Company number: 3383565

ASHTON PIONEER HOMES LIMITED

Consolidated Financial Statements

Year ended 31 March 2016

CONTENTS

THE BOARD

Chair	David Postlethwaite (Council Nominee)
Deputy Chairs	Joyce Bowerman (Council Nominee) Stephen Greenwood (Independent)
Other Members	**Council Nominees** Gerald Patrick Cooney David Hugh McNally
	Tenants Helen Ruth Bradbury (Appointed 19 November 2015) Colin McCord (Resigned 18 February 2016) Sean Allen (Resigned 21 May 2015)
	Independents Jane Louise Atherton (Appointed 15 October 2015) Donald Garside MBE (Resigned 15 October 2015) Sheila Mary Tolley (Appointed 31 March 2016) Lucy Gash (Resigned 21 May 2015) Rekha Patel-Harrison (Resigned 15 October 2015)

SENIOR MANAGEMENT TEAM

Chief Executive/Company Secretary	Antony Edward Berry
Director of Finance & Administration/ Treasurer	John Auty
Director of Housing Services	Peter Marland

REGISTERED OFFICE

Margaret House
Margaret Street
Ashton under Lyne
Tameside
OL6 7TH

AUDITOR

Mazars LLP
The Lexicon
Mount Street
Manchester
M2 5NT

PRINCIPAL LEGAL ADVISORS

Trowers & Hamlins
55, Princess Street
Manchester
M2 4EW

PRINCIPAL BANKERS

HSBC Bank PLC
4 Hardman Square
Spinningfields
Manchester
M3 3EB

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 year under review

•To provide a comprehensive range of services we have continued with a generic approach to housing management so that tenants deal with our dedicated Customer Services team, Housing Services Officers and Neighbourhood Services team (out of hours) for all tenancy management issues.

• We have continued to provide up to date support to our tenants, including targeted advice together with other community services in order to keep tenants informed about the effects of the ongoing Welfare Reforms, Bedroom Tax, Universal Credit and the future changes to Local Housing Allowances.

•As part of the role review within APH, we employed a dedicated Welfare Benefits advisor to help tenants in ensuring timely and relevant advice on their correct benefit entitlement. This specialist role has also allowed the cascading of training to generic staff colleagues.

• The increasing on-line nature of benefits and other services has meant the free internet facility in our reception area has become more essential for use by tenants for completing on-line benefit claims and accessing money advice sites.

• We have also completed the refurbishment of the 'Linda Fletcher Centre' a base providing tenants with PC training and internet access. Our Housing Management Team run regular 'surgeries' supported by volunteers, so are on hand to offer advice and assistance to our tenants.

• During the year 104 properties were re-let with 14 of these requiring works taking more than 3 weeks to complete. Overall the average re-let time for all voids was 14.4 days.

Investing in new business opportunities

• To further diversify the business whilst employing our core skills and expertise on facilities management, CCTV and security, we have competitively tendered and secured the contract for the delivery of such services for a multi-storey car park on Brook Street East owned by Tameside MBC.

• We have committed to the Empty Homes Programme and through individual properties and a multi-unit commercial to residential conversion, have produced some 22 homes utilising grant from the HCA and AGMA.

• We intend to continue this programme in the future using the three year allocation from the Homes & Communities Agency as well as seeking further opportunities through Continuing Market Engagement (CME) through AGMA / GMCA.

Improving service delivery and maintaining a strong financial position

• We have developed our use of the service from Allpay in order to provide our tenants with more varied, convenient and cost-effective methods to facilitate rent payments. As well as pre-existing methods, i.e. Direct Debit, Standing Order or Cash, tenants can now make payment by debit/credit card over the telephone 24 hours per day, by internet or even using the Allpay app using a smartphone.

• We have reduced the amount of paper in use by scanning documents and reducing the amount of filing.

• We have reviewed our treasury management procedures, effective drawdown of loans and the introduction of efficient investment practices, including the transfer of funds out of the Co-operative Bank. This has, despite low interest rates, maximised interest receipts on available funds, resulting in incremental income of approx. £22k in the 2015/16 financial year.

The year ahead

Housing people in housing need

• We will continue our subscription to “Homeswapper” a lettings scheme, in order to maximise the number of people who are in housing need to access our properties and assist our own tenants who need to downsize due to the welfare reform changes which are impacting on our current and prospective tenants.

• Keeping rents and other housing costs at affordable levels

• We will continue to give 2 weeks rent free at Christmas to ensure tenants have money in their pocket for the festive period.

• We are investing significant funds on renewing door entry systems so as to provide a better service for our tenants.

• We are investing £2million+ on re-cladding Ryecroft House and Grosvenor House so as to substantially improve both the aesthetics and insulation to the blocks.

• We are investigating the cladding on Ellison House and Portland House with a view to re-cladding these blocks as soon as funding is available.

• We will implement the 1% reduction in rents from the October rent review.

• We will maintain strict controls on Service Charges to avoid unnecessary increases.

Maximising rent collection and minimising rent losses

• We will seek to keep collection levels for rent arrears and bad debt at top quartile level despite the adverse impact of welfare reform changes.

.• In the forthcoming year we will continue to invest in new portable IT equipment to enhance staff mobility to help tenants make benefits claims electronically in their home or by appointment at our office.

• We will continue to seek value for money in our services and to benchmark their effectiveness, to maximise the impact in our proactive and reactive rent / arrears processes.

Investing in new sustainable developments and business opportunities

• As part of the HCA’s Empty Homes Initiative we are under way with a 3 year programme of refurbishment of a further 27 homes over the next 2 years that have been empty for 6 months or more, this will be part financed by grants of up to an average of £10,000 per property. We will seek to obtain similar reductions as previous years on budgeted costs by using the tendered schedules / building contracts. We will also be undertaking a fundamental review of our tenant satisfaction outcomes during the year ahead (2016/17) to maintain or improve satisfaction rates.

Improving service delivery and maintaining a strong financial position

• We will continue to reduce our overheads as a percentage of adjusted turnover.

• We will carry out a tenant expectation survey to identify service improvement priorities.

• We will review procedures to better capture value for money information for completion of the annual assessment.

Ensuring scrutiny and resident involvement

• Following the disbanding of the APH Scrutiny Panel (Pioneer Panel) we will be working to establish alternative consultative frameworks to ensure we can effectively engage with our tenants on service related matters.

• Ensuring committed involvement of Board and staff
• We will continue to employ on 2 year contracts 2 modern apprentices at an average cost of £10,000 per annum so as to provide training and work experience for young people and to provide an additional resource to deal with the implications of welfare reform.

• APH will also engage with local educational and employment partners to offer employer support related to work experience opportunities to allow young people to better engage with the employment marketplace.

Summary

Although these are great achievements, there's always room for improvements and we will ensure we will build on these achievements over the coming years through a continuous improvements programme.

FINANCIAL PERFORMANCE

The Nationwide Building Society continues to support the Company. The Group surplus for the year of £335,000 (2015; £614,000) 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.

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 Performance 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 specific and / or significant changes affecting key risks. There is also a corporate risk register and risk matrix which defines, prioritises and assesses risks and the mitigation of risk across our business.

- **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 members, the National Housing Federation's "Excellence in Governance - Code for Members and good practice guidance". This sets out the Group and Company's governance principles with regard to the quality, integrity and ethics adopted by the Board and business. It is supported by a framework of Standing Orders, policies and procedures with which both Board and 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.

- **Code of Governance**

As stated, the Board have adopted the NHF Code of Governance Excellence and have self-assessed their compliance with that code during 2015/16 to identify any areas of non-compliance, namely…..

- our current terms of office which are 3 terms of 4 years for Board members rather than the Code recommended 3 x 3 years. This is due to our Board membership currently comprising 3 constituent groups of 4 members and as such ensures smoother succession planning between Members.
- system of nomination to the Board via constituencies rather than skill based selection / appointments

A move to enhanced compliance along with a transition to a Community Benefit Society using the NHF 2015 Model Rules, is included in the Association's "Modernising Governance" programme included in the Business Plan for 2016/17.

- **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 relevant key performance indicators and benchmark data 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 Internal Audit who are responsible for providing independent assurance to the Board through 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.

BOARDS AND COMMITTEES

The Board currently comprises 8 members, the details of which are set out on page 1. All members of the Board served throughout the year except for Colin McCord, Sean Allen, Donald Garside MBE, Lucy Gash and Rekha Patel-Harrison who ceased to be a member of the board during the year and Helen Ruth Bradbury, Jane Louise Atherton and Sheila Mary Tolley 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 a current 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 equality for all of its employees, both at the recruitment stage and throughout their continuing professional development.

COMPLIANCE WITH THE HCA GOVERNANCE AND VIABILITY STANDARD

The Board confirms that the parent Association complies with the requirements of the Governance and Viability Standard for the year commencing 1 April 2015.

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:

- 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;
- 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 enable it 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.

STRATEGIC REPORT

No Strategic report is required as the Company satisfies the criteria as a small company as defined by the Companies Act 2006.

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

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.

AUDITORS

Mazars LLP 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

D. Postlethwaite

Chair

We have audited the financial statements of Ashton Pioneer Homes Limited for the year ended 31 March 2016 which comprise the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Reserves, the Consolidated Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Statement of the Boards Responsibilities set out on page 23, 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 parent 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 parent 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 parent Company and the parent 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 2016 and of the Group and Company's 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 2015.

Opinion on the other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board 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

Date:

CONSOLIDATED & COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

	Notes	Consolidated 2016 £'000	Company 2016 £'000	Consolidated 2015 £'000
TURNOVER	2	**4,592**	**4,571**	4,419
Operating costs	2	**(3,692)**	**(3,672)**	(3,228)
OPERATING SURPLUS		**900**	**899**	1,191
Interest receivable	4	**22**	**22**	23
Interest and financing costs	5	**(587)**	**(587)**	(600)
Surplus before tax	6	**335**	**334**	614
Taxation	7	**(66)**	**(66)**	-
SURPLUS FOR THE YEAR		**269**	**268**	614
Actuarial profit/(loss) in respect of pension schemes	18	**179**	**179**	(126)
Total comprehensive income for the year		**448**	**447**	488

All amounts relate to continuing activities.

The notes on pages 32 to 58 form part of these financial statements.

ASHTON PIONEER HOMES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (COMPANY NO: 3383565)
As at 31 March 2016

	Notes		2016 £'000		2015 £'000
FIXED ASSETS					
Intangible assets	10		**7**		7
Housing properties	11		**17,291**		17,061
	11		**17,298**		17,068
Other fixed assets	11		**700**		729
Total fixed assets			**17,998**		17,797
CURRENT ASSETS					
Debtors	12	**472**		468	
Cash at bank and short term deposits	13	**3,614**		4,052	
		4,086		4,520	
Creditors amounts falling due in less than one year	14	**(1,542)**		(1,896)	
NET CURRENT ASSETS			**2,544**		2,624
TOTAL ASSETS LESS CURRENT LIABILITIES			**20,542**		20,421
Creditors: Amounts falling due after more than one year	15		**10,100**		10,750
Pension liability	18		**872**		909
Grants	15		**7,359**		6,999
NET ASSETS			**18,331**		18,658
CAPITAL AND RESERVES					
Revenue reserves			**2,211**		1,763
			20,542		20,421

The notes on pages 32 to 58 form part of these financial statements.

The financial statements were approved by the Board of Management on …………………………………………….

and signed on its behalf by:

- D Postlethwaite - Board Member

- A.E.Berry – Secretary

COMPANY STATEMENT OF FINANCIAL POSITION (COMPANY NO: 3383565)
As at 31 March 2016

	Notes		2016 £'000		2015 £'000
FIXED ASSETS					
Intangible assets	10		**7**		7
Housing properties at cost	11		**17,291**		17,061
	11		**17,298**		17,068
Other fixed assets	11		**700**		729
Total fixed assets			**17,998**		17,797
CURRENT ASSETS					
Debtors	12	**462**		463	
Cash at bank and short term deposits	13	**3,602**		4,041	
		4,064		4,504	
Creditors amounts falling due in less than one year	14	**(1,539)**		(1,898)	
NET CURRENT ASSETS			**2,525**		2,606
TOTAL ASSETS LESS CURRENT LIABILITIES			**20,523**		20,403
Creditors:Amounts falling due after more than one year	15		**10,100**		10,750
Pension liability	18		**872**		909
Grants			**7,359**		6,999
			18,331		18,658
CAPITAL AND RESERVES					-
Revenue reserves			**2,192**		1,745
			20,523		20,403

The notes on pages 32 to 58 form part of these financial statements.

The financial statements were approved by the Board of Management on …………………………………………….
and signed on its behalf by:

- D. Postlethwaite - Board Member

- A.E.Berry – Secretary

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
As at 31 March 2016

	Revenue Reserve £'000	Total £'000
At 1st April 2015	**1,763**	**1,763**
Surplus for the year	**269**	**269**
Actuarial profit in respect of the pension scheme	**179**	**179**
Other comprehensive income	**179**	**179**
Total comprehensive income	**448**	**448**
At 31st March 2016	**2,211**	**2,211**

	Revenue Reserve £'000	Total £'000
At 1st April 2014	**1,275**	**1,275**
Surplus for the year	**614**	**614**
Actuarial loss in respect of the pension scheme	**(126)**	**(126)**
Other comprehensive income	**(126)**	**(126)**
Total comprehensive income	**488**	**488**
At 31st March 2015	**1,763**	**1,763**

Reserves

Revenue Reserve

The revenue reserve represents cumulative surpluses and deficits of the Group.

The note on pages 32 to 58 form part of the financial statements.

COMPANY STATEMENT OF CHANGES IN RESERVES
As at 31 March 2016

	Revenue Reserve £'000	Total £'000
At 1st April 2015	**1,745**	**1,745**
Surplus for the year	**268**	**268**
Actuarial profit in respect of the pension scheme	**179**	**179**
Other comprehensive income	**179**	**179**
Total comprehensive income	**447**	**447**
At 31st March 2016	**2,192**	**2,192**

	Revenue Reserve £'000	Total £'000
At 1st April 2014	**1,238**	**1,238**
Surplus for the year	**633**	**633**
Actuarial loss in respect of the pension scheme	**(126)**	**(126)**
Other comprehensive income	**(126)**	**(126)**
Total comprehensive income	**507**	**507**
At 31st March 2015	**1,745**	**1,745**

Reserves

Revenue Reserve

The revenue reserve represents cumulative surpluses and deficits of the Company.

The note on pages 32 to 58 form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
NET CASH GENERATED FROM OPERATING ACTIVITIES			**1,629**		2,300
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	**(930)**		(806)	
Proceeds from sale of property, plant and equipment	11	**-**		-	
Grants received	15	**28**		370	
Interest received	4	**22**		23	
			(880)		(413)
NET CASH FLOWS FROM INVESTING ACTIVITIES			**749**		1,887
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid	5		**(587)**		(600)
Repayment of borrowings			**(600)**		(450)
NET CASH FLOWS FROM FINANCING ACTIVITIES			**(1,187)**		(1,050)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	13		**(438)**		837
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13		**4,052**		3,215
CASH AND CASH EQUIVALENTS AT END OF YEAR	13		**3,614**		4,052

CASH FLOW STATEMENT NOTES

RECONCILIATION OF OPERATING SURPLUS FOR THE YEAR TO NET CASH GENERATED FROM OPERATING ACTIVITES

	2016	2015
	£'000	£'000
Surplus for the year	**448**	1,536
Depreciation charges	**726**	1,223
Amortisation of grant	**254**	231
Change in debtors	**(4)**	(130)
Change in creditors	**(48)**	(1,335)
Interest receivable	**(22)**	(20)
Interest payable	**587**	617
Net movement in pension liabilities	**(312)**	158
	1,629	2,300

	1 April 2015	Cash flows	**31 March 2016**
	£'000	£'000	**£'000**
Change in net funds			
Cash in hand, at bank	4,052	**438**	**3,614**
Total	4,052	**438**	**3,614**

	1 April 2015	Cash flows	**31 March 2016**
	£'000	£'000	**£'000**
Reconciliation of cash movements			
Short term cash deposits	4,052	**438**	**3,614**
Total	4,052	**438**	**3,614**

1. PRINCIPAL ACCOUNTING POLICIES

Ashton Pioneer Homes Limited ("The Company") is a private limited company 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.

The address of the registered office is Margaret House, Margaret Street, Ashton under Lyne, Tameside, OL67TH.

The main activities of the Company and its subsidiaries are the provision of affordable homes for rent for people in housing need.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the comparative year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2014 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015.

Ashton Pioneer Homes Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

In preparing the Company's individual financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures';
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 'Statement of Financial Position'; and
- from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.

On the basis that equivalent disclosures are given in the consolidated financial statements, the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

Statement of compliance

This is the first year the Company has prepared its financial statements in accordance with FRS 102, accordingly the financial information as at 1 April 2014 (being the date of transition) and for the year ended 31 March 2015 have been restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 21.

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 2016. These are available from the registered office address.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and the Homes and Communities Agency and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets are stated at historic cost or valuation, less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life.

Property, plant and equipment - housing properties

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

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives. 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%
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%
Extractor Fans	10.00%
Render	3.33%

Freehold land is not depreciated.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. 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 through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Company is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Property, plant and machinery	5.00%
Computer equipment	33.33%
Offices	2.00%
Office equipment	20.00%
Motor Vehicles	25.00%

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

Social housing and other grants

Where grants are received from government agencies such as the Homes and Communities Agency, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not be recognised as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

<u>Finance leased assets</u>

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

<u>Operating leased assets</u>

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the Statement of Financial Position 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 consider 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 date of the Statement of Financial Position.

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 parent Association participates in an industry wide multi-employer defined benefit pension scheme where the scheme assets and liabilities cannot be separately identified for each employer. This is accounted for as a defined contribution scheme as there is insufficient information available to account for the scheme as defined benefit. For this multi-employer scheme, there is a contractual agreement between the scheme and the parent Association that determines how the deficit will be funded and a liability is recognised in the Statement of Financial Position and the resulting expense in surplus or deficit in the Statement of Comprehensive Income for the present value of the contributions payable that arise from the agreement to the extent that they relate to the deficit.

The Group has fully adopted the provision of FRS102 in preparing the accounts, as set out in note 18.

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.

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.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at transaction value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognised in the financial statements..

Impairment of social housing properties
The Company has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

Estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2016			
	Turnover £'000	**Cost of sales £'000**	**Operating costs £'000**	**Operating surplus £'000**
COMPANY				
Social housing lettings	**4,504**	**-**	**3,616**	**888**
Other social housing activities				
Other	**67**	**-**	**56**	**11**
Non social housing activities	**-**	**-**	**-**	**-**
Total	**4,571**		**3,672**	**899**

	2016			
	Turnover £'000	**Cost of sales £'000**	**Operating costs £'000**	**Operating surplus £'000**
GROUP				
Social housing lettings	**4,504**	**-**	**3,616**	**888**
Other social housing activities				
Other	**67**	**-**	**56**	**11**
Non social housing activities	**21**	**-**	**20**	**1**
Total	**4,592**	**-**	**3,692**	**900**

	2015			
	Turnover £'000	**Cost of sales £'000**	**Operating costs £'000**	**Operating surplus £'000**
COMPANY				
Social housing lettings	4,354	-	3,182	1,172
Other social housing activities				
Other		-	-	-
Non social housing activities	56	-	24	32
Total	4,410	-	3,206	1,204

	2015			
	Turnover £'000	**Cost of sales £'000**	**Operating costs £'000**	**Operating surplus £'000**
GROUP				
Social housing lettings	4,354	-	3,182	1,172
Other social housing activities				
Other	9	-	22	(13)
Non social housing activities	56	-	24	32
Total	4,419	-	3,228	1,191

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

GROUP AND COMPANY	GROUP 2016 General needs housing	GROUP 2016 Affordable housing	GROUP 2016 Total	COMPANY 2016 Total	GROUP 2015 Total
	£'000	£'000	£'000	£'000	£'000
INCOME					
Rents receivable	**3,529**	**72**	**3,601**	**3,601**	3,494
Service charges income	**668**	**-**	**668**	**668**	646
Amortised government grant	**218**	**36**	**254**	**254**	231
Gross rent receivable	**4,415**	**108**	**4,523**	**4,523**	4,371
Less rent losses from voids	**(19)**	**-**	**(19)**	**(19)**	(17)
Net rents receivable	**4,396**	**108**	**4,504**	**4,504**	4,354
Total income	**4,396**	**108**	**4,504**	**4,504**	4,354
EXPENDITURE					
Service charge costs	**670**	**-**	**670**	**670**	738
Management	**925**	**97**	**1,022**	**1,022**	795
Routine maintenance	**643**	**-**	**643**	**643**	675
Planned maintenance	**492**	**-**	**492**	**492**	292
Major repairs expenditure	**60**	**-**	**60**	**60**	-
Depreciation on Housing Properties	**657**	**-**	**657**	**657**	647
Bad debts	**72**	**-**	**72**	**72**	35
Operating costs	**3,519**	**97**	**3,616**	**3,616**	3,182
Operating surplus social housing lettings	**877**	**11**	**888**	**888**	1,172
Void losses	**(19)**	**-**	**(19)**	**(19)**	(17)

4. INTEREST RECEIVABLE

	GROUP 2016	GROUP 2015	COMPANY 2016	COMPANY 2015
	£'000	**£'000**	**£'000**	**£'000**
Bank interest receivable	**22**	23	**22**	23

5. INTEREST AND FINANCING COSTS

	GROUP 2016	GROUP 2015	COMPANY 2016	COMPANY 2015
	£'000	£'000	**£'000**	£'000
Interest payable on loans	**587**	600	**587**	600

6. SURPLUS BEFORE TAXATION

Surplus for the year is stated after charging/(crediting):

	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Depreciation of property, plant and equipment	726	688	726	688
Amortisation of intangible assets	-	-	-	-
Amortisation of government grants	(254)	(231)	(254)	(231)
Audit fees:				
- Statutory audit	12	11	12	11
- Taxation compliance services	1	1	1	1
Operating lease rentals	15	15	15	15

7. TAXATION ON ORDINARY ACTIVITIES

	GROUP		COMPANY	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
a) UK corporation tax at 20% (2015: 21%)	**66**	-	**66**	-

b) Tax charge per accounts

	GROUP 2016 £'000	GROUP 2015 £'000	COMPANY 2016 £'000	COMPANY 2015 £'000
Reconciliation of current tax charge				
Surplus on ordinary activities before tax	**335**	614	**334**	627
Tax on surplus on ordinary activities at standard CT rate of 20% (2015: 21%)	**67**	129	**67**	132
Effects of:				
Fixed asset timing differences	**135**	103	**135**	103
Depreciation in excess of capital allowances	**-**	4	**-**	4
Utilisation of tax losses and other deductions	**(160)**	(233)	**(160)**	(233)
Other short term timing differences	**1**	4	**1**	1
Expenses not deductible for tax purposes	**41**	(6)	**41**	(6)
Income not taxable for tax purposes	**(53)**	38	**(53)**	38
Amounts (charged)/credited direct to STRGL	**35**	(39)	**35**	(39)
Current tax (charge)/credit for the year	**66**	-	**66**	-

The company has an unrecognised deferred tax asset of £83k. The deferred tax asset has not been recognised on the grounds that it is not anticipated that it will crystalise in the near future.

There are no significant future taxation changes which would impact on the Company or Group.

8. STAFF COSTS

	2016 £'000	2015 £'000
Wages and salaries	**1,118**	**1,053**
Social security costs	**92**	**87**
Other pension costs (see note 29)	**135**	**127**
	1,345	**1,267**

The Full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 were as shown below.

	2016 Number	2015 Number
Salary Band £'000		
60,000 – 69,999	2	2
70,000 – 79,999	-	-
80,000 – 89,999	-	
90,000 – 99,999	1	1

The average full time equivalent number of employees was:

	2016 Number	2015 Number
Full time equivalents	**44**	**42**

The basis of the calculation of the full time equivalents was 35 hours per week

9. DIRECTORS' REMUNERATION AND TRANSACTIONS

Key management personnel remuneration

Directors who are executive staff members	2016 £'000	2015 £'000
Wages and salaries	**214**	212
Social security costs	**22**	22
Other pension costs	**8**	7

Board members
No payments are made to members of the Board.

	2016 £'000	2015 £'000
Remuneration of the highest paid director, excluding pension contributions:		
Emoluments	**94**	92

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

10. INTANGIBLE ASSETS

GROUP AND COMPANY	Software Costs £'000	Total £'000
At 1 April 2015	7	7
Additions	-	-
Disposals	-	-
AT 31 March 2016	7	7
AMORTISATION		
At 1 April 2015	-	-
Charge for the year	-	-
Disposals	-	-
AT 31 March 2016	-	-
NET BOOK VALUE		
At 1 April 2015	7	7
AT 31 March 2016	7	7

All intangible assets relate to externally purchased software.

11. TANGIBLE FIXED ASSETS

GROUP	Housing properties completed £'000	New office £'000	Computer equipment £'000	Office conversion £'000	Office furniture £'000	Site furniture £'000	Motor vehicles £'000	Total £'000
At 1 April 2015	24,218	855	54	245	113	217	30	25,732
Additions	883	-	8	-	1	38	-	930
Disposals	(75)	-	-	-	-	-	-	(75)
AT 31 March 2016	25,026	855	62	245	114	255	30	26,587
DEPRECIATION AND IMPAIRMENT								
At 1 April 2015	7,150	234	50	208	103	177	20	7,942
Charge for the year	657	16	7	13	4	25	4	726
Disposals	(72)	-	-	-	-	-	-	(72)
AT 31 March 2016	7,735	250	57	221	107	202	24	8,596
NET BOOK VALUE								
AT 31 March 2016	17,291	605	5	24	7	53	6	17,991
31 MARCH 2015	17,068	621	4	37	10	40	10	17,790

11. TANGIBLE FIXED ASSETS (continued)

WORKS TO EXISTING PROPERTIES	**2016** **£'000**	2015 £'000
Improvements capitalised	**883**	611
Repairs and maintenance charged to the Statement of Comprehensive Income	**1,135**	967
Total works to existing properties	**2,018**	1,578

HOUSING PROPERTIES COMPRISE:	**2015** **£'000**	2015 £'000
Freeholds	**25,026**	24,218

Freehold land and buildings with a carrying amount of 20.315 million (2015: £20.202 million) have been pledged to secure borrowings of the Association.

The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

11. TANGIBLE FIXED ASSETS (continued)

COMPANY	Housing properties completed £'000	New office £'000	Computer equipment £'000	Office conversion £'000	Office furniture £'000	Site furniture £'000	Motor vehicles £'000	Total £'000
At 1 April 2015	24,218	855	54	245	113	217	30	25,732
Additions	883	-	8	-	1	38	-	930
Disposals	(75)	-	-	-	-	-	-	(75)
AT 31 March 2016	25,026	855	62	245	114	255	30	26,587
DEPRECIATION AND IMPAIRMENT								
At 1 April 2015	7,150	234	50	208	103	177	20	7,942
Charge for the year	657	16	7	13	4	25	4	726
Disposals	(72)	-	-	-	-	-	-	(70)
AT 31 March 2016	7,735	250	57	221	107	202	24	8,596
NET BOOK VALUE								
AT 31 March 2016	17,291	605	5	24	7	53	6	17,991
31 MARCH 2015	17,068	621	4	37	10	40	10	17,790

11. TANGIBLE FIXED ASSETS (continued)

WORKS TO EXISTING PROPERTIES	**2016**	2015
	£'000	£'000
Improvements capitalised	**883**	611
Repairs and maintenance charged to the Statement of Comprehensive Income	**1,135**	967
Total works to existing properties	**2,018**	1,578

	2016	2015
HOUSING PROPERTIES COMPRISE:	**£'000**	£'000
Freeholds	**25,026**	24,218

Freehold land and buildings with a carrying amount of 20.315 million (2015: £20.202 million) have been pledged to secure borrowings of the Association.

The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Rent arrears	**204**	207	**204**	207
Provision for bad debts	**(83)**	(46)	**(83)**	(46)
Net rental arrears	**121**	161	**121**	161
Amounts owed by subsidiaries	**-**	-	**17**	-
Sales debtors	**105**	58	**81**	53
Other debtors	**21**	23	**21**	23
Prepayment and accrued income	**225**	226	**222**	226
	472	468	**462**	463

No disclosure has been made of the net present value of rental arrears subject to repayment plans as the amount is considered to be insignificant.

13. CASH AT BANK AND SHORT TERM DEPOSITS

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Cash at bank	**3,614**	4,052	**3,602**	4,041

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Obligations under finance leases	**-**	14	**-**	14
Amounts owed to subsidiaries	**-**	-	**-**	2
Trade creditors	**334**	330	**334**	330
Accruals and deferred income	**205**	578	**205**	578
Rents recieved in advance	**62**	43	**62**	43
Other creditors	**59**	33	**59**	33
Grants in Advance	**-**	76	**-**	76
Housing Loans	**650**	600	**650**	600
Disposal proceeds fund	**162**	222	**162**	222
Corporation tax	**66**	**-**	**66**	**-**
Other taxation and social security	**4**	**-**	**1**	**-**
	1,542	1,896	**1,539**	1,898

The loans are secured on freehold housing properties. Interest is payable at an average of 5.35%

The total accumulated amount of capital grant received or receivable at the balance sheet date is £9.561million.

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

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Other creditors				
Loans	**10,100**	10,750	**10,100**	10,750
Government grants	**7,359**	6,999	**7,359**	6,999
Defined benefit pension scheme liability (note 18)	**872**	909	**872**	909
	18,331	18,658	**18,331**	18,658
Ageing Analysis				
In one year or more but less than two years	**750**	650	**750**	650
In two years or more but less than five years	**4,700**	2,750	**4,700**	2,750
In five years or more	**4,650**	7,350	**4,650**	7,350
	10,100	10,750	**10,100**	10,750

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.

	GROUP AND COMPANY	
	2016	**2015**
	£'000	**£'000**
Deferred income - Government grants		
At 1 April 2015	6,999	6,860
Grants receivable	614	370
Amortisation to Statement of Comprehensive Income	(254)	(231)
At 31 March 2016	**7,359**	**6,999**

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
Disposals proceeds Fund				
At 1 April	**222**	222	**222**	222
Inputs	**-**	-	**-**	-
Recycling of grant	**(60)**	-	**(60)**	-
At 31 March 2016	**162**	222	**162**	222

Recycled Grant (£60k) is to support the Empty Homes programme in delivery of leased units

16. FINANCIAL COMMITMENTS

Capital commitments are as follows:

	2016 £'000	2015 £'000
Contracted for but not provided for in these financial statements	**2,040**	**-**
Approved by the directors but not contracted for in these financial statements	**571**	**-**
	2,611	**-**

The contracted works, in respect of render replacement on Hi Rise blocks will be funded from cash flow whilst the uncontracted work will commence on replacing the CCTV and Door Entry system after a contract is issued in the new financial year.

17. FINANCIAL INSTRUMENTS

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	2016 £'000	2015 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	22	23
Total interest expense for financial liabilities at amortised cost	(587)	(600)
	(565)	(577)

The carrying values of the Groups financial assets and liabilities are summarised by category below:

	2016 £'000	2015 £'000
Financial assets		
Measured at amortised cost		
• Rent arrears and other debtors	**121**	**161**
• Other debtors	**176**	**81**
• Cash at bank and other short term deposits	**3,614**	**4,052**
	3,911	**4,294**
Financial liabilities		
Measured at amortised cost		
• Loans payable	**10,750**	**11,350**
Measured at undiscounted amount payable		
• Trade and other creditors	**334**	**330**
• Other creditors	**53**	**47**
	11,137	**11,727**

18. PENSION OBLIGATIONS

General

Ashton Pioneer Homes participates in 2 pension schemes for its employees being the Social Housing Pension Scheme and the Greater Manchester Pension Fund.

Social Housing Pension Scheme (SHPS)

The Scheme is funded and is contracted out of the state pension scheme until 6 April 2016.

The Company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

Tier 1 From 1 April 2016 to 30 September 2020:	£40.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)
Tier 2 From 1 April 2016 to 30 September 2023:	£28.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)
Tier 3 From 1 April 2016 to 30 September 2026:	£32.7m per annum (payable monthly and increasing by 3.0% each year on 1st April)
Tier 4 From 1 April 2016 to 30 September 2026:	£31.7m per annum (payable monthly and increasing by 3.0% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement, the Company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

18 PENSION OBLIGATIONS (Continued)

PRESENT VALUES OF PROVISION

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2016 (£000s)	**Period Ending** 31 March 2015 (£000s)
Provision at start of period	395	411
Unwinding of the discount factor (interest expense)	7	12
Deficit contribution paid	(48)	(46)
Remeasurements - impact of any change in assumptions	(3)	18
Remeasurements - amendments to the contribution schedule	129	-
Provision at end of period	480	395

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2016 (£000s)	**Period Ending** 31 March 2015 (£000s)
Interest expense	7	12
Remeasurements – impact of any change in assumptions	(3)	18
Remeasurements – amendments to the contribution schedule	129	-

ASSUMPTIONS

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.06	1.92	3.02

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

18 PENSION OBLIGATIONS (Continued)

The Greater Manchester Pensions Fund

The latest formal valuation of the Greater Manchester Pensions Fund Scheme was at 31st March 2015 with the next formal valuation due as at 31st March 2016. The financial assumptions underlying the valuation were as follows:

	2016	2015	2014	2013
Rate of increase in salaries	**3.5%**	3.6%	3.9%	4.6%
Rate of inflation/increase in pensions	**2.2%**	2.4%	2.8%	2.8%
Discount rate	**3.5%**	3.2%	4.3%	4.5%
Expected return on assets	**-**	3.2%	5.9%	5.1%

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

	Long-term rate of return expected at 2016	**Value at 2016 £'000**	Long-term rate of return expected at 2015	Value at 2015 £'000	Long-term rate of return expected at 2014	Value at 2014 £'000
Equities	73%	861	3.2%	845	6.6%	730
Bonds	17%	201	3.2%	197	3.8%	172
Property	6%	71	3.2%	69	4.8%	61
Cash	4%	47	3.2%	46	3.7%	51
		1,180		1,157		1,014
Total market value of assets		**1,180**		1,157		1,014
Present value of scheme liabilities		**(1,572)**		(1,671)		(1,344)
Net pension liability		**(392)**		(514)		(330)

Analysis of the amount charged to operating surplus:

	2016 £'000	2015 £'000
Current service cost	**43**	34
Past service cost	**-**	-
Total operating charge	**43**	34

Analysis of the amount charged to interest and financing costs:

	2016 £'000	2015 £'000
Expected return on Employer Assets	**(38)**	(44)
Interest on pension scheme liabilities	**54**	58
Total operating charge	**16**	14

18 PENSION OBLIGATIONS (Continued)

Analysis of amount recognised in Other Comprehensive Income:

	2016 £'000	2015 £'000
Actual return less expected return on assets	**(7)**	119
Experience gains and losses on liabilities	**12**	7
Changes in assumption underlying the present value of scheme liabilities	**174**	(252)
Actuarial (loss) / surplus recognised in Other Comprehensive Income	**179**	(126)

Movement in deficit during the year:

	2016 £'000	2015 £'000
Deficit in scheme at beginning of the year	**(514)**	(330)
Movement in year:		
Current service cost	**(43)**	(34)
Interest Cost	**(54)**	(58)
Contributions	**40**	34
Net return on assets	**(7)**	119
Actuarial gain/(loss)	**186**	(245)
Deficit in scheme at end of year	**(392)**	(514)

The pension charge during the year was £28,484 (2015: £28,410).

The estimated employer's contribution for the year to 31 March 2017 will be approximately £30,000 (2016 £28,484)

History of experience gains and losses

	2016 £000	2015 £000	2014 £000	2013 £'000
Actual return less expected return on assets - ('000's)	**(7)**	59	(155)	87
Experience gains and losses on liabilities - ('000's)	**12**	7	200	2
Actuarial gains/(losses) recognised in Other Comprehensive Income - ('000's)	**179**	(126)	47	(96)

19. UNITS/BEDSPACES

	GROUP		COMPANY	
	2016	2015	**2016**	2015
Social Housing				
Under development at the end of the year:				
Housing accommodation	**11**	9	**11**	9
Under management at the end of the year:				
Housing accommodation	**929**	928	**929**	928
	940	937	**940**	937

20. RELATED PARTIES

The Board has tenant members namely, Colin McCord (resigned 18th February 2016), Helen Ruth Bradbury (Appointed 19 November 2015) and Sean Allen (resigned 21st May 2015) who hold/held tenancy agreements on normal terms and cannot use their position to their advantage.

David Postlethwaite, Joyce Bowerman, Gerald Patrick Cooney and David Hugh McNally are nominees of Tameside MBC. All transactions with Tameside MBC are held at arms length and are made on normal commercial terms.

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 2016 Ashton Pioneer Homes Limited owed £ NIL (2015 : £NIL) to APH Developments Limited. Its accounts form part of these consolidated accounts and cover its activities in supporting Ashton Pioneer Homes in its development of new properties. APH Developments Limited is not registered with the Homes and Communities Agency.

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. At 31 March 2016 Ashton Pioneer Homes Limitedd were owed £16,670 by Pioneer Homes Services Ltd, (2015 owed to Pioneer Homes Services Ltd: £1,590). Its accounts form part of these consolidated accounts and cover its activities in housing outside of the social environment. Pioneer Homes Services Ltd is not registered with the Homes and Communities Agency.

21. Explanation of transition to FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

In carrying out the transition to FRS 102, the Group has not applied any of the optional exemptions as permitted by Section 35 Transition to this FRS.

Reconciliation of net assets and reserves at 1 April 2014 for the Company - date of transition to FRS 102

	UK GAAP as previously reported	Effect of transition into FRS 102			FRS 102
		A	B	C	
	£'000	£'000	£'000	£'000	£'000
ASSETS					
Fixed assets					
Intangible assets	-	7	-	-	7
Property,plant and equipment	10,121	9,308	(1,613)	-	17,816
	10,121	9,315	(1,613)	-	17,823
Current assets					
Trade and other receivables	338	-	-	-	338
Cash	3,215	-	-	-	3,215
	3,553	-	-	-	3,553
Total assets	13,674	9,315	(1,613)	-	21,376
LIABILITIES					
Current liabilities					
Trade and other payables	(627)	(73)	-	-	(700)
	(627)	-	-	-	(700)
Non-current liabilities					
Loans and borrowings	(11,800)	-	-	-	(11,800)
Pensions	(330)	-	-	(411)	(741)
Creditors over 1 year	-	(6,860)	-	-	(6,860)
	(12,130)	(6,860)	-	(411)	(19,401)
Total liabilities	**(12,757)**	**(6,933)**	**-**	**(411)**	**(20,101)**
Net assets	**917**	**2,382**	**(1,613)**	**(411)**	**1,275**
CAPITAL AND RESERVES					
Share capital	-	-	-	-	-
Revenue reserve	917	**2,382**	**(1,613)**	**(411)**	**(1,275)**
Total Reserves	917	**2,382**	**(1,613)**	**(411)**	**(1,275)**

21. Explanation of transition to FRS 102 (continued)

Reconciliation of net assets and reserves at 1 April 2015

	UK GAAP as previously reported	Effect of transition into FRS 102			FRS 102
		A	B	C	
	£'000	£'000	£'000	£'000	£'000
ASSETS					
Fixed assets					
Intangible assets	-	7	-	-	7
Property,plant and equipment	9,957	9,659	(1,806)	-	17,790
	9,957	**9,646**	**(1,806)**	**-**	**17,797**
Current assets					
Trade and other receivables	468	-	-	-	468
Cash	4,052	-	-	-	4,052
	4,520	**-**	**-**	**-**	**4,520**
Total assets	**14,477**	**9,646**	**(1,806)**	**-**	**22,317**
LIABILITIES					
Current liabilities					
Trade and other payables	(1,896)	-	-	-	(1,896)
	(1,896)	**-**	**-**	**-**	**(1,896)**
Non-current liabilities					
Loans and borrowings	(10,750)	-	-	-	(10,750)
Pensions	(514)	-	-	(395)	(909)
Creditors over 1 year	-	(6,999)	-		(6,999)
	(11,264)	**(6,999)**	**-**	**(395)**	**(18,658)**
Total liabilities	**(13,160)**	**(6,999)**	**-**	**(395)**	**(20,554)**
Net assets	**1,317**	**2,647**	**(1,806)**	**(395)**	**1,763**
CAPITAL AND RESERVES					
Share capital	-			-	-
Revenue reserve	1,317	2,647	(1,806)	(395)	(1,763)
Total reserves	**1,317**	**2,647**	**(1,806)**	**(395)**	**(1,763)**

21. Explanation of transition to FRS 102 (continued)

Reconciliation of total comprehensive income for the year ended 31 March 2015

	UK GAAP as previously reported	**Effect of transition into FRS 102**			**FRS 102**
		A	**B**	**C**	
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Turnover	**4,188**	**231**	**-**	**-**	**4,419**
Operating expenditure	(3,025)	-	(159)	(44)	(3,228)
Operating surplus	**1,163**	**231**	**(159)**	**(44)**	**1,191**
Interest receivable	23	-	-	-	23
Interest and financing costs	(600)	-	-	-	(600)
Surplus for the year	**586**	**231**	**(159)**	**(44)**	**614**
Actuarial (loss) / gain in respect of pension schemes	(186)	-	-	60	(126)
Total comprehensive income for the year	**400**	**231**	**(159)**	**16**	**488**

Adjustments to Assets and Reserves at 1st April 2014
Column A represents the changes in the treatment of grants following FRS102 adjustments.
Column B represents the changes in the calculation of Depreciation following FRS 102 adjustments.
Column C represents changes in Pensions following FRS 102 adjustments.

Adjustments to Assets and Reserves at 1st April 2015
Column A represents the changes in the treatment of grants following FRS102 adjustments.
Column B represents the changes in the calculation of Depreciation following FRS 102 adjustments.
Column C represents changes in Pensions following FRS 102 adjustments.

Adjustments to Total Comprehensive Income at 1st April 2015
Column A represents the changes in the treatment of grants following FRS102 adjustments.
Column B represents the changes in the calculation of Depreciation following FRS 102 adjustments.
Column C represents changes in Pensions following FRS 102 adjustments.

21. Explanation of transition to FRS 102 (continued)

Holiday pay accrual

FRS 102 requires short term employee benefits to be charged in surplus or deficit to the Statement of Comprehensive Income as the employee service is received. This has resulted in the Company recognising a liability for holiday pay of £15,381 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the Statement of Comprehensive Income account as they were paid. In the year to 31 March 2015 an additional charge of £nil was recognised in the Statement of Comprehensive Income and the liability at 31 March 2015 was £nil.

Other Adjustments arising on transition to FRS 102

In addition to the transition adjustments identified above which affect the surplus for the financial year, the following adjustments have arisen which have had no effect on net reserves or Statement of Comprehensive Income but which have affected the presentation of these items on the Statement of Financial Position. The main items are:

(a) Computer software,
Software with a net book value of £7,000 at 1 April 2014, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the Company's net assets nor on the surplus for the year.

(b) Statement of cash flows
The Company's cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition the cash flow statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.

22. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	GROUP AND COMPANY	
	2016	**2015**
Other	**£'000**	**£'000**
Payments due:-		
- within one year	**13**	**1**
- between one and five years	**40**	**66**
	53	**67**