

Registered company number: 8662400

Registered charity number: 1162562

Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2016

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

**Directors/Trustees/
Management Board**

Robert Clayton (Chair)	John Bell
Sarah Benjamin	Yvonne Castle
Phillip Charlton	Mark Dowson
Alan Goodrum	Wayne Noteman

Senior Management Team: The executive comprise the senior management team of the sole Member, Horton Housing Association.

Registered Office: Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS

Company Registration no: 8662400

Charity Registration no: 1162562

Registered Provider no: 4821

Solicitors: Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Auditors: Saffery Champness
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers: Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Development consortium: Accent Group Development Consortium
Charlestown House
Acorn Park Industrial Estate
Shipley
BD17 7SW

Development partner: Greenoak Development Consultancy
High Austby House
Ilkley
LS29 0BJ

Chartford Housing Limited

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2016.

Constitution

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2016 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015. The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency as a registered provider on 1 October 2015 and also started operations on this date.

Principal activities

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the period covered by these accounts the principal activities of the company were:

- 1) Acting as a landlord for supported housing providers who are not registered providers
- 2) Developing residential supported housing properties with the assistance of HCA grants

As a member of the Horton Housing Group the company works closely with the other group members Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited.

Governance, board members and executive officers

The Management Board, which comprises all the current directors of the company, must comprise no less than 5 and no more than 12 members. The following are directors of the company that have held office since 1 April 2015:

Robert Clayton (Chair)	John Bell (appointed 12/5/15)
Sarah Benjamin (appointed 12/5/15)	Yvonne Castle (appointed 12/5/15)
Phillip Charlton	Mark Dowson (appointed 12/5/15)
Alan Goodrum (appointed 12/5/15)	Wayne Noteman
David Collier (resigned 12/5/15)	Paul Gartland (resigned 12/5/15)
Gudrun Haskins-Carlisle (resigned 12/5/15)	Linda McGowan (resigned 12/5/15)

The Board meet every two months. All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing through an inter-company management charge.

Business review and financial results

Prior to starting operations the main activities related to registering the company as a charity and also as a registered landlord. The company subsequently joined the Accent Group Development Consortium to enable access to HCA grant to fund planned developments of supported housing.

Chartford Housing Limited

REPORT OF THE DIRECTORS

The company purchased two development sites from the parent, Horton Housing Association, and these are described below:

Thomas Duggan House, Shipley

Planning consent was obtained to convert two floors of empty office space into 25 residential one-bedroom flats for use as supported housing. The total development cost was £1.77 million which was part-funded by HCA grant of £400,128 with the remainder being financed with a loan from Horton Housing Association. The development was completed within this financial year and the whole of the HCA grant has therefore been recognised in this financial year. These flats now provide much-needed supported accommodation in the centre of Shipley. Support is provided to tenants of these properties by various support providers including members of the Horton Housing Group.

Trinity Place, Halifax

Planning and listed building consent was obtained to convert empty offices in three former Georgian houses into 10 residential one-bedroom flats for use as supported housing. The development began in the year and is expected to complete in September 2016. The total development cost is expected to be £1 million and HCA grant of £275,000 has been allocated to the project, with the balance of funding being via a loan from Horton Housing Association. The grant will be recognised in the accounts upon completion.

The company receives rents for Thomas Duggan House and also acts as landlord, by means of short-term lease agreements, for other properties for which it received income of £114,631 in the six months to 31 March 2016.

The overall surplus for the six months amounted to £391,547 and with a revaluation surplus added, reserves of £398,482 are carried forward at the year end. The value of residential property held by the company was £2.3 million at 31 March 2016.

Future Developments

The Trinity Place development will complete in September 2016 and the company will receive rents from the property shortly thereafter. The company continues to work with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes.

The company also expects to increase the number of residential properties it acts as landlord for and, consequently, income from this activity.

Policy, procedure and internal control

The company adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary.

The Group has its own Quality Assurance Team (QAT) which provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan which is then implemented over the course of the financial year. There were no internal audit needs in the six

Chartford Housing Limited

REPORT OF THE DIRECTORS

months of operation this year, but the company is specifically included in the Plan for 2016/17.

Identifying and evaluating key risks

There are over-arching Group Strategic and Operational Risk Registers (ORR) which apply to all the group entities and which identify key risks and the controls required to manage those risks. New risks can be added to the ORR at any time and it is reviewed quarterly and there is also an annual review as part of the business planning process.

There is also a separate ORR for Chartford Housing which covers risks specifically related to the company.

A Group Audit Committee, to which a member of the Chartford Housing Board is appointed, carries out a two-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

Information and performance reporting systems

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings.

Efficiency and Value for Money

The company adopts the Group's Efficiency Strategy and accompanying action plan. This strategy was reviewed and updated in March 2016 and now includes the HCA's Value for Money Standard (VFM Standard). It is vitally important for the company to operate and deliver services efficiently while maintaining the quality of those services. The key objective is to ensure that efficiency is an integral part of everything that the company does.

The Group and the company aim to ensure efficiency through:

- Strong and accountable governance
- A commitment to quality
- Management competency
- Good employment practices
- Continuous service delivery improvement
- Sustainable growth
- Sound financial control and management
- Staff awareness of the need for efficiency
- Involving clients in the services they receive
- Good procurement practices

To ensure that services provide Value for Money they need to be:

- delivered economically
- delivered efficiently
- delivered effectively
- of the right quality
- meeting the needs of our clients and other stakeholders

Chartford Housing Limited

REPORT OF THE DIRECTORS

The company is required to demonstrate that it meets the VFM Standard. The Standard requires Registered Providers to manage their resources “economically, efficiently and effectively to provide quality services and homes, and planning for and delivering on-going improvements in value for money”.

The Board has been working on defining efficiency indicators so that levels of performance can be properly demonstrated and also assess whether efficiency gains are being made. The company also recognises that it should demonstrate how its performance compares to comparable organisations and to this end it has signed up to the SPBM benchmarking and good practice website for smaller housing providers which also provides the company with affiliate Housemark membership. The Board are also developing a Value for Money Register to collect information, both financial and quality related, on our progress against all areas of the efficiency strategy. It will include a list of the actions we have taken or are taking and will include a cost/benefit analysis to document the estimated benefits of each initiative.

The VFM Standard requires boards to publish an annual self-assessment of how they meet the Standard and to report on:

- Return on assets
- Absolute and comparative costs of delivering schemes
- Evidence of efficiency gains

The company has been trading for less than a year and will be carrying out a self-assessment at the end of the first year of operations. The Board is committed to ensuring that it will be able to demonstrate that it meets the VFM Standard by the end of the year.

Compliance with the Governance and Financial Viability Standard

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the HCA that it met the Governance and Financial Viability Standard. Nothing has occurred since then to change the opinion of the Board that they continue to comply with the Standard. The Board programme to assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance.

Statement of the responsibilities of the Directors for the financial statements

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 Charitable Company at the end of the year and of the surplus or deficit of the company for the year then ended.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2014, subject to any material departures disclosed and explained in the financial statements

Chartford Housing Limited

REPORT OF THE DIRECTORS

- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

At the date of making this report each of the company's Directors, as set out on page 1, confirm the following:

- so far as each Director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware
- each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

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

The Report of the Directors was approved on 5 July 2016 and signed on its behalf by:



Chair

ROBERT CLAYTON

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2016 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Housing SORP 2014.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditors

As explained more fully in the Directors' Responsibilities statement the Directors (who are also the Trustees of the Charitable Company) are responsible for the preparation of the financial statements which 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.

Scope

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

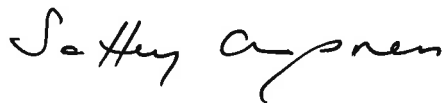
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its income and expenditure for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006 and The Accounting Direction for Social Housing in England from April 2015

Matters on which we are required to report by exception

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

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



Alison Robinson

For and on behalf of
Saffery Champness
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
HG1 5RX

5th August 2016

Chartford Housing Limited

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	514,759	-
Operating expenditure		(89,624)	-
		<hr/>	<hr/>
Operating surplus	5	425,135	-
Interest receivable		-	-
Interest and financing costs	6	(33,588)	-
		<hr/>	<hr/>
Surplus for the year		391,547	-
Revaluation surplus		6,935	-
		<hr/>	<hr/>
Total comprehensive income for the year	13	<u>398,482</u>	<u>-</u>

The notes on pages 13 to 21 form part of these financial statements.

All of the activities of the company are classed as continuing.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2016

Registered Company number: 8662400

	Note	2016 £	2015 £
Tangible fixed assets			
Housing properties	8	2,315,101	-
Other tangible fixed assets		-	-
		<u>2,315,101</u>	<u>-</u>
Current assets			
Debtors	9	638,735	-
Cash and cash equivalents		4,202	-
		<u>642,937</u>	<u>-</u>
Creditors: amounts falling due within one year	10	(810,848)	-
		<u>(810,848)</u>	<u>-</u>
Net current liabilities		(167,911)	-
		<u>(167,911)</u>	<u>-</u>
Total assets less current liabilities		2,147,190	-
		<u>2,147,190</u>	<u>-</u>
Creditors: amounts falling due after more than one year	11	(1,748,708)	-
		<u>(1,748,708)</u>	<u>-</u>
Total net assets		398,482	-
		<u>398,482</u>	<u>-</u>
Capital and reserves			
Non-equity share capital			
Revenue reserves	13	391,547	-
Revaluation reserve	13	6,935	-
		<u>398,482</u>	<u>-</u>
Total reserves	13	398,482	-
		<u>398,482</u>	<u>-</u>

The notes on pages 13 to 21 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 5 July 2016 and signed on its behalf by:

Director 
ALAN GOODRUM

Director 
MARK DAWSON

**STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2016**

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 1 April 2014		-	-	-
Year ended 31 March 2015				
Surplus from statement of comprehensive income		-	-	-
Balance at 31 March 2015		-	-	-
Year ended 31 March 2016				
Surplus from statement of comprehensive income		-	398,482	398,482
Balance at 31 March 2016	13	-	398,482	398,482

The notes on pages 13 to 21 form part of these financial statements.

Chartford Housing Limited

STATEMENT OF CASH FLOWS
for the year ended 31 March 2016

	Note	2016	2015
		£	£
Net cash inflow from operating activities	15	<u>218,049</u>	<u>-</u>
Cash flow from investing activities			
Purchase and construction of housing properties		(2,329,095)	-
		<u>(2,329,095)</u>	<u>-</u>
Cash flow from financing activities			
New Loans		2,218,836	-
Loan repayments		(70,000)	-
Interest paid		(33,588)	-
		<u>2,115,248</u>	<u>-</u>
Net change in cash and cash equivalents in the period		<u>4,202</u>	<u>-</u>
Cash and cash equivalents at the beginning of the period		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the period		<u>4,202</u>	<u>-</u>

The notes on pages 13 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016**

1 LEGAL STATUS

The company is registered with the Homes and Communities Agency (HCA) as a housing provider.

2 ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting for Social Housing in England from April 2015.

Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Reconciliation with previous generally accepted accounting practice

In preparing the accounts, the members have considered whether in applying the accounting policies required by FRS 102 and the Housing SORP 2014 the restatement of comparative items was required.

At the date of transition no restatements were required as the company only commenced trading in the current year.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the net current liabilities of £167,911 in the balance sheet at the year end. Included within current liabilities is £470,128 due to the parent undertaking, Horton Housing Association, under loan agreements. The Directors have obtained confirmation of the parent undertaking's ongoing support.

On the basis of the above the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation not being appropriate.

Turnover

Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

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

Interest payable

Interest is allocated at a constant rate on the carrying amount over the period of the borrowing.

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

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Tax status

The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties

Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties

Freehold land is not depreciated.

Depreciation 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.

Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

Impairment

Housing properties will be reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down is charged to the operating surplus for the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

Social Housing Grant

Social Housing Grants (SHG) are receivable from the Homes and Communities Agency (HCA), and are utilised to fund an element of the capital costs of housing properties.

SHG is recognised using the performance model under the Housing SORP 2014, and recognised as revenue when any performance-related conditions are met. Any grants which do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from the HCA or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is subordinated in respect of loans by agreement with the HCA.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)

Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepared net of any trade discounts due.

Creditors and Provisions

Creditors and provision are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliability. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2016			2015		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	114,631	89,624	25,007	-	-	-
Social housing grant income	400,128	-	400,128	-	-	-
	<u>514,759</u>	<u>89,624</u>	<u>425,135</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Supported Housing £	2016 £	2015 £
Rent receivable net of identifiable service charges	46,113	46,113	-
Service charges receivable	-	-	-
Management charges	<u>68,518</u>	<u>68,518</u>	-
Turnover from social housing lettings	<u>114,631</u>	<u>114,631</u>	-
Expenditure on social housing lettings			
Management costs	68,635	68,635	-
Routine maintenance	60	60	-
Depreciation of housing properties & other assets	20,929	20,929	-
Operating expenditure on social housing lettings	<u>89,624</u>	<u>89,624</u>	-
Operating surplus on social housing lettings	<u>25,007</u>	<u>25,007</u>	-
Void losses	<u>-</u>	<u>-</u>	<u>-</u>

Chartford Housing Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

4 ACCOMMODATION

	2016 No.	2015 No.
Managed by Agents (supported housing accommodation):	25	-
	<u>25</u>	<u>-</u>

Supported housing includes 1 flat (2015: nil) for use by agents in furtherance of performance of their duties.

In addition to the above, the company acted as landlord for 265 units of supported housing accommodation under short-term leases from Horton Housing Association.

Units under development

There were 10 units (2015: nil) under construction at the year-end.

At the end of the year the classes of accommodation are analysed as follows:

	2016 No.	2015 No.
Supported housing accommodation		
Flats	25	nil
	<u>25</u>	<u>nil</u>

5 OPERATING SURPLUS

This is arrived at after charging:

	2016 £	2015 £
Depreciation of housing properties	20,929	-
Auditors' remuneration for audit services	5,000	-
	<u>25,929</u>	<u>-</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest on loans	<u>33,588</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

7 EMPLOYEES

The company does not directly employ any staff and as such no Directors' remuneration or key management personnel remuneration is included within these financial statements.

8 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost			
At 1 April 2015	-	-	-
Additions	1,768,994	560,101	2,329,095
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2016	<u>1,768,994</u>	<u>560,101</u>	<u>2,329,095</u>
Depreciation and impairment			
At 1 April 2015	-	-	-
Charged in year	20,929	-	20,929
Revaluation	(6,935)	-	(6,935)
At 31 March 2016	<u>13,994</u>	<u>-</u>	<u>13,994</u>
Depreciated cost			
At 31 March 2016	<u>1,755,000</u>	<u>560,101</u>	<u>2,315,101</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

The properties were revalued in the year on the basis of existing use value by Sanderson Weatherall LLP.

9 DEBTORS

	2016 £	2015 £
Government grants receivable	606,378	-
Prepayments and accrued income	-	-
Inter-company account	<u>32,357</u>	<u>-</u>
	<u>638,735</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Debt (note 12)	470,128	-
Accruals and deferred income	251,509	-
Inter-company account	89,211	-
	<u>810,848</u>	<u>-</u>

Included above is deferred income of £206,250 relating to government grants.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Debt (note 12)	1,748,708	-
	<u>1,748,708</u>	<u>-</u>

12 DEBT ANALYSIS

	2016	2015
	£	£
Due within one year		
	470,128	-
	<u>470,128</u>	<u>-</u>
Due after more than one year		
	1,748,708	-
	<u>1,748,708</u>	<u>-</u>
Debt is repayable as follows:		
Debt within one year	470,128	-
Between one and two years	70,000	-
Between two and five years	315,000	-
After five years	1,363,708	-
	<u>2,218,836</u>	<u>-</u>

The full amount of debt above is secured on the properties to which it relates (which have a combined year end carrying value of £2,315,101).

Chartford Housing Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016**

13 RESERVES

	2016
	£
Opening funds at 1 April	-
Surplus for the financial year	391,547
Revaluation	<u>6,935</u>
Closing funds	<u><u>398,482</u></u>

14 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2016	2015
	£	£
Capital expenditure		
Expenditure contracted for but not provided in the accounts (to be financed by way of HCA grant and parent entity loans)	<u>414,442</u>	<u>-</u>

15 CASH GENERATED FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Cash flow from operating activities		
Operating surplus	425,135	-
Depreciation and impairment of tangible fixed assets	20,929	-
Increase in debtors	(638,735)	-
Increase in creditors	<u>340,720</u>	<u>-</u>
Net cash inflow from operating activities	<u><u>218,049</u></u>	<u><u>-</u></u>

16 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2016 (2015: £nil).

17 ULTIMATE PARENT UNDERTAKING

The company's sole member is Horton Housing Association.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

18 RELATED PARTIES

The company works closely with the other Horton Housing Group companies. It acts as landlord for properties owned by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

CHL itself also owns property directly, some purchased from HHA, and it contracts the management of these properties to HHA. HHA receives a fee for these services. HHA has also provided loan funding to CHL to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2016	2015
	£	£
Fees charged to HHA		
- For acting as landlord for properties	34,240	-
- For use of 1 flat as an office	1,921	-
Fees charged to HHS		
- For acting as landlord	32,357	-
	<hr/>	<hr/>
Total related party fee income	<u>68,518</u>	<u>-</u>
Fees from HHA for management services	11,528	-
Fees from HHA for support services	50,000	-
Interest charged on loan received from HHA	33,588	-
	<hr/>	<hr/>
Total related party charges	<u>95,116</u>	<u>-</u>
Assets purchased from HHA	<u>886,788</u>	<u>-</u>

As at 31 March, the following balances were due from/(to) the other Group companies in respect of the above transactions:

	2016	2015
	£	£
Trading Accounts:		
Horton Housing Association	(89,211)	-
Horton Housing Support Ltd	32,357	-
Loan from Horton Housing Association	2,218,836	-