

Company Registration number 2550488
Charity registration number 1001923

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Financial Statements

For the year ended 31 March 2011



EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Financial statements for the year ended 31 March 2011

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EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Directors, officers and advisers

Directors (who are also the Trustees)

Mr J Bisset (Chairman)
Cllr B Hardern
Mr M Hartley
Mr B N Heaton
Mrs S Horne
Mr A Dicken - Appointed 10 November 2011

Secretary and General Manager

Mrs B Wright

Registered Office

26A Jordangate
Macclesfield
Cheshire
SK10 1EW

Registered numbers

Company number 2550488
Charity number 1001923

Principal place of business

26A Jordangate
Macclesfield
Cheshire
SK10 1EW

Statutory Auditor

Ogden Townsend Limited
46 Clare Drive
Macclesfield
Cheshire
SK10 2TX

Bankers

Barclays Bank plc
10 Market Place
Macclesfield
Cheshire
SK10 1HA

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Directors' report (incorporating The Trustees' Report) for the year ended 31 March 2011

The Directors present their report and the financial statements of the charity for the year ended 31 March 2011. The charity is governed by its memorandum and articles of association and is a company limited by guarantee. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Mission statement

East Cheshire Housing Consortium exists to provide supported accommodation for people with mental health problems, and believes that those who live in residential care should do so with dignity; that they should have the respect of those who support them, should live with no reduction of their rights as citizens (except where the law so prescribes), and should be entitled to live as full and active a life as their physical and mental condition will allow.

Objectives and activities

The objective of The Charity is to promote any charitable purpose for the public benefit of persons with mental health problems and persons with learning difficulties to obtain the most appropriate forms of housing with the necessary support to meet their individual needs.

In order to achieve the above The Charity liaises with Local Authorities, Social Services and housing providers to create appropriate housing, and provides support staffing for such developments and individuals.

Structure, governance and management

The Charity is run by the Directors who are also the members and who meet on a regular basis and make policy decisions which are enacted by the General Manager and staff members. Individuals who hold appropriate qualifications or who have relevant experience, are invited to offer themselves as potential Directors based on their affinity to the objectives of the Charity, and are elected by the existing Directors.

The Charity is governed by its Memorandum and Articles of association and is incorporated as a Limited Company. The members liability is limited by guarantee.

East Cheshire Housing Consortium works with Local Authorities, Social Services, Housing Associations and other landlords to provide suitable supported housing in accordance with the mission statement detailed above. All staff are remunerated and the charity has no reliance on unpaid volunteers.

The major risks to which the Charity is exposed, as identified by the Directors, have been reviewed and procedures have been established to minimise those risks.

The company holds trustee indemnity insurance for the protection of the Directors.

Directors and Trustees

The Directors who served during the year are detailed on page 1.

Financial Review

The Directors attempt to maintain free reserves at a level which covers at least two to three months of total expenditure. The free reserves currently stand at approximately five months, however the reserves, net of fixed assets, cover just over three months of expenditure. As free reserves build up the trustees utilise the excess to expand the Charity's services by acquiring new properties (leasehold or freehold) for the provision of care within the aforementioned objectives.

Surplus funds are invested in low risk, short to medium term, investment vehicles in line with the above objectives so that flexibility is maintained in order to ensure that the Charity is capable of taking advantage of the availability of suitable properties as and when they arise.

The principal funding sources for the Charity are via contracts with Local Authorities and Social Services for the procurement of the relevant level of care, and through the receipt of Section 64 Management Grants.

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Directors' report (incorporating The Trustees' Report) for the year ended 31 March 2011 (continued)

Achievements and performance

The consortium has continued to achieve its goals throughout the year. The Charity will continue to liaise with Social Services, Local Authorities, Housing Associations and landlords in order to ensure the continued provision of care in the future. Such provision is dependent upon the availability of suitable accommodation and the Charity's continued ability to recruit suitably qualified personnel.

Plans for future periods

Demand for the services provided by the Charity remain high, however funding restrictions are beginning to take effect and the Directors are therefore looking to consolidate the Charity's current position over the forthcoming year and the Trustees are attempting to expand the Charity's capacity by negotiating for additional properties, owned by third party housing associations, or other landlords, to be brought within the auspices of the Charity. Although there are no immediate plans for further expansion the Charity remains committed to further expanding its operations in future years.

Directors' and Trustees' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the trustees and directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 and directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

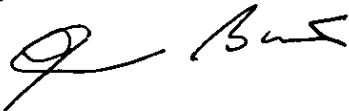
The Directors are satisfied that they have complied with section 4 Charities Act 2006.

Disclosure of information to auditor

To the knowledge and belief of the directors, there is no relevant audit information that the company's auditor is not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditor is aware of the information.

The above report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime Part 15 of the Companies Act 2006.

Signed on behalf of the board



J. Bisset

Chairman to the Board of Directors

Approved by the Board on 7 June 2011

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Independent auditor's report to the members of East Cheshire Housing Consortium Limited

This report is issued in respect of an audit carried out under section 495 of the Companies Act 2006

We have audited the financial statements of East Cheshire Housing Consortium Limited for the year ended 31 March 2011 which are set out on pages 7 to 11 and comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein, the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008), and the Statement of Recommended Practice "Accounting for Charities 2005", under the historical cost convention.

This report is made solely to the charity's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' and Trustees Responsibilities the company's Trustees (who are also the Directors of East Cheshire Housing Consortium Limited for the purposes of company law) are responsible for the preparation of the Directors' Report (incorporating the Trustees' Report) and the financial statements and for being satisfied that they give a true and fair view.

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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been properly prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual 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 directors and trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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.

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Independent auditor's report to the members of East Cheshire Housing Consortium Limited (continued)

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 2011 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

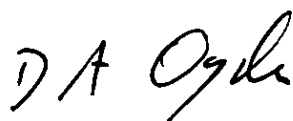
Opinion in other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report (incorporating the Trustees Report) for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records or returns,
- certain disclosures of directors' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



D. A. Ogden FCCA (senior statutory auditor)

for, and on behalf of,

Ogden Townsend Limited

Statutory Auditors and

Chartered Certified Accountants

46 CLARE DRIVE

MACCLESFIELD

CHESHIRE

7 June 2011

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 March 2011

	2011 General funds £	Designated funds £	Total funds £	2010 Total funds £
Incoming resources (all unrestricted)				
from charitable activities				
Grants and care income	1,873,552	-	1,873,552	1,583,794
Section 64 grants	282,647	-	282,647	297,523
	2,156,199	-	2,156,199	1,881,317
from generated funds				
Investment income (bank interest)	549	-	549	2,077
Total incoming resources	2,156,748	-	2,156,748	1,883,394
Resources expended				
for charitable activities				
Staff costs	1,290,858	-	1,290,858	1,125,979
Premises costs	419,175	-	419,175	354,350
Legal and professional	23,331	-	23,331	26,329
Other expenses	210,671	-	210,671	196,087
	1,944,035	-	1,944,035	1,702,745
for governance costs				
Audit, statutory accounts and annual return	8,377	-	8,377	4,865
Total resources expended	1,952,412	-	1,952,412	1,707,610
Net income for the year	204,336	-	204,336	175,784
Total funds brought forward	683,856	20,400	704,256	528,472
Total funds carried forward	888,192	20,400	908,592	704,256

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

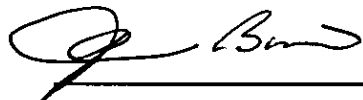
Company registration number 2550488

Balance sheet at 31 March 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
Fixed assets			
Tangible assets	5	385,248	385,359
Current assets			
Debtors	6	197,704	170,065
Cash at bank and in hand		390,151	199,780
		<u>587,855</u>	<u>369,845</u>
Creditors amounts falling due within one year	7	<u>(64,511)</u>	<u>(50,948)</u>
Net current assets		<u>523,344</u>	<u>318,897</u>
Total assets less current liabilities		<u>908,592</u>	<u>704,256</u>
Capital and reserves			
General fund	8	888,192	683,856
Designated funds		20,400	20,400
Total funds		<u>908,592</u>	<u>704,256</u>

These accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the board of directors on 7 June 2011 and signed on its behalf



Mr. J Bisset - Chairman to the Board of Directors

The notes on pages 8 to 11 form part of these financial statements

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Notes to the financial statements for the year ended 31 March 2011

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The accounts, incorporating the Statement of Financial Activities, have been prepared in accordance with the Statement of Recommended Practice - "Accounting and Reporting by Charities" - 2005 and in accordance with the provisions of The Companies Act 2006

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements and annual budget forecasts as well as reviewing regular management accounts throughout the year

b) Company Status

The company is limited by guarantee. The liability in respect of the guarantee, as set out in the Memorandum of association, is limited to £1 per member of the company. There are six members.

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets as follows in order to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life

Freehold buildings	Over 50 years on a straight line basis
Leasehold property	Over the period of the lease
Motor vehicles	Over 4 years on a straight line basis
Plant and machinery	Over 5 years on a straight line basis

d) Lease transactions

Rentals under operating leases are charged to the profit and loss account as they fall due

e) Pension scheme

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable.

f) Funding account

General funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity.

Funding is provided by a weekly charge to our residents, topped up by a "Section 64" grant from Central and Eastern Cheshire Primary Care Trust and contractual arrangements with various Government care bodies.

All income and expenditure is shown in the Statement of Financial Activities.

g) Resources arising

Grants are accounted for on a receivable basis and are credited to income when they fall due. Any unspent balances are carried forward on the appropriate fund for use in future periods. Any grants restricted to future accounting periods are deferred and recognised in those accounting periods where it is appropriate to do so within the context of generally accepted accounting principles.

h) Resources expended

Resources expended are divided between those costs that relate to the charitable activities, and those that are expended in respect of governance costs. Liabilities are recognised when the contract has been substantially completed by the supplier.

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Notes to the financial statements for the year ended 31 March 2011 (continued)

1 Accounting policies (continued)

i) Resources expended for charitable activities

These expenses are further sub-divided into those costs that are directly incurred by the various properties and schemes that provide accommodation and care to the Charity's beneficiaries ("Directly attributable"), and those that relate to the overall administrative operations of the Charity ("Admin overheads") Details of these are provided on page 12

j) Governance costs

Governance costs comprise that expenditure incurred in respect of the reporting and compliance requirements under the Companies and Charities Acts Such expenditure includes the costs of preparation of the statutory accounts, the audit thereof and the annual registration fees These costs do not include any registration fees or compliance costs that relate directly to the charitable activities

2 Income

The turnover and profit before taxation is attributable to the one principal activity of the company Income receivable has been attributed to the periods to which it relates

3 Net incoming resources

These are stated after charging

	<u>2011</u> £	<u>2010</u> £
Directors' emoluments	7,644	53,144
Gross payroll costs (excluding directors emoluments)	950,914	831,153
Pension costs	9,126	2,401
Training and recruitment costs	12,203	19,298
Total staff costs	979,887	905,996
Staff agency costs	320,097	222,384
Depreciation	77,106	60,575
Profit on disposal of tangible fixed assets	(3,198)	-
Auditor's remuneration - Audit fee	4,583	3,780
Auditor's remuneration - fees for non audit services	2,759	12,053
Average number of employees	<u>51</u>	<u>49</u>

No staff received over £60,000 per annum in either the current or previous year

No trustees claimed expenses during the year

During the year the charity utilised the services of staff agencies to provide some of the staffing requirements The costs of these contractual arrangements are detailed above

4 Directors' emoluments

	<u>2011</u> £	<u>2010</u> £
Emoluments	<u>7,644</u>	<u>53,144</u>
The number of directors who were accruing benefits under company pension schemes were as follows		
Money purchase schemes	<u>-</u>	<u>1</u>

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Notes to the financial statements for the year ended 31 March 2011 (continued)

5 Tangible fixed assets

	<i>Land and buildings</i>	<i>Motor vehicles</i>	<i>Plant and machinery</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 April 2010	347,887	37,220	200,567	585,674
Additions	21,763	48,770	6,465	76,998
Disposals	-	(29,450)	-	(29,450)
At 31 March 2011	369,650	56,540	207,032	633,222
Depreciation:				
At 1 April 2010	52,084	37,218	111,014	200,316
Provision for the year	37,045	5,144	34,917	77,106
Adjustments for disposals	-	(29,448)	-	(29,448)
At 31 March 2011	89,129	12,914	145,931	247,974
Net book value:				
At 31 March 2011	280,521	43,626	61,101	385,248
At 31 March 2010	295,803	2	89,553	385,358

The net book value of land and buildings at 31 March 2011 is made up as follows

	2011	2010
	£	£
Freehold land and buildings	209,562	214,146
Short-term leasehold premises	70,959	81,657
	280,521	295,803

6 Debtors

	2011	2010
	£	£
Trade debtors	67,191	79,873
Prepayments and accrued income	130,513	90,192
	197,704	170,065

7 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	34,852	18,460
Accruals and deferred income	11,014	13,112
Other tax and social security	18,645	19,376
	64,511	50,948

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Notes to the financial statements for the year ended 31 March 2011 (continued)

8 Funds

	<i>Designated funds <u>account</u> £</i>	<i>General fund <u>account</u> £</i>
At 1 April 2010	20,400	683,856
Surplus for the year	-	204,336
At 31 March 2011	<u>20,400</u>	<u>888,192</u>

General funds are unrestricted

The charity holds designated funds as follows

The dilapidations fund provides for the renovation of residents' rooms. This fund currently stands at £20,400. There have been no transfers to or from this fund during the year.

9 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 March 2011 were as set out below

	<i><u>2011</u> <u>Land and</u> <u>buildings</u> £</i>	<i><u>2010</u> <u>Land and</u> <u>buildings</u> £</i>
Operating leases which expire		
Within one year	12,900	7,500
Within two to five years	75,664	17,680
Over five years	55,880	113,864
	<u>144,444</u>	<u>139,044</u>

10 Related parties

Professional fees were paid to trustees in respect of non-trustee work as follows

J V Bisset (Chairman of the Board of Directors) was paid £7,644 (2010 - £7,244) in respect of specific work related to his position as a director

The charity has entered into an agreement to lease a property, owned by the wife of Cllr B Hardern, for the furtherance of its charitable objectives. The charity has a rent free period and there are therefore no transactions with Mrs Hardern during the year nor any balances due to or from her at the balance sheet date. The rent free period is due to cease during the forthcoming year.

11 Pension commitments and other post-retirement benefits

Defined contribution scheme

During the year the company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to £9,025 (2010 £3,138). At 31 March 2011 contributions amounting to £- (2010 £1,665) were payable to the fund and were included in creditors.

EAST CHESHIRE HOUSING CONSORTIUM LIMITED

Details of activities for the year ended 31 March 2011

	Directly attributable £	Admin overheads £	2011 Total £	2010 Total £
Incoming resources				
Grants and care income	1,873,552	-	1,873,552	1,583,794
Section 64 grants	282,647	-	282,647	297,523
Investment income (bank interest)	-	549	549	2,077
	<u>2,156,199</u>	<u>549</u>	<u>2,156,748</u>	<u>1,883,394</u>
Resources expended				
Staff costs				
Salary costs	820,382	129,050	949,432	881,896
Training and recruitment	9,564	11,595	21,159	21,067
Agency costs	320,097	-	320,097	222,384
Other salary costs	-	170	170	632
Gross loss	<u>1,150,043</u>	<u>140,815</u>	<u>1,290,858</u>	<u>1,125,979</u>
Premises costs				
Rent, rates and water	284,655	10,635	295,290	271,953
Heat and light	36,586	3,677	40,263	24,495
Cleaning	21,849	2,796	24,645	19,786
Maintenance and repairs	28,683	603	29,286	19,034
Property insurance	-	-	-	1,325
Telephones and mobiles	29,691	-	29,691	17,757
	<u>401,464</u>	<u>17,711</u>	<u>419,175</u>	<u>354,350</u>
Legal and professional				
Management accounts and payroll	-	2,564	2,564	13,408
Legal and professional advice	-	18,654	18,654	10,149
Registration costs	2,113	-	2,113	2,772
	<u>2,113</u>	<u>21,218</u>	<u>23,331</u>	<u>26,329</u>
Other expenses				
Lifelines and fire protection	9,587	-	9,587	9,954
Motor and travel	18,417	-	18,417	20,364
Printing, postage and stationery	146	16,058	16,204	15,668
Depreciation	69,875	7,231	77,106	60,575
Loss/(profit) on asset disposals	-	(3,198)	(3,198)	-
Holidays and activities	2,698	-	2,698	707
Telephones	-	1,711	1,711	2,088
General insurance	-	20,426	20,426	20,214
Publicity	-	6,418	6,418	9,667
Financial expenses	-	-	-	75
Miscellaneous	54,317	6,985	61,302	56,775
	<u>155,040</u>	<u>55,631</u>	<u>210,671</u>	<u>196,087</u>
Regulatory				
Audit	-	4,583	4,583	3,780
Statutory accounts preparation	-	2,759	2,759	1,050
Other compliance costs	-	1,035	1,035	35
	<u>-</u>	<u>8,377</u>	<u>8,377</u>	<u>4,865</u>