

ACRE HOUSING
(FORMERLY STYLE ACRE FRIENDS)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2005

The MGroup Partnership
Registered Auditors
Cranbrook House
287-291 Banbury Road, Oxford
OX2 7JQ



Company Registration Number: 2677365
Registered Charity Number: 1010701

ACRE HOUSING

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

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ACRE HOUSING

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2005**

SOLICITORS

Field Seymour Parkes
The Old Coroner's Court
No 1 London Street
PO Box 174
Reading
Berkshire RG1 4QW

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The trustees present their annual report together with the financial statements of the company for the year ended 31 March 2005.

CHARITABLE OBJECTS

The charity is established to relieve the needs of persons with learning disability by:

1. The provision, maintenance and management of residential and other accommodation;
2. The provision of advice and assistance in matters relating to their housing needs.

LEGAL STATUS

The company does not have a share capital and is limited by the guarantee of its members to the extent of £1

The governing instruments under which the charity operates are its Memorandum and Articles of Association.

TRUSTEES

The following trustees held office during the year:

Kim Faulkner
Ken Templeton
Andrew Taylor (appointed 7 October 2004)
Helen Lewis (resigned 18 October 2004)
P McClurking (resigned 1 April 2004)
D Riglen (resigned 1 April 2004)
I Riglen (resigned 1 April 2004)

General Meeting, thereafter one third of trustees must retire at the Annual General Meeting and can seek re-election.

RETIRING TRUSTEES

The trustee retiring by rotation at the next Annual General Meeting in accordance with the Articles of Association is Andrew Taylor who being eligible offers himself for re-election.

LEGAL AND ADMINISTRATION INFORMATION

Further legal and administrative information is provided on pages 1 and 2 of these accounts.

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2005

ORGANISATIONAL STRUCTURE

Acre Housing was previously known as Style Acre Friends, a charity that provided both accommodation and support to people with learning disabilities. As of 1 April 2004, Style Acre Friends split in two to create Acre Housing, a provider of rented accommodation for people with learning disabilities, and Style Acre whose main purpose is to provide supported living services.

Acre Housing is run by a Board of Trustees which is responsible for organising all aspects of the daily running of the charity.

The Trustees are appointed by the Board and all Trustees must be at least 18 years of age and capable of managing his or her own affairs.

RISK MANAGEMENT

The Trustees are responsible for undertaking an annual risk assessment of the organisation and its activities and presenting their findings to the Board for their approval. From this an annual improvement and development plan is drawn and implemented.

ACHIEVEMENTS AND PERFORMANCE

This has been a very busy year for the charity. The residential home site was sold and the proceeds used to purchase an additional four properties to enable the people who lived in the residential care home to live in their own homes for the first time in their lives. Each person holds their own tenancy agreement and is living with people that they like and want to share with.

The tenants have settled into new homes and are well established in their communities. The properties are in good order and are maintained by a local property management company. All rents are paid on a regular basis and there are no arrears.

One of the properties has had a conservatory added this year to provide extra living space for tenants who are experiencing reduced mobility due to age. The tenants meet four times a year in a well supported Tenants' group. Feedback is given to the charity if there are any concerns about properties. There has been no negative feedback to date.

FUTURE PLANS

There is sufficient money remaining from the sale of the residential home to enable the Trustees to purchase another property and this is currently being pursued following a request from three additional people who are struggling to cope in their current situations.

RESERVES POLICY

Total funds of Acre Housing stood at £1,745,589 at the year end.

The trustees have a policy of retaining £50,000 in order to maintain their properties. Restricted and designated funds are recorded and reported separately.

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2005

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors The MGroup Partnership have expressed their willingness to continue in office, and in accordance with section 385 of the Companies Act 1985 a resolution proposing their appointment will be submitted at the Annual General Meeting.

SPECIAL EXEMPTION

The report of the Trustees is prepared in accordance with the special provisions of Part VII of the Companies Act 1985, applicable to small companies.

On behalf of the Trustees


Trustee

ACRE HOUSING

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

TO THE MEMBERS OF ACRE HOUSING

We have audited the financial statements of Acre Housing for the year ended 31 March 2005 on pages 8 to 17 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Trustees' Report the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or other material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ACRE HOUSING

INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2005

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of the incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


THE MGROUP PARTNERSHIP
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
OXFORD

30th January 2006.

ACRE HOUSING

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005

	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2005 £	Total 2004 £
Incoming resources						
Donations and bequests		456	-	-	456	14,917
<i>Activities in furtherance of the charity's objectives:</i>						
Frees for residential care		-	-	-	-	959,219
- Turnstyle income		-	-	-	-	139,078
Housing benefit		92,022	-	-	92,022	-
Rental income		4,160	-	-	4,160	-
<i>Other activities to generate funds:</i>						
- Shop income		-	-	-	-	61,810
Interest receivable		6,502	-	-	6,502	291
In kind funding		-	-	-	-	8,580
Other income		4,174	-	-	4,174	-
Profit on disposal of fixed assets		-	-	658,685	658,685	-
Total incoming resources		107,314	-	658,685	765,999	1,183,895
Charitable expenditure						
<i>Cost of activities in furtherance of the charity's objectives:</i>						
Care costs		-	-	-	-	1,041,668
Building costs and services	4	12,632	-	-	12,632	-
Administration costs	5	11,774	-	-	11,774	2,606
Bank charges and interest		27,699	-	-	27,699	-
Grants paid to related charity		23,717	-	-	23,717	-
In kind support		-	-	-	-	8,580
Depreciation and amortisation		1,686	-	-	1,686	-
Total resources expended		77,508	-	-	77,508	1,052,854
Net income / (expenditure)	2	29,806	-	658,685	688,491	131,041
Net incoming resources carried forward		29,806	-	658,685	688,491	131,041

ACRE HOUSING

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2005

	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2005 £	Total 2004 £
Net incoming resources carried forward		29,806	-	658,685	688,491	131,041
Transfer between funds		(290,316)	(158,878)	449,194	-	-
Transfer to related charity		(13,265)	(23,498)	-	(36,763)	-
Net movement in funds		(273,775)	(182,376)	1,107,879	651,728	131,041
Funds brought forward		323,775	182,376	587,710	1,093,861	962,820
Funds carried forward	13	50,000	-	1,695,589	1,745,589	1,093,861

All amounts relate to continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.


ACRE HOUSING

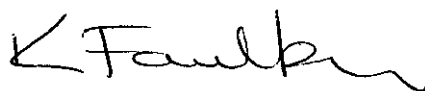
BALANCE SHEET
AS AT 31 MARCH 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	1,297,688	1,262,380
		<u>1,297,688</u>	<u>1,262,380</u>
CURRENT ASSETS			
Debtors	9	13,403	308
Cash at bank and in hand		443,841	136,695
		<u>457,244</u>	<u>137,003</u>
CREDITORS: Amounts falling due within one year	10	9,343	56,839
		<u>447,901</u>	<u>80,164</u>
NET CURRENT ASSETS			
		<u>1,745,589</u>	<u>1,342,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	11	-	248,683
		<u>1,745,589</u>	<u>1,093,861</u>
NET ASSETS			
FUNDS			
Designated funds	13	1,695,589	587,710
Restricted funds	12	-	182,376
Unrestricted funds	13	50,000	323,775
		<u>1,745,589</u>	<u>1,093,861</u>
TOTAL FUNDS			

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985, applicable to small companies.

These accounts were approved by the board on 20th JAN 2006 and signed on its behalf by the following:


Trustee



ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 STATEMENT OF ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective 2002). The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in October 2000 and the Charities Act 1993.

Incoming resources

Incoming resources represent income receivable from fundraising, donations and gifts, interest received, rental income and housing benefits.

Depreciation

Depreciation has been provided at the following rates so as to write off the cost less residual value of the assets over their estimated useful lives.

Fixtures and fittings	10% reducing balance basis per annum
Motor vehicles	10% reducing balance basis per annum

Depreciation has not been provided in respect of freehold and leasehold buildings. The company adopts a policy of fully maintaining its buildings and as such the residual value is so high, and the expected useful life is so long, that the depreciation charge would be immaterial, both in terms of the depreciation charged for the year and the cumulative charge to the balance sheet. The freehold and leasehold buildings are reviewed annually for any sign of impairment by the Trustees.

Items included in fixed assets are capitalised when the purchase cost exceeds £100.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for such expenditure.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Resources are expended in the furtherance of the charity's objectives.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 STATEMENT OF ACCOUNTING POLICIES CONTINUED

Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charity's objectives at the discretion of the Trustees.

Designated funds - these funds represent monies set aside for specific purposes at the discretion of the Trustees rather than the donors.

Restricted funds - funds received can only be used for specifically nominated expenditure by the donor and are credited to income in the year in which they are received. Where amounts are not specifically allocated against expenditure in that year the balance is deferred and added to the balance brought forward on the restricted funds and is used in subsequent years in line with the restrictions placed by the donor.

Goodwill

Goodwill has been fully amortised over its useful economic life.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduced the amounts payable to the lessor.

2 NET INCOMING RESOURCES

	2005 £	2004 £
This is stated after charging:		
Auditors' remuneration - audit fees	1,500	6,345
Depreciation	1,686	38,002
and after crediting:		
Profit on sale of tangible fixed assets	658,685	-

3 TAXATION

The charitable status of the organisation has been confirmed and the company is not liable to corporation tax on its surplus or gains to the extent that they are applied for charitable purposes.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

4 BUILDING COSTS AND SERVICES

	2005	2004
	£	£
Water rates	175	-
General rates	685	-
Electricity	2,408	-
Gas	719	-
Repairs and renewals	8,645	-
	<u>12,632</u>	<u>-</u>

5 ADMINISTRATION COSTS

	2005	2004
	£	£
Administrative wages and temporary staff	185	-
Insurance	3,987	-
Management fees	1,724	-
General expenses	2,137	2,606
Legal and professional fees	651	-
Auditors' remuneration - audit fees	1,500	-
Auditors' remuneration - non audit fees	1,500	-
Training costs	90	-
	<u>11,774</u>	<u>2,606</u>

6 GRANTS PAYABLE

During the year the charity made grants of £23,717 to Style Acre. Style Acre used to be part of Style Acre Friends and therefore these grants are made in furtherance of the charity's common objects.

7 INTANGIBLE ASSETS

	Goodwill
	£
Costs	
At 1 April 2004 and 31 March 2005	<u>10,000</u>
Accumulated amounts written off	
At 1 April 2004 and 31 March 2005	<u>10,000</u>
Net book value	
At 1 April 2004	<u>-</u>
At 31 March 2005	<u>-</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

8 TANGIBLE ASSETS

	Long leasehold land and buildings £	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Costs					
At 1 April 2004	478,000	800,000	1,876	82,895	1,362,771
Additions	17,896	926,898	2,668	-	947,462
Disposals	(140,000)	(800,282)	(1,876)	(65,150)	(1,007,308)
At 31 March 2005	<u>355,896</u>	<u>926,616</u>	<u>2,668</u>	<u>17,745</u>	<u>1,302,925</u>
Accumulated depreciation					
At 1 April 2004	22,470	48,000	187	29,734	100,391
Charge for year	-	-	267	1,419	1,686
Disposals	(22,470)	(48,000)	(187)	(26,183)	(96,840)
At 31 March 2005	<u>-</u>	<u>-</u>	<u>267</u>	<u>4,970</u>	<u>5,237</u>
Net book value					
At 1 April 2004	<u>455,530</u>	<u>752,000</u>	<u>1,689</u>	<u>53,161</u>	<u>1,262,380</u>
At 31 March 2005	<u>355,896</u>	<u>926,616</u>	<u>2,401</u>	<u>12,775</u>	<u>1,297,688</u>

The net book value represents fixed assets used for direct charitable purposes.

The net book value of motor vehicles includes £12,775 (2004 - £14,194) subject to finance lease obligations. The related depreciation charge for the year was £1,419 (2004 - £1,775).

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

9 DEBTORS

	2005	2004
	£	£
Accrued income	3,403	308
Other debtors	10,000	-
	<u>13,403</u>	<u>308</u>

10 CREDITORS: amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	-	16,269
Other taxation and social security costs	-	17,252
Obligations under finance lease	6,343	5,324
Accruals	3,000	17,994
	<u>9,343</u>	<u>56,839</u>

11 CREDITORS: amounts falling due after more than one year

	2005	2004
	£	£
Bank loans	-	244,690
Obligations under finance leases	-	3,993
	<u>-</u>	<u>248,683</u>

Maturity of debt:

	Loans and overdrafts 2005 £	Loans and overdrafts 2004 £	Finance leases 2005 £	Finance leases 2004 £
In one year or less, on demand	<u>-</u>	<u>16,269</u>	<u>-</u>	<u>5,324</u>
In more than one year but not more than two years	-	16,269	-	3,993
In more than two years but not more than five years	-	48,807	-	-
In more than five years	-	179,614	-	-
	<u>-</u>	<u>244,690</u>	<u>-</u>	<u>3,993</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

12	RESTRICTED FUNDS	Balance brought forward	Incoming resources	Resources expended	Transferred to related charity	Balance carried forward
		£	£	£		£
	Skill centre	158,878	-	(158,878)	-	-
	Minibus appeal	13,100	-	-	(13,100)	-
	Special needs appeal	500	-	-	(500)	-
	Others	9,898	-	-	(9,898)	-
	Total net assets	182,376	-	(158,878)	(23,498)	-

The restricted fund applied in the construction of the Skill Centre and minibus appeals have been capitalised into tangible fixed assets and transferred to Style Acre. The Skill Centre was disposed of during the year and the fund absorbed into the Designated fund for reinvestment into further properties.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2005 represented by:

	Designated funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,297,688	-	-	1,297,688
Current assets	397,901	59,343	-	457,244
Current liabilities	-	(9,343)	-	(9,343)
	1,695,589	50,000	-	1,745,589

Sufficient resources are considered to be held to enable each fund to be applied in accordance with any restrictions imposed.

Sufficient unrestricted funds are held to ensure efficient operations of the Charity.

14 CASH FLOW STATEMENT

The company has taken advantage of the exemption available not to prepare a cash flow statement.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

15 RELATED PARTY TRANSACTIONS

The properties that Acre Housing (*formerly known as Style Acre Friends*) own are rented to people with learning disabilities who currently receive support services from Style Acre. On 1 April 2004, most of the charitable objectives of Style Acre Friends were transferred to Style Acre.

Acre Housing provided Style Acre with an interest free loan of £40,000 to enable Style Acre to start its charitable objectives. £30,000 of the loan was repaid during the year leaving a balance owing of £10,000 as at 31 March 2005 included in debtors.

During the year, Acre Housing made payments totalling £39,763, of which, £9,450 was in respect of repayments for services paid by Style Acre on behalf of Acre Housing and the remaining balance of £30,313 was in repayment of amounts banked initially in Acre Housing in respect of incoming resources of Style Acre. Acre Housing received £35,469 from Style Acre in respect of services paid for by Acre Housing on behalf of Style Acre.

During the year, Acre Housing received £4,174 income from Style Acre in respect of hire charges for the motor vehicle loaned from Acre Housing to Style Acre.

During the year, Acre Housing made grants of £23,717 to Style Acre.

On 1 April 2004, restricted funds of £23,498 and unrestricted funds of £13,265 were transferred from Acre Housing to Style Acre.

On 1 April 2004, motor vehicles and office equipment and fixtures were transferred from Acre Housing to Style Acre at a net book value of £38,967 and £1,689 respectively.

On 1 April 2004, liabilities totalling £35,246 were transferred from Acre Housing to Style Acre along with a cash balance of £170 and a debtor of £308 in respect of accrued income.