

**ANCHOR TENANTS LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 31 January 2016**

**NIXON MEE LIMITED**

**COALVILLE**

**LEICESTERSHIRE**

**ANCHOR TENANTS LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2016**

	<u>Note</u>	2016		2015	
		£	£	£	£
<b>INCOME :</b>					
Rents receivable - houses and garages			271,281		263,307
Rent of hall			1,313		3,150
Church rent			200		200
Wayleave			50		50
Key deposits			-		23
Interest received			40		21
			<u>272,884</u>		<u>266,751</u>
<b>EXPENSES :</b>					
<b>Management Expenses</b>					
Salaries		57,893		73,486	
National Insurance		3,386		4,861	
Committee fees		516		624	
Printing, postage and stationery		1,102		920	
Telephone		724		718	
Office and workshop water charges		499		331	
Light and heat		1,568		1,657	
Cleaning and pest control		1,513		1,507	
Van expenses		1,207		1,520	
Audit and accountancy		1,320		1,320	
Professional fees		3,202		3,553	
FCA fee		195		180	
Donations		100		50	
Bank charges		124		529	
Bad debts		(218)		218	
Sundry expenses		193		322	
			<u>73,324</u>	<u>91,796</u>	
<b>Estate Expenses</b>					
Repairs - Building, roofing and skip hire		72,645		34,193	
- Damp proofing		6,472		19,478	
- Window and door replacement		14,380		14,460	
- Central heating installation and repairs		19,377		36,334	
- Electrical		11,736		10,453	
- Plumbing		2,300		4,486	
- Painting		14,813		10,122	
- Lead pipe replacement		460		2,700	
- Gas testing, servicing and connection		11,260		10,840	
- Hall		12,371		-	
Empty properties – rates and light & heat Insurance		2,887		4,593	
		<u>13,813</u>		<u>13,309</u>	
			182,514	160,968	
Depreciation		668		30	
Profit on disposal of fixed assets		(500)	168	-	30
			<u>16,878</u>	<u>13,957</u>	
<b>Surplus before taxation</b>			16,878	13,957	
<b>Taxation</b>	4		-	-	
<b>Surplus after taxation</b>			16,878	13,957	
<b>Accumulated surplus at beginning of year</b>			<u>104,313</u>	<u>90,356</u>	
<b>Accumulated surplus at end of year</b>			<u>121,191</u>	<u>104,313</u>	



**ANCHOR TENANTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(1) ACCOUNTING POLICIES**

The Society has adopted the following accounting policies, which should be read in conjunction with the financial statements as set out on pages 1 to 4.

**Basis of Accountancy**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**Turnover**

The Society's turnover represents rent receivable during the year.

**Fixed Assets and Depreciation**

Fixed assets are stated at cost, less depreciation and amounts written off. Depreciation is calculated to write off tangible fixed assets over their estimated useful lives at the following annual rates:

Plant	-	10% of cost
Office equipment	-	10% of cost
Van	-	20% of cost
Computer equipment	-	25% of cost

**Investment properties**

Investment properties ('the Estate') are included in the financial statements at their original cost and are not depreciated. This is in contravention of Financial Reporting Standard for Smaller Entities (effective January 2015) which requires investment properties to be included in the balance sheet at their open market value.

The committee are of the opinion that the cost of obtaining open market values for the properties would outweigh the benefit.

**Stocks**

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

**(2) FIXED ASSETS**

	<u>Estate</u>	<u>Plant</u>	<u>Office Equipment</u>	<u>Van</u>	<u>Total</u>
<b>COST</b>					
At 1 February 2015	70,150	5,359	2,951	3,300	81,760
Additions	-	-	150	4,500	4,650
Disposals	-	-	-	(3,300)	(3,300)
and at 31 January 2016	<u>70,150</u>	<u>5,359</u>	<u>3,101</u>	<u>4,500</u>	<u>83,110</u>
<b>DEPRECIATION</b>					
At 1 February 2015	-	5,359	2,798	3,300	11,457
Charge for the year	-	-	68	600	668
Eliminated on disposal	-	-	-	(3,300)	(3,300)
At 31 January 2016	<u>-</u>	<u>5,359</u>	<u>2,866</u>	<u>600</u>	<u>8,825</u>
<b>NET BOOK VALUE</b>					
At 31 January 2016	<u>70,150</u>	<u>-</u>	<u>235</u>	<u>3,900</u>	<u>74,285</u>
At 31 January 2015	<u>70,150</u>	<u>-</u>	<u>153</u>	<u>-</u>	<u>70,303</u>

**ANCHOR TENANTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**(3) SHARE CAPITAL**

	£
At 1 February 2015	16,694
Additions	150
Withdrawals	(50)
At 31 January 2016	<u>16,794</u>

**(4) TAXATION**

Corporation tax is charged at 20% on the result for the year. There is no liability to tax for the year due to the utilisation of tax losses brought forward. £5,635 of losses remain available for offset against future profits.

**STATEMENT OF RESPONSIBILITIES OF THE  
MANAGEMENT COMMITTEE FOR THE FINANCIAL STATEMENTS**

The purpose of this statement is to distinguish the Management Committee's responsibilities for the financial statements from those of the auditor as stated in their report.

The Management Committee is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial period. Under this Act the Management Committee 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 Society's state of affairs at the end of the period and of its income and expenditure for that period.

In preparing those financial statements the Management Committee is 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; and
- prepare the financial statements on the going concern basis unless it is in appropriate to assume that the Society will continue in business.

The Management Committee is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enables it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Management Committee is aware:

- there is no relevant audit information of which the Society's auditor is unaware; and
- the Management Committee has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHOR TENANTS LIMITED**

We have audited the financial statements of Anchor Tenants Limited for the year ended 31 January 2016 which comprise the Income and Expenditure Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015). (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Management Committee & the Auditor**

As explained more fully in the Statement of the Management Committee's Responsibilities, the Management Committee is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on 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's (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 Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements.

### **Basis for qualified opinion on financial statements**

As disclosed in note 1 to the financial statements, investment properties are included in the financial statements at their original cost rather than at current valuation which practice, in our opinion, is not in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

### **Qualified opinion on financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Society's affairs at 31 January 2016 and of its income and expenditure for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and with the Co-operative and Community Benefit Societies Act 2014.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Society in accordance with the requirements of the legislation,
- a satisfactory system of control over transactions has not been maintained by the Society in accordance with the requirements of the legislation,
- the financial statements are not in agreement with the books of account of the Society,
- we have not obtained all the information and explanations necessary for the purposes of our audit