

Crown Simmons



**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Registered societies registration number 15355R

Homes and Communities Agency registered number LH1026

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

EXECUTIVES AND ADVISORS

BOARD

Jane Worsley BA (Econ), MCIH – Deputy Chair
Stephen Cooper LLB, Solicitor (non-practising), MCI Arb, FRSA
Christopher Clarke B. Com (Hons) CA
Nick Williams MRICS
Anil K Majevalia
Helen Edwards

The following Board members were appointed on 22nd July 2014, as a result of the merger with Crown HA:

Ali Khan Dip. Surv. [CEM] MRICS FCIQB MCABE PPCSI
Alfons Dankis BA(Hons) CPFA - Chairman
Robin Fielder
Dan Prentice
Roger Winterburn

The following Board members retired on 22nd July 2014, upon the merger with Crown HA:

Alistair Court-Smith C Eng, MICE, FAPM
Penelope Taylor
Jenny Edwards MBE, RSCN, SRN, NNEB, Diploma in Theology & Church Ministry

Ingrid Saffin retired as a Board member at the AGM on 23rd September 2014.

LEADERSHIP TEAM

Paul Yates BA (Hons) CIHM, Chief Executive
Nick Coverdale BA (Hons), Customer Services Director
Shaun Cooper FCMA, Finance & Resources Director & Company Secretary

REGISTERED OFFICE

1st Floor, Aissela
46 High Street
Esher
KT10 9QY

SOLICITORS

Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB	Sharratts (London) 1 The Old Yard Rectory Lane, Brasted Westerham TN16 1JP	Bowles & Co 18 Church Street Epsom Surrey KT17 4QD
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BANKERS

Lloyds TSB Bank plc 25 Gresham Street London EC2V 7HN	National Westminster Bank PLC 60 High Street Esher Surrey KT10 9QY
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AUDITORS

Beever and Struthers
15 Bunhill Row
London
EC1Y 8LP

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

PRINCIPAL ACTIVITY

The Association offers a number of housing options including leasehold and rented homes for older people, family houses and homes for single people. Our Mission is to develop a range of homes and services for the benefit of lower to middle income people who are unable to access housing through the normal market process.

REVIEW OF RESULTS

The results for the year are set out in detail on pages 12 to 29. On 1st August 2014 a transfer of engagements from Crown Housing Association was accepted which included 60 units of housing accommodation owned by the Association, plus another 203 homes managed under long-term leases, all in London.

The transfer of engagements of Crown has improved the financial position of the association ensuring that we continue to be a viable, independent housing association. From this point a new trading name was adopted - Crown Simmons Housing.

The Board is pleased to report another successful year, despite the economic environment and continued pressure on funding sources. Many of our residents remain unaffected by changes being introduced through welfare reform with more impact to be felt over the next few years. It is therefore again pleasing to note that this has not, as yet, had a significant impact on the Association's income.

The association's day to day activities remain well controlled and our turnover was boosted through the transfer of engagements from Crown. There were some associated one-off costs incurred during the year through consolidation of pensions and treasury arrangements, legal and professional advice, the acquisition of new head offices premises and other costs related to integration of the former Crown business.

Our housing stock is of uniformly high standard and the business continues to have a very solid base for future growth. The full stock condition survey in March 2014 has been used to inform our 5-year stock investment plan and the 30-year Business Plan. A new Asset Management Strategy was adopted during the year.

BOARD AND COMMITTEE STRUCTURE

The Board of Management, who all served during the year, is listed, together with the Leadership Team, on page 1.

Membership of the Board of Management was refreshed during the year, with some members resigning and others being appointed, and a new governance structure adopted to tie in with the launch of Crown Simmons Housing. The Board was appointed from existing members of the Rosemary Simmons Board with five members joining from Crown following a skills assessment. A 'shadow' Board was in place in the run up to the merger from January 2014 to oversee arrangements for the merged association.

The Board are all non-executive members working voluntarily for the Association. The members of the Board are drawn from a wide variety of disciplines, so as to provide the balance of skills and specialisations. Each member of the Governing Board holds one fully paid share of £1 in the Association. The Board met formally six times during the year.

Whilst retaining its responsibilities for the overall strategy and policies of the Association, the Board delegates the operational management to the Leadership Team.

The Board delegates some decisions to two committees, with closely defined terms of reference and standing orders. The following committees deal with specific aspects of the Association's affairs.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

BOARD AND COMMITTEE STRUCTURE *(continued)*

The Audit & Risk Committee has six members and has responsibility for ensuring that the Association complies with its statutory duties by monitoring external and internal audit, reviewing the risk framework and internal controls.

The Governance & Remuneration Committee has four members who are responsible for a formal and transparent mechanism for developing payments and remuneration policies for Executives and Board Directors and for overseeing the human resources policy.

EXECUTIVE OFFICERS

The day to day operations of the Association are delegated to the staff led by the Chief Executive. None of them is a member of the Board.

CORPORATE GOVERNANCE

The Board are committed to high standards of corporate governance and have adopted the National Housing Federation's "Excellence in Governance" code 2010 and the 2011 version of the National Housing Federation model rules.

The Association is working towards full compliance with its chosen code of governance. Specifically in the area of Board tenure we are not fully compliant as we have two members with more than 9 years' service. This matter was discussed with our regulator, the Homes & Communities Agency, in seeking consent for the transfer of engagements of Crown Housing Association and we have a succession plan in place that will ensure full compliance by September 2016.

Alfons Dankis was appointed as Chairman during the year with Jane Worsley reverting to her position as Deputy Chair. Stephen Cooper and Robin Fielder were appointed to chair the Audit & Risk and Governance & Remuneration committees respectively.

STATEMENT ON THE ASSOCIATION'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT ON THE ASSOCIATION'S SYSTEM OF INTERNAL CONTROL

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed and is consistent with principles as incorporated in the former Housing Corporation circular 07/07: internal controls assurance. The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- Policies and procedures to cover operational, financial, social and environmental risks.
- A clear organisational structure, including delegation of appropriate authorities.
- The day-to-day responsibility for implementation of these procedures and ongoing monitoring of risk and effectiveness of control rests with the Leadership Team.
- The Association has a comprehensive budgeting system with the annual budget approved by the Board. Performance is monitored against budget through quarterly reporting routines. Expenditure is regulated by a budgetary process and authorisation levels with clear accountability for control of each part of the budget.
- The Board has policies in place on Anti-Bribery, Fraud Prevention, Equality & Diversity and Complaints.
- Carrying out six-monthly reviews of the Risk Map.
- Monitoring the Value for Money Strategy in line with the HCA's regulatory expectations during the year.
- Consideration of the external auditors' management letter.
- Internal auditors from Moore Stephens LLP are engaged to ensure compliance with the internal control policies and standards and to report on effectiveness of the procedures. The work of the auditor focused on areas of greatest risk and is based on a three year rolling programme. The Board considers and determines relevant action in respect of any issues raised by the internal auditor.
- The Audit & Risk Committee did not receive any new reports from our internal auditors during the year given the focus on merger although they did monitor agreed follow up actions from earlier reports. The committee played a significant role in reviewing due diligence information and, following, a period of necessary integration has recently agreed to re-tender the internal audit arrangements.
- The Board has kept under review the effectiveness of this system of internal control. The key process used by the Board to achieve this includes regular reports from the Leadership Team, discussion with and reports from the internal and external auditor and regulatory reports. This ensures that the necessary actions have been taken to address any weaknesses arising out of these reviews.
- The Board confirms that there is an on-going process for identifying and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the Board.
- The Board has reviewed the changes to the regulatory requirements following the revision of the Governance & Viability Standard from 1st April 2015 and is examining its approach in response, specifically regarding business planning, risk and control frameworks.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT OF THE BOARD'S RESPONSIBILITIES

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association 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 estimates that are reasonable and prudent;
- state whether applicable 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 association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

We, the Board members of Rosemary Simmons Housing Association Limited trading as Crown Simmons Housing who held office at the date of approval of these Financial Statements as set above each confirm that, so far as we are each aware, that: there is no relevant audit information of which the Association's auditors are unaware; and we have taken all the steps we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

VALUE FOR MONEY

Value for Money is about using finite resources to maximum effect to get the best outcomes for customers by paying the right price for goods, services and properties; getting the most out of our assets and staff by operating efficiently and effectively.

On 1 August 2014 Rosemary Simmons Memorial Housing Association merged with Crown Housing Association via a Transfer of Engagements to form Crown Simmons Housing. Crown transferred 263 units, 6 members of staff and £6.0m in cash investments. The business case for the merger identified costs savings over the first 5 years for the combined company. These savings are detailed throughout this report.

This is the second Value for Money self-assessment that we have produced. Below is a summary of our performance against targets set last year, and our aims for the coming year. A full Value for Money Self-Assessment will be published on our website by 30th September 2015. (See <http://www.crownsimmons.org.uk/about-us/value-for-money/>)

Performance against plans for 2014/15

- **Achieving better value from our Repairs and Maintenance services** - during 2013/14 CS carried out a very detailed review of our repairs and maintenance service, including planned works, responsive repairs and voids works as part of our proposal to procure new, long-term arrangements for this key service. The review identified that whilst our costs were not significantly higher than other similarly sized associations, there were opportunities to achieve savings and to improve service delivery without increasing our costs.
We completed a full Stock Condition Survey across 100% of our rented stock which has informed our 30 year financial forecast and enabled us to put together a fully costed planned maintenance programme for the next 5 years.
Based on the findings of both the review and the stock condition survey, CS have procured a new 7 year partnering contract with a single repairs and maintenance contractor, starting in July 2015. This will give us much greater control over the service provision and should provide higher customer satisfaction. There is a variable profit element to the contract which is dependent on the contractor's performance.
15 residents have been involved in the review including telephone surveys, consultation meetings and evaluation and assessment meetings.
- **Review of our development activities** – The merger has enabled us to continue the tradition of development at Crown Simmons, by reducing our gearing to 34% and generating significant cash funds that can be channeled immediately towards development. The Board approved the Development Strategy for 2015-2018 at the February Board meeting. The Board has agreed that growth through new development and acquisition is a key priority and the strategy sets the ambitions and will be reviewed annually. A New Business Consultant has been recruited to raise our profile with local authorities, developers, land agents and other stakeholders and to ensure that CS is seen as 'active' in the market place. The consultant is currently working on three developments, Mole Abbey, Threeways and Rosemary House.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

VALUE FOR MONEY (*continued*)

One of our developments, Imber Cross, was in the 2014 Inside Housing Top 5 specialist developments and Top 50 UK affordable developments. This year has also seen Castlemaine Court nominated for Inside's Housing Top 60 Affordable developments.

- **Review of sheltered housing services in view of reducing Supporting People income** - working patterns of scheme managers have been reviewed and adjusted to reflect the new levels of SP income ensuring that our costs are covered by income. A review of our housing for older people has taken place and an Older People Strategy has been developed in response to the loss of SP income.
- **Management costs – aiming towards the median for smaller housing associations.** As part of the business case for the merger of Rosemary Simmons and Crown Housing, we committed to a minimum efficiency saving of 5% of gross turnover after additional expenditure required to facilitate the merger have been netted off. The total benefit will be cumulative and measured over a five year period from April 2014. This saving will accrue due to executive staff savings, other staff cost savings, amalgamation of two offices into one and the sale of the offices of the two merging entities. The business case demonstrated that significant savings would be released as a result of forming the combined organisation. The Boards agreed that whilst efficiency savings resulting from the merger are important they are not considered to be the primary reason for bringing the two organisations together.

The merger has increased the number of homes in management to just under 800 - being a larger entity will allow CS to benefit from economies of scale. During the merger the opportunity was taken to restructure the staffing to create new roles better focused on delivering key aspects of the business e.g. the creation of a middle management tier and additional Customer Services posts.

- **Leasehold services – ensuring that the services provided to leaseholders do not run at a deficit.** The leasehold business unit has for many years operated at a loss. Actions were taken to address this by reorganizing the leasehold processes during the merger process leading to a 50% reduction in the 2014/15 deficit when compared to 2013/14. Further actions have been taken to clarify our relationship with leaseholders and to ensure that all activities carried out on behalf of leaseholders that fall outside the usual management activities are charged for. The new charges schedule will be introduced in July 2015.
- **Cleaning and gardening arrangements** - Across all our schemes, cleaning and gardening services make up a significant percentage of service charge costs. During each year's budget process we evaluate these costs, seeking value for money solutions that maintain an adequate service, whilst keeping service charges to a minimum.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

VALUE FOR MONEY (*continued*)

Other VfM gains in the year

- Efficient asset management is a key priority for all Housing Associations. A comprehensive stock condition survey was completed in 2014, which has enabled us to put in place a robust plan for cyclical, planned and major works spanning the next five years. New software is also being investigated to streamline/enhance the asset management process still further.
- Rents - The majority of our stock is rented at social rent levels. More recent developments have been set at affordable rents, aiming at attracting working tenants who cannot afford to buy their own homes. Our financial performance in terms of income collection and turning around empty properties for 2014/15 has been strong when compared to other housing associations.
- Service charge costs have been analysed in detail as part of the annual budgeting process. We are conscious that with rents increasing, service charge increases need to be kept to a minimum. Where possible, tenants have been given the option of decreasing the frequency of some services (e.g. gardening, cleaning) to reduce their service charge costs
- Applied for NI allowance from HMRC and received £2,000 towards our NI bill for both Crown Housing and Rosemary Simmons.
- Insurance – new policies were procured for Crown Simmons in October 2014 resulting in savings of over £30,000 when compared to Rosemary Simmons and Crown insurance costs.
- Processes - a number of processes have been reviewed with the intention of making the best use of staff hours and have suggested a number of changes including receipts are no longer issued for cheques received in the office, that cheques should no longer be accepted as a means of payment, the mail should be collected from the office (instead of staff delivering it to the local post office) and all printers should be set to a default of double sided printing. These are all small items but will all make a difference to our costs.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

VALUE FOR MONEY (*continued*)

Future gains

Value for money is an ongoing process across the whole of the organisation, however in the coming year particular focus will be placed on:

- **Repairs and maintenance service** – following procurement process we have selected a contractor for the new contract with a start date of 6 July 2015. It is expected that the contract will improve the quality and efficiency of the service whilst reducing costs. The contract has a performance related variable profit element which allows a 2% deduction to be made if performance falls below specified levels. It is estimated that there will be savings of £130k over 5 years on responsive repairs and £50k on planned works (kitchen and bathroom replacements).

Customers will benefit from a more efficient booking system, a longer availability time period each day (within which to arrange the repair), and the option of Saturday appointments. We will be able to monitor the performance of the contractor much more effectively thanks to a comprehensive KPI monitoring package.

- **Gas servicing and breakdown contract** – these contracts will be re-tendered as one contract which should produce both savings and a more cohesive and robust service to our residents.
- **Service review** – a review has been undertaken by an external consultant, as a result of the Planning to be Great day held in February, “to address concerns raised by staff and to ensure that the organisation's improvement plans include mechanisms to improve the day-to-day work for all staff by removing waste and duplication, and changing and developing processes and system to make this happen”. A Service Improvement Plan is in place which will be project managed by the external consultant between now and September 2015. This is expected to have a big impact on efficiency.
- **Asset management** – Consideration is being given to converting the ex-scheme managers flat at Gunters Mead into a residential unit. This will provide a capital receipt. Stock option appraisals will be commissioned on Alstonfield, Esher and Highbury View, Islington in order to inform the future investment strategy.
- **Energy efficiency & Environmental Sustainability** – in line with the commitment in the business case for merger it is proposed to use £200k from capital reserves to fund a five year programme starting in 2015/16 to target those homes currently with the poorest energy efficiency rating and to help those households who are most at risk of fuel poverty.
- **Introduction of Older People Strategy** – this is due to implemented in Autumn 2015. This will create a strong brand and properties that people want to live in. This should result in a reduction of the void turnaround time and leasehold properties should be easier to sell due to our brand reputation and what we offer.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION

TRADING AS CROWN SIMMONS HOUSING

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2015

VALUE FOR MONEY

Future gains (continued)

- **Leasehold services** – implementation of new charging schedule in July 2015 should reduce the deficit further on leasehold business as we strive to charge for services outside the normal management duties and responsibilities.
- **Use of technology** – as part of the service improvement review we have carried out a detailed review of IT requirements for the business and plan to make further investment in both hardware (iPads for front line staff) and software for financial planning and asset management.

We are working with our current IT provider to enhance our current Service Level Agreement so that we can maximize the benefits to the association).

- **Rent collection** - The introduction of affordable rents, fixed term tenancies, changes in welfare benefits and the end of direct Housing Benefit payments, combined with the general pressure on income for tenants, managing tenancies and collecting rent is likely to be more challenging and expensive. CS has been preparing for the introduction of universal credit by identifying those tenants who may be affected and working with them now on planning and budgeting.

GOING CONCERN

The Board believes that the Association has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

PAYMENT OF SUPPLIERS

The Association's policy in respect of all its suppliers and contractors is to make payments in accordance with mutually agreed payment terms. The average creditor payment period at 31 March 2015 was 25 days (2014: 21 days).

AUDITORS

The Association is committed to ensuring appropriate independence in its relationship with the external auditors. A resolution will be proposed at the Annual General Meeting that Beever and Struthers Chartered Accountants to be re-appointed as auditors for the year to 31 March 2016.

On behalf of the Board



ALFONS DANKIS
CHAIRMAN

DATE: 26TH AUGUST 2015

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

We have audited the financial statements of Rosemary Simmons Memorial Housing Association Limited Trading as Crown Simmons Housing for the year ended 31 March 2015 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 housing association's members, as a body, in accordance with 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 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 and Auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 5, the board is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the board to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

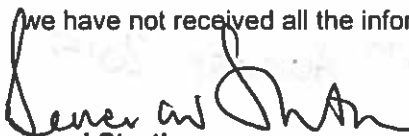
In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2015 and of its income and expenditure for the year then ended; and
- 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, the Housing and Regeneration Act 2008 and Accounting Direction for Private Registered Providers of Social Housing in England 2012.

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;
- 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.


Beever and Struthers
Chartered Accountants
Statutory Auditor

15 Bunhill Row
London
EC1Y 8LP

Date: 18 September 2015

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
Turnover	2	3,927,036	2,598,904
Operating costs	2	<u>(3,489,013)</u>	<u>(2,069,354)</u>
Operating surplus		438,023	529,550
Net gain/(loss) on business combinations	26	7,977,748	-
Surplus on sale of fixed assets	4	111,386	111,839
Interest receivable and other income		49,620	15,207
Interest payable and similar charges	5	<u>(550,563)</u>	<u>(523,064)</u>
Surplus for the year		<u><u>8,026,214</u></u>	<u><u>133,532</u></u>

The above results relate wholly to continuing activities.

All recognised gains and losses are included in this statement.

The above surpluses or deficits are the historical cost surpluses or deficits

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

BALANCE SHEET AS AT 31 MARCH 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Housing properties at cost					
less depreciation	7		39,222,049		34,178,364
Social Housing Grants	7		(16,068,265)		(14,463,526)
			<u>23,153,784</u>		<u>19,714,838</u>
Other tangible fixed assets	8		625,241		1,224,790
			<u>23,779,025</u>		<u>20,939,628</u>
Current assets					
Work in progress		12,241		77,105	
Debtors	9	211,526		127,528	
Cash at bank and in hand		143,360		52,272	
Cash on short term deposit		9,205,939		3,217,568	
Cash held on behalf of leaseholders		268,894		313,547	
			<u>9,841,960</u>	<u>3,788,020</u>	
Less Creditors					
Amounts falling due within one year	10	(1,797,592)		(1,039,310)	
Net current assets			<u>8,044,368</u>		<u>2,748,710</u>
Total assets less current liabilities			<u><u>31,823,393</u></u>		<u><u>23,688,338</u></u>
Creditors					
Amounts falling due after more than one year					
Recycled capital grant fund	19	25,879		25,797	
Other creditors	11	12,396,755		12,288,001	
			<u>12,422,634</u>	<u>12,313,798</u>	
Capital and reserves					
Non equity share capital	12		31		26
Revenue reserves	13		19,400,728		11,374,514
			<u>31,823,393</u>		<u>23,688,338</u>

The financial statements on pages 12 to 29 were authorised for issue by the Board on 26th August 2015 and were signed on its behalf by:


.....
Alfons Dankis
Chairman


.....
Stephen Cooper
Board member


.....
Shaun Cooper
Secretary

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	£	2015 £	£	2014 £
Net cash inflow/(outflow) from operating activities	(i)		1,159,592		619,756
Net returns on investments and servicing of finance	(ii)		(500,943)		(532,537)
Capital Expenditure and financial investment					
Acquisition and construction of housing properties		(89,497)	(1,205,812)		
Social Housing Grant received		0	514,266		
Receipts from sale of properties		522,500	363,700		
Cost of sale of properties		(411,114)	(113,047)		
Purchase of other tangible fixed assets		(185,398)	(1,069)		
Improvements		(9,145)	(205,570)		
			<u>(172,654)</u>		<u>(647,532)</u>
Net cash (outflow) before management of liquid resources and financing			485,995		(560,313)
Management of liquid resources (increase) / decrease in term deposits	(iii)		(1,286,119)		949,063
Financing					
Housing loans drawn		-	-		
Housing loans repaid		(427,444)	(348,271)		
Increase/(decrease) in issued share capital		5	-		
			<u>(427,439)</u>		<u>(348,271)</u>
Acquisition and investment					
Increase/(decrease) in cash flow from merger		1,273,998	-		
			<u>1,273,998</u>		<u>-</u>
Increase / (Decrease) in cash	(iii)		<u>46,435</u>		<u>40,479</u>
Reconciliation of net cash flow to movement in net debt					
Increase / (Decrease) in cash		46,435	40,479		
Cash flow from change in liquid resources		5,988,371	(949,063)		
Cash flow from changes in loans		(181,302)	337,782		
Change in net debt			<u>5,853,504</u>		<u>(570,802)</u>
Net debt at 1 April 2014			<u>(9,030,000)</u>		<u>(8,459,198)</u>
Net debt at 31 March 2015			<u><u>(3,176,496)</u></u>		<u><u>(9,030,000)</u></u>

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Notes to the cash flow statement	2015		2014
	£		£
(i) Reconciliation of operating surplus to net cash flow from operating activities			
Operating surplus	438,023		529,550
Depreciation & amortisation charges	687,101		392,992
Component accounting charge	-		53,060
Decrease/(increase) in work in progress	64,864		(77,105)
Decrease/(increase) in debtors	(26,080)		(14,550)
(Decrease)/increase in creditors	(4,316)		(264,191)
	<u>1,159,592</u>		<u>619,756</u>
(ii) Net returns on investments and servicing of finance			
Interest received	49,620		15,207
Interest paid	(550,563)		(547,744)
	<u>(500,943)</u>		<u>(532,537)</u>
(iii) Analysis of movement in net debt and cash resources		Change	
	2015	in year	2014
	£	£	£
Cash at bank and in hand	143,360	91,088	52,272
Cash held on behalf of leaseholders	268,894	(44,653)	313,547
	<u>412,254</u>	<u>46,435</u>	<u>365,819</u>
Total cash and cash equivalents	9,205,939	5,988,371	3,217,568
Term deposits	9,618,193	6,034,806	3,583,387
Housing loans due within one year	(397,934)	(72,548)	(325,386)
Housing loans due in over one year	(12,396,755)	(108,754)	(12,288,001)
	<u>(3,167,496)</u>	<u>5,853,504</u>	<u>(9,030,000)</u>
Net debt	<u>(3,167,496)</u>	<u>5,853,504</u>	<u>(9,030,000)</u>

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 PRINCIPAL ACCOUNTING POLICIES

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Registered Provider as defined under the Housing and Regeneration Act 2008.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Financial Reporting Standards and statements of recommended practice of the United Kingdom. The accounts comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, Accounting Direction for Private Registered Providers of Social Housing 2012 and the SORP "Accounting by Registered Social Housing Providers" (Update 2010).

Turnover

Turnover represents rental and service charge income, income from shared ownership sales, management fees, donations and other income.

Supporting People Income

Block subsidy contracts where the income is collected from tenants under the terms of the tenancy agreement is included as "Support Charges" as part of income from social housing lettings within turnover in the Income and Expenditure Account. Bad debts are included within "Operating Costs" and debtors are included within "Rent and service charges" under "Debtors".

Leaseholders' Service Income and Costs

Leaseholders' monies are held in Trust on behalf of the leasehold residents in respect of their maintenance provision. The related service income and expenditure is included within the accounts.

Housing Properties and Depreciation

Housing properties are stated at cost less depreciation, Social Housing Grant and any provision for impairment. Housing properties in the course of construction are stated at cost and are transferred into completed properties when they are ready for letting. The housing stock is depreciated after the deduction of land costs and the allocated proportion of the Social Housing Grant. Housing properties are considered to have a useful life of 100 years from construction and are depreciated on a straight-line basis.

Improvements

The association capitalises expenditure on housing properties, which adds to the value of the property, or extends the useful life, or enhances the property and would have resulted in additional costs at the time of the original construction.

Improvements to property that relate to assets that have a separately identifiable life to the property concerned are also capitalised but under a category separate from the property. Where improvements result in the disposal of existing components of a property, those components are written off to the income and expenditure account. Housing property components have a useful life of between 15 and 60 years and are depreciated on a straight-line basis. Under the SORP 2010, housing properties have been split between land, structure and major components which require periodic replacement.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 PRINCIPAL ACCOUNTING POLICIES (*continued*)

Development Costs

The Association capitalises development costs that are directly attributable to bringing properties into working condition, including the cost of acquiring land and buildings, cost of construction and capitalisation of interest.

Interest on loans financing development is capitalised up to the date of the completion of the scheme but only while development activity is in progress.

Impairment

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred or if they are not being depreciated. Impairments that are a result of a major reduction in the service potential of a property are recognised in the income and expenditure account

Social Housing and Other Grants

Where developments have been financed wholly or partly by Social Housing and other grants, the grant is deducted from the cost in reporting the net book value.

Social Housing Grant can be recycled in certain circumstances, such as the sale of property. In these cases, the Social Housing Grant can be used for projects approved by the Homes and Communities Agency. Social Housing Grant to be recycled is credited to the Recycled Capital Grant Fund within creditors.

Social Housing Grant is repayable under circumstances (including the sale of properties). If the grant become repayable, the nature of social housing grant as subordinated and, if applicable unsecured debt.

Other Fixed Assets and Depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis, over the expected useful economic lives of the assets at the following rates:

Office Building	1%
Vehicles	20%
Furniture	25%
Computers	25%

Shared Ownership Properties

Shared Ownership Properties are split between fixed assets and current assets, with the element relating to the expected first tranche sale being treated as a current asset. Any surplus made on the sale of the first tranche is treated as turnover in the Income and Expenditure Account. Second and subsequent tranche surpluses and deficits are shown after operating surplus but before interest.

Loan Finance Set Up Costs

These are written off evenly over the life of the related loan. Loans are shown in the Balance Sheet net of the initial set up costs.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 PRINCIPAL ACCOUNTING POLICIES (*continued*)

Pension Costs

The Association participates in a multi-employer Social Housing Pension Scheme. Retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole. The expected cost to the Association of pensions is charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees.

Provisions

Provision is made for the home loss payments and costs associated with the redevelopments of certain properties owned by the Association. Provision is recognised in full at the date of commencement of home loss activities.

Value Added Tax (VAT)

The Association is not VAT registered. The balances shown in these accounts are inclusive of VAT where applicable.

Tax Status

By virtue of S.478 Corporation Tax Act 2010, the Trust is exempt from corporation tax.

Operating Leases

Rentals payable under operating leases are charged to the Income and Expenditure account on a straight line basis over the term of the lease.

Business combinations

A business combination in respect of acquisitions will result in a difference between the consideration paid and the fair value of the net assets acquired. Where the acquisition or transfer of engagement is for nil or nominal value then the difference between the fair value of the fair value assets of the assets acquired and the nominal consideration will be a credit to the net surplus of the combined entity in the year of acquisition or transfer.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

Social Housing	Turnover	2015 Operating Costs	Operating Surplus
Income and Expenditure from lettings (note 3)	£	£	£
Housing accommodation	3,409,667	2,771,352	638,315
Shared Ownership	130,119	65,606	64,513
Leasehold	329,134	336,205	(7,071)
	<u>3,868,920</u>	<u>3,173,163</u>	<u>695,757</u>
 Non Social Housing			
Other Income and Expenditure			
Development services	-	73,128	(73,128)
Other	58,116	39,057	19,059
Write-down in value of asset	-	203,665	(203,665)
	<u>3,927,036</u>	<u>3,489,013</u>	<u>438,023</u>
 Social Housing			
	Turnover	2014 Operating Costs	Operating Surplus
Income and Expenditure from lettings (note 3)	£	£	£
Housing accommodation	2,078,909	1,603,171	475,738
Shared Ownership	128,975	86,847	42,128
Leasehold	325,309	315,120	10,189
	<u>2,533,193</u>	<u>2,005,138</u>	<u>528,055</u>
 Non Social Housing			
Other Income and Expenditure			
Development services	-	530	(530)
Other	65,711	63,686	2,025
	<u>2,598,904</u>	<u>2,069,354</u>	<u>529,550</u>

See note 3 for a detailed analysis of the income and expenditure from lettings.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

3 INCOME AND EXPENDITURE FROM LETTINGS

	Housing Accommodation £	Shared Ownership £	Leasehold £	Total 2015 £	Total 2014 £
Income					
Rents	3,089,807	94,430	-	3,184,237	1,976,465
Service charges	273,190	35,689	329,134	638,013	525,382
Support Charges	46,670	-	-	46,670	31,346
Total Income from lettings	3,409,667	130,119	329,134	3,868,920	2,533,193
Expenditure					
Services	617,523	36,739	336,205	990,467	513,427
Support costs	56,230	-	-	56,230	48,039
Management	1,013,479	16,622	-	1,030,101	683,926
Routine maintenance	482,730	-	-	482,730	269,744
Major/planned repairs	192,092	-	-	192,092	129,511
Depreciation of housing properties	391,577	12,245	-	403,822	359,897
Rent losses from bad debts	17,721	-	-	17,721	594
Total expenditure on lettings	2,771,352	65,606	336,205	3,173,163	2,005,138
Operating Surplus/(deficit) on letting activities	638,315	64,513	(7,071)	695,757	528,055
Rent losses from voids	28,331	-	4,782	33,113	17,214

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
4 SURPLUS ON SALE OF FIXED ASSETS		
Sale of properties (including staircasing of shared ownership properties)	522,500	363,700
Cost of sales	<u>(411,114)</u>	<u>(251,861)</u>
	<u><u>111,386</u></u>	<u><u>111,839</u></u>
5 INTEREST PAYABLE AND SIMILAR CHARGES		
On bank loans:		
Repayable wholly or partly in more than 5 years	550,563	547,744
Other charges	-	-
Less interest capitalised	-	<u>(24,680)</u>
	<u><u>550,563</u></u>	<u><u>523,064</u></u>
<p>The weighted average interest on borrowings of 4.0% (2014: 4.1%) was used for calculating capitalised interest.</p>		
6 OPERATING SURPLUS/(DEFICIT)		
Operating surplus is stated after charging:		
Auditors' remuneration (excluding VAT) in their capacity as auditors	7,500	7,500
for other services	1,985	1,985
Depreciation of owned assets	483,436	367,484
Impairment of office building	<u><u>203,665</u></u>	<u><u>-</u></u>

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7 TANGIBLE FIXED ASSETS

	Completed Housing Properties £	Housing Properties in course of Construction £	Shared Ownership £	Housing Property improve- ment £	Total £
COST					
At 1 April 2014	26,925,523	93,365	2,612,121	6,600,658	36,231,667
Additions	58,026	31,471	-	9,145	98,642
Additions transferred from Crown HA	3,877,502	-	-	452,498	4,330,000
Transfers	-	1,000,000	-	-	1,000,000
Disposals	-	-	-	-	-
At 31 March 2015	<u>30,861,051</u>	<u>1,124,836</u>	<u>2,612,121</u>	<u>7,062,301</u>	<u>41,660,309</u>
DEPRECIATION					
At 1 April 2014	805,949	-	56,687	1,190,667	2,053,303
Charge for year	91,066	-	12,245	281,646	384,957
Adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2015	<u>897,015</u>	<u>-</u>	<u>68,932</u>	<u>1,472,313</u>	<u>2,438,260</u>
SOCIAL HOUSING GRANT					
At 1 April 2014	13,544,010	-	684,793	234,723	14,463,526
Transferred from Crown HA	1,604,739	-	-	-	1,604,739
Received during year	-	-	-	-	-
Schemes completed	-	-	-	-	-
At 31 March 2015	<u>15,148,749</u>	<u>-</u>	<u>684,793</u>	<u>234,723</u>	<u>16,068,265</u>
NET BOOK VALUE					
At 31 March 2015	<u>14,815,287</u>	<u>1,124,836</u>	<u>1,858,396</u>	<u>5,355,265</u>	<u>23,153,784</u>
At 31 March 2014	<u>12,575,564</u>	<u>93,365</u>	<u>1,870,641</u>	<u>5,175,268</u>	<u>19,714,838</u>

Cost of properties includes £0 (2014: £6,876) for direct administrative costs capitalised during the year.

Works to existing properties in the year:	2015 £	2014 £
Capitalised as above	98,642	205,570
Expensed	479,641	285,254
	<u>578,283</u>	<u>490,824</u>

THE NET BOOK VALUE OF HOUSING PROPERTIES COMPRISE

	2015 £	2014 £
Freehold properties	22,391,195	18,941,744
Long Leasehold properties	762,589	773,094
	<u>23,153,784</u>	<u>19,714,838</u>

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

8 OTHER FIXED ASSETS

	Office Building	Furniture, Equipment and Motor Vehicles	Total
	£	£	£
Cost			
At 1 April 2014	1,312,247	185,222	1,497,469
Additions	-	185,398	185,398
Additions – Crown HA	508,045	9,152	517,197
Transfer to housing properties	(1,312,247)	-	(1,312,247)
Disposals	-	(54,687)	(54,687)
	<u>508,045</u>	<u>325,085</u>	<u>833,130</u>
Depreciation and impairment			
At 1 April 2014	102,619	170,060	272,679
Charge for the year	71,433	27,046	98,479
Impairment losses	203,665	-	203,665
Eliminated on Disposals	-	(54,687)	(54,687)
Transfer to housing properties	(312,247)	-	(312,247)
	<u>65,470</u>	<u>142,419</u>	<u>207,889</u>
Net Book Value:			
At 31 March 2015	<u>442,575</u>	<u>182,666</u>	<u>625,241</u>
At 31 March 2014	<u>1,209,628</u>	<u>15,162</u>	<u>1,224,790</u>

	2015 £	2014 £
9 DEBTORS		
Rent and service charges	102,548	50,993
Bad debt provision	(38,171)	(16,930)
Sundry debtors	29,869	32,477
Prepayments and accrued income	117,280	60,988
	<u>211,526</u>	<u>127,528</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank loans	397,934	325,386
Prepaid rents	46,167	21,146
Trade creditors	329,482	127,969
Other creditors	59,607	14,944
Leaseholders' maintenance provisions	656,291	189,202
Accruals	308,111	360,663
	<u>1,797,592</u>	<u>1,039,310</u>

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Loans repayable by instalments		
Between one and two years	411,342	375,743
Between two and five years	1,469,788	1,194,587
In five years or more	10,768,142	10,937,918
Less: associated direct issue set up costs	(252,517)	(220,247)
	12,396,755	12,288,001
	12,396,755	12,288,001

The loans are secured by specific charges on the Association's housing properties.

Interest rates are fixed in accordance with the annual treasury strategy at rates between 2.735% and 5.99%. The Orchardbrook Ltd loan is fixed at 13.75% and some loans are at standard variable rates.

All loans are fully drawn.

	2015 £
12 NON EQUITY SHARE CAPITAL	
Allotted issued and fully paid	
At start of the year	26
Issued during the year	10
Surrendered during the year	(5)
	31
	31

Each member of the Board as at 31 March 2015 holds one share of £1 in the Association.

The shares have limited rights. They carry no entitlement to a dividend, they are not repayable and do not participate in a winding up. They carry the entitlement to vote at the Annual General Meeting and Special General Meetings of the Association.

13 REVENUE RESERVES

	General Reserve £	Roger Simmons Fund £	Total Reserves £
At 1 April 2014	11,368,530	5,984	11,374,514
Surplus for the year before transfers	8,026,214	-	8,026,214
Transfers	(19)	19	-
	19,394,725	6,003	19,400,728
	19,394,725	6,003	19,400,728

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14 CAPITAL COMMITMENTS

	2015	2014
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the Board but not contracted for	-	-
	<u> </u>	<u> </u>

These commitments will be financed through cash reserves, loan finance, grant and disposals of property.

15 DIRECTORS' EMOLUMENTS AND EXPENSES

The Directors of the Association are defined as the Board, the Chief Executive and Leadership Team. None of the Board received any emoluments during the year.

The aggregate emoluments paid to the Directors	263,092	261,298
	<u> </u>	<u> </u>

The emoluments paid to the highest paid Director, excluding pension contributions	88,335	81,309
	<u> </u>	<u> </u>

	2015	2014
	Number	Number
Senior staff earning in excess of £60,000:		
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The Chief Executive is an ordinary member of the pension scheme and a contribution by the Association of £16,865 (2014: £15,774) was made in addition to the personal contributions of the Chief Executive. No enhanced or special terms apply.

The Directors are employed under a dual employment contract with The Fellowship Houses Trust, a related party. Under the contractual terms, one third of the Directors' emoluments are met by The Fellowship Houses Trust.

The Board of Management received no remuneration in the year.

As part of the transfer of Crown Housing Association to Rosemary Simmons Housing Association, the chief executive of Crown HA was made redundant, and received a contractual redundancy payment of less than £10,000.

	2015	2014
	£	£
Total expenses reimbursed to the Directors were:		
Board	1,666	2,517
Other Directors	3,650	2,429
	<u> </u>	<u> </u>
	5,316	4,946
	<u> </u>	<u> </u>

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

16 EMPLOYEE INFORMATION

	2015 Number	2014 Number
<p>The average monthly number of persons (full-time equivalents working 35 hours per week) employed during the year (including the Chief Executive), was:-</p>		
Administration staff	15	11
Scheme Managers and cleaners	5	5
Maintenance	1	1
	<u>21</u>	<u>17</u>
	2015	2014
	£	£
Staff costs (for the above persons)		
Wages and salaries	651,979	506,102
Social security costs	51,259	39,166
Pension costs	144,303	93,298
Redundancy costs	10,621	1,323
	<u>858,162</u>	<u>639,889</u>

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

17 PENSION OBLIGATIONS

The Association participates in SHPS (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi - employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67%.

The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

As at the balance sheet date, there were 14 active members of the Scheme employed by the Association. The annual pensionable payroll in respect of these members was £497,756 and the total contributions (including deficit contributions) paid by the Association in the year ended 31st March 2015 were £96,803 (2014: £93,298). The Association continues to offer membership of the Scheme to its employees.

As a result of pension scheme legislation there is a potential debt that could be levied by the Trustee of the scheme. The debt is due in the event of the employer ceasing to participate in the scheme or the scheme winding up. The Association has no plans to leave the scheme and accordingly has made no provision for liability.

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for the Association was £5,690,156.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

18 HOUSING STOCK

	Units in Management		Units under Development	
	2015	2014	2015	2014
	Number	Number	Number	Number
Housing accommodation	332	332	-	-
Transfer from Crown HA	228	-	-	-
Leasehold accommodation	112	112	-	-
	<u>672</u>	<u>444</u>	<u>-</u>	<u>-</u>
Housing accommodation managed on behalf of others	<u>107</u>	<u>91</u>		

19 RECYCLED CAPITAL GRANT FUND

	£
At 1 April 2014	25,797
Additions relating to property disposals	-
Interest	82
Utilised	-
	<u>25,879</u>

20 SOCIAL HOUSING GRANT

At the balance sheet date total accumulated revenue and capital Social Housing Grant amounts to £16,068,265 (2013/14: £14,463,526).

21 LEGISLATIVE PROVISIONS

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 with the registration number 15355R and with the Homes and Communities Agency under reference LH1026. The Association is a Registered Social Landlord under the Housing Act 1996 and is a Registered Provider as defined under the Housing and Regeneration Act 2008.

22 RELATED PARTIES

The Association is sole corporate Trustee of the Fellowship Houses Trust. The Association manages the Fellowship Houses Trust for a fee, which in 2014/15 amounted to £24,750 (2013/14: £24,750).

One Board member is a resident of the Association. The tenancy is on normal social housing rental terms and they cannot use their position to their advantage.

23 POST BALANCE SHEET EVENT

None.

24 TAXATION

By virtue of S.478 Corporation Tax Act 2010, the Association is exempt from corporation tax.

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

25 OPERATING LEASES

The payments which the Association is committed to make in the next year under operating leases are as follows:

	At 31 March 2015	At 31 March 2014
	£	£
Land and buildings, leases expiring		
Within one year	93,371	-
Between one and two years	103,063	-
Two to five years	309,190	-
Over five years	569,715	-
	1,075,339	-
	1,075,339	-

26 NET GAINS/ (LOSS) ON BUSINESS COMBINATION

On 1 August 2014 Rosemary Simmons Memorial Housing Association Limited acquired by transfer of engagements the assets and liabilities of Crown Housing Association Limited (Registered under the Co-operative and Community Benefit Societies Act 2014 with registration number: 21467R). This has been accounted for as an acquisition in the year.

	1 August 2014		
	Crown Housing Association		
	Book Value	Adjustments	Fair value
	£	£	£
Fixed assets			
- housing properties	3,046,078	1,283,922	4,330,000
- social housing grant	(1,604,739)	-	(1,604,739)
- other fixed assets	490,647	26,550	517,197
Debtors	100,201	(42,283)	57,918
Cash at bank and in hand	1,273,998	-	1,273,998
Cash on short term deposit	4,702,252	-	4,702,252
Creditors: Amounts falling due within one year	(749,585)	(13,095)	(762,680)
Creditors: Amounts falling due after more than one year	(552,118)	15,920	(536,198)
Net assets	6,706,734	1,271,014	7,977,748
Consideration			-
Net gain/ (loss) on business combination			7,977,748

On 21 August 2014 the Financial Conduct Authority cancelled the registration of Crown Housing Association Limited in accordance with section 5 of the Co-operative and Community Benefit Societies Act 2014 on the grounds of the transfer of engagement to Rosemary Simmons Memorial Housing Association Limited.