

ANCHOR TENANTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 January 2019

NIXON MEE LIMITED

COALVILLE

LEICESTERSHIRE

ANCHOR TENANTS LIMITED
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2019

	2019		2018	
	£	£	£	£
INCOME :				
Rents receivable		297,412		293,310
Rent of hall		8,403		2,419
Church rent		200		200
Wayleave		50		50
Lottery grant		10,000		-
Interest received		56		75
		<u>316,121</u>		<u>296,054</u>
EXPENSES :				
Management Expenses				
Salaries	52,764		51,724	
National Insurance	1,970		1,891	
Committee fees	1,035		1,100	
Printing, postage and stationery	981		885	
Telephone	861		788	
Website	295		36	
Office and workshop water charges	887		279	
Light and heat	1,767		1,648	
Cleaning and pest control	634		671	
Van expenses	1,840		1,390	
Audit and accountancy	1,380		1,350	
Professional fees	3,733		2,520	
FCA fee	211		205	
Donations	50		100	
Bank and Paypal charges	341		226	
Hall expenses	6,710		1,827	
Bad debts	1,449		-	
Sundry expenses	1,422		469	
		<u>78,330</u>		<u>67,109</u>
Estate Expenses				
Repairs - Building, roofing and skip hire	110,087		114,765	
- Damp proofing	11,784		2,998	
- Window and door replacement	6,626		5,170	
- Central heating installation and repairs	21,124		17,771	
- Electrical	24,041		32,856	
- Painting	450		14,500	
- Lead pipe replacement	450		8,590	
- Gas testing, servicing and connection	11,860		11,345	
- Hall	27,624		4,863	
- Cleaning and gardening	3,428		813	
Empty properties – rates and light & heat	5,374		1,274	
Insurance	14,271		14,130	
		<u>237,119</u>		<u>229,075</u>
Depreciation		<u>1,534</u>		<u>1,534</u>
Deficit before taxation		(862)		(1,664)
Taxation		<u>(142)</u>		<u>142</u>
Deficit after taxation		(1,004)		(1,522)
Accumulated surplus at beginning of year		<u>153,473</u>		<u>154,995</u>
Accumulated surplus at end of year		<u>152,469</u>		<u>153,473</u>

ANCHOR TENANTS LIMITED
BALANCE SHEET AS AT 31 JANUARY 2019

	<u>Note</u>	2019		2018	
		£	£	£	£
ASSETS EMPLOYED					
Fixed assets	2		73,906		75,440
Current Assets					
Stocks		1,075		1,075	
Debtors and prepayments		2,177		1,269	
Corporation tax		-		142	
Bank - Current account		74,543		72,574	
- Business Premium account		5,064		5,054	
- Nationwide account		25,178		25,153	
- Paypal account		417		70	
Cash in hand		1,624		2,716	
		<u>110,078</u>		<u>108,053</u>	
Current Liabilities					
Other creditors		2,280		2,497	
Taxes and social security		1,147		1,135	
Tenant Bonds		9,512		7,832	
Share Capital Reserve		1,813		1,813	
		<u>14,752</u>		<u>13,277</u>	
Net Current Assets			<u>95,326</u>		<u>94,776</u>
			<u>169,232</u>		<u>170,216</u>
FINANCED BY					
Share capital	3		16,763		16,743
Reserves			<u>152,469</u>		<u>153,473</u>
			<u>169,232</u>		<u>170,216</u>

MR A GEE	}	MEMBERS OF COMMITTEE
	}	
MR I PAWSON	}	

MRS S SWANN	}	SECRETARY	20 March 2019
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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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as applied to smaller entities by the adoption of Section 1A of FRS 102 (s.1A of FRS 102). The disclosure requirements of s.1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling which is the functional currency of the Society.

Turnover

The Society's turnover represents rent receivable during the year measured at the fair value of the consideration received.

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:

Estate	-	nil
Plant and fixtures	-	10% of cost
Van	-	20% of cost
Computer equipment	-	25% of cost

Stocks

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

Taxation

Current tax is recognised on taxable surplus for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Society after deducting all of its financial liabilities.

ANCHOR TENANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

(2) FIXED ASSETS

	<u>Estate</u>	<u>Plant</u>	<u>Fixtures and equipment</u>	<u>Van</u>	<u>Total</u>
COST					
At 1 February 2018 and at 31 January 2019	70,150	5,359	5,244	4,500	85,253
DEPRECIATION					
At 1 February 2018	-	5,359	2,054	2,400	9,813
Charge for the year	-	-	634	900	1,534
At 31 January 2019	-	5,359	2,688	3,300	11,347
NET BOOK VALUE					
At 31 January 2019	70,150	-	2,556	1,200	73,906
At 31 January 2018	70,150	-	3,190	2,100	75,440

The committee are of the opinion that the cost of obtaining a fair value of the Estate would outweigh the benefit and accordingly the Estate is classified as freehold property rather than investment property.

Depreciation should be provided on this, but this has not been done, which is not in accordance with the requirements of Financial Reporting Standard 102.

(3) SHARE CAPITAL

	£
At 1 February 2019	16,743
Additions	200
Withdrawals	(180)
At 31 January 2019	<u>16,763</u>

ANCHOR TENANTS LIMITED
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

Qualified Opinion

We have audited the financial statements of Anchor Tenants Limited (the 'Society') for the year ended 31 January 2019 which comprise the Income & Expenditure Account and Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, except for the effects of the matters 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 as at 31 January 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for qualified opinion

In respect of income from the hire of the hall the evidence available to us was limited because the system of control over this area of income was found to be insufficient for us to rely upon for the purpose of our audit and there were no other satisfactory audit procedures that we could adopt to confirm independently that all such income was properly recorded.

As disclosed in note 2 to these financial statements depreciation is not provided on the freehold property, which practice, in our opinion, is not in accordance with the requirements of Financial Reporting Standard 102.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities in that in common with many other organisations of this size and nature the Society has used our services to assist with the preparation of its payroll and with the preparation of the financial statements and the preparation and submission of returns to the tax authorities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee of management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Matters on which we are required to report by exception

In respect solely of the limitation of our work relating to hall hire income described above:

- we were unable to determine whether the Society had kept proper books of account, and maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; and
- we have not obtained all the information and explanations necessary for the purposes of our audit.

(continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHOR TENANTS LIMITED (continued)

Matters on which we are required to report by exception (continued)

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:

- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Society's books of account.

Responsibilities of the committee of management

As explained more fully in the committee of management's responsibilities statement set out on page 5 the committee of management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee of management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.