

**CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES NUMBER: 21084R**

**AGAMEMNON HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

Co-Operative & Community Benefit  
Societies Registration Number:

21084R

Board of Management:

Commodore T Morton RN	Chairman
Commander R Edwards RN	Vice chairman
Mr A Benney	
Commodore A Lyddon RN	
Captain L Gibbon OBE QARNNS	
Commander M J Robbins RN	
Commander A P Sullivan RN	
Captain P Binks RN	
Major H E Affleck-Graves RM	
Mrs C Howden	
Mr M Perry	
Mr S Downham	
Mrs E Fairhurst	
Mrs A Burn (from 28 November 2014)	
Mr R Harrison (from 24 February 2015)	

Nominated Representatives:

Councillor M Geddes

Chief Executive Officer:

Lieutenant Colonel P C Burns Retired MSc CEng MIET (from 1 June 2014)  
Mr P G Tidd (until 1 June 2014)

Registered Office:

Agamemnon House  
Lindisfarne Close  
PORTSMOUTH  
PO6 2SB

Auditors:

Menzies LLP  
Wentworth House  
4400 Parkway  
Whiteley  
Fareham  
Hampshire  
PO15 7FJ

### PROPERTIES UNDER MANAGEMENT

The following properties are under the ownership of the Agamemnon Housing Association Limited.

Neptune Court	These are sheltered accommodation units which were partly financed by a housing association grant.
Cornwell Court	These are sheltered accommodation units financed wholly by internal funds. The Annex comprising 16 flats was completed in January 2012.
Victory Court	These are sheltered accommodation units financed wholly by internal funds.
Somerville Court	These are sheltered accommodation units financed wholly by internal funds.
Sirius Court	These are sheltered accommodation units financed wholly by internal funds.
Eliza Mackenzie Court	These are sheltered accommodation units which were partly financed by a housing association grant. The building opened in May 2014.

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### REPORT OF THE BOARD OF MANAGEMENT

The Board of Management presents its report and audited Financial Statements for the year ended 31 December 2014.

#### Principal Activities

The aim of the Agamemnon Housing Association Limited (the "Association") is to provide affordable, acceptable and sensitively managed Sheltered Housing with preference given to ex Royal Navy/Royal Marines, QARNNS and former WRNS who have served in the non commissioned ranks and/or their widows/widowers to meet the needs of those accorded priority on Housing Waiting lists.

#### Review of Results

The Association has a surplus for the year of £199,115 (2013: £168,126).

#### Board of Management

The members of the Board of Management who served during the year were as follows:

Commodore T Morton RN  
Commander R Edwards RN  
Captain P Binks RN  
Commodore A Lyddon RN  
Captain L Gibbon OBE QARNNS  
Commander M J Robbins RN  
Commander A P Sullivan RN  
Major H E Affleck-Graves RM  
Mr A Benney  
Mrs C Howden  
Mr M Perry  
Mr S Downham  
Mrs E Fairhurst  
Mrs J Paige (until March 2014)  
Mrs A Burn (from 28 November 2014)

The nominated representative during the year was Councillor M Geddes.

Mr R Harrison was appointed to the Board after the year end on 24 February 2015.

#### Statement of Responsibilities of the Board of Management

As a Registered Provider of Social Housing, the Board of Management is responsible for preparing the report and financial statements in accordance with applicable laws and regulations.

The Co-Operative and Community Benefit Societies Act 2014 and registered social landlord legislation requires the Board of Management to prepare Financial Statements for each financial year. Under the legislation, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-Operative and Community Benefit Societies Act 2014, the Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and for that period.

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

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and accounting estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
4. Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board of Management is responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2012. It has general responsibility for taking reasonable steps to safeguard the assets of the Registered Association and to prevent and detect fraud and other irregularities.

The Board of Management is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010.

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

#### Value for Money Statement

The Regulatory Framework for housing associations includes a specific Value for Money standard that requires registered landlords to; manage resources, economically, efficiently and effectively in our provision of housing and other related services. We aim to have a responsive maintenance service which will undertake repairs promptly, efficiently and effectively, getting them right first time. This leads to high levels of customer satisfaction. All of our costs are continually monitored against budgets and the variances are reported to the Board of Management at each quarterly meeting.

#### Going Concern

The Board have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### NHF Code of Governance

The Association undertakes to comply with the principal recommendations of the NHF Code of Governance and is compliant with the 2010 edition. The NHF subsequently revised this code on 5 January 2015 and the Members of the Board have formed a working party to review its contents so they may make recommendations to the Board to ensure the Association is compliant with the new code.

#### Annual General Meeting

The annual general meeting will be held on 23 April 2015 at HMS Nelson, Portsmouth.

#### Statement of Disclosure to Auditor

At the date of making this Report the Board of Management confirms the following;

- (a) so far as the Board of Management are aware, there is no relevant audit information of which the Association's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a Board of Management in order to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

#### Auditors

A resolution to reappoint Menzies LLP as auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD OF MANAGEMENT



.....  
Lieutenant Colonel P C Burns Retired MSc CEng MIET  
CHIEF EXECUTIVE OFFICER

Date 23/4/15 .....

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Agamemnon Housing Association Limited (the "Association") for the year ended 31 December 2014. These are set out on pages 6 to 12, and comprise the income and expenditure account, the balance sheet 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 Association's members, as a body, in accordance with regulations made under section 87 of the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Board of Management and Auditors

As explained more fully in the Board of Management's responsibilities statement set out on page 3, the Board is 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 regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions for Smaller Entities (Revised)", in the circumstances set out in note 20 to the financial statements.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### Opinion on financial statements

In our opinion the financial statements;

- give a true and fair view of the Association's affairs as at 31 December 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2012;
- The information given in the report of the Board of Management is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion;

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.



Wentworth House  
4400 Parkway  
Whiteley  
Fareham  
Hampshire PO15 7FJ

**Adrian Price FCA** (Senior Statutory Auditor)  
For and on behalf of  
MENZIESLLP  
Chartered Accountants and Statutory Auditor

Date: 23/4/15

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### INCOME AND EXPENDITURE ACCOUNT

	Notes	2014 £	2013 £
Turnover	3	1,239,720	1,047,999
Operating Costs		(1,041,321)	(886,565)
<b>Operating Surplus</b>	6	198,399	161,434
Interest Receivable & Similar Income	7	716	6,692
<b>Surplus for the Year</b>		<u>199,115</u>	<u>168,126</u>

The above results relate wholly to continuing activities. There were no material non cash transactions undertaken during the year and no recognised gains or losses other than the profit for the year.

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### BALANCE SHEET

	Note		2014 £	2013 £
<b>Fixed Assets</b>				
Housing Properties				
- depreciated cost	8	14,978,228	13,814,046	
Less HAG	8	(1,163,949)	(1,163,949)	
		<u>                    </u>	<u>                    </u>	
Other	9		13,814,279	12,650,097
			<u>                    </u>	<u>                    </u>
			13,814,279	12,650,097
<b>Current Assets</b>				
Stock	10	500	500	
Debtors	11	27,351	24,366	
Short Term Deposits		226,234	225,519	
Cash at Bank & in Hand		73,557	50,528	
		<u>                    </u>	<u>                    </u>	
		327,642	300,913	
<b>Creditors: Amounts Falling Due Within One Year</b>				
	12	34,335	24,316	
		<u>                    </u>	<u>                    </u>	
			293,307	276,597
<b>Assets less Current Liabilities</b>				
			14,107,586	12,926,694
<b>Creditors: Amounts Falling Due After One Year</b>				
	13	1,059,501	77,724	
		<u>                    </u>	<u>                    </u>	
			1,059,501	77,724
<b>Total Assets Less Liabilities</b>				
			<u>                    </u>	<u>                    </u>
			13,048,085	12,848,970
<b>Capital and Reserves</b>				
Share Capital	14		18	18
Reserves	15		13,048,067	12,848,952
			<u>                    </u>	<u>                    </u>
			13,048,085	12,848,970

The Financial Statements were approved by the Board of Management and authorised for issue on

*23 April 2015*



Commodore T Morton RN

Chairman



Commander R Edwards RN

Vice Chairman

 23/4/15

Lieutenant Colonel P C Burns Retired MSc CEng MIET

Chief Executive Officer



# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. ASSOCIATION STATUS & LEGISLATIVE PROVISIONS

Agamemnon Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and does not trade for profit. It is also registered with the Homes and Communities Agency under the Housing and Regeneration Act 2008.

#### 2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies of the Association are set out below and remain unchanged from the previous year. These Financial Statements are prepared under the historical cost convention and in accordance with applicable financial reporting standards, the Statement of Recommended Practice Accounting by Registered Social Housing Providers Update 2010 and the Accounting Direction for Social Housing in England from April 2012.

##### 2.1 Turnover

Turnover represents rental, service charge and other income from lettings on a receivable basis, excluding VAT.

##### 2.2 Service Charge

Service charge represents the recharge of all property related costs per housing development for the prior year.

##### 2.3 Fixed Assets – Housing Properties

Housing properties are stated at cost.

The development of housing properties includes the following:

- i. Cost of acquiring expenditure.
- ii. Development expenditure.
- iii. Interest charged on the mortgage loans raised to finance the scheme.
- iv. Amounts equal to acquisition and development allowances receivable.

##### 2.4 Depreciation

Freehold land	- not depreciated
Buildings	- straight line over 100 years from completion
Leasehold	- over the period of the lease
Kitchens & bathrooms	- 20 years straight line
Boilers	- 15 years straight line
Roof	- 60 years straight line
Lifts, windows & heating distribution	- 30 years straight line
Furniture, fixtures & fittings	- 5 years straight line
Motor vehicles	- 5 years straight line

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter.

##### 2.5 Reserves

At the Board of Management meeting for the year ended 31 December 2014, the Board unanimously agreed that the Designated Fund should remain at £100,000.

##### 2.6 Pension Contributions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### 2.7 Existing Property Maintenance

Works which result in an enhancement of the economic benefits of the asset (e.g. an increase in the net rental stream over the life of the property) are deemed to be improvements and are capitalised. Any items with a value under £10,000 are deemed to be repairs and are taken to the income and expenditure account.

##### 2.8 Taxation

The Association has been granted dormant status for taxation by HM Revenue & Customs.

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. TURNOVER

Turnover from Lettings: 236 units (2013: 190 units)

		<b>2014</b>		<b>2013</b>
		£		£
Rents	727,268		599,987	
<u>Less</u> Voids	40,891		17,247	
		<u>686,377</u>		<u>582,740</u>
Service Charges	568,426		467,171	
<u>Less</u> Voids	28,767		14,387	
		<u>539,659</u>		<u>452,784</u>
Other Income		13,684		12,475
		<u>1,239,720</u>		<u>1,047,999</u>

#### 4. BOARD MEMBERS AND CHIEF EXECUTIVE OFFICER

For the purpose of this disclosure, the directors are defined as the members of the Board of Management, the Chief Executive and the Senior Management Team.

None of the Board of Management received any emoluments in 2014 (2013: Nil).

The emoluments of the highest paid director, Chief Executive Officer, excluding pension contributions, were £59,400 (2013: £59,308).

#### 5. EMPLOYEES

Staff Costs During the Year	<b>2014</b>	<b>2013</b>
	£	£
Wages & Salaries	316,265	293,769
Social Security Costs	25,404	24,700
Pension Costs	18,838	24,152
	<u>360,507</u>	<u>342,621</u>

The average weekly number of persons employed by the Association during the year was:-

	<b>2014</b>	<b>2013</b>
Office Staff	4	3
Wardens	6	5
Maintenance & Cleaning	6	7
	<u>16</u>	<u>15</u>

#### 6. OPERATING SURPLUS

The Operating surplus is stated after charging:

	<b>2014</b>	<b>2013</b>
	£	£
Depreciation	244,975	189,093
Auditor's Remuneration	9,649	6,849
	<u>254,624</u>	<u>195,942</u>

#### 7. INTEREST RECEIVABLE AND OTHER INCOME

	<b>2014</b>	<b>2013</b>
	£	£
Short Term Investment Income	716	6,692
	<u>6,692</u>	<u>48,843</u>

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	<u>Neptune</u>	<u>Cornwell</u>	<u>Victory</u>	<u>Somerville</u>	<u>Sirius</u>	<u>Eliza Mackenzie</u>	<u>L-hold</u>	<u>Total</u>
	£	£	£	£	£	£	£	£
<b>COST</b>								
At 01/01/14	1,410,053	4,118,493	2,129,866	1,613,933	2,474,906	5,059,973	20,000	16,827,224
Additions	271,613	23,758	-	40,543	14,990	1,058,253	-	1,409,157
Disposals	-	-	-	-	-	-	-	-
At 31/12/14	1,681,666	4,142,250	2,129,866	1,654,476	2,489,895	6,118,226	20,000	18,236,381
<b>DEPRECIATION</b>								
At 01/01/14	419,994	707,910	766,709	500,460	613,776	-	4,329	3,013,178
Charge for Year	26,779	66,032	42,577	26,306	45,896	37,052	333	244,975
Disposal	-	-	-	-	-	-	-	-
At 31/12/14	446,774	773,942	809,286	526,766	659,672	37,052	4,662	3,258,153
<b>NET BOOK VALUE</b>								
At 31/12/14	1,234,892	3,368,308	1,320,580	1,127,710	1,830,223	6,081,174	15,338	14,978,228
At 31/12/13	990,059	3,410,583	1,363,157	1,113,473	1,861,130	5,059,973	15,671	13,814,046

The properties are shown at their original cost value, gross of any Housing Association Grant.

The Housing Association Grants would have to be repaid if the association ever sold or developed it for any other purpose than the provision of sheltered housing.

Housing Association Grants exist on the following properties:

Neptune Court	£
Eliza Mackenzie Court	540,212
	623,737
<b>TOTAL</b>	<u>1,163,949</u>

Victory Court includes the property at 79 Beauchamp Avenue.

#### 9. TANGIBLE FIXED ASSETS – OTHER

<u>COST</u>	<u>Motor Vehicles</u>	<u>Furniture Fixtures &amp; Fittings</u>	<u>Total</u>
	£	£	£
At 1 January & 31 December 2014	7,952	66,907	74,859
<b>DEPRECIATION</b>			
At 1 January & 31 December 2014	7,952	66,907	74,859
<b>NET BOOK VALUE</b>			
At 31st December 2014	-	-	-
At 31st December 2013	-	-	-

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10.	<u>STOCKS</u>	<b>2014</b>	<b>2013</b>
		£	£
	Consumable Stocks	500	500
		<u>500</u>	<u>500</u>
11.	<u>DEBTORS</u>	<b>2014</b>	<b>2013</b>
		£	£
	Arrears of Rent & Service Charges	12,660	13,467
	Other Debtors & Prepayments	14,691	10,899
		<u>27,351</u>	<u>24,366</u>
	At the year end, there were no rent arrears over 60 days.		
12.	<u>CREDITORS: Amounts Falling Due Within One Year</u>	<b>2014</b>	<b>2013</b>
		£	£
	Rent & Service Charges in Advance	27,735	16,841
	Other Creditors & Accruals	6,600	7,475
		<u>34,335</u>	<u>24,316</u>
13.	<u>CREDITORS: Amounts Falling Due After One Year</u>	<b>2014</b>	<b>2013</b>
		£	£
	Bank Loans	1,000,000	-
	Other Creditors	59,501	77,724
		<u>1,059,501</u>	<u>77,724</u>
	The bank loan is secured by an unlimited legal charge over Sirius Court, Sackville Street.		
14.	<u>SHARE CAPITAL</u>	<b>2014</b>	<b>2013</b>
		£	£
	At 1 January 2014 & 31 December 2014	18	18
		<u>18</u>	<u>18</u>

The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable.

# AGAMEMNON HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 15. RESERVES

	Designated Fund £	General Fund £	TOTAL £
At 1 January 2014	100,000	12,748,952	12,848,952
Transfer between funds	-	-	-
Surplus for the period	-	199,115	199,115
At 31 December 2014	<u>100,000</u>	<u>12,948,067</u>	<u>13,048,067</u>

The assets of the Association are split between the above funds as follows:

	Fixed Assets £	Net Assets/ (Liabilities) £	Total Assets £
General Fund	13,814,279	(866,194)	12,948,085
Designated Fund	-	100,000	100,000
Total	<u>13,814,279</u>	<u>(766,194)</u>	<u>13,048,085</u>

#### 16. PENSIONS

The Association pays contributions to employees' personal pension plans. During the year, contributions of £18,838 (2013: £24,152) were charged.

#### 17. ACCOMMODATION

The number of social housing flats at the end of the year was as follows:

	2014 No.	2013 No.
2 person flats	94	69
1 person flats	142	121
	<u>236</u>	<u>190</u>

#### 18. CAPITAL COMMITMENTS

At 31 December, the Association had capital commitments as follows:

	2014	2013
Cornwell Court	-	24,630
Eliza MacKenzie Court	-	615,312
Neptune Court	-	218,925

#### 19. CONTINGENT LIABILITIES

The Association had no contingent liabilities at 31 December 2014 (2013: £nil).

#### 20. APB ETHICAL STANDARDS

In common with many other organisations of our size and nature, we use our auditors to assist with the preparation of the financial statements.

