

REGISTERED COMPANY NUMBER: 07375502 (England and Wales)
REGISTERED CHARITY NUMBER: 1143046

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 SEPTEMBER 2017
FOR**

BESPOKE SUPPORTIVE TENANCIES LTD

BESPOKE SUPPORTIVE TENANCIES LTD

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for the Year Ended 30 September 2017**

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BESPOKE SUPPORTIVE TENANCIES LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

The Board of Directors and Trustees are pleased to present the financial statements for the year ended 30 September 2017. They have adopted the provisions of Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

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

All members of the Board have 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 individuals 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 and trustees.

OBJECTIVES AND ACTIVITIES

Principle Activity

The principal object of Bespoke Supportive Tenancies Ltd (BeST) ('the company'), as set out in its Memorandum and Articles, is to provide accommodation for vulnerable adults in partnership with support providers. The company 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.

Current Strategy

In addition to the key objectives the Board of Directors set the management team a strategy to house one vulnerable adult a day every working day for the years 2015/2016 and 2016/2017. We are pleased to announce that during the financial year ending 30 September 2017 that this target was surpassed by 16%. We have been able to achieve this by adding new properties to the portfolio and a real push on filling subsequent void properties. We ended the year with a total occupancy rate of 85% which has to be seen as hugely successful for a charity during a period of sustainable growth.

BESPOKE SUPPORTIVE TENANCIES LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

Value for Money

As a specialist provider of bespoke properties for the most vulnerable tenants, value for money (VFM) 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 company 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 2017 will be compiled once the revised Value for Money Standard is agreed and introduced.

Public impact and value for money is a key strength and indeed priority of BeST. One of our key goals set out in our current business plan is to be the "go to" provider in the sector but not at any cost! Value for money, social impact which over time as we grow will have a significant impact on local economies who support our projects.

So, what does this mean in terms of value for money and the impact to local economies? All Government purchasing national or local has a duty to our company to get value for money while achieving the best outcomes for the very people we are all trying to support which goes well beyond costs savings when it comes to support independent living. We can demonstrate this by considering the alternatives to supported living for our client group which may well be living in residential institutions or specialist's hospitals at weekly costs in excess of £1,500 per week to £3,000 per week or even higher where extreme cases of support are required.

BeST offers Local Government Departments a real alternative, which is safe, reliable, long term and a far lower financial cost in addition to the income generated for the economy from previously institutionalised adults living with a degree of independence in supported living accommodation. Our average rent model is less than £250 per week for our exempt accommodation we supply which is significantly below the residential or institutional environments our client group can come from. We meet the VFM standards as set out by the HCA and look forward to issuing our VFM report once the new guidelines for reporting have been announced and ratified.

Below are just some examples of how we at BeST are delivering value for money and changing the lives of those we help:

We have a portfolio of accommodation in Yorkshire which saves the local City Council around £330,000 per annum on accommodation fees alone. This is because these costs must be found locally in Registered Accommodation by the LA (usually through local taxation or council tax) whereas Housing Benefit is centrally subsidised. There is also a huge positive impact on "resident to tenant" status as each individual in a Registered service effectively receives "pocket money" of around £25 a week whereas in Supported Accommodation they receive entitlements to support and promote independence, access local amenities, education etc. Residential Services are a dependency led service model, very much needed in some sector areas, but very restrictive for the individuals residing in them.

BESPOKE SUPPORTIVE TENANCIES LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

A scheme we opened in the early part of 2017 is also a very good example again where value for money can be measured. Tenants in this particular scheme would be resettled from semi secure / residential hospital type of arrangement, assessed to be able to reside in supported accommodation. NHS costs per tenant per week in the forensic NHS service (Residential and semi secure) costs between £3,500 to £5,500 per week compared to a HB rent of £249 plus care provider costs which again represents significant savings. There is also a huge benefit once again for the tenant as they now have a world open to them for access to a life of independence in a supported environment.

A third example of Value for Money and a wonderful life enhancing story can be found at one of our properties on Merseyside. A property acquired to be used as supported accommodation for three gentlemen which was originally destined to be in Children's Services as accommodation and education. All three of these young individuals were in an OOC (out of county) placement as children (costing huge sums of money for the tax payer) support costs would have saved a little initially but then likely to have at least halved upon falling into the Supported Accommodation scheme. Costs were around £3,500 to £4,000 per week when our CEO met with the families and the LA at the time, now all 3 tenants are 18 and costs have significantly dropped.

Our rents are determined by a core rent/ lease charge with provisions for intensive housing management, maintenance, depreciation and sinking, white goods etc all of which are evaluated scheme specific and only when a full risk profile with all the stakeholders including referring commissioners, support providers, housing benefit teams and property developers will the full rent model be compiled, and the resulting rent test be submitted. This practice not only ensures that we are delivering value for money schemes, this process also ensures sustainability of the charity. The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Another initiative where value for money can be clearly demonstrated is the Charity Fundraising arm of BeST. We recognise that the major investment in the quality of the accommodation is paramount to the success of the supported living and, yet we still have to work within the parameters of Housing Benefit determination. Often after purchase and refit to the demanding standards of our stakeholders there just isn't enough money to completely transform the outdoor space beyond a safe usable environment.

Our fundraising efforts concentrates on funding projects to enhance the lives of our tenants by identifying the need, raising the funds and then delivering the end product often by grant funding or donations from a number of areas. Projects often include sensory gardens, easy to access garden environments which are great to look at rather than tarmac but also creates an activity for out tenants and something to be involved in. We could in some cases incorporate some of this investment by pushing up the rents or by reducing the quality of the property however we feel that is a better way of enhancing the lives of our tenants without the use of the tax payer's money. Examples of these schemes can be seen on line in our Snippets publication.

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.

BESPOKE SUPPORTIVE TENANCIES LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

Having considered our approach to delivering VFM, 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.

Public benefit

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 overseeing 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.

STRATEGIC REPORT

Achievement and performance

The charitable company has acquired a further £9,830,049 of leasehold property during the year, which means the company held supported leasehold property costing some £39,245,751 by 30 September 2017. Having secured access to additional external funding and leasing arrangements with external developers the company will continue to invest in supported accommodation and generate income streams that enable to meet its charitable objectives.

Financial review

The results for the year are set out on page 12.

Income, primarily from lettings, has increased from £7,690,476 in 2016 to £9,287,839 in 2017.

Expenditure on lettings and support costs have similarly increased from £7,443,127 to £9,693,737 in 2017.

As a result the company reported a deficit for the year of £405,898 compared with a surplus of £247,349 in 2016.

The company suffers from the financial policy of having to account for its long lease property acquisitions under Financial Reporting Standard 102, which means that the revenue account has been charged with straight line depreciation over the primary lease period of properties amounting to £1,043,617 and front-loaded leasing finance costs, suitably converted using net present values of £1,633,858. These significant charges have resulting in an operating deficit being incurred.

BESPOKE SUPPORTIVE TENANCIES LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

FINANCIAL REVIEW

Had the company simply accounted for rental payments made as under operating leases then an operating surplus of £285,917 would have been generated. This resulting capitalisation differential of £691,815 has to be managed by the company as it will be some years before this differential reverses and only then when the company slows down its property acquisition policy.

	Capitalised	Decapitalised
	£	£
Income from lettings	9,287,839	9,287,839
Expenditure on lettings:		
Property maintenance	(1,171,939)	(1,171,939)
Leased property costs	(4,340,435)	(6,326,095)
Finance lease charges	(1,633,858)	-
Property depreciation	(1,043,617)	-
Expenditure on services	(782,098)	(782,098)
Expenditure on management	(721,790)	(721,790)
Surplus/(Loss) for the year end	(405,898)	285,917

Reserves policy

The company aspires to hold a level of free reserves that ranges between 3 and 5% of income.

These reserves exclude designated reserve funds set aside to return properties to their original condition at the end of the lease term. These designated funds are set aside in a bank account to cover for any unexpected call on funds or opportunities that may present themselves.

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 document. The risk register is a live document under the control of the executive team and has been reviewed and updated a number of times during the year.

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. An internal procedures audit was conducted during the year with a number of management actions for improvement identified.

FUTURE PLANS

The company during 2016-2017 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 has seen the start of 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 company 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 LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

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 of Directors confirm 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 Directors confirms that they have complied with the Governance and Financial Viability Standard for the financial year ending 30 September 2017.

Recruitment and appointment of new trustees

The company has a policy in place (available upon request) in relation to the recruitment of trustees together with a guidance document in relation to the role of the trustee, expectations and the person specification.

All trustees are encouraged to attend the company's offices particularly during the early months of tenure and of course visit a number of schemes with our housing officers as part of the induction process.

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Directors Consists Of Board Members And Trustees

H C McCaw - Trustee/Director

D G Poppitt - Trustee/Director

S L Hobbs - Director

K Appleby - Director

S Boyd - Director

A D Bailey - Trustee

M Tutte - Trustee

P Howitt - Trustee

Chief Executive:

K Appleby

Chief Operations Officer / Managing Director:

S L Hobbs

Registered Office

2A Sentinel House

Albert Street

Eccles

Manchester

M30 0NJ

BESPOKE SUPPORTIVE TENANCIES LTD

REPORT OF THE TRUSTEES for the Year Ended 30 September 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Mclintocks Partnership Limited
Chartered Accountants
Statutory Auditors
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX

Bankers

Santander
298 Deansgate
Manchester
M3 4HH

Unity Trust Bank plc
9 Brindleyplace
Birmingham
B1 2HB

Solicitors

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

Registered Charity Number 1143046
Registered Company Number 07375502
Registered with the Homes and Communities Agency Number L4718

STATEMENT OF TRUSTEES RESPONSIBILITIES

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 are 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 are 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 Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2015. It has

BESPOKE SUPPORTIVE TENANCIES LTD

**REPORT OF THE TRUSTEES
for the Year Ended 30 September 2017**

STATEMENT OF TRUSTEES RESPONSIBILITIES (continued)

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, McLintocks Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the Board of trustees, as the company directors, on 30th January 2018 and signed on the board's behalf by:

.....

David Poppitt MSc, MInstF Chairman/ Director

.....

Shelley Hobbs Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BESPOKE SUPPORTIVE TENANCIES LTD

Opinion

We have audited the financial statements of Bespoke Supportive Tenancies Ltd (the 'charitable company') for the year ended 30 September 2017 on pages twelve to twenty eight. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BESPOKE SUPPORTIVE TENANCIES LTD

Other information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees (who are also the 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BESPOKE SUPPORTIVE TENANCIES LTD**

Our responsibilities for the audit of the financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Michael Caputo (Senior Statutory Auditor)
for and on behalf of McLintocks Partnership Limited
Chartered Accountants
Statutory Auditors
2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

30th January 2018

BESPOKE SUPPORTIVE TENANCIES LTD**STATEMENT OF FINANCIAL ACTIVITIES**
for the Year Ended 30 September 2017

	Not es	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
INCOME FROM					
Income from lettings	3	9,279,723	-	9,279,723	7,687,308
Donations	4	7,769	-	7,769	2,867
Investment income		<u>347</u>	<u>-</u>	<u>347</u>	<u>301</u>
Total income		9,287,839	-	9,287,839	7,690,476
EXPENDITURE ON					
Expenditure on letting activities	5	<u>9,693,737</u>	<u>-</u>	<u>9,693,737</u>	<u>7,443,127</u>
NET INCOME/(EXPENDITURE)		(405,898)	-	(405,898)	247,349
Transfers between funds		<u>(12,088)</u>	<u>12,088</u>	<u>-</u>	<u>-</u>
NET MOVEMENT OF FUNDS		(417,986)	12,088	(405,898)	247,349
RECONCILIATION OF FUNDS					
Total funds brought forward		461,665	1,310	462,975	215,626
TOTAL FUNDS CARRIED FORWARD		<u>43,679</u>	<u>13,398</u>	<u>57,077</u>	<u>462,975</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BESPOKE SUPPORTIVE TENANCIES LTD

BALANCE SHEET
At 30 September 2017

	Notes	Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	10	37,551,791	-	37,551,791	28,755,186
CURRENT ASSETS					
Debtors	11	1,654,291	-	1,654,291	825,164
Cash at bank and in hand		<u>112,538</u>	<u>13,398</u>	<u>125,936</u>	<u>410,160</u>
		1,766,829	13,398	1,780,227	1,235,324
CREDITORS					
Amounts falling due within one year	12	(1,581,414)	-	(1,581,414)	(1,004,017)
NET CURRENT ASSETS					
		<u>185,415</u>	<u>13,398</u>	<u>198,813</u>	<u>231,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		37,737,206	13,398	37,750,604	28,986,493
CREDITORS					
Amounts falling due after more than one year	13	(37,693,527)	-	(37,693,527)	(28,523,518)
NET ASSETS					
		<u>43,679</u>	<u>13,398</u>	<u>57,077</u>	<u>462,975</u>
FUNDS					
Unrestricted funds	16			43,679	461,665
Restricted funds				<u>13,398</u>	<u>1,310</u>
TOTAL FUNDS					
				<u>57,077</u>	<u>462,975</u>

The financial statements were approved by the Board of Trustees on 30th January 2018 and were signed on its behalf by:

.....
D G Poppitt -Trustee

The notes form part of these financial statements

BESPOKE SUPPORTIVE TENANCIES LTD**CASH FLOW STATEMENT**

for the Year Ended 30 September 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	<u>1,884,006</u>	<u>1,662,464</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(9,849,061)	(1,010,158)
Bank interest received		<u>347</u>	<u>301</u>
Net cash provided by (used in) investing activities		<u>(9,848,714)</u>	<u>(1,009,857)</u>
Cash flows from financing activities:			
Interest element of finance lease		(1,633,858)	(1,086,634)
Capital element of finance lease		<u>9,277,776</u>	<u>637,893</u>
Net cash provided by (used in) financing activities		<u>7,643,918</u>	<u>(448,741)</u>
Change in cash and cash equivalents in the reporting period		(320,790)	203,866
Cash and cash equivalents at the beginning of the reporting period	2	<u>410,160</u>	<u>206,294</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>89,370</u></u>	<u><u>410,160</u></u>

The notes form part of these financial statements

BESPOKE SUPPORTIVE TENANCIES LTD

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 September 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(405,898)	247,349
Adjustments for:		
Interest receivable	(347)	(301)
Interest and finance costs	1,633,858	1,086,634
Depreciation of tangible fixed assets	1,052,456	588,822
Increase in debtors	(829,127)	(309,788)
Increase in creditors	433,064	49,748
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	<u>1,884,006</u>	<u>1,662,464</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash in hand	336	189
Notice deposits (less than 3 months)	125,600	409,971
Bank overdraft	<u>(36,566)</u>	<u>-</u>
Total cash and cash equivalents	<u>89,370</u>	<u>410,160</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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 the presentational currency is the Pound Sterling (£).

The Company is a public benefit entity.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors/trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Income

Income 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Supported leasehold property	- Straight line over the life of the lease
Plant and machinery	- at variable rates on reducing balance
Computer equipment	- 25% on reducing balance

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Unrestricted funds also include designated funds which have been earmarked by trustees, where the donor has made known to them non-binding wishes.

The designated reserve held is in relation to funds set aside in a bank account to cover for any unexpected call on funds or opportunities that may present themselves.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Debtors

All debtors are measured at transaction price, less any impairment. Prepayments are valued at the amount prepaid less any trade discounts due.

Creditors

All creditors are measured at transaction price

BESPOKE SUPPORTIVE TENANCIES LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 30 September 2017

2. ACCOUNTING POLICIES - continued

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.

Operating leases

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

Finance leases agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership 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 appointed 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.

Provisions

The company only provides for contractual liabilities.

Value added tax

The company is not registered for VAT. All the amounts disclose in the financial statements are inclusive of VAT unless otherwise stated.

Taxation

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

3. INCOME FROM LETTINGS

	2017	2016
	£	£
Rent	6,013,606	5,187,818
Property acceptance fee	260,714	211,082
Service charges	<u>3,005,403</u>	<u>2,288,408</u>
	<u>9,279,723</u>	<u>7,687,308</u>

BESPOKE SUPPORTIVE TENANCIES LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 30 September 2017

4. DONATIONS

	2017	2016
	£	£
Donations	<u>7,769</u>	<u>2,867</u>

**5. EXPENDITURE ON LETTING
ACTIVITIES**

Direct expenditure on letting activities

	2017	2016
	£	£
Property maintenance	1,171,939	829,008
Leased property costs	4,340,435	3,711,648
Finance lease charges	1,633,858	1,086,634
Properties depreciation	<u>1,043,617</u>	<u>581,849</u>
	<u>8,189,849</u>	<u>6,209,139</u>

BESPOKE SUPPORTIVE TENANCIES LTD**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 30 September 2017**5. EXPENDITURE ON LETTING
ACTIVITIES - continued****Services**

	2017	2016
	£	£
Motor and travel	91,008	89,150
Office running costs	73,878	72,375
Insurance	14,543	8,427
Telephone	13,189	13,039
Postage, printing and stationery	11,496	8,731
IT running costs	28,194	32,680
Audit and accountancy fees	14,737	16,987
Sundries	19,417	27,375
Training	4,147	6,533
Bank charges	1,228	1,695
Entertainment and subsistence	3,136	4,780
Charity sponsorship and donations	1,491	2,171
Depreciation	8,839	6,973
Council tax	155,842	130,282
Execution of lease charges	43,471	45,305
Wages and salaries	165,280	220,659
Employer's NI	75,700	46,856
Employer's pension	404	-
Temporary workers	56,098	-
Lease amortisation	-	(7,683)
	<u>782,098</u>	<u>726,335</u>

Management

	2017	2016
	£	£
Consultancy fees	85,413	95,321
Directors and management salaries	<u>636,377</u>	<u>412,332</u>
	<u>721,790</u>	<u>507,653</u>

Aggregate amounts	<u>9,693,737</u>	<u>7,443,127</u>
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BESPOKE SUPPORTIVE TENANCIES LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 30 September 2017

6. NET (EXPENDITURE)/INCOME

Net (expenditure)/ income is stated after charging/(crediting):

	2017	2016
	£	£
Audit fees	12,000	13,475
Depreciation on leasehold property	1,043,617	581,849
Depreciation - owned assets	<u>8,839</u>	<u>6,973</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

During the year expenses were reimbursed to the following trustees totalling:

D G Poppitt £961 (2016: £1,018)

H McCaw £1,648 (2016: £1,338)

BESPOKE SUPPORTIVE TENANCIES LTD**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 30 September 2017**8. STAFF COSTS**

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	798,823	562,814
Employers NI	78,975	58,782
Employers pension	<u>393</u>	<u>-</u>
	<u>878,191</u>	<u>621,596</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Management	4	4
Administration	<u>19</u>	<u>16</u>
	<u>23</u>	<u>20</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017	2016
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u>3</u>	<u>2</u>

The key management personnel of the company comprise the trustees, the chief executive officer, commercial director, managing director and the chief finance officer. The total employee benefits of the key management personnel were £502,997 (2016: £317,829).

9. 2016 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Total funds
	£	£	£
INCOME			
Income from lettings	7,687,308	-	7,687,308
Donations	1,557	1,310	2,867
Other income	<u>301</u>	<u>-</u>	<u>301</u>
Total Income	7,689,166	1,310	7,690,476
EXPENDITURE			
Expenditure on letting activities	7,443,127	-	7,443,127

BESPOKE SUPPORTIVE TENANCIES LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 30 September 2017

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
Total expenditure	7,443,127	-	7,443,127
NET INCOME	246,039	1,310	247,349
RECONCILIATION OF FUNDS			
Total funds brought forward	215,626	-	215,626
TOTAL FUNDS CARRIED FORWARD	<u>461,665</u>	<u>1,310</u>	<u>462,975</u>

10. TANGIBLE FIXED ASSETS

	Supported Leasehold Property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 October 2016	29,415,702	17,407	21,934	29,455,043
Additions	<u>9,830,049</u>	<u>3,763</u>	<u>15,249</u>	<u>9,849,061</u>
At 30 September 2017	<u>39,245,751</u>	<u>21,170</u>	<u>37,183</u>	<u>39,304,104</u>
DEPRECIATION				
At 1 October 2016	686,965	4,124	8,768	699,857
Charge for year	<u>1,043,617</u>	<u>3,233</u>	<u>5,606</u>	<u>1,052,456</u>
At 30 September 2017	<u>1,730,582</u>	<u>7,357</u>	<u>14,374</u>	<u>1,752,313</u>
NET BOOK VALUE				
At 30 September 2017	<u>37,515,169</u>	<u>13,813</u>	<u>22,809</u>	<u>37,551,791</u>
At 30 September 2016	<u>28,728,737</u>	<u>13,283</u>	<u>13,166</u>	<u>28,755,186</u>

The net book value of assets held under finance leases is £37,515,169 (2016: £28,728,737). The depreciation charge in respect of assets held under finance leases total £1,043,617. (2016: £581,849).

BESPOKE SUPPORTIVE TENANCIES LTD**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 30 September 2017**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Arrears of rent and service charges	434,415	93,290
Other debtors and prepayments	<u>1,219,876</u>	<u>731,874</u>
	<u>1,654,291</u>	<u>825,164</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 14)	36,566	-
Finance leases (see note 15)	572,897	465,130
Trade creditors	171,565	129,859
Rents in advance	-	6,958
Social security and other taxes	22,989	18,218
Other creditors	149,216	46,909
Accrued expenses	<u>628,181</u>	<u>336,943</u>
	<u>1,581,414</u>	<u>1,004,017</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Finance leases (see note 15)	<u>37,693,527</u>	<u>28,523,518</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>36,566</u>	<u>-</u>

BESPOKE SUPPORTIVE TENANCIES LTD**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 30 September 2017**15. LEASING AGREEMENTS**

	Finance leases	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	572,897	465,130
Between one and five years	2,555,682	1,984,911
In more than five years	<u>35,137,845</u>	<u>26,538,607</u>
	<u>38,266,424</u>	<u>28,988,648</u>

OPERATING LEASES

The company utilises properties and office equipment under non-cancellable operating leases. At the end of the year the company had a total commitment of future minimum payments as follows:

Land and buildings:	2017	2016
	£	£
Within 1 year	3,523,488	2,284,337
Between 1 and 5 years	13,670,365	9,204,609
After more than 5 years	<u>46,903,515</u>	<u>39,115,454</u>
	<u>64,097,368</u>	<u>50,604,400</u>
Other:	2017	2016
	£	£
Within 1 year	6,243	2,806
Between 1 and 5 years	43,043	-
After more than 5 years	<u>-</u>	<u>-</u>
	<u>49,286</u>	<u>2,806</u>

BESPOKE SUPPORTIVE TENANCIES LTD**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 30 September 2017**16. MOVEMENT IN FUNDS**

	At 1.10.16 £	Net movement in funds £	Transfers between funds £	At 30.9.17 £
Unrestricted funds				
General fund	461,665	(405,898)	(77,129)	(21,362)
Designated fund	-	-	65,041	65,041
	461,665	(405,898)	(12,088)	43,679
Restricted funds				
Restricted fund	1,310	-	12,088	13,398
	<u>462,975</u>	<u>(405,898)</u>	<u>-</u>	<u>57,077</u>

The designated reserve held is in relation to funds set aside in a bank account to cover for any unexpected call on funds or opportunities that may present themselves.

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

Net movement in funds, included in the above are as follows:

	Income £	Expenditure £	Movement in funds £
Unrestricted funds			
General fund	9,287,839	(9,693,737)	(405,898)
	<u>9,287,839</u>	<u>(9,693,737)</u>	<u>(405,898)</u>

17. RELATED PARTY TRANSACTIONS

During the period the company made arms length purchases of £14,303 (2016: £15,523) from Income Generation Limited, a company in which trustee Mr D G Poppitt is the sole director and shareholder. At the balance sheet date £1,517 was outstanding (2016: £Nil).

During the period the company incurred arms length consultancy services of £20,000 (2016: £Nil) from trustee Hugh C McCaw FirstF Consultancy. At the balance sheet date there was no balance outstanding (2016: £Nil).

In addition £12,000 each was paid to trustees D G Poppitt and H McCaw in their role as director.

18. ULTIMATE CONTROLLING PARTY

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