

**ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

**REGULATOR OF SOCIAL HOUSING
REGISTRATION NUMBER LH1026**

**REGISTERED SOCIETIES
REGISTRATION NUMBER 15355R**

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018**

EXECUTIVES AND ADVISORS

BOARD

Alfons Dankis	Chairman
Christopher Clarke	(Resigned 26 September 2017)
Stephen Cooper	(Retired 26 September 2017)
Helen Edwards	(Resigned 13 June 2017)
Robin Fielder	
Diane Lennan	
Anil K Majevalia	
Rob Webber	
Nick Williams	
Ben Carlton-Jones	(Co-opted 26 September 2017)
Claire Virginie	(Co-opted 26 September 2017)
Paul Yates	Chief Executive (Co-opted 20 March 2018)

LEADERSHIP TEAM

Paul Yates	Chief Executive
Emma Solomons	Customer Services Director
Helen Routledge	Director of Finance

COMPANY SECRETARY

Paul Yates

REGISTERED OFFICE

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

SOLICITORS

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

BANKERS

Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

EXTERNAL AUDITORS

Beever and Struthers
15 Bunhill Row
London
EC1Y 8LP

INTERNAL AUDITORS

Mazars
Tower Bridge House
St Katharine's Way
E1W 1DD

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

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REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The Board of Management present their report together with the audited financial statements for the year ended 31 March 2018. The Statement of Recommended Practice for Registered Social Housing Providers 2014 requires the disclosure of the strategic report to accompany the financial statements for all social landlords with over 5,000 homes in management. As Rosemary Simmons Memorial Housing Association Limited ("Crown Simmons Housing") has fewer than that, a full strategic report is not disclosed but instead a report included that is suitable for an independent organisation of this size. The Board has reviewed the position of Fellowship Houses Trust and as it is fully integrated into management of Crown Simmons group accounts have been prepared consolidating Crown Simmons and Fellowship Houses Trust.

Principal Activity

The association is a Registered Provider and as such its principal activities are the provision of low cost accommodation. 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. Fellowship Housing Trust is a subsidiary of Rosemary Simmons Memorial Housing Association Limited by virtue of management control. It was established in 1938 set up as a charitable housing trust. The Trust's objective is to provide housing and amenities for elderly people and people in financial need, at an affordable rent.

Nature of the Business

The association and subsidiary operate in the South East and London and as at 31 March 2018 had 679 homes in ownership, management and development. The unit numbers decreased from 2017 due to the sale of the Highbury View sheltered housing scheme in Islington, which was not in the core operating areas and the demolition of 12 units at Mole Abbey, as part of the scheme is being redeveloped and replaced with 28 new homes. On 1 April a further 49 units came into management when Crown Simmons Housing became the Corporate Trustee of Hewitt Homes, which owns two schemes for older people in Haslemere, Surrey.

Housing Stock	2018	2017
Social or affordable rent	355	407
Non-social housing	82	81
Shared ownership	25	25
Leasehold	120	120
Total in development	39	39
Fellowship Houses Trust		
Social Housing	58	58
Group Total	679	730

Objectives and strategy

In May 2017 the Association approved a new strategic "Better, Stronger Smarter" setting out our plan for the next four years. We have adopted three overarching objectives for the delivery of our strategic objectives:

- Improving customer services ("better")
- Growing our business ("stronger")
- Organisational Simplicity, efficiency and value for money ("smarter")

Business model

The Association offers a range of housing including rented housing, shared ownership housing for older people and leasehold. It also provides a range of maintenance and support services.

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**REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018**

Achievements and Performance

The association made a surplus for the year of £4,230,236 compared to £477,253 in 2017. The surplus of £3,910,036 on the sale of Highbury contributed to the increased surplus. Major repairs expenditure was £338,739 (2017: £306,282) of which £230,468 (2017 £269,982) was capitalised.

Future Prospects

During 2017 the association rationalised some of its stock; it acquired a 28 unit keyworker scheme at Raynesfield, Raynes Park, and sold a 40 unit scheme at Highbury View, Islington to a more local association. The proceeds of the Highbury View transaction will be used to support future growth in our key areas of operation. In addition, it became the Corporate Trustee for Hewitt Homes, a 49 home housing charity, on 1 April. During the year we completed a staff restructure for the delivery of services to older people and reviewed back office functions. This was in response to changes in funding arrangements for support services and to improve service delivery.

The 30 year financial plan takes account of reductions in income from the rent reduction. It also includes savings in management costs following the recent staff restructure and reductions in planned and responsive repairs expenditure. The Plan demonstrates our ability to continue to maintain our stock at its existing high level and to invest in new housing whilst meeting our lender commitments.

The Business Plan has been stress tested against a number of risk scenarios as well as 'perfect storm' combinations. Mitigation strategies have been put in place against each of the scenarios.

The Board has concluded that even against the backdrop of increased risk for housing associations, Crown Simmons Housing remains a viable association. Through this process we have established that we retain the capacity add to our housing portfolio over the next five years, through a combination of development growth and property acquisition.

Principal Risks and Uncertainties

The Association regularly reviews the key risks facing it. This year it also reviewed its risk appetite. The Board, Audit and Risk Committee and Leadership Team monitors risk on a regular basis. The reports include how the Board is receiving assurance on the management of the risks. The high level risks are:

- Failure to comply with GDPR
- Property sales risk
- Impact of Welfare Reform
- Maintenance costs
- Serious Health & Safety breach leading to a fall in income

Structure, Governance and Management

The Board of Management, who served during the year, is listed, together with the Leadership Team, on page 3.

The members of the Board are drawn from a wide variety of disciplines, so as to provide the balance of skills and experience to manage the association. All Board members undergo an annual appraisal process and as part of this process the Board considers if there are any skills gaps. In the year, three new members, including the Chief Executive, were co-opted on to the Board to expand the range of skills. Each member of the Governing Board holds one fully paid share of £1 in the Association, with the exception of the co-optees. The Board met formally six times during the year.

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.

- The Audit & Risk Committee has 4 members and has responsibility for ensuring that the Company complies with its statutory duties by monitoring external and internal audit, reviewing the risk framework and internal controls.

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**REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018**

- The Governance & Remuneration Committee has 4 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 and board development and recruitment.

In addition, the Board establishes Task and Finish groups made up of Board members and staff to consider specific areas or projects. Each group has clearly defined terms of reference and reports to the Board.

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 has adopted the National Housing Federation Code of Governance 2015. The Board reviewed compliance during the year which did not reveal any areas of non-compliance.

The Board confirms that the association have met the Regulator of Social Housing's regulatory expectations in the Governance and Viability standard.

Statement on the System of Internal Controls

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

The Board recognises that such a system can provide only reasonable and not absolute assurance against material misstatements or loss or eliminate all risks of failure to achieve business 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.

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. This approach is consistent with best practice.

The Board has delegated the responsibility for managing internal controls to the Audit and Risk Committee. This responsibility is reflected within its terms of reference. The Board has established a business planning, risk and control framework.

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 reasonably 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 and Group 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 Group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of

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**REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018**

Social Housing 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and the Group and to prevent and detect fraud and other irregularities.

Public Benefit Entity

As a public benefit entity, Rosemary Simmons Memorial Housing Association Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Value for Money

The Regulator of Social Housing has introduced some standard value for money metrics to capture performance across the sector in a fair and comparable way.

Crown Simmons Performance against the Regulators published metrics over the last three years.

Value for Money Metrics –Crown Simmons		Benchmark info (SPBM) Quartile	2016	2017	2018
1	Reinvestment %	1	1.33%	1.49%	14.14%
2a	New Supply delivered- Social housing	2	-	-	-
2b	New Supply delivered- Non-Social housing	1	-	-	-
3	Gearing	1	4.08%	3.29%	2.25%
4	EBITDAMRI Interest cover	3	112.2%	156.96%	196.25%
5	Headline Social Housing cost per unit	2	£5,262	£4,169	£3,899
6a	Operating margin =Social Housing Lettings	2	16.04%	22.08%	26.50%
6b	Operating margin Overall	3	12.95%	19.66%	21.31%
7	Return on Capital employed	1	2.02%	2.16%	9.88%

Crown Simmons, like other small developing housing associations, does not have an even development programme. It has some years with no completions and in other years completes schemes and delivers new homes. The current development programme consists of 39 units due to complete in 2019/20. A 28 unit scheme started in March 2018. It is expected that the reinvestment metric will increase in 2018/19 as spend is incurred on the scheme. In 2017/18 Crown Simmons rationalised its stock, it acquired 28 units in a key worker scheme and transferred 40 units in London that were out of the core area of operations to Barnsbury HA. The 28 units acquired do not meet the definition of new supply delivered in metrics 2a and 2b as they were not newly developed.

Interest cover improved and gearing reduced. Crown Simmons is well placed to increase the units in management which will increase gearing. It is currently negotiating a £10m revolving credit facility to fund further developments.

Headline social housing costs per unit has reduced over the 3 years to £3,934.

Operating margin overall and social housing lettings has continued to improve. Crown Simmons operating margin is below the sector average, this is as it manages 81 units of key worker accommodation under a lease and the lease payments are included in the operating costs.

SPBM is the national smaller housing providers' benchmarking network, aimed at housing providers with up to 1,000 homes, SPBM has 128 members owning / managing over 67,000 homes across eight English regions; the average stock size is 385. The size of the group, especially as it contains similar organisations to Crown Simmons make it suitable to benchmark performance against.

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REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

Crown Simmons has produced group accounts for the first time this year incorporating FHT, therefore there are only two years of metrics. The group value for money metrics are:

Value for Money Metrics -Group		2017	2018
1	Reinvestment %	1.39%	12.23%
2a	New Supply delivered- Social housing	-	-
2b	New Supply delivered- Non-Social housing	-	-
3	Gearing	1.51%	0.29%
4	EBITDAMRI Interest cover	172.18%	211.84%
5	Headline Social Housing cost per unit	£4,588	£4,282
6a	Operating margin =Social Housing Lettings	22.07%	25.40%
6b	Operating margin Overall	19.87%	21.14%
7	Return on Capital employed	2.02%	8.62%

Crown Simmons has six key objectives set out in the corporate plan "Better, Stronger, Smarter". Metrics have been developed so we can determine if we have achieved our objectives. These metrics are to be achieved by 2021

Crown Simmons Key Objectives			
		2021 Target	Current Performance
1	Continuous year on year improvement resident satisfaction	>85%	Star survey (2016) – 85%
2	Provide more opportunities for residents to be self-servicing	>40	My-Tenancy users 40
3	Grow units in management by at least	15%	-%
4	Achieve External recognition for our positive culture	1 per year	In 2017/18 shortlisted for Engage Awards and Energy Efficiency Awards
5a	Operating margin of 25%	25%	20.73%
5b	Target surplus 10%	10%	109%
6	Operating costs per unit at median level		

Information for Auditors

We, the Board members of Rosemary Simmons Memorial 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 Group's and 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.

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 2019.

On behalf of the Board



ALFONS DANKIS
CHAIRMAN

DATE: 24/07/2018

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**REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 MARCH 2018**

Opinion

We have audited the financial statement Rosemary Simmons Memorial Housing Association Limited trading as Crown Simmons Housing (the Association) and its subsidiaries (the Group) for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2018 and the Group's surplus and the Association's surplus 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, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 MARCH 2018

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 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities in Relation to the Financial Statements set out on page 6, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the Association's members, as a body, in accordance with section 87(2) 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.



Beever and Struthers
Chartered Accountants
Statutory Auditor

Date: 07/08/2018

15 Bunhill Row
London
EC1Y 8LP

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING

CONSOLIDATED AND ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group		Association	
		2018 £	2017 £	2018 £	2017 £
Turnover	2	4,116,909	4,683,973	3,783,885	4,279,351
Operating expenditure	2	(3,246,497)	(3,753,362)	(2,977,726)	(3,437,825)
Operating surplus		870,412	930,611	806,159	841,526
Gain on disposal of property, plant and equipment (fixed assets)	5	3,875,070	139,613	3,878,176	139,900
Interest receivable	6	37,058	46,149	29,138	40,052
Interest payable and financing costs	7	(502,123)	(562,921)	(483,237)	(544,225)
Increase / (decrease) in value of investments	17	(2,196)	46,644	-	-
Surplus for the year		4,278,221	600,096	4,230,236	477,253


The financial statements on pages 11 to 14 were approved and authorised for issue by the Board on 24 July 2018 and were signed on its behalf by:



Chair



Board Member



Secretary

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 15 to 37 form an integral part of these accounts.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

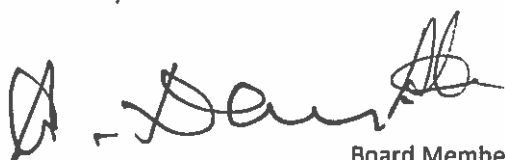
TRADING AS CROWN SIMMONS HOUSING

CONSOLIDATED AND ASSOCIATION STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group		Association	
		March 2018	March 2017	March 2018	March 2017
		£	£	£	£
Fixed assets					
Tangible Fixed Assets - Housing Properties	13	45,011,345	43,373,326	38,355,778	36,640,681
Tangible Fixed Assets – Other	14	106,616	141,462	106,616	141,462
		<u>45,117,961</u>	<u>43,514,788</u>	<u>38,462,394</u>	<u>36,782,143</u>
Current assets					
Fixed assets held for sale	15	431,874	-	431,874	-
Trade and other debtors	16	223,241	226,500	209,386	198,806
Investments	17	177,155	179,351		
Cash and cash equivalents		11,572,271	11,472,180	10,676,785	10,758,477
		<u>12,404,541</u>	<u>11,878,031</u>	<u>11,318,045</u>	<u>10,957,283</u>
Less: Creditors:					
Amounts falling due within one year	19	(2,470,555)	(2,281,896)	(2,331,179)	(2,209,108)
		<u>9,933,986</u>	<u>9,596,135</u>	<u>8,986,866</u>	<u>8,748,175</u>
Net current assets					
		<u>55,051,947</u>	<u>53,110,923</u>	<u>47,449,260</u>	<u>45,530,318</u>
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	20	(26,137,224)	(28,474,408)	(23,702,128)	(26,013,409)
		<u>28,914,723</u>	<u>24,636,515</u>	<u>23,747,132</u>	<u>19,516,909</u>
Total net assets					
		<u>28,914,723</u>	<u>24,636,515</u>	<u>23,747,132</u>	<u>19,516,909</u>
Reserves and capital					
Non-equity share capital	26	15	28	15	28
Revenue reserves		28,795,481	24,515,064	23,747,117	19,516,881
Revaluation reserves		119,227	121,423	-	-
		<u>28,914,723</u>	<u>24,636,515</u>	<u>23,747,132</u>	<u>19,516,909</u>

The financial statements on pages 11 to 14 were approved and authorised for issue by the Board on 24 July 2018 and were signed on its behalf by:

Chair



Board Member

Secretary



The notes on pages 15 to 37 form an integral part of these accounts.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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CONSOLIDATED AND ASSOCIATION STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2018

	Group			Association		
	Revenue Reserves	Revaluation Reserve	Total Reserves	Revenue Reserves	Revaluation Reserve	Total Reserves
	£	£	£	£	£	£
Balance as at 1 April 2016	23,961,612	74,779	24,036,391	19,039,628	-	19,039,628
Surplus/(deficit) from Statement of Comprehensive Income	553,452	46,644	600,096	477,253	-	477,253
Balance at 31 March 2017	24,515,064	121,423	24,636,487	19,516,881	-	19,516,881
Surplus/(deficit) from Statement of Comprehensive Income	4,280,417	(2,196)	4,278,221	4,230,236	-	4,230,236
Balance at 31 March 2018	28,795,481	119,227	28,914,708	23,747,117	-	23,747,117

The notes on pages 15 to 37 form an integral part of these accounts.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group 31 March 2018	31 March 2017
		£	£
Net cash flow from operating activities (see note i)	i	2,671,250	1,254,530
Cash flow from investing activities			
Purchase of tangible fixed assets		(5,083,295)	(609,954)
Movement of Work in Progress		(431,874)	128,675
Interest received		37,058	46,149
Proceeds from sale of tangible fixed assets		3,875,070	139,900
Cash flow from financing activities			
Interest paid		(543,306)	(536,921)
Movement in share capital		(13)	
Repayment of borrowings		(424,799)	(447,068)
(Increase)/decrease in term deposits			
Increase/(decrease) in liquid resources			
Cashflow from merger			
Net change in cash and cash equivalents		100,091	(24,689)
Cash and cash equivalents at beginning of the year		11,472,180	11,496,869
Cash and cash equivalents at end of the year		11,572,271	11,472,180
Note i			
Cash flow from operating activities			
Surplus for the year		4,278,221	600,096
Adjustments for non-cash items:			
Depreciation of tangible fixed assets		690,684	617,724
Carrying amount of tangible fixed asset disposals		1,257,311	126,912
Decrease/(increase) in trade and other debtors		3,259	152,040
Increase/(decrease) in trade and other creditors		(22,588)	(478,459)
Amortisation of grant		(169,011)	(68,011)
Adjustments for investing or financing activities			
Interest and financing costs		543,306	536,921
Interest received		(37,058)	(46,149)
Gain/loss on disposal of tangible fixed assets		(3,875,070)	(139,900)
Increase / (decrease) in value of investments		2,196	(46,644)
Net cash generated from operating activities		2,671,250	1,254,530

The notes on pages 15 to 37 form an integral part of these accounts.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. PRINCIPAL ACCOUNTING POLICIES

Legal Status

Rosemary Simmons Memorial Housing Association Limited trading as Crown Simmons Housing is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 1st Floor, Aissela, 46 High Street, Esher, KT10 9QY. The group comprises the following entities:

Name	Incorporation	Registered / Non-registered
Crown Simmons Housing	Co-operative and Community Benefit Societies Act 2014	Registered
Fellowship Houses Trust	Charity Act 2011	Registered

Fellowship Houses Trust is a subsidiary by virtue of management control and is accounted for as 100% subsidiary.

Basis of accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommending Practice for registered housing providers: Housing SORP 2014. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The accounts are prepared on the historical cost basis of accounting except for investment properties which are held at fair value and are presented in sterling £.

The Group's financial statements have been prepared in compliance with FRS 102 as it applied for the first time to the financial statements of the Group for the year ending 31 March 2016.

The Group transitioned from previous UK GAAP to FRS 102 as at 1 April 2015.

As a public benefit entity, Rosemary Simmons Memorial Housing Association Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Basis of consolidation

The consolidated financial statements incorporate the results of Crown Simmons Housing and its subsidiary undertaking as at 31 March 2018 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date, the Group obtains control. Intra-group transactions are eliminated on consolidation.

Parent Association disclosure exemptions

In preparing the separate financial statements of the parent Association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent Association;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Association as their remuneration is included in the totals for the Group as a whole.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Going Concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. Government's announcements in July 2015 impacting on the future income of the Group have led to a reassessment of the Group's business plan as well as an assessment of imminent or likely future breach in borrowing covenants. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had an effect on amounts recognised in the financial statements:

- a. **Tangible fixed assets:** Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- b. **Impairment:** The Group has identified a cash generating unit for impairment assessment purposes at a property scheme level. Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income.
- c. **Pensions:** 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 of the scheme. Payments are made to a fund operated by the Pensions Trust, an independent trust providing pension benefits for employees of voluntary organisations. The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the Group has a participating interest. Contributions payable under an agreement with SHPS to fund past deficits are recognised as a liability in the Group's financial statements calculated by the repayments known, discounted to the net present value at the year ended using a market rate discount factor of 2.06% at 31 March 2016, 1.33% at 31 March 2017 and 1.72% at 31 March 2018. The unwinding of the discount is recognised as a finance cost in the Statements of Comprehensive Income in the period incurred.
- d. **Investments:** Investments are classified as fixed assets and stated at market value. Income from investments is credited to the Income and Expenditure Account on a receivable basis. Movements in market value of investments are taken to the endowment fund or the accumulated income reserve via the Statement of Comprehensive Income.

Turnover and revenue recognition

Turnover comprises of rental and service charges, income from shared ownership first tranche sales, revenue grants from local authorities, and proceeds of properties developed for sale.

All income is recognised on a receivable basis and sales of property are recognised at completion. Income is recognised on delivery of service. Intra-group charges are on an arm's length basis and are eliminated on consolidation.

Revenue recognised in relation to construction contracts are calculated using the percentage of completion method.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Service Charge

Service charges are set at a level which should recover the cost of providing services at the schemes. Where costs have either been under or over recovered, the resulting surplus or deficit is recovered or repaid in future years. The Association operates both fixed and variable service charges on a scheme by scheme basis in full consultation with the residents. Where variable service charges are used, the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amounts at initial recognition and amount of maturity of the related loan.

Taxation

By virtue of s.478 Corporate Tax Act 2010, the Association has charitable status and is not subject to corporation tax on surpluses as a result of, or earned in furtherance of, charitable objectives. Its subsidiary, Fellowship Houses Trust is a registered charity and has charitable status and is exempt from Corporation Tax by virtue of section 478 of the Corporation Tax Act 2010.

Value Added Tax

The Association and Group charges Value Added Tax (VAT) on some of its income and expenditure and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as an asset or liability.

Fixed assets and depreciation

Housing properties are properties used in the provision of social benefit purposes or for wider community benefits. They include socially rented units, affordable rent and the rental element of shared ownership units.

Social housing properties in the course of development are carried at their development costs to date less impairment. Properties other than shared ownership properties are split between land and structure and major components. Shared ownership is split between land and building. Refurbishment and replacement of components is capitalised and depreciated over the estimated useful economic life of the component. The replaced components are written off.

Shared ownership properties in the course of development are split proportionally between inventory and housing property based on the element relating to expected first tranche sales.

Tangible fixed assets are stated at cost less accumulated depreciation. Housing properties are analysed into land cost, structure cost and components cost. The Group accounts for housing properties using the historical cost model. Housing properties are initially recognised at the cost of bringing them to their present condition. Such costs include the cost of acquiring land and the buildings, cost of construction, capitalised interest, directly attributable administration costs and expenditure incurred in improving or reinvesting in existing properties.

Improvements to property

Major repairs expenditure is capitalised where the works undertaken increase the future economic benefit to be derived from the property. An increase in the future economic benefit can arise through either an increase in the rental income or a reduction in future maintenance costs or a significant extension in the life of the property. Where the works are either routine repairs or replacements with no incremental benefit then the costs are charged to the statement of comprehensive income in the period in which they are incurred.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Fixtures, fittings and equipment	2% to 20%
Housing properties structure	1%
Roofs	1.67%
Boilers	4%
Kitchens	5%
Bathrooms	5%
Windows	3.5%
Electrics	4%

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme. Administration costs relating to development activities are capitalised based on an apportionment of the management time spent on this activity.

Shared Ownership Properties

The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Social Housing Grant (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Recycling of Capital Grant

Under certain conditions, primarily the sale of a dwelling, Homes England and the Greater London Authority can direct the Group to recycle grant or to repay the recoverable capital grant back to Homes England and the Greater London Authority. Where the grant is recycled the recoverable capital grant is credited to a Recycled Capital Grant Fund where it can remain for up to three years and can be used for projects approved by the Homes England and the Greater London Authority.

Where the sale of dwellings arises under the Right to Acquire, the proceeds after deducting appropriate costs are credited to a Disposal Proceeds Fund, where it can remain for up to three years. These funds are included as creditors due within one year or due after more than one year as appropriate to the circumstances.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the balance sheet date.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Operating Leases

Rental charges paid under operating leases are charged to the Statement of Comprehensive Income on an accruals basis.

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial instruments held by the Association are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method; and
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

a) GROUP

	2018		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (note 3)	3,432,493	2,560,763	871,730
Other Social Housing Activities			
Charges for support services	31,311	48,349	(17,038)
Development services	-	125,357	(125,357)
Activities other than Social Housing Activities			
Keyworker and charitable managed housing	653,105	512,028	141,077
	684,416	685,734	(1,318)
Total	4,116,909	3,246,497	870,412
	2017		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (note 3)	3,677,905	2,866,255	811,650
Other Social Housing Activities			
Charges for support services	54,224	64,446	(10,222)
Development services	-	85,123	(85,123)
Activities other than Social Housing Activities			
Keyworker and charitable managed housing	951,844	737,538	214,306
	1,006,068	887,107	118,961
Total	4,683,973	3,753,362	930,611

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS (continued)

b) ASSOCIATION

	2018		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (note 3)	3,047,269	2,239,792	807,477
Other Social Housing Activities			
Charges for support services	31,311	48,349	(17,038)
Development services	-	125,357	(125,357)
Activities other than Social Housing Activities			
Keyworker and charitable managed housing	705,305	564,228	141,077
	<u>736,616</u>	<u>737,934</u>	<u>(1,318)</u>
Total	<u>3,783,885</u>	<u>2,977,726</u>	<u>806,159</u>
	2017		
	Turnover £	Operating expenditure £	Operating surplus £
Social housing lettings (note 3)	3,273,283	2,550,717	722,566
Other Social Housing Activities			
Charges for support services	54,224	64,446	(10,222)
Development services	-	85,123	(85,123)
Activities other than Social Housing Activities			
Keyworker and charitable managed housing	951,844	737,539	214,305
	<u>1,006,068</u>	<u>887,108</u>	<u>118,960</u>
Total	<u>4,279,351</u>	<u>3,437,825</u>	<u>841,526</u>

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

a) GROUP

	General Needs Housing Accommodation	Sheltered	Shared Ownership & Leasehold	Managed	2018 Total	2017 Total
	£	£	£	£	£	£
Income						
Rent receivable net of identifiable service charges	1,896,763	569,625	64,729	-	2,531,117	2,603,561
Service charge income	167,726	165,110	310,829	-	643,665	817,071
Amortised government grants	141,050	22,762	5,199	-	169,011	192,302
Management fee	-	-	-	88,700	88,700	64,971
Turnover from Social Housing Lettings	2,205,539	757,497	380,757	88,700	3,432,493	3,677,905
Expenditure						
Service charge costs	(141,382)	(87,514)	(250,377)	-	(479,273)	(659,283)
Management	(552,891)	(180,681)	(52,679)	(131,294)	(917,545)	(993,729)
Routine maintenance	(265,881)	(20,010)	(148,742)	-	(434,633)	(469,878)
Major maintenance	(2,135)	(745)	-	-	(2,880)	(36,300)
Planned maintenance	(39,941)	(10,610)	(3,791)	(5,500)	(59,842)	(56,966)
Depreciation of Housing Properties	(504,596)	(108,657)	(18,934)	-	(632,187)	(599,302)
Rent losses from bad debts	(29,260)	(5,143)	-	-	(34,403)	(50,797)
Operating expenditure from Social Housing Lettings	(1,536,086)	(413,360)	(474,523)	(136,794)	(2,560,763)	(2,866,255)
Operating Surplus/(deficit) on Social Housing Lettings	669,453	344,137	(93,766)	(48,094)	871,730	811,650
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	6,864	6,604	4,566	-	18,034	17,495

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS (continued)

b) ASSOCIATION

	General Needs Housing Accommodation £	Sheltered £	Shared Ownership & Leasehold £	Managed £	2018 Total £	2017 Total £
Income						
Rent receivable net of identifiable service charges	1,674,407	492,059	64,729	-	2,231,195	2,295,442
Service charge income	123,304	149,614	310,829	-	583,747	745,953
Amortised government grants	122,231	16,197	5,199	-	143,627	166,917
Management fee	-	-	-	88,700	88,700	64,971
Turnover from Social Housing Lettings	1,919,942	657,870	380,757	88,700	3,047,269	3,273,283
Expenditure						
Service charge costs	(107,088)	(75,552)	(250,377)	-	(433,017)	(607,239)
Management	(506,945)	(164,652)	(52,679)	(131,294)	(855,570)	(945,597)
Routine maintenance	(232,469)	(8,355)	(148,742)	-	(389,566)	(368,800)
Major maintenance	-	-	-	-	-	(36,300)
Planned maintenance	(39,941)	(10,610)	(3,791)	(5,500)	(59,842)	(56,966)
Depreciation of Housing Properties	(390,360)	(68,807)	(18,934)	-	(478,101)	(497,478)
Rent losses from bad debts	(21,322)	(2,374)	-	-	(23,696)	(38,337)
Operating expenditure from Social Housing Lettings	(1,298,125)	(330,350)	(474,523)	(136,794)	(2,239,792)	(2,550,717)
Operating Surplus/(deficit) on Social Housing Lettings	621,817	327,520	(93,766)	(48,094)	807,477	722,566
 Void losses (being rental income lost as a result of property not being let, although it is available for letting)	 6,864	 6,604	 4,566	 -	 18,034	 17,270

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

a) GROUP

	2018 Units		2017 Units	
	Owned & Managed Number	Managed Number	Owned & Managed Number	Managed Number
Social Housing				
Under development at end of year				
General needs	8	-	8	-
Shared ownership	31	-	31	-
Under management at end of year				
General needs social rent	223	-	230	-
General needs affordable rent	24	-	66	-
Housing for older people	121	45	124	45
Low-cost home ownership	25	-	25	-
Leasehold	115	5	115	5
Key worker housing	28	54	28	53
	<u>575</u>	<u>104</u>	<u>627</u>	<u>103</u>

b) ASSOCIATION

	2018 Units		2017 Units	
	Owned Number	Managed Number	Owned Number	Managed Number
Social Housing				
Under development at end of year				
General needs	8	-	8	-
Shared ownership	31	-	31	-
Under management at end of year				
General needs social rent	207	16	214	16
General needs affordable rent	24	-	24	-
Housing for older people	79	87	124	87
Low-cost home ownership	25	-	25	-
Leasehold	115	5	115	5
Key worker housing	28	54	28	53
Managed for other bodies				
	<u>517</u>	<u>162</u>	<u>569</u>	<u>161</u>

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED

TRADING AS CROWN SIMMONS HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. GAIN / (LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT (FIXED ASSETS) – Group & Association

a) GROUP

	Other Property Disposals £	Shared Ownership Staircasing £	2018 Total £	2017 Total £
Proceeds of sales	5,587,214	-	5,587,214	611,530
Less: Cost of sales	(1,712,144)	-	(1,712,144)	(471,917)
Surplus	3,875,070	-	3,875,070	139,613

b) ASSOCIATION

	Other Property Disposals £	Shared Ownership Staircasing £	2018 Total £	2017 Total £
Proceeds of sales	5,587,214	-	5,587,214	611,530
Less: Cost of sales	(1,709,038)	-	(1,709,038)	(471,630)
Surplus	3,878,176	-	3,878,176	139,900

6. INTEREST RECEIVABLE

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Interest receivable	37,058	46,149	29,138	40,052

7. INTEREST AND FINANCING COSTS

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Interest payable on bank loans	499,263	524,683	480,377	505,987
Loan Amortisation	12,046	12,046	12,046	12,046
Unwinding pension discount rate	16,000	26,000	16,000	26,000
RCGF interest	-	192	-	192
	527,309	562,921	508,423	544,225
Interest capitalised	(25,186)	-	(25,186)	-
	502,123	562,921	483,237	544,225

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	GROUP		ASSOCIATION	
	2018	2017	2018	2017
	£	£	£	£
The operating surplus is stated after charging:				
Depreciation on housing properties	665,812	599,302	511,726	497,478
Depreciation on other fixed assets	24,872	18,421	24,872	18,421
Gain on disposal of fixed assets				
Operating leases	131,295	103,986	131,295	103,986
Auditors remuneration excluding VAT				
In their capacity as auditors	13,900	15,700	10,900	11,700
In respect of other services	1,500	1,500	1,500	1,500
Loss on disposal of assets	87,564	287	84,458	-

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

10. KEY MANAGEMENT PERSONNEL REMMUNERATION – Group & Association

The Directors of the Association are defined as the Board, the Chief Executive and Leadership Team.

	2018	2017
	£	(restated)
		£
The aggregate emoluments paid to or receivable by		
The Directors	228,925	255,146
The highest paid Director, excluding pension contributions	95,743	90,208
The aggregate compensation for redundancy paid to or receivable by		
The Directors	-	-
The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a Director (incl. in aggregate enrolments)		
	15,854	64,200

The Chief Executive is an ordinary member of the pension scheme and a contribution by the Association of £2,810 (2017: £5,113) was made in addition to the personal contributions of the Chief Executive. No enhanced or special terms apply. The Chief Executive was co-opted on to the Board on 20 March 2018 and receives no additional remuneration.

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

10. KEY MANAGEMENT PERSONNEL REMMUNERATION – Group & Association (continued)

The Board of Management received remuneration from 1 October 2017.

Members of the Board

	2018	2017
	£	£
A Dankis	2,250	-
D Lennan	1,750	-
R Fielder	1,750	-
A Majeবাদia	1,750	-
R Webber	1,250	-
B Carlton-Jones	1,250	-
C Virginie	1,250	-
N Williams	1,250	-

The Board did not receive any benefits and no pension contributions were made.

Total expenses reimbursed to the Directors	2018	2017
	£	£
Board	1,443	2,147
Other Directors	1,930	2,420
	<u>3,373</u>	<u>4,567</u>

11. EMPLOYEE INFORMATION – Group & Association

Staff Costs	2018	2017
	£	£
Wages and salaries	581,889	654,678
Social security costs	61,029	66,278
Pension costs	40,134	35,550
Redundancy costs	5,962	4,500
Temporary agency staff	24,875	-
Total	<u><u>713,889</u></u>	<u><u>761,006</u></u>

The weekly number of FTE (based on a 35-hour week) staff was:

Administration staff	13	14
Scheme managers and cleaners	3	5
Maintenance	1	1
	<u>17</u>	<u>20</u>

ROSEMARY SIMMONS MEMORIAL HOUSING ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. EMPLOYEE INFORMATION – Group & Association (continued)

Aggregate number of full time equivalent staff whose salary exceeded £60,000 in the period was:

	2018	2017
	No.	No.
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,000 - £100,000	1	1
£100,000 - £110,000	-	-

12. PENSION SCHEME

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows

Deficit contributions

Tier 1	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1 April)
Tier 2	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1 April)
Tier 3	£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 April)
Tier 4	£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

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12. PENSION SCHEME (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
Present value of provision	1,048,000	1,210,000

Reconciliation of opening and closing provisions

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
Provision at start of period	1,210,000	1,307,000
Unwinding of the discount factor (interest expense)	16,000	26,000
Deficit contribution paid	(163,000)	(157,000)
Remeasurements - impact of any change in assumptions	(15,000)	34,000
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	<u>1,048,000</u>	<u>1,210,000</u>

Income and expenditure impact

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
Interest expense		
Remeasurements – impact of any change in assumptions	16,000	26,000
Remeasurements – amendments to the contribution schedule	(15,000)	34,000
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	<u>19,005</u>	<u>21,868</u>
	<u>20,005</u>	<u>81,868</u>

- Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

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12. PENSION SCHEME (continued)

Assumptions

	2018 % per annum	2017 % per annum
Rate of discount	1.72	1.33

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

13. HOUSING PROPERTIES

a) GROUP

	Housing Properties £	Housing Properties under Construction £	Shared Ownership £	Total Housing Assets £
Cost				
At the start of the year	45,069,547	1,275,234	2,943,064	49,287,845
Adjustments	(413,074)	413,074	-	-
Additions to Housing Properties	4,936,712	338,221	-	5,274,933
Additions components	230,468	-	-	230,468
Transfer to current assets	-	(431,874)	-	(431,874)
Disposals	(2,959,568)	-	-	(2,959,568)
At the end of the year	<u>46,864,085</u>	<u>1,594,655</u>	<u>2,943,064</u>	<u>51,401,804</u>
Depreciation and impairment				
At start of the year	5,766,413	-	148,106	5,914,519
Adjustment	-	-	-	-
Charge for the year	636,381	-	29,431	665,812
Disposals	(189,872)	-	-	(189,872)
At end of the year	<u>6,212,922</u>	<u>-</u>	<u>177,537</u>	<u>6,390,459</u>
Net book value at 31 March 2018	<u>40,651,163</u>	<u>1,594,655</u>	<u>2,765,527</u>	<u>45,011,345</u>
Net book value at 1 April 2017	<u>39,303,134</u>	<u>1,275,234</u>	<u>2,794,958</u>	<u>43,373,326</u>

All housing properties are freehold.

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13. HOUSING PROPERTIES (continued)

b). ASSOCIATION

	Housing Properties	Housing Properties under Construction	Shared Ownership	Total Housing Assets
	£	£	£	£
Cost				
At the start of the year	37,696,969	1,275,234	2,943,064	41,915,267
Reallocation	(413,074)	413,074	-	-
Additions to Housing Properties	4,855,078	338,221	-	5,193,299
Additions Components	230,468	-	-	230,468
Transfer to current assets	-	(431,874)	-	(431,874)
Disposals	(2,954,538)	-	-	(2,954,538)
At the end of the year	<u>39,414,903</u>	<u>1,594,655</u>	<u>2,943,064</u>	<u>43,952,622</u>
Depreciation and impairment				
At start of the year	5,126,480	-	148,106	5,274,586
Adjustment	-	-	-	-
Charge for the year	482,295	-	29,431	511,726
Disposals	(189,468)	-	-	(189,468)
At end of the year	<u>5,419,307</u>	<u>-</u>	<u>177,537</u>	<u>5,596,844</u>
Net book value at 31 March 2018	<u>33,995,596</u>	<u>1,594,655</u>	<u>2,765,527</u>	<u>38,355,778</u>
Net book value at 1 April 2017 (restated)	<u>32,570,489</u>	<u>1,275,234</u>	<u>2,794,958</u>	<u>36,640,681</u>

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Works to existing properties in the year:				
Improvement works capitalised		106,342		106,342
Components capitalised	321,530	326,607	230,468	269,982
Amounts charged to expenditure	108,271	36,300	105,391	36,300

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14. OTHER FIXED ASSETS

	Furniture & Equipment
	£
Cost	
At start of the year	246,37
Additions	9,769
Disposals	(39,735)
At end of the year	<u>216,408</u>
Depreciation	
At start of the year - restated	104,912
Charge for the year	24,872
Disposals	(19,992)
At end of the year	<u>109,792</u>
Net book value at 31 March 2018	<u>106,616</u>
Net book value at 1 April 2017	<u>141,462</u>

15. FIXED ASSETS HELD FOR SALE

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
Leasehold properties held for sale	82,400	-
Shared ownership properties under construction	349,474	-
	<u>431,874</u>	<u>-</u>
	<u>431,874</u>	<u>-</u>

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16. TRADE AND OTHER DEBTORS

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Rent and service charges	150,557	154,105	111,559	116,135
Bad debt provision	(88,706)	(64,580)	(57,374)	(42,523)
	<u>61,851</u>	<u>89,525</u>	<u>54,185</u>	<u>73,612</u>
Prepayments and accrued income	90,375	93,275	85,737	83,651
Sundry debtors	71,015	43,700	69,464	41,543
	<u>223,241</u>	<u>226,500</u>	<u>209,386</u>	<u>198,806</u>
Debtors are all due within one year				

17. INVESTMENTS

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Market value of investments at start of the year	179,351	132,707	-	-
Market value of investments sold during the year	-	-	-	-
Gain/Loss in value at the end of year	(2,196)	46,644	-	-
	<u>177,155</u>	<u>179,351</u>	<u>-</u>	<u>-</u>
Market value of investments at the end of year				
Historic cost of investments	57,928	57,928	-	-
	<u>57,928</u>	<u>57,928</u>	<u>-</u>	<u>-</u>

18. FINANCIAL INSTRUMENTS

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
The association's financial instruments may be analysed as follows:				
Financial assets measured at amortised cost:				
Cash and cash equivalents	11,572,271	11,472,180	10,676,785	10,758,477
Debtors	223,241	226,500	209,386	198,806
Financial assets measured at market value	179,351	-	-	-
Financial liabilities measured at amortised cost:				
Trade creditors	278,264	297,895	259,507	294,654
Loans within one year	515,865	448,417	515,346	447,953
Loans greater than one year	11,390,103	11,894,396	11,228,826	11,732,600

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Housing Loans less than one year	515,865	448,417	515,346	447,953
Rent prepaid	100,918	79,972	94,554	77,017
Trade creditors	278,264	297,895	259,507	294,654
Other creditors	22,398	129,750	22,398	129,750
Accruals and deferred income	508,579	335,639	420,226	294,896
Deferred Capital Grant less than one year	169,010	193,215	143,627	167,830
Leaseholders maintenance Provisions	712,521	640,008	712,521	640,008
Pension deficit agreement less than one year	163,000	157,000	163,000	157,000
Recycled Capital Grant less than one year	-	-	-	-
	<u>2,470,555</u>	<u>2,281,896</u>	<u>2,331,179</u>	<u>2,209,108</u>

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

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Housing Loans greater than one year	11,185,921	11,678,168	11,024,644	11,516,372
Deferred Capital Grant greater than one year	14,066,304	15,743,240	11,792,485	13,444,037
Pension deficit agreement greater than one year	884,999	1,053,000	884,999	1,053,000
Recycled Capital Grant greater than one year	-	-	-	-
	<u>26,137,224</u>	<u>28,474,408</u>	<u>23,702,128</u>	<u>26,013,409</u>

21. DEBT ANALYSIS

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
Loans repayable by instalments:				
Between one and two years	537,252	475,428	536,671	474,909
Between two and five years	5,531,507	5,702,728	5,529,320	5,700,772
In five years or more	5,321,344	5,716,240	5,162,835	5,556,919
Total loans	<u>11,390,103</u>	<u>11,894,396</u>	<u>11,228,826</u>	<u>11,732,600</u>
Loan issue costs	(204,182)	(216,228)	(204,182)	(216,228)
	<u>11,185,921</u>	<u>11,678,168</u>	<u>11,024,644</u>	<u>11,516,372</u>

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

All loans are repayable by instalments. Interest rates are fixed in accordance with the annual treasury strategy. The fixed element of the loans was 86% (2017: 87%) with a weighted average cost of capital of 4.2% (2017: 4.3%)

22. DEFERRED CAPITAL GRANT

	GROUP		ASSOCIATION	
	2018 £	2017 £	2018 £	2017 £
At start of the year	15,936,453	16,005,551	13,611,867	13,655,580
Grant received in the year	-	134,654	-	134,654
Disposals	(1,604,739)	(11,450)	(1,604,739)	(11,450)
Released to income in the year	(169,011)	(192,302)	(143,627)	(166,917)
Amortised grant on disposals	72,611	-	72,611	-
At the end of the year	<u>14,235,314</u>	<u>15,936,453</u>	<u>11,936,112</u>	<u>13,611,867</u>
Deferred Capital grant less than one year	169,010	193,215	143,627	167,830
Deferred Capital grant greater than one year	14,066,304	15,743,240	11,792,485	13,444,037
	<u>14,235,314</u>	<u>15,936,455</u>	<u>11,936,112</u>	<u>13,611,867</u>
Grant received				
Cumulative amortised to income	2,792,745	2,696,345	2,553,485	2,482,469
	<u>17,028,059</u>	<u>18,632,800</u>	<u>14,489,597</u>	<u>16,094,336</u>

23. RECYCLED CAPITAL GRANT FUND

	GROUP AND ASSOCIATION	
	2018 £	2017 £
At the start of the year	-	123,012
Additions	1,604,739	11,450
Disposals		(134,654)
Interest		192
Transfer to RP	(1,604,739)	
At the end of the year	<u>-</u>	<u>-</u>

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24. OBLIGATIONS UNDER OPERATING LEASES

The Obligations under operating leases are repayable in equal instalments. Operating leases relate to office rental and office equipment.

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
Land and buildings		
In one year or more but less than two years	101,665	101,665
In two years or more but less than 5 years	304,995	406,660
In five years or more	101,665	203,330
Other		
In one year or more but less than two years	3,904	3,904
In two years or more but less than 5 years	11,711	15,615
In five years or more	-	-

25. CAPITAL COMMITMENTS

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	4,437,847	-
Capital expenditure that has been authorised by the committee of management but has not yet been contracted for	-	-
	<u>4,437,847</u>	<u>-</u>

It is intended that the capital expenditure will be financed by the Association's own funds.

26. SHARE CAPITAL

	GROUP AND ASSOCIATION	
	2018	2017
	£	£
At start of the year	28	28
Issued during the year	-	2
Cancelled during the year	(13)	(2)
At the end of the year	<u>15</u>	<u>28</u>

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable.

Shareholdings reduced from 28 to 15 at AGM in September 2017.

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27. RELATED PARTIES

Crown Simmons Housing is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption available under Section 33 FR5 102 not to disclose transactions with wholly owned subsidiary undertakings.

The following are related parties:

- Transactions with Non-Executive Directors

The Association is sole corporate Trustee of the Fellowship Houses Trust. The Association manages the Fellowship Houses Trust for a fee, which in the year ended March 2018 amounted to £52,200 (2017: £27,292).

There were no resident board members during 2017/18.

28. POST BALANCE SHEET EVENTS

On 1 April 2018 the Association was appointed via a deed of replacement as Corporate Trustee of Hewitt Homes following the retirement of Vivid Housing.

