

BESPOKE SUPPORTIVE TENANCIES LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Company Registration Number 07375502 (England & Wales)

Charity Registration Number 1143046

BESPOKE SUPPORTIVE TENANCIES LIMITED

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BESPOKE SUPPORTIVE TENANCIES LIMITED

BOARD MEMBERS, EXECUTIVE OFFICERS AND ADVISORS

Board Members

K Appleby (Chief Executive)	(resigned 20.03.2014)
C Gore	(resigned 18.10.2013)
S L Hobbs (Chief Operations Officer)	(resigned 20.03.2014)
C Longworth	(appointed 20.03.2014)
H C McCaw	(appointed 20.09.2014)
D G Poppitt	(appointed 20.03.2014)
S Sadler	(resigned 19.10.2013)

Registered Office

Unit L Hardy Street
Eccles
Manchester
M30 7NB

Chief Executive:

K Appleby

Chief Operations Officer:

S L Hobbs

Auditors

Beever and Struthers
Chartered Accountants and Statutory Auditor
St George's House
215-219 Chester Road
Manchester M15 4JE

Bankers

Co-operative Bank PLC
PO Box 250
Skelmersdale
WN8 6WT

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Solicitors

Woodcocks
11 Manchester Road
Bury
Lancashire
BL9 0DX

Registered Charity Number 1143046

Registered Company Number 07375502

Registered with the Homes and Communities Agency Number L4718

BESPOKE SUPPORTIVE TENANCIES LIMITED

REPORT OF THE BOARD

The Board of Directors, who are also Trustees for the purposes of charity law, is pleased to present the financial statements for the year ended 30 September 2014.

Principal Activity

The principal object of the Charitable Company (the Company), as set out in its Memorandum and Articles, is to provide accommodation for vulnerable adults in partnership with support providers. BeST works closely with service providers such as local councils and property companies, e.g. Fairhome Properties, in identifying suitable homes that can be adapted to the specialist requirements of our tenants. We provide new build or state of the art apartments, using the latest in assisted technology and design, ensuring our service users benefit from the very latest innovation to aid them in assisted and independent living.

Review of Results

The results for the year are set out on page 6. The Company reported a surplus for the year of £130,029 before transfers to reserves (2013: £39,292).

The Board is pleased to report following the previous accounting period the Association has more than exceeded the anticipated turnover as projected. The year end 2014 has shown considerable profit based on the current portfolio, upgraded infrastructure and increased staffing costs to ensure sustainability throughout the financial year. Quantifying the volume of business for 2015 depicts a more than favorable year again for the Association. Having recently secured external Bond investment provides a considerable cash injection for the Association which will be sustainable into 2016 and beyond. Aside of such transactions the Association has a diverse approach in that other business is secured through external developers under direct leasing arrangement to which currently 70% of the Associations stock falls into this criteria. This element of the business has proved to be very successful and a profitable revenue stream for the Association.

Future Prospects

In addition to the above, the Association's intentions for the immediate future are to finalise the Welsh application enabling accommodation provision in Wales; thus meeting further demand within the remit of the Homes and Communities Agency. Beyond 2016 intentions are for the Association to go to the bond market with a view to securing further funding for accommodation provision within the UK, strengthening our balance sheet and acquiring further assets. Our diverse approach and strategy to accommodate the future and current economic traits are well thought, tangible and will be delivered as intended in line with our business plan, risk assessment and framework strategy as set out.

Value for Money Statement.

As a specialist provider of bespoke properties for the most vulnerable tenants, value for money is vitally intrinsic to the operational delivery plan and achievement of required outcomes at least possible cost. Our approach consists of a clear definition of the specific support required by our tenants, required outcome from all delivery activity, an assessment process that seeks to eliminate wasteful or unnecessary actions in the achievement of the outcome. This results in a control of basic and complex costs which means in turn that capacity is maximized for our organisation to bring maximum benefits to our tenants.

In accordance with regulatory standards the Association undertakes regular self-assessment of its approach and performance in respect of Value For Money.

The Board of Directors of BeST are committed to ensuring that all the activities of the organisation abide by the principals of Value for Money. In order to ensure this is the case, new and revised policies and procedures are being initiated which will enable the Board to maintain an overview. It is also the aim of the Board to keep administrative costs as low as possible and improve all aspects of service delivery. This will be achieved by designated members of the Board being delegated with specific tasks which will be reported at formal regular and eventually quarterly meetings.

BESPOKE SUPPORTIVE TENANCIES LIMITED

REPORT OF THE BOARD

Statement of the Board's Responsibilities in Respect of the Accounts

The Companies Act and registered social housing legislation require the Board to prepare financial statements for each financial year that give a true and fair view of the Company's state of affairs, and income and expenditure, for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, impartial and prudent;
- 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 Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Acts, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2012. The Board is also responsible for safeguarding the Company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Company's accounting records, cash holdings and all its receipts and remittances.

Post Balance Sheet Events

We consider that there have been no events since the financial year end which have had a material effect on the financial position of the Company.

Public Benefit Statement

The Charities Act 2011 identifies two key principles of Public Benefit, namely that there must be an identifiable benefit or benefits and the benefit must be to the public or a section of the public. The Directors, in the oversight of the Company's operations and in exercising their powers or duties, consider that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Disclosure of information to Auditors

The Board Members who held office at the date of approval of the Report of the Board confirm that:

- So far as they each aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Auditors

A resolution will be proposed at the forthcoming Annual General Meeting to re-appoint Beever and Struthers as the Company's Auditors.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions in the Companies Act 2006.

Approved by order of the Board on 31 March 2015



Mrs C Longworth
Trustee / Director



D G Poppitt
Trustee / Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BESPOKE SUPPORTIVE TENANCIES LIMITED

We have audited the financial statements of Bespoke Supportive Tenancies Limited for the year ended 30 September 2014 on pages 6 to 13. 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 to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. 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 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 Directors and Auditor

As explained more fully in the Statement of the Board's Responsibilities set out on page 3, the Board Members (who are also directors of the charitable company for the purposes of company law) 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 Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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 Report of the Board 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 30 September 2014 and of its income and expenditure 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Opinion on Other Matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BESPOKE SUPPORTIVE TENANCIES LIMITED

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 required us to report to you 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 are not made; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Board.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, if in our opinion:

- a satisfactory system of control over transactions has not been maintained.

St. George's House
215 – 219 Chester Road
Manchester



David Hunter (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Chartered Accountants
& Statutory Auditor

Dated: 31.3.2015

BESPOKE SUPPORTIVE TENANCIES LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 £	2013 (Restated) £
Turnover	2	2,944,763	1,265,374
Operating costs	2	<u>(2,814,806)</u>	<u>(1,226,082)</u>
Operating surplus	2	129,957	39,292
Interest receivable		72	-
Surplus for the year		<u>130,029</u>	<u>39,292</u>

All of the amounts relate to continuing activities.

All recognised gains and losses are included in this statement.

The above surpluses are the historical cost surpluses.

The notes on pages 8 to 13 form an integral part of these accounts.

BESPOKE SUPPORTIVE TENANCIES LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2014

	Notes	2014		2013 (Restated)	
		£	£	£	£
Fixed Assets					
Other tangible fixed assets	5		9,350		3,477
Current assets					
Debtors	8	409,205		158,927	
Cash at bank and short term deposits		<u>87,226</u>		<u>20,502</u>	
		496,431		179,429	
Creditors: amounts falling due within one year	9	<u>(330,101)</u>		<u>(137,255)</u>	
Net current assets			<u>166,330</u>		<u>42,174</u>
Total assets less current liabilities			<u>175,680</u>		<u>45,651</u>
Capital and reserves					
Designated reserves	10		63,962		18,023
Revenue reserves	10		<u>111,718</u>		<u>27,628</u>
			<u>175,680</u>		<u>45,651</u>

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

The financial statements on pages 6 to 15 were approved by the Board and authorised for issue by the Board on 31 March 2015 and were signed on its behalf:


 Mrs C Longworth
 Trustee / Director


 D G Poppitt
 Trustee / Director

Company Registration Number 07375502

The notes on pages 8 to 13 form an integral part of these accounts.

1. **Accounting Policies**

The Association is a non profit-making company limited by guarantee having no share capital and is registered with the Homes and Communities Agency as a Registered Provider of social housing (L4718). The Association is also a Registered Charity.

a. **Basis of accounting**

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and Statements of Recommended Practice of the United Kingdom. The accounts comply with the Housing and Regeneration Act 2008, the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010 published by the National Housing Federation and the Accounting Direction for Private Registered Providers of Social Housing 2012. The accounts are prepared on the historical cost basis of accounting.

b. **Turnover**

Turnover represents net rental income and service charges receivable plus donations, net of rent and service charge loss from voids.

Donations are recognised when they are receivable.

c. **Fixed assets**

All fixed assets are initially recorded at cost, with an annual charge to the Income and Expenditure Account for depreciation on the following basis:

Computer equipment – 25% on cost

Plant and equipment – 20% on cost

d. **Operating Leases**

Rentals paid under operating leases are charged to the income and expenditure account as incurred.

e. **Provisions**

The Association only provides for contractual liabilities.

f. **Designated reserves**

The Association designates those reserves which have been set aside for uses which prevent them, in the judgement of the Board, from being regarded as part of the free reserves of the Association.

In order to ensure that the leased properties are maintained in accordance with the terms of the leases, a transfer is made from Revenue Reserves to designated reserves on an annual basis.

g. **Value Added Tax**

The Association is not registered for VAT. All the amounts disclosed in the accounts are exclusive of VAT.

h. **Taxation**

The Association is a charitable company with charitable status and as such is exempt from taxation. The Board knows of no circumstances that will affect this taxation status in future.

BESPOKE SUPPORTIVE TENANCIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. Turnover, Operating costs and operating surplus

Social Housing Lettings (note 3)

	2014	2013 (Restated)
	£	£
Social housing income (net of void losses)	2,937,801	1,265,374
Social housing operating costs	<u>(2,814,806)</u>	<u>(1,226,082)</u>
Social housing operating surplus	122,995	39,292
Donations	<u>6,962</u>	-
Total operating surplus	<u>129,957</u>	<u>39,292</u>

3. Income and expenditure from social housing lettings

	General Housing 2014	Total 2013 (Restated)
	£	£
Income		
Rents receivable net of service charges and void losses	2,050,876	680,194
Service charge income	<u>886,925</u>	<u>585,180</u>
Turnover from social housing lettings	<u>2,937,801</u>	<u>1,265,374</u>
Expenditure		
Leased property costs	2,035,753	840,699
Services	357,308	120,432
Management	156,694	143,450
Routine maintenance	<u>265,051</u>	<u>121,501</u>
Operating costs on social housing lettings	<u>2,814,806</u>	<u>1,226,082</u>
Operating surplus on social housing lettings activities	<u>122,995</u>	<u>39,292</u>

4. Directors' Emoluments and Employee Information

The Directors are defined as the Non Executive Board Members, the Chief Executive and the Chief Operating Officer.

The Non Executive Board Members received no remuneration in 2014 (2013: £Nil).

The emoluments paid to the Executive Directors were £112,239 (2013: £79,133).

The emoluments paid to the highest paid Director (the Chief Executive) excluding pension contributions were £68,697. (2013: £48,518). The Association does not contribute to a pension scheme for the Chief Executive.

Staff Costs

	2014 £	2013 (Restated) £
Executive Directors	112,239	79,133
Other Staff	138,899	59,821
Social Security costs	24,304	13,884
Pension costs	-	-
Total	<u>275,442</u>	<u>152,838</u>

The Association does not operate a pension scheme or contribute to personal pension schemes.

The average full time equivalent staff members for the above staff year were as follows:

	2014 No	2013 No
Management	2	2
Administration	<u>10</u>	<u>4</u>
	<u>12</u>	<u>6</u>

The aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:

	2014 No	2013 No
£60,000 to £70,000	1	Nil

BESPOKE SUPPORTIVE TENANCIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

5. Other Tangible Fixed Assets

	Plant & Equipment £	Computer Equipment £	Total £
Cost			
As at 1 October 2013 (Restated)	2,539	1,769	4,308
Additions	<u>622</u>	<u>6,791</u>	<u>7,413</u>
As at 30 September 2014	<u>3,161</u>	<u>8,560</u>	<u>11,721</u>
Depreciation			
As at 1 October 2013 (Restated)	582	249	831
Charge for year	<u>538</u>	<u>1,002</u>	<u>1,540</u>
As at 30 September 2014	<u>1,120</u>	<u>1,251</u>	<u>2,371</u>
Net Book Value			
As at 30 September 2014	<u>2,041</u>	<u>7,309</u>	<u>9,350</u>
As at 30 September 2013 (Restated)	<u>1,957</u>	<u>1,520</u>	<u>3,477</u>

6. Housing units in management

	2014	2013
Units in management: Supported housing	<u>449</u>	<u>293</u>

7. Surplus on Ordinary Activities

	2014	2013
Is stated after charging:		
Auditor's remuneration (excluding VAT)		
In their capacity as auditors	3,950	3,333
In respect of other services	2,450	-
Operating lease payments	2,035,753	840,639
Depreciation of other fixed assets	<u>1,540</u>	<u>830</u>

8. Debtors

Amounts receivable within one year

	2014	2013 (Restated)
	£	£
Arrears of rent and service charges	181,961	92,397
Less: provision for bad debts	(4,288)	-
Other debtors and prepayments	<u>231,532</u>	<u>66,530</u>
	<u>409,205</u>	<u>158,927</u>

BESPOKE SUPPORTIVE TENANCIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

9. Creditors – amounts falling due within one year

	2014 £	2013 £
Trade creditors	110,363	100,460
Rents in advance	62,621	14,702
Other taxes and social security	12,442	4,231
Accruals	114,517	5,910
Other creditors	<u>30,158</u>	<u>11,952</u>
	<u>330,101</u>	<u>137,255</u>

10. Reserves

Designated Reserves

Profit and Loss	Responsive Repairs Reserve £	Planned/Cyclical Maintenance Reserve £	Total Designated Reserves	Revenue Reserves £
At 1 October 2013	6,078	11,945	18,023	27,628
Surplus for the year	-	-	-	130,029
Transfer to designated reserves	<u>15,313</u>	<u>30,626</u>	<u>45,939</u>	<u>(45,939)</u>
At 30 September 2014	<u>21,391</u>	<u>42,571</u>	<u>63,962</u>	<u>111,718</u>

The responsive repairs reserve is made up of contributions made by tenants towards future maintenance and repair of premises over the shorter term e.g. light fittings, internal/external doors, gutters, rainwater pipes and flooring. No amounts have yet been expended against this reserve.

The planned/ cyclical maintenance reserve is made up of contributions made by tenants towards major future planned maintenance work e.g. replacements of kitchens, bathrooms and windows. No amounts have yet been expended against this reserve.

Both reserves are maintained in order to return the leased properties to their original condition at the end of the lease term.

11. Operating Leases

The Association utilises properties and office equipment under non-cancellable operating leases. At the end of the year the Association had annual commitments under these leases as follows:-

	2014 £	2013 (Restated) £
Land and buildings which expire :-		
Leases expiring within the next year	61,000	79,900
Leases expiring in the second to fifth year	226,886	110,976
Leases expiring in more than five years	2,074,925	1,191,435
Others, which expire in the second to fifth year.	<u>2,396</u>	<u>-</u>
	<u>2,365,207</u>	<u>1,382,311</u>

12. Ultimate Controlling Party

The Company is limited by guarantee and as such has no shares. The members who are the ultimate controlling party are the Board of Trustee Directors.

13. Related Party Transactions

The following are related parties:

The Association made sales of £299 and purchases of £13,593 to/from Fairhome investments Limited. The balance owed from Fairhome Investments Limited at the period end was £139. Mrs C Longworth, a Director of BeST, is also a director of Fairhome Investments Limited.

All transactions between BeST and Fairhome Investments Limited are at arms length.

During the period the Association made purchases of £10,250 from Income Generation Limited. There was no outstanding balance to Income Generation Limited at the period end. Mr D G Poppitt, a director of BeST, is the sole director and shareholder of Income Generation Limited.

All transactions between BeST and Income Generation Limited are at arms length.