

ACRE HOUSING

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2008**



**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 2008**

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ACRE HOUSING

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2008**

TRUSTEES / DIRECTORS

Kim Faulkner
Ken Templeton
Andrew Taylor

SECRETARY

Susan Elizabeth Vandersteen

REGISTERED OFFICE

CAB International Business Centre
Nosworthy Way
Wallingford
Oxon
OX10 8DE

COMPANY REGISTRATION NUMBER

2677365

REGISTERED CHARITY NUMBER

1010701

AUDITORS

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

BANKERS

Natwest Bank Plc
PO Box 13
30 Market Place
Newbury
Berkshire
RG14 5AJ

ACRE HOUSING

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2008**

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 2008

The trustees present their annual report with the financial statements of the company for the year ended 31 March 2008

CHARITABLE OBJECTS

The charity is established to relieve the needs of persons with learning disabilities 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 each

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

DIRECTORS / TRUSTEES

The following directors / trustees held office during the year

Kim Faulkner
Ken Templeton
Andrew Taylor

The existing trustees may make appointments of new trustees but all trustees must retire at the first Annual 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 Kim Faulkner 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 2008

ORGANISATIONAL STRUCTURE

Acre Housing has run in its new form for four years

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

TRUSTEE INDUCTION AND TRAINING

New trustees are given a thorough induction in line with guidance from the Charity Commission. They are encouraged to meet tenants and to understand their particular needs. Training is organised as required and the trustees review their skills mix on an annual basis.

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. A thorough risk assessment of all areas of the organisation is carried out annually.

A maintenance and development schedule is set each year to ensure the housing stock remains in good condition.

ACHIEVEMENTS AND PERFORMANCE

The main achievement this year has been the completion of a new bungalow for 4 people. There are three ground floor bedrooms designed for people with high physical support needs in addition to their learning disability. There is also one bedroom upstairs for someone who is more mobile. It has two fully accessible bathrooms and one standard bathroom and all living areas are designed for wheelchair users. The four tenants have moved in and are very happy in their new environment. There is provision for staff to stay over night to ensure the safety of the tenants. The bungalow has been fitted with technology to enable people to be as independent as possible including controls for operating lights, opening curtains etc, specialist baths and showering equipment. The staff team are employed by Style Acre, another local charity, and we work closely with them to ensure the welfare of the tenants.

Fund raising for the cost of purchasing the plot and building the bungalow was very successful and we raised £234,340 towards the final cost of £594,625. We are extremely grateful to the Trusts and individuals who supported this project. After the year end the charity has been able to pay off the mortgage on the property and it remains in a strong financial position to consider future projects, in line with the strategy formulated by the trustees.

The charity carried one vacancy in another property for most of the year but since the end of the financial year that vacancy has been filled. This was in a property where the tenants have very specialised support needs and finding compatible co-tenants can take some time.

All the other properties are in good order and are maintained by a local property management company. There are no major repairs required to any of the properties. All rents are paid on a regular basis and there are no arrears. The tenants continue to 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. The properties are visited three times per annum to check condition.

ACRE HOUSING

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008

FINANCIAL REVIEW

Acre Housing has run under its new name and with its new Memorandum and Articles of Association for four years

The trustees are very happy that robust financial procedures are in place and that the charity is financially secure. The accounts are now administered by a new accountant, Jenny Lewis, and this has led to more detailed information being available on a regular basis to the trustees.

The majority of the charity's income is derived from rental income from the properties which are let to people with learning disabilities. This year this has amounted to £136,853 and the remaining income has arisen from interest earned £3,559, fund raising £180,790 and other income £1,238. Cash reserves have reduced during the year, reflecting the investment in the building project at Cholsey.

FUTURE PLANS

With the recent completion of the building project at Cholsey the trustees will be considering the possibility of purchasing a further property later this year, in line with their strategy to re-invest surplus funds in the expansion of their property portfolio.

The trustees have been approached by a number of families of people who require specialist housing. They are currently looking at the feasibility of buying another property and will launch another fund-raising campaign as plans are more developed.

RESERVES POLICY

Total funds of Acre Housing stood at £2,201,185 at the year end.

The trustees have a policy of retaining unrestricted funds of £25,000 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 2008

STATEMENT OF DIRECTORS / TRUSTEES' RESPONSIBILITIES

Company law requires the directors / 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 directors / trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors / 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.

So far as the directors / trustees are aware, there is no relevant audit information of which the auditors are unaware. The directors / trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 2008 Annual General Meeting.

SPECIAL EXEMPTION

The report of the directors / 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



K Faulkner
Trustee

25 June 2008

ACRE HOUSING

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

TO THE MEMBERS OF ACRE HOUSING

We have audited the financial statements of Acre Housing for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007) and Statement of Recommended Practice 2005 (SORP 2005), 'Accounting and Reporting by Charities'.

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 and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS / TRUSTEES AND AUDITORS

As described in the Trustees' Report the directors / trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, information given in the Trustees' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 2008**

OPINION

In our opinion the

- financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its incoming resources and application of resources for the year then ended,
- financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements

A handwritten signature in black ink that reads "The MGroup Partnership". The signature is written in a cursive, flowing style with a long horizontal line extending from the start of the word "The".

THE MGROUP PARTNERSHIP
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
OXFORD

8 July 2008

ACRE HOUSING

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2008

	Note	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2008 £	Total 2007 £
Incoming resources						
Incoming resources from generated funds:						
<i>Voluntary income</i>						
Donations and bequests		-	180,790	-	180,790	56,550
<i>Investment income</i>						
Bank interest receivable		3,559	-	-	3,559	12,583
Incoming resources from charitable activities:						
Housing benefit		136,853	-	-	136,853	100,544
Other incoming resources						
Other income		1,238	-	-	1,238	148
Total incoming resources		<u>141,650</u>	<u>180,790</u>	<u>-</u>	<u>322,440</u>	<u>169,825</u>
Resources expended						
Charitable activities	4	41,805	19,174	-	60,979	43,418
Governance costs	5	2,218	-	-	2,218	6,903
Total resources expended		<u>44,023</u>	<u>19,174</u>	<u>-</u>	<u>63,197</u>	<u>50,321</u>
Net income for the year	2	<u>97,627</u>	<u>161,616</u>	<u>-</u>	<u>259,243</u>	<u>119,504</u>
Transfer between funds		(122,627)	(704)	123,331	-	-
Transfer to related charity		-	-	-	-	(2,938)
Net movement in funds		<u>(25,000)</u>	<u>160,912</u>	<u>123,331</u>	<u>259,243</u>	<u>116,566</u>
Reconciliation of funds						
Funds brought forward		50,000	28,838	1,863,104	1,941,942	1,825,376
Total funds at 31 March 2008		<u>25,000</u>	<u>189,750</u>	<u>1,986,435</u>	<u>2,201,185</u>	<u>1,941,942</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources expended derive from continuing activities

ACRE HOUSING

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	2,206,450	1,570,446
CURRENT ASSETS			
Debtors	7	13,287	29,100
Cash at bank and in hand		84,164	346,396
		<u>97,451</u>	<u>375,496</u>
CREDITORS Amounts falling due within one year	8	22,248	4,000
		<u>75,203</u>	<u>371,496</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		2,281,653	1,941,942
CREDITORS Amounts falling due after more than one year	9	80,468	-
NET ASSETS		<u>2,201,185</u>	<u>1,941,942</u>
FUNDS			
Designated funds	10	1,986,435	1,863,104
Restricted funds	10	189,750	28,838
Unrestricted funds	10	25,000	50,000
TOTAL FUNDS		<u>2,201,185</u>	<u>1,941,942</u>

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 25 June 2008 and signed on its behalf by the following



K Faulkner
Trustee



K Templeton
Trustee

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1 STATEMENT OF ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the statement of Recommended Practice 2005 (SORP 2005), 'Accounting and Reporting by Charities'

Incoming resources

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

Grants and donations receivable are included in the year in which the offer is conveyed by the charity except in those cases where the offer has conditions, such grants and donations being recognised as income when the conditions attaching are fulfilled. Grants and donations offered subject to conditions which have not been met at the year end are not included in the financial statements

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
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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 £1,000

Resources expended

All expenditure is included in the financial statements 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 2008

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 reserve 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 reduces the amounts payable to the lessor.

2 NET INCOMING RESOURCES

	2008 £	2007 £
This is stated after charging		
Auditors' remuneration - audit fees (Note 5)	2,128	3,500
Depreciation	898	216

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 2008

4 CHARITABLE ACTIVITIES

	2008	2007
	£	£
Heat and light	2,770	1,678
Repairs and renewals	21,834	5,928
Insurance	1,999	1,695
Management fees	8,596	4,155
Legal and professional fees	1,027	2,961
Bank charges and interest	4,681	73
Depreciation	898	216
Fundraising costs (restricted)	19,174	26,712
	<u>60,979</u>	<u>43,418</u>

5 GOVERNANCE COSTS

	2008	2007
	£	£
General expenses	90	148
Auditors' remuneration - audit fees	2,128	3,500
Auditors' remuneration - non audit fees	-	3,255
	<u>2,218</u>	<u>6,903</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

6 TANGIBLE ASSETS

	Freehold Property £	Leasehold Property £	Furniture and Fixtures £	Total £
Cost				
At 1 April 2007	1,199,343	369,158	2,668	1,571,169
Additions	629,862	-	7,040	636,902
At 31 March 2008	<u>1,829,205</u>	<u>369,158</u>	<u>9,708</u>	<u>2,208,071</u>
Accumulated depreciation				
At 1 April 2007	-	-	723	723
Charge for year	-	-	898	898
At 31 March 2008	<u>-</u>	<u>-</u>	<u>1,621</u>	<u>1,621</u>
Net book value				
At 1 April 2007	<u>1,199,343</u>	<u>369,158</u>	<u>1,945</u>	<u>1,570,446</u>
At 31 March 2008	<u>1,829,205</u>	<u>369,158</u>	<u>8,087</u>	<u>2,206,450</u>

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

Following valuations that were carried out during the years ended 31 March 2007 and 31 March 2008 by Carroll and Partners, the trustees are of the opinion that freehold properties with a net book value £1,526,072 have a market value of £1,710,000 and leasehold properties with a net book value of £369,158 have a market value of £475,000 as at 31 March 2008

Freehold property purchased during the year with a cost of £303,133, has not been valued at the year end, the trustees are of the opinion there is no material difference between the market value and the net book value

7 DEBTORS

	2008 £	2007 £
Accrued income	5,640	-
Other debtors	7,647	29,100
	<u>13,287</u>	<u>29,100</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

8 CREDITORS, amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	3,639	-
Other creditors	18,609	4,000
	<u>22,248</u>	<u>4,000</u>

The bank loan is secured against the leasehold properties of the company

9 CREDITORS: amounts falling due after more than one year

	2008	2007
	£	£
Bank loans and overdrafts	80,468	-

Included in the amounts falling due after more than one year are the following amounts which are due in more than five years

	2008	2007
	£	£
Bank loans and overdrafts	63,630	-

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2008 represented by

	Designated funds	Restricted funds	Unrestricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,970,110	236,340	-	2,206,450
Current assets	16,325	44,979	36,147	97,451
Current liabilities	-	(11,101)	(11,147)	(22,248)
Liabilities due after more than one year	-	(80,468)	-	(80,468)
	<u>1,986,435</u>	<u>189,750</u>	<u>25,000</u>	<u>2,201,185</u>

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

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

11 MOVEMENTS IN FUNDS

	As at 1 April 2007 £	Incoming resources £	Outgoing resources £	Transfers £	As at 31 March 2008 £
Unrestricted funds.	50,000	141,650	(44,023)	(122,627)	25,000
Restricted funds	28,838	180,790	(19,174)	(704)	189,750
Designated funds	1,863,104	-	-	123,331	1,986,435
Total	1,941,942	322,440	(63,197)	-	2,201,185

Purpose of restricted funds.

8 Charles Road

The funds received in respect of 8 Charles Road have been capitalised within tangible assets under freehold property

Included in restricted funds in respect of Charles Road is a donation for the purchase of fixtures and fittings for 8 Charles Road of £7,040 these funds are being amortised to match the depreciation being charged in the accounts, £704

12 Mowbray Road

Funds received in respect of 12 Mowbray Road are for the conversion of the garage at the property

12 CASH FLOW STATEMENT

The company has taken advantage of the exemption available under the Financial Reporting Standards for Smaller Entities, not to prepare a cash flow statement

13 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

14 TRUSTEES REMUNERATION

No Trustees or any connected person have received any remuneration from the charity for the year ended 31 March 2008

No individual expenses incurred by the Trustees for services provided to the charity have been reimbursed for the year ended 31 March 2008

15 LEGAL STATUS

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