

ASHTON PIONEER HOMES LIMITED

ASHTON PIONEER HOMES LIMITED

Consolidated Financial Statements
Year ended 31 March 2013

ASHTON PIONEER HOMES LIMITED

CONTENTS

1	The Board, Management Team, Auditors, Bankers and Legal Advisers
2	Report of the Board
7	Independent Auditor's Report to the Members of Ashton Pioneer Homes Limited
8	Consolidated and Company Income and Expenditure Account
9	Statement of Total Recognised Surpluses and Deficits
10	Consolidated Balance Sheet
11	Company Balance Sheet
12	Consolidated Cash Flow Statement
13	Notes to the Financial Statements

THE BOARD

Chair Colin McCord (Tenant)

Deputy Chairs David Postlethwaite (Council Nominee)

Linda Fletcher (Tenant)

Other Members

Council Nominees

Nayan Joshi

Joyce Bowerman

Warren Bray (Resigned 18 October 2012)

Andrew Peter Leah (Appointed 18 October 2012)

Tenants

Beverley Joanne McCord

Dee Wilson

Independents

Donald Garside MBE

Sheila Mary Tolley

Guy Heppner

Lucy Mary Gash (Resigned 14 May 2012)

Stephen Greenwood (Appointed 14 May 2012)

SENIOR MANAGEMENT TEAM

Chief Executive/Company Secretary
Director of Finance & Administration/
Treasurer

John Aulry
Anthony Edward Berry

Director of Housing Services

Peter Marland

REGISTERED OFFICE

Margaret House
Margaret Street
Ashton under Lyne
Tameside
OL6 7TH

AUDITORS

Mazars LLP
The Lexicon
Mount Street
Manchester
M2 5NT

PRINCIPAL BANKERS

The Co-operative Bank Plc
PO Box 101, 1 Balloon Street
Manchester
M60 4EP

PRINCIPAL LEGAL ADVISORS

Towers & Hamlins
Heron House, Albert Street
Manchester
M2 5HD

Ashton Pioneer Homes Limited is a Company limited by guarantee registered with Companies House (No. 3383565) under the Companies Act 2006 and with the Homes and Communities Agency (No. L4199).

The Board presents the financial statements for the year ended 31 March 2013.

REVIEW OF THE BUSINESS

The last year, 2012/13, has seen the Company continue to build on the foundations laid in past years and to positively address the period of austerity within which we have been placed by external macro-economic and Government spending plans across the public and social sectors.

The year has once again brought consistently strong operational performance, with achievements ahead of our annual targets and long-term Business Plan. In particular, the Company sustained its excellent track record on arrears and voids performance. We have continued to develop our core customer, estate and neighbourhood services, all supported by our drive for quality customer services and continuous improvement.

In delivering our success to date, not least the early delivery of the transfer promises to residents, we have developed considerable skills and experience. These are supporting the marketing of the provision of estate and support services to a wider range of properties and customers within our neighbourhoods. This area of possible growth has been further developed during the last year and specific opportunities are being pursued around the empty homes programmes for the future. In turn, this will have benefits for Ashton Pioneer Homes Limited (APH), its customers, the local environment and the wider community in providing "Better Places to Live" and in supporting our core social housing activities.

To ensure APH make the best use of all its resources, especially its most valuable, its staff, work will continue on the Group's long term excellence framework, the Pioneer Way, which encapsulates both our mission and the quality and continuous improvement objectives for the future. This is particularly important in positioning the Company to address the serious challenges around welfare reform and the wider Government social agenda.

Despite the extremely challenging market conditions in the social housing and the third sectors more generally, Pioneer Homes Services Limited (PHSL) is seeking to expand non-housing activity away from the main Housing Association in order to ensure transparency in the operation of Ashton Pioneer Homes Limited, however with the effects of the Credit Crunch, demand has suffered as client's developments are not only held up but the provision of existing services are regularly rationalised.

VALUE FOR MONEY

In delivering the services, Board must also consider the Value for Money aspects of these activities to ensure compliance with Standards set out by the Homes & Communities Agency, the regulator of Housing Associations. This is a mainstay of the Pioneer Way ethics, a culture which is a key basis for all APH activity.

The APH Performance Group, made up from Board, tenants and staff, is charged with monitoring all aspects of VFM, receiving reports from various sources including Internal & External Audit, Benchmarking opportunities and Risk management tools.

Each year, the strategic objectives are set out in the Business Plan including targets which set out specific objectives to be achieved or maintained in the year. From the document we set our Key Performance Indicators (KPI's). To verify the objectives relevance, Housemark, a benchmarking company, is used to compare the outcomes throughout the year against other Housing Associations allowing a ranking to be created and thus feed future targets. The Internal Audit function is used to ensure Policies and Procedures are followed in the delivery of the objectives.

During the year, further savings have been achieved in our Operating Costs which feed into all activities. Individual contracts have been renewed on improved terms of cost or efficiency. Full details of the VFM activities will be included in our Annual Self Assessment of Value for Money to be released in September.

FUTURE DEVELOPMENTS/THE YEAR AHEAD

During 2013/14 and in keeping with its adoption of the updated Pioneer Way, APH will be continuing its drive for operational efficiencies and business opportunities to ensure the Group's continued viability. Further developing its partners, to build on the wide range of services we are able to offer and secure for our residents.

A major focus for our work will be in mitigating the adverse impacts of the Welfare Reform Act both for our business and our tenants. This includes a central role for the Company in the Universal Credit pilot in Ashton-u-Lyne. The

combination of Government austerity measures and targeted benefit reductions and DWP system changes will have a significant impact on vulnerable communities such as ours.

In particular, the Company will be building on our excellent work to date and will continue to be proactive in our work with our tenants and residents. Priorities around digital inclusion, tenancy matters and financial inclusion to support our customers in sustaining their tenancies in the face of the bedroom tax, direct payments and the roll-out of Universal Credit.

The delivery of operational reviews by our Pioneer Panel and the continued development of the wider Pioneer People groups will continue to align with the work of the REACH community group to provide an effective platform for resident involvement and engagement in our services, defining and monitoring our local offer. Delivering against national standards and our tailored local offer will be central to informing our key strategies and action plans for the future. Our current and potential tenants are and will remain central to our success as a community based association. This will be fully supported by our effective governance and commitment to our work from Board, staff and these supportive tenants' groups.

On the human resources front, APH values the skills, expertise and commitment of its staff. This has been supported by the retention of IIP since 2001 and this award will be re-assessed in 2013/14 alongside further progress on staff appraisal and training needs assessments. These will in turn better inform our comprehensive training and development plan for 2013/14 for individual staff and teams and assist in the key areas of staff recruitment, retention and development. This will be fundamental to sustaining the skill base of the Group.

We will continue to build on our impressive commitment to local employment and training through our development of Modern Apprenticeship roles across our operational teams.

There will also be a major focus on evaluating and improving the already good record of APH on Health & Safety. A comprehensive training programme has been established with our new H&S Advisor, ATG, to provide the Health & Safety training needs across our staff contingent. We have an established Staff / Board working group on Health & Safety which has now been assimilated into the wider remit of the Asset Group. This will ensure we are able to address the risks and benefits of our existing business activities and those from entering new markets, offering services and / or empty homes programmes, through our aspirations with PHSL.

There will also be an increased focus on Asset Management as APH clearly recognises the future demands on stock condition, planned maintenance and the effective utilisation of all its human, property and monetary assets. This work has been facilitated via a stock condition survey in 2012/13. This will be combined with a National Health & Housing Safety Rating System (HHSRS) assessment to inform a strategic approach to investment decisions based around this new Stock Condition Survey.

The introduction of Component Accounting back in 2012 meant a substantial shift in the Company's Balance Sheet. This changed the treatment of depreciation of Assets written off to date. Catch up repairs previously fully written off and contributing to the deficit of the Company have also been restated as assets and depreciation calculated to show the revised position at each year end.

Our Performance Group now incorporates the previous role of the sub group on Risk Management / Strategy and has been carried forward to now encompass business continuity / resilience and ensure we maintain and develop the existing framework we have established through our Board led working group. A key project for 2013/14 will be joint working with Biscan on a refreshed Business Continuity Plan. This will form part of APH achieving its objective of compliance with the latest good practice and will be subject to regular review by that multi-disciplinary team. It will establish its contribution and the expansion of its terms of reference to cover both the activities of the Value for Money sub group, Benchmarking and the activities of APH and PHSL. It will also explore the closure of the Group's other subsidiary APH Developments Limited (APHD) as the role of this non-registered subsidiary can be delivered by PHSL.

In terms of compliance and co-regulation, this summary has already covered our commitment to tenant engagement and involvement. APH has always encouraged effective consultation with and involvement from its tenants. In 2013/14, this will continue with the Pioneer Panel and tenant involvement projects more generally across the range of our operations. Facilitated through our Community Development consultancy resource, this will be a key area of work as we seek to enhance our business effectiveness through our involvement strategy. This brings together in an effective framework, the range of existing resident consultation, participation and involvement in monitoring / developing our services. It will also continue to include involvement on service delivery and the reviews of our policies, strategies and priorities.

The Company will be working with partner Associations in the Community Housing Associations (NWH) group to develop collaborative projects, such as the innovative NW regional tenants', staff and Board conferences and the staff development seminars supported by a number of peer Associations in the region.

Our desire to expand our services to our customers and neighbourhood has already been assisted by the refurbishment and digital facilities in the Ryecroft House Tenants' Base to improve accessibility to on-line services for benefits and general advice. Further investment in making this facility DDA compliant is to be pursued by REACH in the Autumn. In summary, a challenging year ahead but one for which APH, its staff, Board and tenants are well placed to address effectively.

FINANCIAL PERFORMANCE

The Nationwide Building Society continues to support the Company. The Group surplus for the year of £460,000 is ahead of expectations contained in the Company's Business Plan.

After reviewing Business Plan forecasts, performance monitoring reports and making appropriate enquiries, the Board is confident that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board believe the going concern basis is appropriate in preparing the financial statements.

BOARDS AND COMMITTEES

The Board currently comprises 12 members, the details of which are set out on page 1. All members of the Board served throughout the year except for Warren Bray and Lucy Mary Gash who both ceased to be a member of the board during the year and Andrew Peter Leah and Stephen Greenwood who were appointed during the year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company use conventional forms of working capital to finance their day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The Board receive regular reports on these figures in order to manage the Group and Company's requirements.

EMPLOYEES

As an Investors in People organisation, the Group is committed to enhancing the training and development opportunities for staff, Board and tenants.

The Group has also acknowledged its commitment to the disabled through its attainment of the three ticks, Positive about the Disabled accreditation.

The Group is committed to equal opportunities for all of its employees, both at the recruitment stage and throughout their continuing professional development.

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company Law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group and Company for that period. In preparing these financial statements the Board are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed;
4. Prepare the financial statements on the going concern basis unless it is inappropriate.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Company and to ensure that the financial statements comply with the Companies Act 2006 and the Housing and Regeneration Act 2008. It is also responsible for safeguarding the assets of the Group and Company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Group's accounting records, cash holdings and all of its receipts and remittances.

Insofar as the Board is aware there is no relevant audit information of which the Group's auditor is unaware and the Board 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.

STATEMENT ON THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group and Company's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and is consistent with the Turnbull principles.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

➤ Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of board/management review in each area of the Group and the Company's activities. This process is co-ordinated through a regular reporting framework by the Board-led Risk Management Group. The executive team regularly considers reports on significant risks facing the Group and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

STATEMENT ON THE COMPANY'S SYSTEM OF INTERNAL CONTROL (Continued)

➤ **Monitoring and corrective action**
A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

➤ **Control environment and control procedures**
The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted and disseminated to all employees, the Code of Governance and Accountability 2000. This sets out the Group and Company's policies with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud detection and prevention.

➤ **Information and financial reporting systems**
Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Board. The Board also regularly review increased key performance indicators to assess progress towards the achievements of key business objectives, targets and outcomes.

The internal control framework and the risk management process are subject to regular review of the internal audit who are responsible for providing independent assurance to the board via its Audit Committee. The Audit Committee considers internal control and risks at its meetings during the year.

The Board has received the Chief Executive's annual report, has conducted its annual review of the system of internal controls and has taken account of any changes needed to maintain the effectiveness of risk management and the internal controls process.
The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Group and Company. This process has been in place throughout the year under review, up to the date of the annual report and is regularly reviewed by the Board.

AUDITORS

Mazars LLP were appointed during the year and are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD OF MANAGEMENT



C McCord
Chair

We have audited the financial statements of Ashton Pioneer Homes Limited for the year ended 31 March 2013 which comprise the Consolidated and Company Income & Expenditure Accounts, the Consolidated and Company Statements of Total Recognised Surpluses and Deficits, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Board 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 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. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Housing and Regeneration Act 2008. 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, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 March 2013 and of the Group and Company surplus 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Opinion on the other matters 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.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Glen Jones (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory auditor
The Lexicon
Mount Street
Manchester
M2 5NT

24 September 2013

ASHTON PIONEER HOMES LIMITED

CONSOLIDATED AND COMPANY INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2013

	Consolidated 2013	Consolidated 2012	Notes
TURNOVER	3,810	3,689	2
Operating costs	(2,728)	(3,034)	2
OPERATING SURPLUS	1,082	655	
Surplus on sale of property not developed for outright sale	3	-	24
Interest receivable and similar income	7	3	4
Interest payable and similar charges	(632)	(639)	5
SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR	460	463	6
Tax on surplus on ordinary activities	-	-	7
SURPLUS FOR THE FINANCIAL YEAR	460	463	13

All amounts relate to continuing activities.

The above surpluses are calculated on the historic basis.
The notes on pages 13 to 30 form part of these accounts.

ASHTON PIONEER HOMES LIMITED

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
For the year ended 31 March 2013

	2013 Consolidated £'000	2013 Company £'000	2012 Consolidated £'000	2012 Company £'000
Surplus for the financial year	460	463	19	14
Actuarial deficit on pension fund assets	(100)	(100)	(150)	(150)
TOTAL RECOGNISED SURPLUS / (DEFICIT) FOR THE YEAR	360	363	(131)	(136)

ASHTON PIONEER HOMES LIMITED

CONSOLIDATED BALANCE SHEET
As at 31 March 2013

	2013	2012
FIXED ASSETS		
Housing properties at cost	23,421	23,493
Social Housing Grant and other Grants	(9,201)	(9,237)
Depreciation	(4,571)	(4,150)
Net book value of housing properties	9,649	10,106
Other fixed assets	741	782
Total fixed assets	10,390	10,888
CURRENT ASSETS		
Debtors	289	208
Cash at bank and short term deposits	2,498	1,549
11 Creditors amounts falling due after more than one year	2,787	1,757
(706)	(533)	
NET CURRENT ASSETS	2,081	1,224
TOTAL ASSETS LESS CURRENT LIABILITIES	12,471	12,112
Less: Creditors amounts falling due after more than one year	11,900	12,000
12 Pension liability	362	262
CAPITAL AND RESERVES	12,262	12,262
13 Revenue reserves	209	(150)
	12,471	12,112

The accounts on pages 8 to 30 were approved by the Board on 15 August 2013 and were signed on its behalf by:-

Secretary  2.2.13
Board Member 
Board Member

The notes on pages 13-30 form part of these accounts.

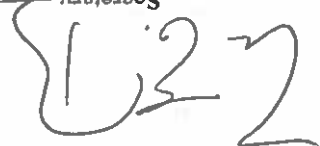
	2013	2012
FIXED ASSETS		
Housing properties at cost	23,531	23,603
Social Housing Grant and other Grants	(9,201)	(9,237)
Depreciation	(4,571)	(4,150)
Net book value of housing properties	9,759	10,216
Other fixed assets	741	782
Total fixed assets	10,500	10,998
CURRENT ASSETS		
Debtors	287	203
Cash at bank and short term deposits	2,483	1,517
Creditors amounts falling due after more than one year	(717)	(527)
NET CURRENT ASSETS	2,053	1,193
TOTAL ASSETS LESS CURRENT LIABILITIES	12,553	12,191
Less: Creditors amounts falling due after more than one year	11,900	12,000
Pension liabilities	362	262
CAPITAL AND RESERVES	12,262	12,262
Revenue reserves	291	(71)
	12,553	12,191

The accounts on pages 8 to 30 were approved by the Board on 15 August 2013 and were signed on its behalf by:-

Board Member

Board Member

Secretary

The notes on pages 13-30 form part of these accounts.

	2013	2012	Notes
	£'000	£'000	
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,645	1,120	
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	18	(636)	
CAPITAL EXPENDITURE	(67)	(3)	
Acquisition and construction of housing properties	129	-	
Sale of properties	-	(25)	
Capital grants received	(33)	(19)	
Purchase of other fixed assets	29	(47)	
NET CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	1,049	437	
FINANCING	18	-	
	(100)	-	
INCREASE IN CASH	949	437	
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1,082	655	
Operating surplus	472	530	
Depreciation charges	(81)	80	
Change in debtors	172	(145)	
Change in creditors	1,645	1,120	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	949	437	
Increase in cash in the period	949	437	
Change in net funds	18	437	
Net funds at 1 April 2012	1,549	1,112	
NET FUNDS AT 31 MARCH 2013	2,498	1,549	

1. PRINCIPAL ACCOUNTING POLICIES

The company is incorporated under the Companies Acts and is registered with the Homes and Communities Agency as a Registered Provider of Social Housing (RP) as defined by the Housing and Regeneration Act 2008.

Basis of accounting

The financial statements of the Group have been prepared in accordance with applicable Accounting Standards and Statements of Recommended Practice. The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012 and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010. The financial statements are prepared on the historical cost basis of accounting.

Basis of consolidation

The Group financial statements consolidate the financial statements of Ashton Pioneer Homes Limited, APH Developments Limited and Pioneer Homes Services Ltd at 31 March 2013.

Turnover

Turnover represents rental and service charge income receivable, grants from local authorities and the Homes and Communities Agency and other income.

Fixed asset and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and capital grants. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Housing properties	1.66%	Office equipment	20.00%
Property, plant and machinery	5.00%	Offices	2.00%
Computer equipment	33.33%	Motor Vehicles	25.00%
Kitchens	5.00%	Bathrooms	3.33%
Lifts	2.50%	Central heating/boilers	6.66%
Roof	3.33%	Windows and external doors	3.33%
Wiring	3.33%	External works	2.50%
CCTV/door entry	6.66%		

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties

As required by FRS 15, the Group has reviewed the economic useful lives of its housing properties. Properties were transferred at negative value and refurbishment works were completed prior to depreciation being charged.

Properties originally transferred from Tameside MBC are not yet reviewed for impairment due to their having no value. New Build Properties completed since transfer are depreciated and reviewed for impairment as appropriate.

Housing properties in the course of construction are stated at cost and not depreciated.

Housing properties are transferred to completed properties when they achieve practical completion.

Sale of housing properties

Housing property sales, other than any sales of first tranche shared ownership, are treated as sales of fixed assets and are shown as a separate item after the operating surplus in the Income & Expenditure Account.

Operating leases

Rentals paid under operating leases are charged to the Income & Expenditure Account on a straight line basis over the lease term.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Social housing and other grants

Where developments have been financed wholly or partly by social housing and other grants, the grants are deemed as prepaid until the development has achieved practical completion when it is deducted from the costs of the development.

Social housing grant received for items of cost written off in the income and expenditure account are matched against the costs as part of turnover.

Social housing grant can be recycled by the RP under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes and Communities Agency. However, SHG may have to be repaid if certain conditions are not met.

In certain circumstances, SHG may be repayable, and in that event, is a subordinated unsecured repayable debt.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the Board considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Pension costs

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Group has fully adopted the provision of FRS17 "Retirement Benefits" in preparing the accounts, as set out in note 15.

Provisions

The Group only provides for contractual liabilities.

Works to existing housing properties

The Group capitalises expenditure on housing properties, which increases the net rental stream over the life of the property. An increase in the net rental stream may arise though an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

Value added tax

Ashton Pioneer Homes Limited, APH Developments Limited and Pioneer Homes Services Ltd are registered for VAT purposes as a group. Due to the low amounts able to be reclaimed the majority of amounts disclosed in the financial statements are still inclusive of VAT.

Loan finance issue costs

These are written off as incurred.

Financial instruments

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

Cyclical policy

During the initial five year period when catch up repairs were carried out no cyclical work was undertaken. Following the initial period, due to the size of the Company, works will be charged to the Income and Expenditure Account as incurred.

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2013			2012		
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating costs £'000	Operating surplus £'000	
COMPANY						
Social housing lettings	3,729	-	(2,712)	(3,006)	527	
Non social housing activities	68	-	-	-	123	
Total	3,797	-	(2,712)	(3,006)	650	
GROUP						
Social housing lettings	3,729	-	(2,712)	(3,006)	527	
Non social housing activities	81	-	(16)	-	123	
Total	3,810	-	(2,728)	(3,006)	655	

See note 3 for detailed analysis of the social housing lettings.

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	GROUP AND COMPANY	GROUP	COMPANY
	2013	2013	2012
	General needs housing	General needs housing	Total housing
	£'000	£'000	£'000
INCOME			
Rents	3,179	3,179	3,007
Service charges	580	580	551
Gross rent receivable	3,759	3,759	3,558
Less rent losses from voids	(30)	(30)	(25)
Net rent receivable	3,729	3,729	3,533
Other revenue grants	-	-	-
Total income	3,729	3,729	3,533
EXPENDITURE			
Services	582	582	510
Management	735	735	765
Routine maintenance	698	698	759
Planned repairs expenditure	209	209	507
Depreciation on Housing Properties	472	472	439
Rent losses from bad debts	16	16	26
Total expenditure on lettings	2,712	2,712	3,006
Operating surplus on lettings	1,017	1,017	527
Voids	(30)	(30)	(25)
INTEREST RECEIVABLE AND SIMILAR INCOME			
Bank interest received	7	3	3

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£'000	£'000
GROUP	632	639
COMPANY	632	639

Interest payable on loans

6. SURPLUS FOR THE YEAR

	2013	2012
	£'000	£'000
GROUP	9	10
COMPANY	9	9
Auditors remuneration (excluding VAT):		
In their capacity as auditors	1	1
In respect of other services (incl)	10	10
Operating lease payments	10	10
Depreciation	472	(530)

Is stated after charging:

Auditors remuneration (excluding VAT):

7. TAXATION ON ORDINARY ACTIVITIES

	2013	2012
	£'000	£'000
GROUP	-	-
COMPANY	-	-

a) UK corporation tax at 24% (2012: 26%)

b) Tax charge per accounts

	2013	2012
	£'000	£'000
FRS19 reconciliation of current tax charge	460	19
Surplus on ordinary activities before tax	463	463
Tax on surplus on ordinary activities at standard CT rate of 24% (2012: 26%)	110	111
Effects of:		
Expenses not deducted for tax purposes – fixed assets	111	138
Depreciation in excess of capital allowances	(2)	-
Utilisation of tax losses and other deductions	(216)	(143)
Adjustment to brought forward values	(10)	-
Other short term timing differences	7	7
Current tax charge/(credit) for the year	-	-

There is no liability to corporation tax based on the results for the year.

The company has accumulated tax losses of over £3 million. The deferred tax asset in respect of these has not been recognised, on the grounds that it is not anticipated that they will be recovered in the near future.

ASHTON PIONEER HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

8. TANGIBLE FIXED ASSETS											
GROUP	Housing properties under construction £'000	Housing properties completed £'000	New office £'000	Computer equipment £'000	Office conversion £'000	Office furniture £'000	Site furniture £'000	Motor vehicle £'000	Total £'000		
At 1 April 2012	-	23,493	880	86	202	106	163	39	24,969		
Additions	-	67	-	4	7	4	18	-	100		
Disposals	-	(139)	(25)	-	-	-	-	-	(164)		
AT 31 MARCH 2013	-	23,421	855	90	209	110	181	39	24,905		
DEPRECIATION AND IMPAIRMENT											
At 1 April 2012	-	4,150	195	74	172	94	120	39	4,844		
Charge for the year	-	423	7	6	13	7	16	-	472		
Disposals	-	(2)	-	-	-	-	-	-	(2)		
AT 31 MARCH 2013	-	4,571	202	80	185	101	136	39	5,314		
SOCIAL HOUSING GRANT											
At 1 April 2012	-	3,611	-	-	-	-	-	-	3,611		
Transfers & sales	-	(36)	-	-	-	-	-	-	(36)		
AT 31 MARCH 2013	-	3,575	-	-	-	-	-	-	3,575		

ASHTON PIONEER HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

8. TANGIBLE FIXED ASSETS (continued)

COMPANY	Housing properties under construction £'000	Housing properties completed £'000	New office £'000	Computer equipment £'000	Office conversion £'000	Office furniture £'000	Site furniture £'000	Motor vehicle £'000	Total £'000
COST									
At 1 April 2012	-	23,603	880	86	202	106	163	39	25,079
Additions	-	67	-	4	7	4	18	-	100
Transfers & sales	-	(139)	(25)	-	-	-	-	-	(164)
AT 31 MARCH 2013	-	23,531	855	90	209	110	181	39	25,015
DEPRECIATION AND IMPAIRMENT									
At 1 April 2012	-	4,150	195	74	172	94	120	39	4,844
Charge for the year	-	423	7	6	13	7	16	-	472
Transfers & sales	-	(2)	-	-	-	-	-	-	(2)
AT 31 MARCH 2013	-	4,571	202	80	185	101	136	39	5,314
SOCIAL HOUSING GRANT									
At 1 April 2012	-	3,611	-	-	-	-	-	-	3,611
Transfers & sales	-	(36)	-	-	-	-	-	-	(36)
AT 31 MARCH 2013	-	3,575	-	-	-	-	-	-	3,575

	GROUP		COMPANY	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Amounts owed by subsidiaries	-	-	-	13
Rent arrears	193	150	193	150
Less provisions for doubtful debts	(40)	(40)	(40)	(40)
Sales debtors	45	55	45	41
Other debtors	11	11	11	11
Prepayment and accrued income	80	32	78	28
	<u>289</u>	<u>208</u>	<u>287</u>	<u>203</u>

10. CASH AT BANK AND SHORT TERM DEPOSITS

	GROUP		COMPANY	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Cash at bank	2,498	1,549	2,483	1,517

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Amounts owed to subsidiaries	-	-	14	14
Trade creditors	117	76	117	74
Accruals and deferred income	281	281	279	279
Rents in advance	29	30	29	30
Other creditors	57	75	56	59
Disposal proceeds fund	222	71	222	71
	<u>706</u>	<u>533</u>	<u>717</u>	<u>527</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Loans not repayable by instalments	-	-	-	-
In one year or more but less than two years	-	-	-	-
In two years or more but less than five years	11,900	12,000	11,900	12,000
In five years or more	11,900	12,000	11,900	12,000
	<u>11,900</u>	<u>12,000</u>	<u>11,900</u>	<u>12,000</u>

These loans are secured by specific charges on Ashton Pioneer Homes Limited's housing properties and floating charges on all of its assets and are repayable at varying rates of interest.

13 REVENUE RESERVE

	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
At 1 April 2012	(151)	(5,455)	(72)	(5,371)
Prior year adjustment	-	5,436	-	5,436
As restated	(151)	(19)	(72)	65
Transfer (to)/from designated reserve	-	-	-	-
Surplus for the year	460	19	463	14
Actuarial (deficit)/gain on pension	(100)	(150)	(100)	(150)
AT 31 MARCH 2013	209	(150)	291	(71)

14. CAPITAL COMMITMENTS

	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-	-	-
Capital expenditure that has been authorised by the board of management but has not yet been contracted for	-	-	-	-
The RP has no approved capital expenditure to fund.	-	-	-	-

15. PENSION OBLIGATIONS

General

Ashton Pioneer Homes Limited participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2012. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme's assets at the date of the Actuarial Report was £2,327 million. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,241 million, equivalent to a past service funding level of 65%.

Ashton Pioneer Homes Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for Ashton Pioneer Homes Limited was £1,713,804.

The Greater Manchester Pensions Fund

The latest formal valuation of the Greater Manchester Pensions Fund Scheme was at 31st March 2013 with the next formal valuation due as at 31st March 2016. The financial assumptions underlying the valuation were as follows:

	2011	2012	2013
Rate of increase in salaries	4.3%	4.3%	4.6%
Rate of inflation/increase in pensions	2.8%	2.5%	2.8%
Discount rate	5.5%	4.8%	4.5%
Expected return on assets	6.6%	5.6%	5.1%

15. PENSION OBLIGATIONS (Continued)

The assets in the Scheme and the expected rate of return were:

	Long-term rate of return expected at 2013	Value at 2013	Long-term rate of return expected at 2012	Value at 2012	Long-term rate of return expected at 2011	Value at 2011
Equities	5.7%	791	6.3%	689	7.5%	639
Bonds	3.5%	187	3.9%	177	4.9%	165
Property	3.9%	55	4.4%	49	5.5%	48
Cash	3.0%	66	3.5%	69	4.6%	116
Total market value of assets		1,099	%	984	6.6%	968
Present value of scheme liabilities		(1,461)		(1,246)		(1,080)
Net pension liability		(362)		(262)		(112)

Analysis of the amount charged to operating profit:

	2013	2012
Current service cost	24	21
Past service cost	-	-
Total operating charge	24	21

Analysis of the amount charged to other finance charges:

	2013	2012
Expected return on Employer Assets	(54)	(64)
Interest on pension scheme liabilities	59	59
Total operating charge	5	(5)

Analysis of amount recognised in the statement of total recognised gains and losses:

	2013	2012
Actual return less expected return on assets	83	(50)
Experience gains and losses on liabilities		-
Changes in assumption underlying the present value of scheme liabilities	(183)	(108)
Actuarial loss recognised in the STRGL	(100)	(158)

15. PENSION OBLIGATIONS (Continued)

Movement in deficit during the year:		2013	2012
		£'000	£'000
Deficit in scheme at beginning of the year	(262)	(262)	(112)
Movement in year:			
Past service cost	-	-	-
Current service cost	(24)	(24)	(21)
Contributions	8	8	5
Net return on assets	16	16	24
Actuarial loss	(100)	(100)	(158)
Deficit in scheme at end of year	(362)	(362)	(262)

The pension charge during the year was £19,183 (2012: £ 16,428).

The estimated employer's contribution for the year to 31 March 2014 will be approximately £26,000.

History of experience gains and losses

	2013	2012	2009-2010
	£'000	£'000	£'000
Actual return less expected return on assets - ('000's)	16	-	(2)
Actual return less expected return on assets - ('000's)	150		150
Actual return less expected return on assets - ('000's)	0%	-	0%
Experience gains and losses on liabilities - ('000's)	123	(15)	123
Experience gains and losses on liabilities - ('000's)	-		-
Experience gains and losses on liabilities - ('000's)	0%	0%	0%
Actual gains/(losses) recognised in the STRGL - ('000's)	(100)	(158)	331
Actual gains/(losses) recognised in the STRGL - ('000's)	(414)		(414)
Actual gains/(losses) recognised in the STRGL - (% of scheme assets)	0%	0%	0%

16. DIRECTORS EMOLUMENTS

	2013	2012
The aggregate emoluments paid to or receivable by directors.	219	209
The emoluments paid to the highest paid director of the Company excluding pension contributions (see below).	87	83
Numbers of other directors and senior employees with remuneration within the following bandings:		
£60,000 to £70,000	1	1
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
The aggregate amount of any compensation paid to directors during the period of accounts.	-	-
The aggregate amount of directors' pensions, excluding amounts payable under a properly funded pension scheme.	-	-
The aggregate amount of any consideration payable to or receivable by third parties for making available services of a director.	-	-

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £6,177 (2012: £5,997) was paid in addition to the personal contributions of the chief executive.

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the senior management team or its equivalent.

17.

EMPLOYEE INFORMATION

The average weekly number of persons employed during the year (full-time equivalents, i.e. 35 hours per week) was:

	GROUP	COMPANY
	2013	2012
Office staff	20	19
Wardens, caretakers and cleaners	19	18

Staff costs (for the above persons)

	GROUP	COMPANY
	2013	2012
Wages and salaries	951	928
Social security costs	79	76
Other pension costs	90	83
	1,120	1,087

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

18. CASH FLOW STATEMENT NOTES

	2013	2012
Returns on investments and servicing of finance	7	3
Interest received	(632)	(639)
Interest paid	(625)	(636)
Financing		
Loans received	-	-
Loans repaid	(100)	(100)

	1 April 2012	31 March 2013
Change in net funds	1,549	2,498
Cash in hand, at bank	1,549	2,498
Total	1,549	2,498
Reconciliation of cash movements		
Short term cash deposits	1,549	2,498
Total	1,549	2,498

19. OPERATIONAL LEASES
The Group holds office equipment under non cancellable operating leases. At the end of the year the Group had annual commitments under these leases as follows

	2013	2012
Office equipment	-	-
Leases expiring within the next year	10	10
Leases expiring in the second to fifth year	-	-
Leases expiring in more than five years	-	-

	GROUP		COMPANY	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
20. UNITS/BEDSPACES				
Under development at the end of the year:	-	-	-	-
Under development at the end of the year:	919	921	919	921
Under management at the end of the year:	919	921	919	921
Housing accommodation	919	921	919	921
Housing accommodation	919	921	919	921
21. RELATED PARTIES				
The Board has tenant members namely, Linda Fletcher, Colin McCord, Beverley Joanne McCord and Dee Wilson who hold tenancy agreements on normal terms and cannot use their position to their advantage.				
APH Developments Limited, a company registered in England & Wales, is a wholly owned subsidiary of Ashton Pioneer Homes Limited, being controlled by the same Board members. At 31 March 2013 Ashton Pioneer Homes Limited owed £13,983 (2012 £14,000) to APH Developments Limited.				
Pioneer Home Services Ltd, a company registered in England & Wales, is a wholly owned subsidiary of Ashton Pioneer Homes Limited, being controlled by the same Board members.				
22. SOCIAL HOUSING GRANT				
The total accumulated SHG received or receivable at the balance sheet date from both capital and revenue sources	3,611	3,611	3,611	3,611
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
23. DISPOSAL PROCEEDS FUND				
Opening balance	71	71	71	71
Inputs	151	-	-	-
Closing balance	222	71	71	71
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
24. SALE OF PROPERTIES NOT DEVELOPED FOR OUTRIGHT SALE				
Preceds of sale	129	-	-	-
Less Cost of Sales net of Grant	(126)	-	-	-
Surplus on sale of properties	3	-	-	-
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000

	2013	2012
Contingent liability	1,000,000	1,000,000
Other	1,000,000	1,000,000
Total	2,000,000	2,000,000

25. CONTINGENT LIABILITY

The company has identified deterioration in the render applied to the three hi-rise blocks of flats on the West Park estate. When acquired from Tameside Council, warranties were included in relation to the works undertaken by the council prior to the transfer on the relevant stock. Investigations were undertaken to ascertain if the warranties cover the areas of deterioration. Consequently, a claim under the warranty has been pursued. When finalised, any remaining liability, which cannot as yet be quantified, may rest with Ashton Pioneer Homes.