

Company Number: 3231221

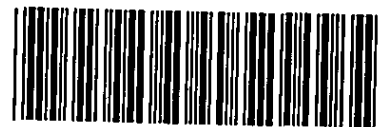
Delves East Estate Management Limited

Director's Report and Financial Statements

Year Ended

31 March 2012

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DELVES EAST ESTATE MANAGEMENT LIMITED

Organisation Information

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20 - 21	Management income and expenditure account

Directors

Mr M Greenfield (Chair)	Mrs Z Jarvis
Mr P Anderson (Vice Chair)	Mrs A Tapper
Mrs J Greenfield (Treasurer)	Mr J Hutton

Secretary Mr J Hutton

Company number 3231221

Registered office Delves Tenant Management Organisation Office
West Bromwich Road
Delves
Walsall
WS5 4NW

Auditors GCN (Auditing) Limited
Dominique House
1 Church Road
Netherton, Dudley
West Midlands DY2 0LY

Bankers The Royal Bank of Scotland PLC
139 to 144 Lichfield Street
Walsall
West Midlands
WS1 1SE

DELVES EAST ESTATE MANAGEMENT LIMITED

Directors' Report

For the year ended 31 March 2012

The directors present their report and the audited financial statements for the company for the year ended 31 March 2012

Principal activities

The company's principal activity during the year continued to be that of the management and administration of properties owned by Watmos Community Homes Limited in the district known as Delves East and its environs, referred herein as 'The Estate', whilst remaining a non profit making organisation

Directors and their interests

The directors who held office during the year are given below The company is limited by guarantee and as such has no share capital

Mr M Greenfield (Chair)	Mrs Z Jarvis
Mr P Anderson (Vice Chair)	Mrs A Tapper
Mrs J Greenfield (Treasurer)	Mr J Hutton

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus and (deficit) of the company for that period In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards, subject to any materials departures disclosed and explained in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue

The directors 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 2006 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

DELVES EAST ESTATE MANAGEMENT LIMITED

Directors' Report

For the year ended 31 March 2012

Statement of disclosure of information to auditors

The Members of the Committee of Management who held office at the date of approval of this annual report confirm that

- So far as they are aware, there is no relevant audit information needed by the organisation's auditors in connection with preparing their report, that they have not been made aware of
- They have taken all the steps that they ought to have taken as committee members in order to make themselves aware of any relevant audit information and to establish that the organisation's auditors are aware of that information

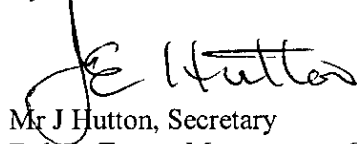
Auditors

A resolution to re-appoint GCN (Auditing) Limited, Registered Auditors, as auditors will be put to the members at the annual general meeting

Small Company exemptions

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

By order of the Board



Mr J Hutton, Secretary
Delves Tenant Management Organisation Office
West Bromwich Road
Delves
Walsall
WS5 4NW

6 July 2012

DELVES EAST ESTATE MANAGEMENT LIMITED

Independent Auditors report to the Members of Delves East Estate Management Limited

Independent auditors' report to the members of Delves East Estate Management Limited

We have audited the financial statements of Delves East Estate Management Limited for the year ended 31 March 2012 on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom generally accepted accounting practice applicable to smaller entities).

This report is made solely to the company's members, as a body, in accordance with the Companies Act 2006. 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 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 company and the company's members as a body, for our audit work, or the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the committees, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Management Committee Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its deficit for the year then ended,
- Have been properly prepared in accordance with United Kingdom generally Accepted Practice applicable to smaller entities, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DELVES EAST ESTATE MANAGEMENT LIMITED

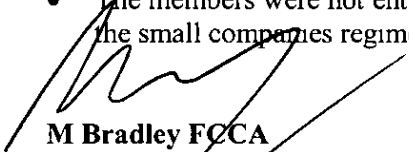
**Independent Auditors report to the Members of
Delves East Estate Management Limited**

Independent auditors' report to the members of Delves East Estate Management Limited

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 or
- The financial statements are not in agreement with the accounting records or returns, or
- Certain disclosures or directors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit, or
- The members were not entitled to prepare the financial statements and the report in accordance with the small companies regime



M Bradley FCCA
Senior Statutory Auditor
GCN (Auditing) Limited
Registered Auditors
6 July 2012

DELVES EAST ESTATE MANAGEMENT LIMITED

Income and Expenditure Account for the year ended 31 March 2012

	Note	2012 £	2011 £
Income	1, 2	145,580	139,181
Operating costs	2	142,690	(123,934)
Operating(deficit)/surplus	3	2,890	15,247
Interest receivable		990	979
Other income		-	75
Other finance income			-
Interest payable		(4,000)	(10,000)
(Deficit)/surplus on ordinary activities before taxation		(120)	6,301
Tax on surplus on ordinary activities	5	(198)	(206)
(Deficit)/surplus for the financial year	11	(318)	6,095
Transfer 10% contingency fund	11	-	(609)
Transfer from/to reserves	11	318	-
Retained surplus/(deficit) for the year		-	5,486
Statement of total recognised gains and losses			
Retained (deficit)/surplus for year		-	5,486
Net actuarial gain/(loss) relating to pension scheme		(36,000)	84,000
		(36,000)	89,486

DELVES EAST ESTATE MANAGEMENT LIMITED**Balance sheet at 31 March 2012****Company Registration Number: 3231221**

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	6	1,119	1,557
Current assets			
Stocks		614	1,341
Debtors	7	21,721	24,887
Cash at bank and in hand		161,098	150,684
		<u>183,433</u>	<u>176,912</u>
Creditors: amounts falling due within one year	8	<u>22,697</u>	<u>14,913</u>
Net current assets		<u>160,736</u>	<u>161,999</u>
Total assets less current liabilities		<u>161,855</u>	<u>163,556</u>
Provision for pension fund deficiencies	4	229,000	194,000
Less Amounts recoverable from Delves Estate Management Organisation re deficiency		(152,667)	(129,333)
		<u>(76,333)</u>	<u>(64,667)</u>
		<u>85,522</u>	<u>98,889</u>
Capital and reserves			
Surplus fund	11	<u>85,522</u>	<u>98,889</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006 and the Financial Reporting Standard for smaller entities (effective April 2008)

These accounts were approved by the board on 6 July 2012 and signed on its behalf by

M Greenfield
Director



DELVES EAST ESTATE MANAGEMENT LIMITED**Cashflow Statements for the year ended 31 March 2012**

	Note	2012 £	2011 £
Net cash inflow/(outflow)from operating activities	13	9,630	24,653
Returns on investments and servicing of finance			
Interest received		990	979
Interest paid		-	-
Other income		-	75
		10,620	25,707
Taxation paid			
Corporation tax		(206)	(203)
		10,414	25,504
Fixed assets			
Purchase of fixed assets		-	(1,628)
Sales of fixed assets		-	-
		-	(1,628)
Financing			
Issue of share capital		-	-
Payment made to holding company towards regeneration programme		-	(18,754)
(Decrease)/increase in cash and bank	14	10,414	5,122

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012

1 Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives

Furniture and equipment	-	25% Straight line
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Government grants/assistance

Government grants/assistance in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets

Government grants/assistance of a revenue nature are/is credited to the profit and loss account in the same period as the related expenditure

Stocks

Stocks are stated at the lower of cost and net realisable value

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise

Leasing and hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012

1 Accounting Policies (continued)

Pensions

The Group participates in a final salary defined benefit schemes. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pension costs are spread evenly through the income and expenditure account over the average remaining service lives of current employees.

Contingency fund

A transfer equal to 10% of the surplus which would have been made during the financial year but for the reserve fund requirements will be made to a reserve fund each year. The reserve fund shall be used to meet costs in fulfilling the organisation's responsibilities under the management agreement with Watmos Community Homes Limited which cannot be met from allowances in the current financial year.

2 Turnover, costs of sales, operating costs and operating surplus/(deficit)

Particulars of income and expenditure	Turnover £	31 March 2012	
		Operating costs £	Operating surp/(def) £
From management fee income			
Management fee income	145,580	(142,690)	2,890
Other income	-	-	-
	<u>145,580</u>	<u>(142,690)</u>	<u>2,890</u>
Management fee income			
Allowances received			145,580
			<u>145,580</u>
Expenditure on management fee income			
Services			11,736
Maintenance			72,736
Management			58,218
			<u>142,690</u>
Operating costs on management fee income			142,690
Operating (deficit) on management fee income			<u>2,890</u>

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

2 Turnover, costs of sales, operating costs and operating surplus/(deficit) (continued)

Particulars of income and expenditure	Turnover £	31 March 2011 Operating costs £	Operating surplus £
From management fee income			
Management fee income	139,181	(123,934)	15,247
Other income	-	-	-
	<u>139,181</u>	<u>(123,934)</u>	<u>15,247</u>
Management fee income			
Allowances received			139,181
			<u>139,181</u>
Expenditure on management fee income			
Services			8,722
Maintenance			61,171
Management			54,041
			<u>123,934</u>
Operating costs on management fee income			<u>123,934</u>
Operating surplus on management fee income			<u>15,247</u>

3 Operating (deficit)/surplus

	2012 £	2011 £
<i>The operating (deficit)/surplus is stated after charging or crediting:</i>		
Depreciation of tangible fixed assets	438	357
Pension contributions	-	22,000
Auditors' remuneration	1,845	1,768
Operating lease	4,995	4,917
	<u>7,278</u>	<u>28,042</u>

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

4 Directors and employees

	2012 £	2011 £
Staff costs were as follows		
Wages and salaries	39,834	30,676
Social security costs	3,015	2,695
Other pension costs	15,000	22,000
	<u>57,849</u>	<u>55,371</u>

The average monthly number of employees, including seconded staff, during the year was as follows -

	2012 Number	2011 Number
Office and management	6	5
Service staff	1	1
	<u>7</u>	<u>6</u>

West Midlands Pension Fund (WMPF) (Group and Co-operative)

WMPF is a multi-employer defined benefit scheme and is administered by Wolverhampton City Council under the regulations governing the Local Government Pension Scheme (LGPS). The charge to the income and expenditure account for the period under both SSAP 24 and FRS 17 represents the employer's contributions payable.

The figures are based on calculations used to determine the employer contribution rates and allow for estimated cashflows (e.g. contribution income, pension payments etc) and the Fund's return for the year ended 31 March 2012 (using relevant indices where necessary).

In line with the calculations undertaken to determine the employer contribution rates, an allowance was made for the notional transfer of assets to be equal to the liabilities as at the admission date, taking into account market yields at that time and using a basis of calculation similar to the 2010 actuarial valuation of the WMPF. The liabilities were then adjusted in line with FRS 17 basis.

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

4 Employees (continued)

Amounts recognised in the balance sheet

	2012 £'000	2011 £'000
Present value of funded obligations	665	673
Fair value of plan assets	436	479
Funded status	(229)	(194)
Present value of unfunded obligations	-	-
Effect of surplus cap	-	-
	(229)	(194)
Related deferred tax asset	-	-
Net amount recognised	(229)	(194)
Amounts recognised as		
Liabilities	(229)	(194)
Assets	-	-
Net amount recognised	(229)	(194)

Components of pension cost

	2012 £'000	2011 £'000
Current service cost	15	22
Interest cost	35	41
Expected return on assets	(31)	(31)
Past service cost	-	-
Effect of settlements or curtailments	-	-
Total pension cost recognised in the P&L account	19	32
Actuarial (gains)/losses immediately recognised	36	(84)
Change in surplus cap	-	-
Total pension cost recognised in the STRGL	36	(84)
Actual return on plan assets	12	18

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

4 Employees (continued)**Change in benefit obligation**

	2012	2011
	£'000	£'000
Benefit obligation at beginning of year	673	714
Current service cost	15	22
Interest cost	35	41
Member contributions	4	6
Past service costs	-	-
Actuarial (gains)/losses	17	(97)
Business combinations	-	-
Curtailments	-	-
Settlements	-	-
Benefits paid	(79)	(13)
Effect of exchange rate changes	-	-
Benefit of obligation at end of year	665	673

Change in plan assets

	2012	2011
	£'000	£'000
Fair value of assets at beginning of year	479	452
Expected return on assets	31	31
Actuarial gains/(losses)	(19)	(13)
Business combinations	-	-
Settlements	-	-
Employer contribution	20	16
Member contributions	4	6
Benefits paid	(79)	(13)
Effect of exchange rate changes	-	-
Fair value of assets at end of year	436	479

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

4 Employees (continued)**Plan assets**

The weighted asset allocation at the year end were as follows

Asset category	Expected rate Of return %	Plan assets at 31 March 2012 £'000	Expected rate Of return %	Plan assets at 31 March 2011 £'000
Equities/absolute return	7.00	298	7.50	333
Government bonds	3.50	43	4.40	47
Other bonds	5.05	34	5.40	34
Property/infrastructure	6.40	55	6.50	55
Other	0.50	6	0.50	10
	6.35	436	6.79	479

Weighted average assumptions used to determine obligations at:

	2012 %	2011 %
Discount Rate	5.05	5.50
Rate of salary increase	4.35	4.75
Rate of pension increase	2.60	3.00
CPI inflation assumption	2.60	3.00
Further life expectancies from age 65		
Retiring today		
Males	21.9	21.3
Females	24.9	24.2
Retiring in 20 years		
Males	23.7	22.8
Females	26.9	25.8

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

4 Employees (continued)

Weighted average assumptions used to determine net pension cost for year ended:

	2012 %	2011 %
Discount rate	5.50	5.65
Expected return on assets	6.79	6.88
Rate of salary increase	4.75	5.35
Rate of pension increase	3.00	3.60
Inflation assumption (CPI 2012, RPI 2011)	3.00	3.60
Further life expectancies from age 65		
Retiring today		
Males	21.3	21.7
Females	24.2	24.9
Retiring in 20 years		
Males	22.8	23.5
Females	25.8	26.8

Five year history

	Financial period ending in				
	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Benefit obligation at end of year	665	673	714	512	614
Fair value of plan assets at end of year	436	479	452	336	467
Surplus/(deficit)	(229)	(194)	(262)	(176)	(147)
Difference between actual and expected scheme returns					
Amount (£'000)	(19)	(13)	85	(114)	9
Percentage of scheme assets	(4.5)%	(2.7)%	18.8%	(33.9)%	1.9%
Experience gains and (losses) on scheme liabilities					
Amount (£'000)	-	41	-	-	(40)
Percentage of scheme liabilities	0.0%	6.2%	0.0%	0.0%	(6.5)%
Total amount recognised in statement of total recognised gains and (losses)					
Amount (£'000)	(36)	84	(70)	(16)	(57)
Percentage of scheme liabilities	(5.3)%	12.5%	(9.8)%	(3.1)%	(9.3)%

Contributions

The employer expects to make payments of £21,000 in the year to 31 March 2013

Note:

1 Deferred taxation has been ignored

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

5 Taxation

	2012 £	2011 £
Based on the profit for the year		
UK corporation tax at 20% (2011 21%)	198	206
Prior periods	-	-
UK corporation tax	198	206
Over provision	-	-
	198	206

6 Tangible fixed assets

	Furniture and equipment £	Total £
<i>Cost</i>		
At 1 April 2011	11,208	11,208
Additions	-	-
At 31 March 2012	11,208	11,208
<i>Depreciation</i>		
At 1 April 2011	9,651	9,651
Charge in the year	438	438
At 31 March 2012	10,089	10,089
<i>Net book value</i>		
At 31 March 2012	1,119	1,119
At 31 March 2011	1,557	1,557

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

7 Debtors

	2012 £	2011 £
Trade debtors		
- Other debtors	-	-
Other debtors		
- Delves Estate Management Organisation Limited	18,725	5,806
- Other	23	-
Prepayments and accrued income		
- Other	2,973	327
- WATMOS Community Homes Limited regeneration programme	-	18,754
	<u>21,721</u>	<u>24,887</u>

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors		
- Watmos Community Homes Limited	-	-
- Other creditors	14,308	8,738
Corporation tax	198	206
Other taxes and social security	2,732	-
Other creditors		
- Other creditors	1,723	1,914
Accruals and deferred income	3,736	4,055
	<u>22,697</u>	<u>14,913</u>

9 Company status

The company is limited by guarantee and does not have any share capital. The liabilities of the members is an undertaking to contribute to the assets of the company in the event of it being wound up while being a member, or within one year after ceasing to be a member, for the payments of the debts and liabilities of the company contracted before the time at which membership ceases, and of the costs, charges and expenses of winding up the same and for the adjustments of the rights of the contributions among themselves such amount as may be required not exceeding ten pence.

10 Ultimate holding company

The ultimate holding company of this organisation is the Watmos Community Homes Limited, by virtue of its right to replace the organisations Committee.

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

11 Reserves

	Pension Deficiency Reserve £	Contingency Fund £	Pre transfer Surplus fund £	Post transfer Surplus fund £	Total £
At 1 April 2011	(64,667)	7,295	120,714	35,547	98,889
(Deficit) for the year				(318)	(318)
Transfer to/from contingency fund		(318)		318	-
Movement in pension fund deficiency (note 4)	(35,000)			(1,383)	(36,383)
Decrease in amount due from Delves Estate Management Organisation Limited	23,334				23,334
Transfer to Pre Transfer Surplus Fund					
At 31 March 2012	(76,333)	6,977	120,714	34,164	85,522

The contingency fund is set at 10% of the annual surplus of the organisation to meet unexpected costs of the organisation

12 Operating leases

The Organisation had the following amounts due in the next year in respect of non-cancellable operating leases

	2012 £	2011 £
Amounts due next year re leases expiring within one year	4,995	5,115

The total amount outstanding under operating lease is £16,233 (2011 £11,238)

13 Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2012 £	2011 £
Operating (deficit)/surplus	2,890	15,247
Depreciation of tangible fixed assets	438	357
(Profit)/loss on disposal of fixed assets	-	-
(Increase)/decrease in stocks	727	(99)
(Increase)/decrease in debtors	3,166	(658)
Increase/(decrease) in creditors	7,793	3,413
Pension scheme costs	15,000	22,000
Total pension contributions paid during the year	(20,384)	(15,607)
	9,630	24,653

DELVES EAST ESTATE MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (continued)

14 Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
(Decrease)/increase in cash at bank and in hand	10,414	5,122
(Decrease)/increase in net funds from cashflows/total charges for the period	10,414	5,122
Net funds at 1 April 2011	150,684	145,562
Net funds at 31 March 2012	161,098	150,684