



Plummer Parsons
Chartered Accountants

WARBLETON HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Company Registration No. IP15901R (England and Wales)

WARBLETON HOUSING ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Committee	Mrs L Axon Mr B Bishop Mr I Collett Mr G Gibson Mrs M Lapierre Rev M Lloyd Mr R Verrell Mr B Wootton-Whitling Mr C Young Mrs J Brown	(Appointed 28 February 2019)
Secretary	Mrs J Brown	
Company number	IP15901R	
Principal address	Osborne House Rushlake Green Heathfield East Sussex TN21 9QL	
Registered office	Osborne House Rushlake Green Heathfield East Sussex TN21 9QL	
Accountants	Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT	

WARBLETON HOUSING ASSOCIATION LIMITED

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WARBLETON HOUSING ASSOCIATION LIMITED

THE COMMITTEE'S REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

The committee present their report and financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Association's rules, and the requirements of the Co-operative and Community Benefit Societies Act 2014.

Objectives and activities

The association's objects are to carry on for the benefit of the Community, the business of providing housing and any associated amenities for the independent elderly and other persons in necessitous circumstances and upon terms appropriate to their means.

The policies adopted in furtherance of these objects are the provision and maintenance of twelve flatlets at Osborne House, Rushlake Green. From January to June inclusive, one of the flats (Flat 1) was retained for the exclusive use of a "Housekeeper" in residence, whose main role was to oversee the general well-being of the residents and be an intermediary between the Residents and the Committee (Note: these are not Warden-assisted flats). However, following her resignation in June, the Committee decided to engage the services of a non-resident housekeeper effective from July to undertake the same duties as before, on a self-employed basis, within certain contracted hours per day, and to let out Flat 1. All 12 flats are now let to suitable tenants.

Over recent years, there has been an increasing number of applicants from the elderly parents of local residents who would like to move into Osborne House from outside the area. The committee are having to consider such applicants as the demand from local residents decreases.

The committee have paid due regard to guidance issued by the Charity Commission in deciding what activities the Association should undertake.

Achievements and performance

Committee

At the Annual General meeting:

It was agreed that the following positions be retained: Mr. Brian Bishop as Chairman, Mr. Brian Wootton-Whitling as Vice Chairman, retaining his responsibility for rents, and Mr Clyde Young as Treasurer.

As Mrs Joanne Brown, who was appointed in February, has now taken over the position of Secretary there is no need for these duties to be covered by the Chairman and Vice Chairman.

Although Mr. George Gibson is now living in Eastbourne he still serves on the committee.

Housekeeper

Katrina Fowler resigned from her position as resident Housekeeper in June to pursue her gardening business. Rather than seek out a new resident-housekeeper, the Committee decided, after much discussion and evaluation, to engage the services of a non-resident housekeeper and to rent out Flat 1. Mrs Helen Pope, a professional care worker, accepted the contract on a self-employed basis and started work in July on a probationary period of one month after which her contract was confirmed due to the positive feedback received from residents. She quickly developed an excellent rapport with the residents and is keen to improve the facilities that the residents enjoy and has assisted in promoting a greater use of the Community Room as a facility for the residents.

Osborne House

In February, a paper entitled "Osborne House Safeguarding Policy and Procedure - Residents Information Sheet" was distributed to residents and for WHA Committee to be aware of.

As mentioned above, Flat 1 became vacant at the end of June and, after redecoration, was let out to a new tenant with effect from 1st October. Otherwise, there were no changes in tenancies and all other flats were occupied throughout the year.

WARBLETON HOUSING ASSOCIATION LIMITED

THE COMMITTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

In September, Flat 1 was completely redecorated and re-carpeted in readiness for it to be rented out.

Also, that month, the locks on all residents front doors were replaced with thumbturn cylinders on the inside to aid swift evacuation in the event of an emergency.

Also in September, work commenced, with legal assistance, on drawing up a new tenancy agreement that is intended to be used as and when new tenants take up residency.

A storage heater had to be replaced in Flat 11.

Fire blankets were replaced in all flats in October.

EPCs (Energy Performance Certificates) were obtained for each flat. Most were rated "D" (which is an average rating) with not much that required updating.

During the year, much of the Committee time was taken up with the following two issues:

(i) Renovation of the Community Room to make it a more comfortable lounge area for residents complete with a kitchen. Various designs and costs were examined and discussed with the final plan being agreed upon in November with work commencing in the new year.

(ii) The purchase of the freehold of the property which was finally completed on Friday 21st June 2019 at the agreed price of £125,000 with a payment of £100,000 plus a loan from the Chichester Diocese of £25,000 spread over 5 years. Despite the large amount of fees incurred, WHA Ltd remains financially viable. Some minor issues still need to be resolved regarding the boundary which our lawyers will be taking up with Land Registry.

(iii) Reviewing the Tenancy Agreement which required amending and updating.

(iv) Reviewing the payment of Water Charges. Rather than WHA Ltd paying the Water Charges and then including the cost within the rent, it was decided, with effect from October, that it would be far easier all-round if residents became responsible for their own water rates. South East Water calculated the charge for each flat and this was explained to residents in ample time to arrange Direct Debits etc. The rent for each flat was reduced accordingly with effect from 1st October.

Financial review

As can be seen from the Statement of Financial Activities on page 7, there was a surplus of £486,151 (2018: deficit of £3,657). Of this surplus, £480,000 relates to the gain on the revaluation of the property, and £6,151 relates to an operational surplus.

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The committee considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Association's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Throughout the year, the Association has held monies on deposit far greater than that required to satisfy the above reserves. This has come about due to accumulated rental income over the years that was greater than the expenditure incurred. The objective has always been to maintain a "sinking fund" which could finance any major project that the Committee might be faced with at some stage. The general maintenance of the building is now requiring more attention, resulting in the Association having to dip into its "sinking fund" in order to carry out these works over the last two years. Additionally, much of the monies on deposit will be needed to fund the purchase of the freehold of the property. However, it is of the opinion of the Committee that such a purchase is within its means and that it will still be able to honour its normal day-to-day financial obligations whilst retaining a comfortable reserve of at least 3 months expenditure.

Additionally, much of the monies on deposit was needed to fund the purchase of the freehold of the property which was finalised in June. However, it is of the opinion of the Committee that the purchase was within its means and that it will still be able to honour its normal day-to-day financial obligations whilst retaining a comfortable reserve of at least 3 months expenditure.

WARBLETON HOUSING ASSOCIATION LIMITED

THE COMMITTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management

The Association is a registered society under the Co-operative and Community Benefit Societies Act 2014.

The committee, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs L Axon

Mr B Bishop

Mr I Collett

Mr G Gibson

Mrs M Lapierre

Rev M Lloyd

Mr D Pryce

(Resigned 30 August 2019)

Mr R Verrell

Mr B Wootton-Whitling

Mr C Young

Mrs J Brown

(Appointed 28 February 2019)

At the Annual General meeting:

It was agreed that the following positions be retained: Mr. Brian Bishop as Chairman, Mr. Brian Wootton-Whitling as Vice Chairman, retaining his responsibility for rents, and Mr Clyde Young as Treasurer.

As Mrs Joanne Brown, who was appointed in February, has now taken over the position of Secretary there is no need for these duties to be covered by the Chairman and Vice Chairman.

Although Mr. George Gibson is now living in Eastbourne he still serves on the committee.

The Association is managed by a Committee who are also shareholders of the Company. The nominal value of shares issued by the Association is £1. Shares issued carry no right to interest, dividend or bonus and, on cessation as a member, the amount paid up on the share shall become the property of the Association. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

At times when it is felt that the Committee needs additional Members to join the team, the existing members put forward suggestions of individuals known to them who are financially sound, respected within the community and whose expertise could be of benefit to the Association. A discussion follows after which a vote is taken and those individual(s) securing a majority vote are invited to attend a forthcoming meeting as an observer with a view towards joining the Committee.

The list of duties for the four main roles (i.e. Chairman, Vice Chairman, Secretary & Treasurer) were derived from the guidance notes issued by the National Housing Federation of which we are members. These lists are distributed and discussed with the respective individuals upon their appointment.

Other Members, upon joining the Committee, are given an overview of the history and the principle objective of the Association, how it calculates its annual financial budget and its main aims, both short and long-term.

The Committee is led by its Chairman supported by a Vice-Chairman. An agenda is prepared for each meeting and decisions are carried by a majority vote. If a sub-committee is created (e.g. to explore a specific project) then that group will investigate and report back to the main Committee with their findings and a vote will be taken on any actions needed.

The rents charged from May to the end of the financial year 2019 were calculated on the usual basis whereby rents were calculated early in the calendar year, with reference taken of inflation over the previous 12 months, and the rise in water rates and electricity. These were discussed at a Committee Meeting in March and a vote taken as to what rents should be charged for the following year. Notice was given to the residents and the new rent was applied from the May collection.

WARBLETON HOUSING ASSOCIATION LIMITED

THE COMMITTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

However, the Committee decided that it would be better able to budget income & expenditure over an entire financial year if future rent reviews were effective from 1st January each year and therefore mirroring the financial year. The residents were duly advised in March 2019 of this change in procedure which would mean that they would be subjected to two rent reviews within the following 12 months i.e. the normal annual review on 1st May 2019 with a second review on 1st January 2020. However, there would be no further reviews until 1st January 2021 and then on each January thereafter.

The future process will be as follows: In autumn each year the Committee will calculate the new rent, effective from 1st January of the following year, with reference taken of inflation over the previous 12 months and the rise in electricity (but no longer needing to take into account Water Rates). This will be discussed at a Committee Meeting in October and a vote taken as to what rents should be charged for the following year. Notice will be given to the residents in November and the new rent will be applied from the January collection.

The committee has assessed the major risks to which the Association is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A fire drill with residents was carried out during the year and was completed satisfactorily. New Data Protection rules (GDPR) came into effect in May 2018 and this was discussed in March 2018 and implemented.

Plans for Future Periods

There are no plans to divert from the objects or activities of the Association as outlined earlier in this report. However, there are plans to carry out the following: (i) to carry out the work already agreed to the Community Room (ii) to install a new security entrance system to the front door of the building and (iii) to improve the garden by area by creating new a pathway across the lawn with seating areas, a pergola for shade and plantings to provide colour, fragrance and to attract birds and bees. The aim is to provide a lovely space for residents to enjoy whether sitting in the garden or looking out over onto the garden and the funding for this project will be largely, if not all, met from fund-raising events.

Related Party Register

The Committee confirms that there were no Related Party transactions. There is a connection between The Rev Marc Lloyd (being the Rector of Warbleton Parish Church) and the PCC (Parochial Church Council) who give minor contributions each year to WHA Ltd towards the heating & lighting of the Community Room at Osborne House where the PCC run a coffee morning each Thursday. However, we are satisfied that these are insignificant transactions.

Furthermore, The Rev Marc Lloyd is "connected" to The Church of England and thereby to the Church of England Commissioners who used to own the freehold of Osborne House prior to WHA Ltd purchasing the freehold last year. Whilst there was a connection, the Committee was always in dialogue with the Diocese, via our respective lawyers, with regard to the purchase of the property and the Committee is satisfied that the transaction was made at arm's length and that the Rev Marc Lloyd was not in a position to influence the Diocese.

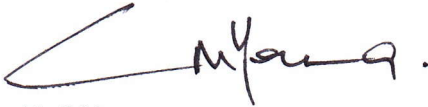
The Association is managed by a Committee who are also shareholders of the Company. The nominal value of shares issued by the Association is £1. Shares issued carry no right to interest, dividend or bonus and, on cessation as a member, the amount paid up on the share shall become the property of the Association.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

WARBLETON HOUSING ASSOCIATION LIMITED

THE COMMITTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

On behalf of the committee



Mr C Young
Member of committee
Dated: 30 March 2020

Mr B Bishop
Member of committee
Dated: 30 March 2020



Mrs J Brown
Member of committee
Dated: 30 March 2020

WARBLETON HOUSING ASSOCIATION LIMITED

STATEMENT OF THE COMMITTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The law governing industrial and provident societies requires the committee to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the committee 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts 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.

WARBLETON HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds general £	Unrestricted funds property £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Rents and other income	3	47,987	-	47,987	45,864
Investments	4	327	-	327	371
Total income		48,314	-	48,314	46,235
<u>Expenditure on:</u>					
Running costs	5	42,163	-	42,163	49,892
Net gains on investments	9	-	480,000	480,000	-
Net incoming/(outgoing) resources before transfers		6,151	480,000	486,151	(3,657)
Gross transfers between funds		(100,000)	100,000	-	-
Net expenditure for the year/ Net movement in funds		(93,849)	580,000	486,151	(3,657)
Fund balances at 1 January 2019		148,153	520,000	668,153	671,810
Fund balances at 31 December 2019		54,304	1,100,000	1,154,304	668,153

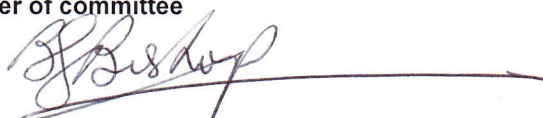
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006, and the Co-operative and Community Benefit Societies Act 2014.

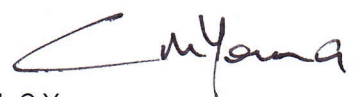
The accounts were approved by the Committee on 30 March 2020

Mr B Bishop
Member of committee



Mrs J Brown
Member of committee




Mr C Young
Member of committee

Company Registration No. IP15901R

WARBLETON HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Property, plant and equipment	10		552		849
Investment properties	11		1,125,000		520,000
			<u>1,125,552</u>		<u>520,849</u>
Current assets					
Trade and other receivables	12	1,990		1,693	
Cash at bank and in hand		53,523		147,464	
		<u>55,513</u>		<u>149,157</u>	
Current liabilities	14	(6,761)		(1,853)	
Net current assets			48,752		147,304
Total assets less current liabilities			<u>1,174,304</u>		<u>668,153</u>
Non-current liabilities	15		(20,000)		-
Net assets			<u><u>1,154,304</u></u>		<u><u>668,153</u></u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,154,288		668,137	
Share capital		16		16	
		<u>1,154,304</u>		<u>668,153</u>	
			<u>1,154,304</u>		<u>668,153</u>
			<u><u>1,154,304</u></u>		<u><u>668,153</u></u>

WARBLETON HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

The association is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The association is entitled to the exemption from the audit requirement contained in section 84 of the Co-operative & Community Benefit Societies Act 2014 for the year ended 31 December 2019.

The committee's responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts 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 its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

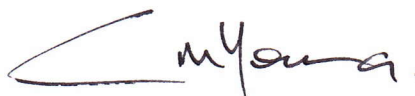
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Committee on 30 March 2020

Mr B Bishop
Member of committee



Mrs J Brown
Member of committee



Mr C Young
Member of committee

Company Registration No. IP15901R

WARBLETON HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		5,732		(4,642)
Investing activities					
Purchase of investment property		(125,000)		-	
Interest received		327		371	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from investing activities			(124,673)		371
Financing activities					
Repayment of bank loans		25,000		-	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			25,000		-
Net decrease in cash and cash equivalents			(93,941)		(4,271)
Cash and cash equivalents at beginning of year			147,464		151,735
Cash and cash equivalents at end of year			<u>53,523</u>		<u>147,464</u>

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Warbleton Housing Association Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Osborne House, Rushlake Green, Heathfield, East Sussex, TN21 9QL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Association's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Association is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Association. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the committee have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus the committee continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the committee in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the Association is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised in the financial statements as they become due.

Expenses include VAT where applicable as the Association cannot reclaim it.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Sheds	10 years straight line
Fixtures, fittings & equipment	15% Reducing balance

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Items over £1,000 are capitalised.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of non-current assets

At each reporting end date, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Association's balance sheet when the Association becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Association's contractual obligations expire or are discharged or cancelled.

1.11 Cyclical Repairs and Maintenance

Due to the small number of properties held, the Association does not make provision for future works but charges actual costs incurred to the Income and Expenditure Account.

2 Critical accounting estimates and judgements

In the application of the Association's accounting policies, the committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Rents and other income

	Rent receivable	Rent receivable
	2019	2018
	£	£
Rental income	46,967	44,890
Other income	1,020	974
	<u>47,987</u>	<u>45,864</u>

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Investments

	Unrestricted funds general 2019 £	Total 2018 £
Interest receivable	327	371

5 Running costs

	Housing costs 2019 £	Housing costs 2018 £
Depreciation and impairment	297	320
Personal lifeline	1,349	1,311
Rates	2,537	4,135
Insurance	3,019	2,981
Light and heat	6,676	4,680
Repairs and renewals	2,587	11,461
Ground maintenance	5,385	3,159
Subscriptions	800	1,067
Warden	3,815	1,076
Garden	775	1,109
Telephone	273	406
Tea party	230	258
Advertising	122	137
Sundry	408	419
	28,273	32,519
Share of governance costs (see note 6)	13,890	17,373
	42,163	49,892

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Support costs

	Governance costs £	2019 £	2018 £	Basis of allocation
Accountancy	1,476	1,476	1,798	Governance
Legal and professional	12,414	12,414	15,575	Governance
	<u>13,890</u>	<u>13,890</u>	<u>17,373</u>	
Analysed between				
Charitable activities	<u>13,890</u>	<u>13,890</u>	<u>17,373</u>	

The association is not subject to an audit, so no audit costs have been incurred. Governance costs includes payments for valuation and survey services of £11,904 (2018 - £15,575).

7 Committee

None of the committee (or any persons connected with them) received any remuneration or benefits from the Association during the year. Nor were there any disclosable related party transactions during the year (2018: none).

The Association was under the control of its Committee Members throughout the year.

8 Employees

There were no employees during the year.

The warden received rent free accommodation during part of the year.

9 Net gains/(losses) on investments

	Unrestricted funds property 2019 £	Total 2018 £
Revaluation of investment properties	<u>480,000</u>	<u>-</u>

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Property, plant and equipment

	Sheds	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2019	2,420	2,579	4,999
At 31 December 2019	2,420	2,579	4,999
Depreciation and impairment			
At 1 January 2019	1,936	2,214	4,150
Depreciation charged in the year	242	55	297
At 31 December 2019	2,178	2,269	4,447
Carrying amount			
At 31 December 2019	242	310	552
At 31 December 2018	484	365	849

11 Investment property

	2019 £
Fair value	
At 1 January 2019	520,000
Additions through external acquisition	125,000
Net gains or losses through fair value adjustments	480,000
At 31 December 2019	1,125,000

Investment property comprises of the Associations main property, Osbourne House. The fair value of the investment property has been arrived at on the basis of a valuation carried out by Batcheller Monhouse, who are not connected with the Association. The Committee accepted this valuation during the year, and confirm it is not materially different to the value of the property at the year end. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2019 £	2018 £
Carrying amount	184,700	59,700

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Trade and other receivables

	2019 £	2018 £
Amounts falling due within one year:		
Trade receivables	26	66
Prepayments and accrued income	1,964	1,627
	<u>1,990</u>	<u>1,693</u>

13 Borrowings

	2019 £	2018 £
Other loans	25,000	-
Payable within one year	5,000	-
Payable after one year	20,000	-

The long-term loans are secured by a fixed charge over the property, Osbourne House, Rushlake Green, Heathfield, East Sussex, TN21 9QL.

The loan relates to the deferred consideration for the purchase of the freehold of Osbourne House, Rushlake Green, Heathfield, East Sussex, TN21 9QL. The loan is repayable to The Chichester Diocesan Fund and Board of Finance Incorporated (Co. No. 133558), over 5 years, with an interest rate of 0%.

14 Current liabilities

	Notes	2019 £	2018 £
Other loans	13	5,000	-
Deferred income	16	285	437
Accruals and deferred income		1,476	1,416
		<u>6,761</u>	<u>1,853</u>

15 Non-current liabilities

	Notes	2019 £	2018 £
Other loans	13	20,000	-

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Deferred income

	2019 £	2018 £
Arising from Rent paid in advance	285	437

17 Share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
16 Ordinary shares of £1 each	16	16

18 Analysis of net assets between funds

	Unrestricted general funds 2019 £	Unrestricted property fund 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:				
Property, plant and equipment	552	-	552	849
Investment properties	-	1,125,000	1,125,000	520,000
Current assets/(liabilities)	53,752	(5,000)	48,752	147,304
Long term liabilities	-	(20,000)	(20,000)	-
	<u>54,304</u>	<u>1,100,000</u>	<u>1,154,304</u>	<u>668,153</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

20 Cash generated from operations

	2019 £	2018 £
Surplus/(deficit) for the year	486,151	(3,657)
Adjustments for:		
Investment income recognised in statement of financial activities	(327)	(371)
Fair value gains and losses on investment properties	(480,000)	-
Depreciation and impairment of property, plant and equipment	297	320
Movements in working capital:		
(Increase) in trade and other receivables	(297)	(88)
Increase/(decrease) in trade and other payables	60	(1,142)
(Decrease)/increase in deferred income	(152)	296
Cash generated from/(absorbed by) operations	<u>5,732</u>	<u>(4,642)</u>

WARBLETON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 Analysis of changes in net funds

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	147,464	(93,941)	53,523
Loans falling due within one year	-	(5,000)	(5,000)
Loans falling due after more than one year	-	(20,000)	(20,000)
	<u>147,464</u>	<u>(118,941)</u>	<u>28,523</u>