

SEVERNSIDE COMMUNITY ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2019

Sevenside Community Association Limited
Brassey Road, Old Potts Way, Shrewsbury, SY3 7FA

Registration No. 31997R

A member of The Housing Plus Group

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INFORMATION

| | |
|---------------------------|---|
| BOARD MEMBERS: | Mrs Sarah Boden Mr Rory O'Byrne Mr Peter Phillips Mr Malcolm Price |
| REGISTERED OFFICE: | Sevenside House Brassey Road, Old Potts Way Shrewsbury SY3 7FA |
| REGISTERED NUMBER: | IP031997R (England and Wales) |
| BANKERS: | National Westminster 8 Mardol Head Shrewsbury SY1 1HE |
| SOLICITORS: | Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES |
| AUDITORS: | BDO Birmingham Two Snowhill Birmingham, B4 6GA |

REPORT OF THE BOARD

The Board present its report with the financial statements of the Society for the year ended 31 March 2019.

Constitution

Sevenside Community Association (SCA) was established as a Mutual Society and registered with the Financial Conduct Authority on 22 March 2013 (registration number 31997R) as a Co-operative and Community Benefit Society. It was accepted as an exempt charity for tax purposes by HM Revenue and Customs on 24 February 2014.

SCA is constituted by a set of rules which follow the form of the National Housing Federation Model Rules 2011. Effective from the date of registration, SCA was a subsidiary of Sevenside Housing (Sevenside).

Governance

The management of SCA is the responsibility of the Board who provide leadership and set the strategic objectives of the exempt charity, and monitor progress with regard to delivery.

The SCA Board is elected in accordance with its Rules. Sevenside Housing is the sole member of SCA and approves the appointment of trustees.

Organisational structure and decision making

The day to day running of SCA is delegated to the Chief Executive of The Housing Plus Group Limited. At the present time SCA has no directly employed staff, work linked to its operational activities is being undertaken by Group staff under the direction of the Chief Executive. Policy and financial decisions are made by the trustees in consultation with the Chief Executive. Advice and support is also made available from Group staff to the Board.

Policies and objectives

The principal object of the Society is providing and managing housing and social housing and providing assistance to help house people. The Society also provides associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people. Additionally the Society can support any other charitable object that the Board determines from time to time. Strategies and policies are being agreed and implemented in order to achieve this object.

Activities during the year

During the year the Society donated £300 to the Shrewsbury Food Bank, £1,000 to Shrewsbury & Oswestry Crucial Crew and £300 to Holy Trinity Church Meole Brace.

REPORT OF THE BOARD (CONTINUED)

Going Concern

The Board of The Housing Plus Group Limited – the Society’s ultimate controlling party – have agreed to start a process with a view to winding up the Society, as future activity is not likely to take place within this entity.

The board members have received confirmation that The Housing Plus Group Limited intends to support the Society for at least twelve months after these financial statements are signed, or until the Society is struck off if earlier.

Statement of the board’s responsibilities

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

Co-operative and Community Benefit Society law requires the board members to prepare financial statements for each financial year. Under that law the board members have elected to prepare the Society financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

Provision of information to auditors

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Society’s transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Board members are aware:

- There is no relevant audit information of which the Society’s auditors are unaware;
- The Board 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.

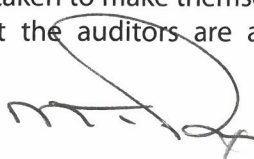
Signed on behalf of the Board of Directors on 25 July 2019 by:



Sarah Boden
Director



Irene Molyneux
Company Secretary



MALCOLM PRICE
DIRECTOR.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEVERNSIDE COMMUNITY ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Sevenside Community Association Limited ("the Society") for the year ended 31 March 2019 which comprise the Society statement of comprehensive income, the Society statement of financial position, the Society statement of changes in reserves, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2018 and of the Society's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society 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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 1a of the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEVERNSIDE COMMUNITY ASSOCIATION LIMITED (continued)

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Report of the Board, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

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

Responsibilities of the board

As explained more fully in the board members responsibilities statement set out on page 4, the board is 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 board members 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 board are responsible for assessing the Society'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 board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEVERNSIDE COMMUNITY ASSOCIATION LIMITED (continued)

Auditor's 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 an auditor's report 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.

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 auditor's report.

Use of our report

This report is made solely to the members of the Society, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

BDO LLP
Statutory Auditor
Two Snowhill
Birmingham
B4 6GA

Date 7 August 2019

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

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

| | <i>Notes</i> | 2018 £ | 2017 £ |
|-------------------------------|--------------|----------------|----------------|
| Gross income | 5 | - | 293 |
| Gross expenditure | | (3,894) | (6,275) |
| Operating (deficit) | | (3,894) | (5,982) |
| Interest receivable | | - | (50) |
| (Deficit) for the year | | (3,894) | (6,032) |

All activities relate to continuing activities.

The notes on pages 11 & 12 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES
31 March 2019

| | Year ended 31 March 2019 Capital and reserves £ | Year ended 31 March 2018 Capital and reserves £ |
|---|--|--|
| Balance at 1 April | 61,382 | 67,414 |
| Total deficit from Statement of Comprehensive Income | (3,894) | (6,032) |
| Balance at 31 March | 57,488 | 61,382 |

STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

| | <i>Notes</i> | 31 March 2019 £ | 31 March 2018 £ |
|--|--------------|--------------------|--------------------|
| Current assets | | | |
| Cash at bank and in hand | | 259,378 | 266,518 |
| | | 259,378 | 266,518 |
| Creditors | | | |
| Amounts falling due within one year | 2 | (201,890) | (5,136) |
| Net current assets | | 57,488 | 261,382 |
| Creditors | | | |
| Amounts falling due after more than one year | 3 | - | (200,000) |
| Net assets | | 57,488 | 61,382 |
| Capital and reserves | | | |
| Income and expenditure reserve | | 57,488 | 61,382 |
| Reserves | | 57,488 | 61,382 |

The financial statements on pages 8 to 12 were approved by the Board on 25 July 2019 and signed on its behalf by:



Sarah Boden
Director



Irene Molyneux
Company Secretary



MALCOLM PRICE
DIRECTOR.

NOTES TO THE FINANCIAL STATEMENTS

1a Basis of accounting

The financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, and Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (FRS102).

The Board of The Housing Plus Group Limited – the Society’s ultimate controlling party – have agreed to start a process with a view to winding up the Society, as future activity is not likely to take place within this entity.

As a result, these financial statements have been prepared on a break-up basis.

The directors have received confirmation that The Housing Plus Group Limited intends to support the Society for at least twelve months after these financial statements are signed, or until the Society is struck off if earlier.

1b Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Society’s financial statements.

Incoming resources

All incoming resources are included on the Statement of Comprehensive Income when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

2 Creditors: amounts falling due within one year

| | 31 March 2019 | 31 March 2018 |
|-----------------------------------|------------------|----------------|
| | £ | £ |
| Audit Fees Due | (1,375) | (1,176) |
| Tax Consultancy Due | - | (3,960) |
| Amounts due to group undertakings | (200,515) | - |
| | (201,890) | (5,136) |

3 Creditors: amounts falling due after one year

| | 31 March 2019 | 31 March 2018 |
|----------------------------------|---------------|------------------|
| | £ | £ |
| Amounts due to Sevenside Housing | - | (200,000) |
| | - | (200,000) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Related party transactions

At 31st March 2019, the Society owed £200,000 (2018: £200,000) to Sevenside Housing. This amount was repaid in full on 1st April 2019. The society owed Housing Plus £515 at 31st March 2019 in relation to audit fees (2018: £nil).

5 Ultimate controlling party

The controlling party is The Housing Plus Group, a limited company registered in England and Wales. The Society's results are consolidated into the group financial statements of Housing Plus, copies of which can be obtained from:

Company Secretary, The Housing Plus Group, Brassey Road, Shrewsbury SY3 7FA.

