

**BESPOKE SUPPORTIVE TENANCIES LIMITED**  
**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**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

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#### **Board of Directors Consists of Directors and Trustees**

H C McCaw – Director and Trustee  
D G Poppitt – Director and Trustee  
S L Hobbs – Director (appointed 19 November 2015)  
K Appleby – Director (appointed 19 November 2015)  
S Boyd – Director (appointed 22 December 2016)  
A D Bailey – Trustee  
M Tutte – Trustee  
A Hedley – Trustee (resigned 21 April 2016)

#### **Registered Office**

2A Sentinel House  
Albert Street  
Eccles  
Manchester  
M30 0NJ

#### **Chief Executive:**

K Appleby

#### **Chief Operations Officer / Managing Director:**

S L Hobbs

#### **Auditors**

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

#### **Bankers**

Santander  
298 Deansgate  
Manchester  
M3 4HH

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

#### **Solicitors**

Woodcocks, Howarth & Nuttall  
12 Manchester Road  
Bury  
Lancashire  
BL9 0DX

Weightmans LLP  
100 Old Hall Street  
Liverpool  
L3 9QJ

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 OF DIRECTORS**

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The Board of Directors, who for the purposes of charity law are also Trustees, are pleased to present the financial statements for the year ended 30 September 2016.

The Board of Directors consists of Directors and persons of significant control.

All members of the Board of Directors has full voting rights with the exception of the Chief Executive and the Chief Operations Officer / Managing Director. As they are actively involved with the day to day routine management of the Company, to ensure against these individual asserting undue influence and control over the Company, they are only tasked with delivering the strategies set by the voting members of the Board of Directors.

#### **Principal Activity**

The principal object of Bespoke Supportive Tenancies (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 to identify suitable homes that can be adapted for the specialised requirements of our tenants.

We provide new builds or renovated accommodation using the latest in assisted technology and design, ensuring our service users benefit from the very latest innovations to aid them in assisted and independent living.

#### **Review of Results**

The results for the year are set out on page 8. The Company reported a surplus for the year of £247,349 (2015: £39,946).

The Board is pleased to report, following the previous accounting period, that the Company has more than exceeded the anticipated turnover as projected. The 2016 year end has shown considerable profit based on the current portfolio.

The Company has once again upgraded infrastructure and increased its staffing resources to ensure sustainability throughout the financial year and beyond.

Quantifying the volume of business for 2016 depicts a more than favorable year again for the Company.

Having recently secured access to additional external funding the Company is well placed to meet and exceed its charitable objectives going forwards.

Aside of such transactions, the Company has a diverse approach as other business is secured through external developers under direct leasing arrangements. This element of the business has proved to be very successful and a profitable revenue stream for BeST.

#### **Future Prospects**

The Company during 2016 has secured funding from a number of funders and has built closer relationships directly with those funders in line with the Board of Director's strategy. The Company has an appetite to continue to grow its stock of units of accommodation which will further strengthen the balance sheet.

2017 will see an extensive piece of research across a number of the Company's stakeholders including tenants, local authority, support providers, care providers to establish new opportunities for the Association with the primary aims of enhancing the lives of its tenants and other vulnerable adults throughout the UK and improving the service delivery by constantly challenging our operational performance.

The research will consider demand, risks, financial benefits and social impact.

## BESPOKE SUPPORTIVE TENANCIES LIMITED

### REPORT OF THE BOARD OF DIRECTORS

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#### Value for Money

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 maximised for our organisation to bring maximum benefits to our tenants.

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

Our Value for Money Self-Assessment for the year ending 30 September 2016 is currently being compiled and the resulting report will be made publicly available in June 2017.

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 scheme compliance procedures are in place which will enable the Board to maintain a strategic delivery overview. It is also the aim of the Board of Directors to keep administrative costs as low as possible and improve all aspects of service delivery.

A research project has recently been commissioned to explore a number of tenant led initiatives around service delivery, in addition to a review of areas that are currently outsourced which is primarily the charities maintenance provision.

Having considered our approach to delivering value for money, the actions that we have taken, and the plans that we have in place for the future, we believe that we meet the requirements of the Homes and Communities Agency's value for money standard. We believe that our self-assessment report will demonstrate that:

- We have a robust approach to making decisions on how we use our resources to achieve our strategic objectives;
- We understand the return on our assets and we use this information to optimise both the financial and social return on those assets;
- We are rigorous in our consideration of alternative service delivery models as a means of achieving VFM;
- We have effective performance management and scrutiny functions in place which have identified areas for improvement, and which have, in turn, informed our strategic plans; and
- We have a good understanding of the costs and outcomes of delivering our services, with future plans in place for further improvements.

Whilst we have made significant progress in the delivery of the VFM objectives, we recognise that there are a number of areas for improvement, all of which have been incorporated into our action plans for the coming year and which will be monitored through regular reports to the Board of Directors.

BeST Limited is committed to the achievement of value for money in the delivery of all of its services. We have had a formal VFM strategy in place since inception and the current strategy has been identified as one of the key strategies underpinning the 2016-19 business plan. The Board of Directors are responsible for overseeing the delivery of the strategy, the Board of Directors receives regular reports on the progress made towards the achievement of the strategic objectives. The successful delivery of our VFM strategy will help to ensure the following:

- That we maintain a financially viable business plan, and manage the risks that may threaten our financial viability;
- That we provide services that are affordable and valued by our customers; and
- That we generate capacity for new investment, in particular for the development of new homes.

## **BESPOKE SUPPORTIVE TENANCIES LIMITED**

### **REPORT OF THE BOARD OF DIRECTORS**

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#### **Risk Management**

A comprehensive yet fluid Risk Management Policy covering areas such as Financial, Operational and Reputational risk can be found at section 12 in the 2016 Business Strategy and will be reviewed at appropriate intervals.

#### **Internal Control**

Internal control mechanisms are in place and can be found as part of our Policy Handbook. In addition to that an Internal Audit Group has been put in place to test the robustness of the policies and procedures.

#### **Reserves Policy**

The Company maintains a reserves bank account which is made up of unrestricted income that is freely available to spend on any of the Company's purposes. The intention is for the Company to carry levels of reserves ranging from between 3% and 5% of income. These funds are set aside to cover any unexpected call on funds or opportunities that may present themselves.

The reserves account excludes the designated reserve funds set aside to return the properties to their original condition at the end of the lease term. Designated reserves are commensurate to contributions made by tenants occupying units under finance leases.

#### **Statement of the Board of Director's Responsibilities in Respect of the Accounts**

The Companies Act and registered social housing legislation require the Board of Directors 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 of Directors 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 of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the Company and to prevent and detect 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 Board of 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.

## BESPOKE SUPPORTIVE TENANCIES LIMITED

### REPORT OF THE BOARD OF DIRECTORS

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#### Disclosure of information to Auditors

The Board of Directors members who held office at the date of approval of the Report of the Board of Directors to 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 of Director's Member has taken all the steps that they ought to have taken as a Board of Director's member to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

#### Structure, Governance and Management

##### Governing Document

The Company is a charitable company limited by guarantee, incorporated on 14 September 2010 and registered as a charity on 22 July 2011. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £10.

#### Statement of Compliance

The Board confirms that this report has been prepared in accordance with the principles set out in Para 4.7 of the 2014 SORP for Registered Social Housing Providers.

The Board of Director's confirm that they have complied with the Governance and Financial Viability Standard for the financial year ending 30 September 2016.

#### Auditors

A resolution will be proposed at the forthcoming Annual General Meeting to re-appoint Beaver 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 of Directors on 24 March 2017**

  
.....  
**S Boyd**  
Director

  
.....  
**D G Poppitt**  
Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BESPOKE SUPPORTIVE TENANCIES LIMITED**

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We have audited the financial statements of Bespoke Supportive Tenancies Limited for the year ended 30 September 2016 on pages 8 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).

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 4, the Board of Directors 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 Financial Reporting Council's (FRC'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 Board; 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. 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 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been 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 2015.

#### **Opinion on Other Matter prescribed by the Companies Act 2006**

In our opinion:

- The information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Board of Directors has been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF BESPOKE SUPPORTIVE TENANCIES LIMITED**

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

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

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
- we have not received all the information and explanations we require for our audit.

*Beever and Struthers*

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

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

Dated:

*31 March 2017*

BESPOKE SUPPORTIVE TENANCIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	Notes	2016 £	2015 £
Turnover	2	7,690,175	4,606,849
Operating costs	2	<u>(6,356,493)</u>	<u>(4,432,429)</u>
<b>Operating surplus</b>	2	1,333,682	174,420
Interest receivable		301	335
Interest and finance costs	2a	<u>(1,086,634)</u>	<u>(134,809)</u>
<b>Surplus for the year</b>		<u>247,349</u>	<u>39,946</u>

The notes on pages 11 to 19 form an integral part of these accounts.

  
.....  
**S Boyd**  
Director

  
.....  
**D G Poppitt**  
Director

**BESPOKE SUPPORTIVE TENANCIES LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed Assets</b>					
Housing properties	5		28,728,737		7,767,107
Other tangible fixed assets	6		<u>26,449</u>		<u>12,559</u>
			<b>28,755,186</b>		<b>7,779,666</b>
<b>Current assets</b>					
Debtors	9	825,164		515,376	
Cash and cash equivalents		<u>410,160</u>		<u>206,294</u>	
		<b>1,235,324</b>		<b>721,670</b>	
<b>Creditors:</b>					
Amounts falling due within one year	10	<u>(1,004,017)</u>		<u>(719,175)</u>	
<b>Net current assets</b>			<b><u>231,307</u></b>		<b><u>2,495</u></b>
<b>Total assets less current liabilities</b>			<b>28,986,493</b>		<b>7,782,161</b>
<b>Creditors:</b> amounts falling due after more than one year	11		<u>(28,523,518)</u>		<u>(7,566,535)</u>
			<b><u>462,975</u></b>		<b><u>215,626</u></b>
<b>Capital and reserves</b>					
Income and expenditure reserve			461,665		215,626
Restricted reserve			<u>1,310</u>		<u>          </u>
			<b><u>462,975</u></b>		<b><u>215,626</u></b>

The financial statements were approved by the Board of Directors and authorised for issue by the Board of Directors on 24 March 2017 and were signed on its behalf:

  
 .....  
**S Boyd**  
 Director

  
 .....  
**D G Poppitt**  
 Director

Company Registration Number 07375502

The notes on pages 11 to 19 form an integral part of these accounts.

**BESPOKE SUPPORTIVE TENANCIES LIMITED****STATEMENT OF CHANGES IN RESERVES AS AT 30 SEPTEMBER 2016**

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	Income and expenditure reserve £	Restricted Reserve £	Total Reserves £
Balance as at 1 October 2014	162,784	-	162,784
Surplus from Statement of Comprehensive Income	44,648	-	44,648
Transfer from designated reserves	12,896	-	12,896
Prior year adjustment Note 18	(4,702)	-	(4,702)
	<hr/>	<hr/>	<hr/>
Balance as at 30 September 2015	215,626	-	215,626
Surplus from Statement of Comprehensive Income	247,349	-	247,349
Transfer to restricted reserve	(1,310)	1,310	-
	<hr/>	<hr/>	<hr/>
Balance as at 30 September 2016	<b><u>461,665</u></b>	<b><u>1,310</u></b>	<b><u>462,975</u></b>

**BESPOKE SUPPORTIVE TENANCIES LIMITED**

**STATEMENT OF CASH FLOWS AS AT 30 SEPTEMBER 2016**

	2016 £	2015 £
<b>Net cash generated from operating activities (see Note i)</b>	<b>1,662,464</b>	<b>335,951</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(1,010,158)	(406,995)
Interest received	301	335
	<u>(1,009,857)</u>	<u>(406,660)</u>
<b>Cash flow from financing activities</b>		
Interest element of finance lease rental payments	(1,086,634)	(134,809)
Capital element of finance lease rental payments	637,893	324,586
	<u>(448,741)</u>	<u>189,777</u>
Net change in cash and cash equivalents	<b>203,866</b>	<b>119,068</b>
Cash and cash equivalents at the beginning of the year	<b>206,294</b>	<b>87,226</b>
	<u><b>410,160</b></u>	<u><b>206,294</b></u>

**Note i**

**Cash flow from operating activities**

	2016 £	2015 £
Surplus for the year	<b>247,349</b>	<b>39,946</b>
<b>Adjustments for non-cash items:</b>		
Depreciation of housing properties	<b>581,849</b>	105,116
Depreciation of other fixed assets	<b>6,973</b>	3,548
Decrease/(increase) in trade and other debtors	<b>(309,788)</b>	(106,171)
Increase/(decrease) in trade and other creditors	<b>49,748</b>	159,038
<b>Adjustments for investing or financing activities:</b>		
Interest and finance costs	<b>1,086,634</b>	134,809
Interest receivable	<b>(301)</b>	(335)
<b>Net cash generated from operating activities</b>	<u><b>1,662,464</b></u>	<u><b>335,951</b></u>

**1. Legal Status**

The Company is incorporated in England under The Companies Act 2006 and is a non profit-making company limited by guarantee without share capital. The Company is registered with the Homes and Communities Agency as a Private Registered Provider of Social Housing (L4718). The Company is also a Registered Charity. The Company's registered address is 2A Sentinel House, Albert Street, Eccles, Manchester. M30 0NJ.

**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 Companies Act 2006, the Housing and Regeneration Act 2008, the Statement of Recommended Practice for registered social housing providers and the Accounting Direction for Private Registered Providers of Social Housing 2015.

The accounts are prepared on the historical cost basis of accounting and are presented in sterling £ which is the functional currency for the entity.

The Company is a public benefit entity.

The financial statements have been prepared in compliance with FRS102 as it applies for the first time to the financial statements for the year ended 30 September 2016.

The Company transitioned from previous UK GAAP to FRS102 as at 1 October 2014. An explanation of how the transition to FRS102 has affected the reported financial position and performance is given in note 18.

**b. Going concern**

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating in the foreseeable future. No significant concerns in the Company's business plan have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

**c. Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Significant judgements**

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the Company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the Company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

## BESPOKE SUPPORTIVE TENANCIES LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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#### 1. Accounting Policies (continued)

##### Significant judgements (continued)

- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not fully recoverable.

##### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### d. Turnover

Turnover represents net rental income, property acceptance fees, service charges receivable plus donations and other income, net of rent and service charge loss from voids. Rental income is recognised when the property is available to let. Donations are recognised when they are receivable.

#### e. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### f. Fixed assets

All fixed assets are initially recorded at cost, with an annual charge to the Statement of Comprehensive Income for depreciation on the following basis:

Housing properties (short leasehold)	– 20, 22 and 35 years (Straight line)
Computer equipment	– 20% on cost (Straight line)
Plant and equipment	– 20% on cost (Straight line)

Assets purchased with a value of £250 or greater have been capitalised and included as fixed asset additions.

#### g. Debtors

All debtors are measured at transaction price, less any impairment.

#### h. Creditors

All creditors are measured at transaction price.

#### i. Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

## BESPOKE SUPPORTIVE TENANCIES LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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1. **Accounting Policies (continued)**

j. **Operating Leases**

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

k. **Finance Lease Agreements**

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account during the lease term so as to produce a constant periodic rate of charge, and the capital element which reduces the outstanding obligation for future instalments.

l. **Provisions**

The Company only provides for contractual liabilities.

m. **Value Added Tax**

The Company is not registered for VAT. All the amounts disclosed in the accounts are inclusive of VAT unless otherwise stated.

n. **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.

o. **Taxation**

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

p. **Restricted reserves**

The restricted reserve is held in relation to a 50/50 lottery scheme operated by the Company.



**BESPOKE SUPPORTIVE TENANCIES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**2. Turnover, operating costs and operating surplus**

**Social Housing Lettings**

	2016 £	2015 £
Social housing income (net of void losses) (note 3)	7,687,308	4,590,768
Social housing operating costs (note 3)	<u>(6,356,493)</u>	<u>(4,432,429)</u>
Social housing operating surplus	1,330,815	158,339
<b>Activities other than social housing</b>		
Donations	<u>2,867</u>	<u>16,081</u>
<b>Total operating surplus</b>	<u>1,333,682</u>	<u>174,420</u>

2a. Interest and finance costs of £1,086,634 (2015: £134,809) represents finance charges on the capitalised finance leases charged to income and expenditure account to produce a consistent rate of interest on the remaining balance of liabilities.

**3. Income and expenditure from social housing lettings**

	<b>General Housing</b>	
	2016 £	2015 £
<b>Income</b>		
Rents receivable net of service charges and void losses	5,187,818	2,682,058
Property acceptance fee	211,082	55,948
Service charge income	<u>2,288,408</u>	<u>1,852,762</u>
Turnover from social housing lettings	<u>7,687,308</u>	<u>4,590,768</u>
<b>Expenditure</b>		
Leased property costs	3,711,648	3,072,260
Service charge costs	726,335	445,195
Management	507,653	358,286
Depreciation of housing properties	581,849	105,116
Routine maintenance	<u>829,008</u>	<u>451,572</u>
Operating costs on social housing lettings	<u>6,356,493</u>	<u>4,432,429</u>
<b>Operating surplus on social housing lettings activities</b>	<u>1,330,815</u>	<u>158,339</u>
<b>Void losses</b> (being rental income lost as a result of property not being let, although it is available for letting)	<u>545,510</u>	<u>321,354</u>

## BESPOKE SUPPORTIVE TENANCIES LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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#### 4. Directors' Emoluments and Employee Information

	2016 £	2015 £
The aggregate emoluments paid to or receivable by non-executive directors and former non-executive directors	26,356	2,645
The aggregate emoluments paid to or receivable by executive directors and former executive directors	164,835	144,156
The aggregate compensation paid to or receivable by directors (key management personnel)	227,771	194,787
The emoluments paid to the highest paid director excluding pension contributions	91,264	86,248

The Company does not operate a pension scheme or contribute to personal pension schemes. The Company's staging date for its auto enrolment scheme is 1 July 2017.

Directors (key management personnel) are defined as members of the Board of Directors, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

#### Staff Costs

	2016 £	2015 £
Executive Officers	164,835	144,156
Other Staff	397,979	316,113
Social Security costs	58,782	43,937
Total	<u>649,822</u>	<u>504,206</u>

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

	2016 No	2015 No
Management	4	4
Administration	<u>16</u>	<u>15</u>
	<u>20</u>	<u>19</u>

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

	2016 No	2015 No
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1
£90,000 +	1	-

BESPOKE SUPPORTIVE TENANCIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

5. Housing Properties

	Supported Housing Leasehold Property £	Total £
<b>Cost</b>		
As at 1 October 2015	7,872,223	7,872,223
Additions	<u>21,543,479</u>	<u>21,543,479</u>
As at 30 September 2016	<u>29,415,702</u>	<u>29,415,702</u>
<b>Depreciation</b>		
As at 1 October 2015	105,116	105,116
Charge for year	<u>581,849</u>	<u>581,849</u>
As at 30 September 2015	<u>686,965</u>	<u>686,965</u>
<b>Net Book Value</b>		
As at 30 September 2016	<u>28,728,737</u>	<u>28,728,737</u>
As at 30 September 2015	<u>7,767,107</u>	<u>7,767,107</u>

The net book value of assets held under finance leases is £28,728,737 (2015: £7,767,107). The depreciation charge in respect of assets held under finance leases total £581,849 (2015: £105,116).

6. Other Tangible Fixed Assets

	Plant & Equipment £	Computer Equipment £	Total £
<b>Cost</b>			
As at 1 October 2015	4,322	14,156	18,478
Additions	<u>13,085</u>	<u>7,778</u>	<u>20,863</u>
As at 30 September 2016	<u>17,407</u>	<u>21,934</u>	<u>39,341</u>
<b>Depreciation</b>			
As at 1 October 2015	1,865	4,054	5,919
Charge for year	<u>2,259</u>	<u>4,714</u>	<u>6,973</u>
As at 30 September 2016	<u>4,124</u>	<u>8,768</u>	<u>12,892</u>
<b>Net Book Value</b>			
As at 30 September 2016	<u>13,283</u>	<u>13,166</u>	<u>26,449</u>
As at 30 September 2015	<u>2,457</u>	<u>10,102</u>	<u>12,559</u>

**BESPOKE SUPPORTIVE TENANCIES LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**7. Housing units in management**

	2016 No.	2015 No.
Units in management: Supported housing	<u>937</u>	<u>621</u>

All of the units are leasehold under direct management by Bespoke Supportive Tenancies Limited as the Registered Provider.

**8. Surplus on Ordinary Activities**

	2016 £	2015 £
Is stated after charging: Auditor's remuneration (excluding VAT): In their capacity as auditors	8,850	8,400
In respect of other services	4,625	3,000
Operating lease payments	3,711,648	3,072,260
Depreciation of housing properties held under finance leases	581,849	105,116
Depreciation of other fixed assets	<u>6,973</u>	<u>3,548</u>

**9. Debtors - amounts receivable within one year**

	2016 £	2015 £
Arrears of rent and service charges	98,998	216,235
Less: provision for bad debts	(5,708)	(623)
Other debtors and prepayments	<u>731,874</u>	<u>299,764</u>
	<u>825,164</u>	<u>515,376</u>

**10. Creditors – amounts falling due within one year**

	2016 £	2015 £
Trade creditors	129,859	137,624
Rents in advance	6,958	-
Other taxes and social security	18,218	16,213
Finance lease agreements	465,130	230,036
Accruals	336,943	290,823
Other creditors	<u>46,909</u>	<u>44,479</u>
	<u>1,004,017</u>	<u>719,175</u>

**11. Creditors – amounts falling due in more than one year**

	2016 £	2015 £
Finance lease agreements	<u>28,523,518</u>	<u>7,566,535</u>

**BESPOKE SUPPORTIVE TENANCIES LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**12. Commitments under Finance Lease Agreements**

	2016 £	2015 £
Not later than one year	465,130	230,036
Later than one year and not later than five years	1,984,911	920,143
Later than five years	<u>26,538,607</u>	<u>6,646,392</u>
	<u>28,988,648</u>	<u>7,796,571</u>

**13. Reserves**

The planned/cyclical maintenance and responsive repairs reserve accounts are within the income and expenditure reserve and consist of funds set aside for future maintenance and repair of premises over the shorter term, as well as major future planned maintenance work.

**14. Operating Leases**

The Company utilises properties and office equipment under non-cancellable operating leases. At the end of the year the Association had total commitments of future minimum lease payments as follows:

	2016 £	2015 £
<b>Land and buildings:</b>		
Not later than one year	2,284,337	1,951,787
Later than one year and not later than five years; and	9,204,609	7,807,147
Later than five years;	<u>39,115,454</u>	<u>33,177,385</u>
	50,604,400	42,936,319
<b>Others:</b>		
Not later than one year	2,806	10,814
Later than one year and not later than five years; and	-	-
Later than five years;	-	-
	<u>2,806</u>	<u>10,814</u>
<b>Total</b>	<u>50,607,206</u>	<u>42,947,133</u>

**15. 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 Directors.

## BESPOKE SUPPORTIVE TENANCIES LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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#### 16. Related Party Transactions

The following are related parties:

During the year expenses were reimbursed to the following non-executive directors totalling:

D G Poppitt £1,018 (2015: £1,661)

H McCaw £1,338 (2015: £984)

£12,000 each was paid to H McCaw and D G Poppitt in their role as Consultant.

At the balance sheet date £Nil (2015: £206) was owed to D G Poppitt in relation to expenses which is included within trade creditors.

During the period the company made purchases of £15,523 (2015: £12,250) from Income Generation Limited, a company which Mr D G Poppitt is the sole director and shareholder. At the balance sheet date no amounts were outstanding (2015: £Nil).

#### 17. Financial instruments

	2016 £	2015 £
The Company's financial instruments may be analysed as follows:		
<b>Financial assets</b>		
Financial assets measure at fair value through profit and loss	28,728,737	7,767,107
Financial assets that are debt instruments measure at amortised cost	1,261,773	734,229
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	538,887	489,139
Financial liabilities measured at fair value through profit or loss	28,988,648	7,796,571

Financial assets measured at fair value through profit or loss comprise housing properties purchased via finance lease agreements.

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

Financial liabilities measured at fair value through profit or loss comprise finance leases.

**BESPOKE SUPPORTIVE TENANCIES LIMITED**

**MANAGEMENT INFORMATION YEAR ENDED 30 SEPTEMBER 2016**

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**18. First time adoption of FRS 102**

On adoption of FRS 102 the Company has restated the comparatives, the impact on reserves is as follows:

	Note	Income & expenditure reserves as at transition date 1 October 2014 £	Surplus Year ended 30 September 2015 £	Transfer from designated reserves £	Income & expenditure reserves as at 30 September 2015 £
<b>As previously stated under former UK GAAP</b>		<b>162,784</b>	<b>44,648</b>	<b>12,896</b>	<b>220,328</b>
Transitional adjustment:					
Inclusion of holiday pay accrual	a.	<u>-</u>	<u>(4,702)</u>	<u>-</u>	<u>(4,702)</u>
As stated in accordance with FRS102		<u>162,784</u>	<u>39,946</u>	<u>12,896</u>	<u>215,626</u>

- a. FRS102 requires that the cost of unused entitlement and short term employee benefits is measured and recognised in the reporting period. The effect is that unused holiday entitlement has now been recognised as an accrual at the reporting period date. This has resulted in a decrease of the surplus and therefore the reserves of £4,702 for the year ended 30 September 2015.

**BESPOKE SUPPORTIVE TENANCIES LIMITED**

**MANAGEMENT INFORMATION YEAR ENDED 30 SEPTEMBER 2016**

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**The following pages do not form part of the financial statements**



**BESPOKE SUPPORTIVE TENANCIES LIMITED**  
**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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	2016		2015	
	£	£	£	£
<b>Income from Lettings</b>				
Rent		5,187,818		2,682,058
Property acceptance fee		211,082		55,948
Service Charges		<u>2,288,408</u>		<u>1,852,762</u>
<b>Rents Receivable</b>		<b>7,687,308</b>		4,590,768
<b>Donations</b>		<b>2,867</b>		16,081
<b>Total Turnover</b>		<u><b>7,690,175</b></u>		<u>4,606,849</u>
<b>Expenditure on letting activities</b>				
<b>Leased Property Costs</b>		<b>3,711,648</b>		3,072,260
<b>Services:</b>				
Motor and Travelling Expenses	89,150		53,561	
Office Running Costs	72,375		25,275	
Insurance	8,427		2,923	
Telephone	13,039		11,028	
Postage, Printing and Stationery	8,731		6,793	
IT Running Costs	32,680		25,056	
Audit and Accountancy Year End	16,987		24,000	
Sundry/bad debts	27,375		2,985	
Training	6,533		3,075	
Bank Charges	1,695		1,215	
Entertainment and Subsistence	4,780		2,319	
Charity Sponsorship	2,171		443	
Depreciation	6,973		3,548	
Housing properties depreciation	581,849		105,116	
Council Tax	130,282		50,797	
Execution of Lease Charges	45,305		27,665	
Administrative Salaries	111,832		122,836	
Accounts Salaries	102,724		25,979	
Apprentice Salaries	6,103		11,760	
Employers' NI	46,856		43,937	
Lease amortisation	<u>(7,683)</u>		-	
		<b>1,308,184</b>		550,311
Costs carried forward		<b>5,019,832</b>		3,622,571

**BESPOKE SUPPORTIVE TENANCIES LIMITED****DETAILED INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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	2016		2015	
	£	£	£	£
<b>Management:</b>				
Consultancy Fees	125,321		54,109	
Directors Salaries	164,835		86,248	
Management Salaries	<u>247,497</u>		<u>217,929</u>	
		<u>507,653</u>		<u>358,286</u>
<b>Routine Maintenance:</b>				
Property Maintenance	829,008		454,822	
Reimbursement of Service Charge	<u>-</u>		<u>(3,250)</u>	
		<u>829,008</u>		<u>451,572</u>
<b>Total Expenditure on Letting Activities</b>		<u>6,356,493</u>		<u>4,432,429</u>
<b>Operating Surplus</b>		1,333,682		174,420
<b>Interest Receivable</b>		301		335
<b>Interest Payable</b>		<u>(1,086,634)</u>		<u>(134,809)</u>
<b>Surplus for the year</b>		<u>247,349</u>		<u>39,946</u>