from note 4 onwards.

#### **Basis of accounting**

The financial statement have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Plumlife Homes Limited included the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2014, "Accounting by registered social housing providers" 2014, the Accounting Direction for Private Registered Providers of Social Housing 2015. Information on the impact of first-time adoption of FRS 102 is given in note 27.

The association is a Public Benefit Entity (PBE) and has applied the provisions for FRS102 specifically applicable to PBE's.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Great Places Housing Group Limited as at 31 March 2016 and these financial statements may be obtained from their registered office.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Association management to exercise judgement in applying the Association's accounting policies.

#### **Value added tax (VAT)**

The Association is registered for Value Added Tax (VAT) as part of the Great Places Housing Group VAT registration. A large proportion of its income, rents and service charges, is exempt for VAT purposes thus giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

#### **Service charges**

The Association has both fixed and variable service charges for its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or sinking fund. Income is recorded based on the estimated amounts chargeable.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **3 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the key judgements have been made in respect of the following:

- whether there are indicators of impairment of the Association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. We have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. We have also considered impairment based on their assumptions to define cash or asset generating units.
- the exemptions to be taken on transition to FRS 102.
- the categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.
- what constitutes a cash generating unit when indicators of impairment require there to be an impairment review.

#### **Rental and other trade receivables (debtors) (see note 12)**

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

### **4 Particulars of turnover, cost of sales, operating costs and operating surplus**

#### **Policies**

#### **Income**

Income is measured at the fair value of the consideration received or receivable. The Association generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting);
- First tranche sales of Low Cost Home Ownership housing properties developed for sale;
- Service charge receivable; and
- Revenue grants and proceeds from the sale of land and property.

Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from first tranche sales is recognised at the point of the legal completion of the sale.



NOTES TO THE FINANCIAL STATEMENTS

4 Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

Policies (continued)

**Government grants**

Grants relating to revenue are recognised in the income and expenditure account over the same period as the expenditure to which they relate once performance related conditions have been met.

**Management of units owned by others**

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.

	Turnover	2016 Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000
<b>Social housing lettings</b>	2,148	(2,141)	7
<b>Other social housing activities</b>			
Managed properties	580	(104)	476
Homebuy agency income	-	-	-
Mortgage rescue income	-	(2)	(2)
Marketing Income	608	(645)	(37)
Housing Investment Fund	317	(201)	116
	<u>1,505</u>	<u>(952)</u>	<u>553</u>
	<u><b>3,653</b></u>	<u><b>(3,093)</b></u>	<u><b>560</b></u>

	Turnover	2015 – restated Operating Costs	Operating Surplus
	£'000	£'000	£'000
<b>Social housing lettings</b>	2,133	(1,887)	246
<b>Other social housing activities</b>			
Managed properties	552	(224)	328
Homebuy agency income	509	(231)	278
Mortgage rescue income	364	(248)	116
Marketing Income	305	(266)	39
Housing Investment Fund	347	(301)	46
	<u>2,077</u>	<u>(1,270)</u>	<u>807</u>
	<u><b>4,210</b></u>	<u><b>(3,157)</b></u>	<u><b>1,053</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Particulars of turnover, cost of sales, operating costs and operating surplus (continued)**

	2016			Total £'000	2015 Total restated £'000
	General Needs £'000	Low cost home owner- ship £'000	Shared owner- ship £'000		
Rents net of identifiable service charges	440	1,292	252	1,984	1,953
Service income	141	-	-	141	157
Amortised government grants	-	-	23	23	23
<b>Turnover from social housing lettings</b>	<b>581</b>	<b>1,292</b>	<b>275</b>	<b>2,148</b>	<b>2,133</b>
Management	(116)	(454)	(203)	(773)	(438)
Services	(169)	(25)	(10)	(204)	(234)
Routine maintenance	(39)	(170)	-	(209)	(183)
Bad debts	8	19	2	29	(46)
Property lease charges	-	(956)	-	(956)	(958)
Depreciation of properties	-	-	(28)	(28)	(28)
<b>Operating costs on social housing lettings</b>	<b>(316)</b>	<b>(1,586)</b>	<b>(239)</b>	<b>(2,141)</b>	<b>(1,887)</b>
<b>Operating surplus on social housing lettings</b>	<b>265</b>	<b>(294)</b>	<b>36</b>	<b>7</b>	<b>246</b>
Void losses	19	51	-	70	58

**5 Operating surplus**

The operating surplus is arrived at after charging:

	2016 £'000	2015 restated £'000
Depreciation of housing properties	28	28
Auditors' remuneration (excluding VAT)		
- for the audit of the financial statements	5	5
- for other services relating to taxation	3	3

**6 Surplus on sale of fixed assets – housing properties**

	2016 £'000	2015 restated £'000
Disposal proceeds	91	144
Carrying value of fixed assets	(12)	(20)
	79	124
Capital grant recycled (note 17)	(30)	(51)
	49	73

**NOTES TO THE FINANCIAL STATEMENTS**

**7 Interest receivable**

**Policy**

Interest receivable is credited to the income and expenditure account in the year.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable and similar income	15	13
	<u>15</u>	<u>13</u>

**8 Interest and financing costs**

**Policy**

Interest payable is charged to the income and expenditure account in the year.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Loans and bank overdrafts	10	13
	<u>10</u>	<u>13</u>

**9 Gift Aid**

Payment made as gift aid in accordance with s339 (7AA) of the Income and Corporation Taxes Act 1988

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
	500	950
	<u>500</u>	<u>950</u>

A payment was made on 30<sup>th</sup> March 2016 to Great Places Housing Association of £500,000 (2015: £950,000) in respect of the year ended 31 March 2016. For the purposes of s338 of the Income and Corporation Taxes Act 1988, the Association deemed this to be a charge on income in the accounting period ended 31 March 2016 thereby reducing its liability to corporation tax for that year to £15,285 (2015: £31,014).

**10 Tax on surplus on ordinary activities**

**Policies**

**Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income and expenditure account, except that a change attributable to an item of income and expense is recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

**NOTES TO THE FINANCIAL STATEMENTS**

**10 Tax on surplus on ordinary activities (continued)**

**Policies (continued)**

**Current and deferred taxation (continued)**

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax charge for year	13	24
Adjustments in respect of prior years	2	7
	<u>15</u>	<u>31</u>
<b>Current tax reconciliation</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Surplus on ordinary activities before tax	614	1,126
Gift aid payment not subject to UK taxation	(500)	(950)
Profits subject to UK taxation	<u>114</u>	<u>176</u>
Whereon corporation tax at the standard rate of 20% (2015: 21%)	23	37
<b>Effects of:</b>		
Income not taxable for tax purposes – fixed assets	(9)	(13)
Chargeable gains	1	1
Adjustments in respect of prior years	2	7
Marginal relief	(2)	(1)
<b>Total tax charge</b>	<u><u>15</u></u>	<u><u>31</u></u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **11 Tangible fixed assets – housing properties**

#### **Policies**

##### **Housing properties**

Housing properties are principally properties available for rent on a shared ownership basis and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

##### **Shared ownership properties and staircasing**

Under low cost home ownership arrangements, the Association disposes of a long lease on low cost home ownership units for a share ranging between 35% and 75% of value. The Buyer has the right to purchase further proportions and up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset. The remaining element, is classed as Property Plant and Equipment (PPE) and included in completed housing properties at cost, less any provisions needed for depreciation or impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

##### **Donated land**

Land donated by local authorities and others is added to cost at the market value of the land at the time of the donation and an amount equivalent to the increase in value between market value and cost is added to other grants. Where the donation is from a non-public source, the value of the donation is included as income.

##### **Depreciation of housing properties**

Freehold land is not depreciated. Depreciation of buildings is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business.

The depreciable amount is arrived at on the basis of original cost, less the proportion of SHG and other grants attributable at a rate of 1% - 2% per annum.

Properties held under leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

##### **Impairment**

Housing properties which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed to see if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the Association. Any such write down is charged before arriving at operating surplus.

**NOTES TO THE FINANCIAL STATEMENTS**

**11 Tangible fixed assets – housing properties (continued)**

<b>Housing properties</b>	<b>Shared Ownership</b>
	<b>Total £'000</b>
<b>Cost</b>	
At 1 April 2015 - restated	3,380
Additions	-
Disposals	(41)
At 31 March 2016	<u>3,339</u>
<b>Depreciation and impairment</b>	
At 1 April 2015 - restated	430
Charged in year	28
Released on disposal	(4)
At 31 March 2016	<u>454</u>
<b>Net book value</b>	
At 31 March 2016	<u>2,885</u>
At 31 March 2015	<u>2,950</u>

**Housing properties book value, net of depreciation**

	<b>2016 £'000</b>	<b>2015 £'000</b>
Freehold land and buildings	2,303	2,341
Long leasehold land and buildings	582	609
	<u>2,885</u>	<u>2,950</u>

**Social housing grant**

	<b>2016 £'000</b>	<b>2015 £'000</b>
Total accumulated social housing grant received or receivable at 31 March:		
Capital grant	2,279	2,315
Revenue grant	2,425	2,389
	<u>4,704</u>	<u>4,704</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**12 Debtors**

**Policies**

**Debtors**

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income and expenditure account in other operating expenses.

**Recoverable amount of rental and other trade receivables**

The Association estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

**Rent and service charge agreements**

The Association has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate. The association has reviewed its social housing rent arrears where a formal repayment schedule is in place and has determined that the net book value adjustment for these arrangements are not material so no adjustment has been made for these other than any bad debt provision provided.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>restated £'000</b>
<b>Due within one year</b>		
Rent and service charges receivable	271	338
Less: provision for bad and doubtful debts	(99)	(165)
	<u>172</u>	<u>173</u>
Due from group undertakings	9	-
Other debtors	400	358
Prepayments and accrued income	5	5
	<u>586</u>	<u>536</u>

**13 Creditors: amounts falling due within one year**

**Policies**

**Creditors**

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income and expenditure account in other operating expenses.

**Service charge sinking funds**

Service charge sinking funds are held on the balance sheet within creditors.

**Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS**

**13 Creditors: amounts falling due within one year (continued)**

**Policies (continued)**

**Government grants**

Grant received in relation to housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 the useful economic life of the housing property structure has been selected.

Where social housing grant (SHG) funded property is sold, the grant become recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants due from government organisations or received in advance are included as current assets or liabilities.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Debt (note 15)	4	3
Trade creditors	34	72
Rent and service charges received in advance	74	75
Amounts owed to group undertakings	468	238
Leaseholder sinking funds	2,806	2,455
Corporation tax	13	24
Other creditors	41	56
Deferred capital grant (Note 16)	22	27
Accruals and deferred income	175	192
	<u>3,637</u>	<u>3,142</u>

Cash balances totalling £2,806,000 (2015: £2,455,000) are held in trust for leaseholders.

**14 Creditors: amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Debt (note 15)	80	84
Deferred capital grant (Note 16)	1,905	1,949
	<u>1,985</u>	<u>2,033</u>



**NOTES TO THE FINANCIAL STATEMENTS**

<b>15 Debt analysis</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loans are repayable as follows:</b>		
In one year or less or on demand	4	3
In more than one year, but not more than two years	4	4
In more than two years, but not more than five years	15	13
In more than five years	61	67
	<u>84</u>	<u>87</u>

Loans are repayable at fixed rates of interest in instalments. Interest rates on the loans range between 9.625% - 12.25%. Housing loans are secured by specific charges on the Association's housing properties.

**16 Deferred capital grant**

**Policy**

**Government grants**

Government grants include grants receivable from the Home and Communities Agency (the HCA), local authorities, and other government organisations. Grant in relation to newly acquired or existing housing properties is accounted for using accruals model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with the Housing SORP 2014 the useful life of the housing property structure has been used and, where applicable, its individual components (excluding land).

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2015/2014	1,976	2,043
Grants recycled from the recycled capital grant fund	(30)	(51)
Grants disposed of in year	3	-
Grant amortisation	(22)	(16)
At 31 March 2016/2015	<u>1,927</u>	<u>1,976</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**17 Recycled capital grant fund**

**Policy**

On the occurrence of certain relevant events, primarily the sale of dwellings, the HCA can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Association adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to the HCA with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2015/2014	-	-
Grants recycled from deferred capital grants	30	51
Interest accrued	-	-
Transferred to other group members	(30)	(51)
At 31 March 2016/2015	<u>-</u>	<u>-</u>

**18 Financial instruments**

**Policy**

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Association has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans that are payable within one year are not discounted.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the surplus or deficit for the year. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure account (unless hedge accounting is applied).

**NOTES TO THE FINANCIAL STATEMENTS**

**18 Financial instruments (continued)**

The Association's financial instruments may be analysed as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial assets</b>		
Financial assets measured at historical cost:		
- Trade receivables	-	-
- Other receivables	586	536
- Cash and cash equivalents	4,327	3,766
<b>Total financial assets</b>	<u>4,913</u>	<u>4,302</u>
<b>Financial liabilities</b>		
Financial liabilities measured at historical cost:		
- Loans payable	84	87
- Trade creditors	34	72
- Other creditors	5,504	5,016
<b>Total financial liabilities</b>	<u>5,622</u>	<u>5,175</u>

**19 Non-equity share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Shares of £1 each issued and fully paid</b>		
At 1 April 2015/2014	9	15
Shares issued during the year	-	3
Shares surrendered during the year	-	(9)
At 31 March 2016/2015	<u>9</u>	<u>9</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

Shares in the Association issued to members are not transferable. Upon a shareholder ceasing to be a member, his/her share is forfeited and the value is credited to the revenue reserve.

**20 Financial commitments**

The Association has no capital commitments as at 31 March 2016 (31 March 2015: £nil).

**21 Contingent liabilities**

**Policy**

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

The Association has no contingent liabilities at 31 March 2016 (31 March 2015: £nil).

**NOTES TO THE FINANCIAL STATEMENTS**

**22 Related parties**

During the year the company has the following intra-group transactions with Terra Nova Developments Limited, a non-regulated entity:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Marketing services	<u>112</u>	<u>19</u>

**23 Accommodation in management and development**

At the end of the year accommodation in management for each class of accommodation was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
Low cost home ownership	<u>142</u>	<u>143</u>
<b>Total owned</b>	<b>142</b>	<b>143</b>
Accommodation managed for others	<u>2,939</u>	<u>2,229</u>
<b>Total managed</b>	<b><u>3,081</u></b>	<b><u>2,372</u></b>

**24 Ultimate controlling party**

The ultimate controlling party of the Association is Great Places Housing Group Limited ('GPHG'), which is a company registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider under the Housing and Regeneration Act. The consolidated accounts of GPHG can be obtained from Great Places Housing Group Limited, Southern Gate, 729 Princess Road, Manchester, M20 2LT, or on its website [www.greatplaces.org.uk](http://www.greatplaces.org.uk).

**25 Directors and members**

The directors of the Association are the members of the Board including the senior executive officer. The senior executive officer who served during the year was an employee of GPHG and there were no emoluments paid to him by Plumlife Homes Limited. The senior executive officer's emoluments are disclosed in the GPHG accounts. No emoluments were paid by Plumlife Homes Limited to members of the Board during the year (2015: £Nil).

Note: The Plumlife Homes Limited Board received remuneration of £nil (2015: £nil) from GPHG, the Association's parent company.

**NOTES TO THE FINANCIAL STATEMENTS**

**26 Employees**

**Policy**

**Pensions**

The Association's employees participate in the Social Housing Pension Scheme (SHPS) as part of Great Places Housing Association's scheme. For SHPS, it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

The Association's employees also participate in a defined contribution scheme operated by SHPS. Contributions payable under this scheme are charge to the Income and Expenditure account in the period to which they relate.

**Employer numbers:**

Average monthly number of employees expressed as full time equivalents:

	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
Administration	10	8
Housing	7	3
	<u>17</u>	<u>11</u>

**Employee costs:**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	409	313
Social security costs	34	27
Other pension costs	36	32
	<u>479</u>	<u>372</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**27 First time adoption of FRS 102**

	Note	Reserves as at 1 April 2014 £000	Surplus for year ended 31 March 2015 £000	Reserves as at 31 March 2015 £000
<b>As previously stated under former UK GAAP</b>		1,887	131	2,018
<b>Transitional adjustments</b>				
Capital grant accounting	a)	45	2	47
Change to pension cost resulting from recognition of SHPS pension liability	b)	-	12	12
<b>As stated in accordance with FRS 102</b>		<b>1,932</b>	<b>145</b>	<b>2,077</b>

**Explanation of changes to previously reported profit and equity:**

**a) Capital grant accounting**

FRS 102 requires that government grants that were previously netted off the cost of the related asset being recognised as deferred income within creditors and they must be accounted for using the accruals or the performance model. As the Association accounts for its properties at historic cost, it has adopted the accruals model for government grants, as required by SORP 2014. Non-government grants are accounted for under the performance model.

Under the accruals model, the government grants have been allocated to the related assets and amortised over the useful economic life of those assets. The unamortised amount is held within deferred income, split between creditors due in less than 1 year and creditors due in more than 1 year. The amount of amortised grant that has been recognised in opening reserves is £323k, under UK GAAP this grant reduced the housing property depreciation charge by £278k which has been reversed resulting in a net impact on opening reserves of £45k. The impact of amortisation and depreciation in the year ended 31 March 2015 is to increase surplus by £2k.

**b) SHPS Pension**

Under section 28 of FRS 102 the Association is now required to recognise the net present value of any contractual agreements to make additional payments for a past deficit relating to a multi-employer defined benefit pension scheme that is accounted for as a defined contribution scheme. The Association's staff are members of Great Places Housing Association (GPHA) SHPS pension scheme and as such the past deficit liability of the Association cannot be separately identified from that of GPHA, as such no liability is recognised in the financial statements of the Association. In the year to 31 March 2015 the Association paid £12k to GPHA towards the deficit payments it made in that year. These payments now reduce the liability held within GPHA rather than being treated as a pension cost in the year hence the adjustment above to operating costs.