

Sevenside Community Association Limited

Audited Consolidated Financial Statements
31 March 2017

Sevenside Housing,
Brassey Road, Old Potts Way, Shrewsbury SY3 7FA

Registration No. 31997R

A member of The Housing Plus Group Limited

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Sevenside Community Association Limited

Society Information

BOARD MEMBERS:	Mrs Sarah Boden Mr Rory O'Byrne Ms Alyson Lanning Mr Paul Smith
REGISTERED OFFICE:	Sevenside House Brassey Road 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 B1 3ES
AUDITORS:	BDO Birmingham Two Snowhill Birmingham, B4 6GA

Sevenside Community Association Limited

Report of the Board

For the year ended 31st March 2017

The Board present its report with the financial statements of the Society for the period ended 31st March 2017.

MEMBERS OF THE BOARD

Mrs Sarah Boden

Mr Rory O'Byrne

Ms Alyson Lanning

Mr Paul Smith

STRUCTURE, GOVERNANCE AND MANAGEMENT

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). 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, including the preparation of the business plan and annual budgets, and monitor progress with regard to delivery.

As SCA is formed for the benefit of the community, its principal business is providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people or any other charitable object that the Board determines from time to time.

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

SCA Board members have the opportunity to attend training and development sessions provided by Sevenside, including the ability to participate at stakeholder days and other Sevenside Board events.

SCA is a party to the Sevenside Intra-Group Agreement (IGA) which was entered into on 28 March 2013.

The IGA clarifies the rights and responsibilities of both SCA and Severnside and underpins the working arrangements between both organisations. In accordance with the IGA, following

recommendation by the SCA Board of trustees, the Severnside Housing Board approves the SCA annual budget.

The Severnside Audit and Risk Committee acts on behalf of SCA and all subsidiary companies and SCA is included in the group-wide Internal Audit programme.

Policies adopted for the induction and training of Board members

All new Board members are encouraged to familiarise themselves with the practical work of SCA. In addition they are provided with an induction pack of guidance notes detailing their responsibilities and providing them with the main documents which set out the operational framework for SCA, including

- Rules
- Latest published accounts and Annual Report

Board members are encouraged to develop their expertise, to attend any available training, and take an active role in the organisation wherever possible. As indicated above, the trustees are also invited to attend joint events arranged by Severnside Housing.

Organisational structure and decision making

The day to day running of SCA is delegated to the Chief Executive of Severnside. At the present time SCA has no directly employed staff, work linked to its operational activities is being undertaken by Severnside staff in line with the provisions of the IGA and under the direction of the Severnside 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 Severnside staff to the Board.

Risk management

The Board has assessed the major risks to which SCA is exposed on an on-going basis and, in particular, those related to the operations and finances of the Society. It is pleasing to report that at the present time the risks are minimal. SCA is assisted in the management of its risks through the oversight provided through the Severnside business review process, the Severnside Audit and Risk Committee and the sharing of best practice by Severnside with SCA and its other subsidiaries.

OBJECTIVES AND ACTIVITIES

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

The main activities of the charity in its first four years of operation were to provide support to communities in need, including the provision of grants to assist individuals and groups to improve their environment and educational or employment opportunities.

FINANCIAL REVIEW

Funding Sources

SCA's principal funder to date has been Severnside and this position is likely to continue in the future save that it is intended to bid for grant funding to further the work of SCA and extend the support to the more vulnerable members of communities within Shropshire. In addition, opportunity will be taken, where appropriate, for Severnside subsidiary companies to make gift aid donations from their business surpluses. SCA was mainly self-funded during the 2016/17 financial year, with interest received from the investment account offsetting against expenditure for the year.

Review of the year and Future Plans

During the year, the Board has been considering its investment strategy, associated priorities and their promotion with a view to encouraging applications and developing activities. However, limited business has been undertaken in 2016/17 as there have been few applications for grant funding. In future years, in line with the community investment strategy, the activities of SCA will increase in a phased and controlled manner. At this stage it is recognised, however, that unless substantial external grant funding is achieved to support specific projects, the activities of SCA will be small scale.

STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE BOARD AND THE FINANCIAL STATEMENTS

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements are required by law to give a true and fair view of the state of affairs of the Society and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK Generally Accepted Accounting Practice applicable to Smaller Entities has 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.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial

statements comply with the Co-operative and Community Benefit Societies Act 2014. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Society and to prevent and detect 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 27 July 2017 by:



Sarah Boden
Director



Irene Molyneux
Company Secretary

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

We have audited the financial statements of Severnside Community Association for the year ended 31 March 2017 which comprise the society statement of comprehensive income, the society statement of financial position, the society statement of changes in equity and the related notes. 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 solely to the society's members, as a body, in accordance with the Section 87 of 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 society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditors

As explained more fully in the statement of board member responsibilities, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2017 and of society's loss 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 Co-operative and Community Benefit Societies Act 2014.

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 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.

BDO LLP

BDO LLP, statutory auditor

Birmingham

United Kingdom

Date 14/9/2017

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

Income Statement

For the year ended 31 March 2017

	<i>Notes</i>	2017 £	2016 £
Gross income	5	1,513	56,569
Gross expenditure		(3,173)	(1,429)
Operating Surplus/(Deficit)		(1,660)	55,140
Interest receivable		1,148	1,504
Surplus /(Deficit) for the year		(512)	56,644

All activities relate to continuing activities.

The notes on pages 10 to 11 form part of these financial statements.

Statement of Financial Position as at 31 March 2017

	<i>Notes</i>	31 March 2017 £	31 March 2016 £
Current assets			
Cash at bank and in hand		268,531	267,569
Debtors	2	728	357
		269,259	267,926
Creditors			
Amounts falling due within one year	2	(1,845)	-
Net current assets		267,414	267,926
Creditors			
Amounts falling due after more than one year	3	(200,000)	(200,000)
Net assets		67,414	67,926
Capital and reserves			
Income and expenditure reserve	4	67,414	67,926
Reserves		67,414	67,926

The financial statements on pages 8 to 11 were approved by the Board on 27 July 2017 and signed on its behalf by:



Sarah Boden
Director



Irene Molyneux
Company Secretary

Notes to the financial statements

1a Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements have been prepared on the going concern basis based on the forecast future activity of the Society.

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 Income Statement 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 Debtors

	31 March 2017	31 March 2016
	£	£
Accrued income	728	357
	728	357
Creditors: amounts falling due within one year		
	31 March 2017	31 March 2016
	£	£
Audit Fees Due	(1,845)	-
	(1,845)	-

3 Creditors: amounts falling due after one year

	31 March 2017	31 March 2016
	£	£
Amounts due to parent undertaking	(200,000)	(200,000)
	(200,000)	(200,000)

4 Reserves

	31 March 2017	31 March 2016
	£	£
At 1 st April 2016	67,926	11,282
Surplus / (Deficit) for the period	(512)	56,644
At 31 st March 2017	67,414	67,926

5 Related Party Transactions

During the year the Society received donations totalling £1,513 (2016: £254) from its partner subsidiary, Severnside Housing. At 31st March 2017, the Society owed £200,000 (2016: £200,000) to Severnside Housing.

6 Ultimate Controlling Party

The controlling party is 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, Housing Plus Group, Brassey Road, Shrewsbury SY3 7FA.