

Registered number: 02677365
Charity number: 1010701

ACRE HOUSING

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



ACRE HOUSING

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ACRE HOUSING

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

A S Bryan
J Pozzoni
M Stoddart (appointed 16 July 2020)
S Tearle (resigned 15 June 2020)
Lady J Thomson

Jennifer Pozzoni, who was appointed on 20 May 2015, retired in accordance with the Articles of Association at the 2020 Annual General meeting and was re-elected. The Trustee retiring by rotation at the next AGM in accordance with the Articles of Association is Lady Jan Thomson, who is eligible to offer herself for re-election.

Company registered number

02677365

Charity registered number

1010701

Registered office

1 London Street
Reading
Berkshire
RG1 4PN

Company secretary

S E Vandersteen

Executive management and advice

Christopher Ingram, Chief Executive of Style Acre
Sarah Stuart, Finance Director of Style Acre

The trustees have engaged Style Acre to provide the day to day management of the Charity. As such, they have delegated the day to day management to Style Acre's executive directors from whom they take advice concerning the management of the charity.

Independent auditor

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Bankers

National Westminster Bank Plc
PO Box 13
30 Market Place
Newbury
Berkshire
RG14 5AJ

ACRE HOUSING

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Solicitors

Field Seymour Parkes
The Old Coroner's Court
No. 1 London Street
PO Box 174
Reading
Berkshire
RG1 4PN

ACRE HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of Acre Housing for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

The charity is established to relieve the needs of persons with learning disabilities by:

1. the provision, maintenance and management of residential accommodation specifically for those individuals;
2. the provision of advice and assistance in matters relating to their housing needs.

Charitable activities

Operating in Oxfordshire, Acre Housing has been providing specialised housing for adults with learning disabilities since 2004. Beneficiaries are able to approach us directly for help or via their care manager. At the year end, Acre Housing owned or rented 40 properties providing homes for 94 tenants, all of whom are adults with learning disabilities and a wide variety of conditions such as autism, cerebral palsy, dementia and Down's syndrome.

Public benefit

Acre Housing provides rented housing for adults aged over 18 years with a learning disability regardless of sex, financial means, sexual orientation or ethnic background. Potential tenants are able to ask the charity directly for housing or to approach us through their care manager.

Being able to live in their own home is a great benefit to the people we support as, historically, they have been a group of people for whom housing has been difficult to obtain. Acre Housing gives a new lease of life to its tenants, providing them with specially adapted accommodation to suit their individual needs and requirements.

The charity is only limited in its ability to provide housing by its income and donations. The provision of housing is also of great benefit to the families of the people we house as they may have been the main carers for many years and this enables them to feel reassured for the long term future of their relative. We also provide tangible benefits to local communities which gain from the overall experience of getting to know people with learning disabilities (who now live amongst them) and recognising that they have the same rights of access to the local community as every other member of society. If people with learning disabilities and other associated conditions were not supported to live in ordinary houses they would be at risk of being forced into more institutionalised forms of care.

In preparing these financial statements and their report, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit and that they consider that the objectives and activities of Acre Housing have historically and continue to fall within the scope of that guidance.

ACHIEVEMENT AND PERFORMANCE

Operating review

Despite the COVID 19 pandemic this has been another successful year for Acre Housing. The majority of our tenants have continued to live in our properties throughout the year, their homely nature and the specialist features helping make the challenges the year has brought easier for both the tenants and their support staff.

ACRE HOUSING

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

All of the properties in our portfolio continue to be well maintained. In order to ensure the safety of the tenants throughout the pandemic, maintenance during lockdown periods have been limited to emergency maintenance. During the periods when restrictions have been lifted other remedial works have been carried out and the annual maintenance programme resumed to highlight areas of concern. Remedial works highlighted by our contractors have been carried out as soon as possible given COVID 19 restrictions to prevent future damage to the properties.

The charity has not conducted any fundraising activities during the year, as there were no major projects to support.

During the year the significant redevelopment of our property in Wantage was completed and the tenants moved in in October 2020, slightly later than hoped as a result of the impact of COVID 19 restrictions on the works. The property has provided a home for three tenants with complex behaviours and high support needs and has an additional room for a fourth tenant in the future.

In addition, we have leased a property in Oxford from a family for four tenants with low support needs. The tenants moved in August 2020 and are currently enjoying their new home.

The redevelopment work that were planned at two properties, both in Didcot to improve the living area of one house and build an annexe at the second was also delayed as result of the COVID 19 restrictions. Work has now begun at one of the properties and it is anticipated that the works at the second will be begin in the autumn to allow the tenants to enjoy the garden over the summer months.

During the autumn of 2021, Acre Housing plans to purchase an additional property in Banbury to provide a home for at least three tenants with complex behaviours and high support needs.

The accessible sensory garden at the Henley property is now complete and has allowed tenants to both access and enjoy the outdoor space surrounding their home; this has been particularly valuable during the COVID 19 restrictions.

Feedback is given to the charity if there are any concerns about properties by the support providers who facilitate tenant groups. There has been no negative feedback to date. The properties are usually visited a minimum of three times per annum to check their condition and to establish a redecoration and refurbishment programme. To ensure the safety of the tenants and comply with COVID 19 restrictions this has not been possible during the year. Visits have been carried out where appropriate and we will return to the standard three visits per year going forwards as restrictions lift.

Whilst our tenants would usually take an active part in their local communities, regularly attend groups, clubs and activities organised by the local church, social and sports clubs and other community groups this has been very limited during the past year to ensure the safety of our tenants. We are however delighted to see all our tenants and their support teams embrace the changes the year brought and take the opportunity to try new activities, enjoy their local environment and keep active throughout.

FINANCIAL REVIEW

Financial position

The trustees are very happy that robust financial procedures are in place and that the charity is financially secure. Detailed financial information is made available at each trustee meeting, with performance against budget monitored closely.

The majority of the charity's income is derived from rental income from the properties which are let to people with learning disabilities. This year this has amounted to £1,035,745 and the remaining income has arisen from interest earned of £231 and donations of £5,496. No properties were disposed of or acquired during the year. Cash reserves have increased to £578,705 during the year.

ACRE HOUSING

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Additionally, the charity recognises a continuing liability of £180,000 in Didcot. This is for a grant made by the Secretary of State for Health when the property was originally purchased, which is secured by a covenant and charge over the property. The covenant states that the grant is an interest free loan, which is repayable in the event that the property is sold, unless the purchaser continues to use the property for the purpose of providing supporting living. In these circumstances, the liability represented by the covenant and charge over the property can be transferred to a new owner.

Reserves policy

The Trustees review the reserve levels of the Charity annually considering the income and expenditure and the current property portfolio. The Trustees also take into consideration the future plans of the charity, the need for future investment into the property portfolio and key risks identified.

The Trustees have determined that the appropriate level of general reserves should be approximately 1% of total incoming resources to enable the ongoing administrative activities of the charity. The majority of the financial commitment of the charity is in relation to the property portfolio and as such all remaining reserves are held as designated reserves to ensure sufficient funds are available to ensure the ongoing maintenance and investment in the property portfolio.

The Charity's current level of reserves (defined as restricted general funds, designated funds unrestricted funds) is £10,937,447, of which £578,705 is held as cash with the remaining held as fixed assets. The current level of reserves is in line with our target level of cash reserves.

FUTURE PLANS

During the year the Trustees reviewed their strategy for the next five years, recognising the financial pressures which the local authority and care providers operate under, and how this may impact housing demand, both in the nature of the properties required and their location.

The Trustees also reviewed the charity's overall property portfolio to consider how well individual properties are performing and how well they fit with housing demand from our target resident group. Part of our strategy is to incorporate self-contained annexes in our existing portfolio where such potential exists. This may be achieved by the conversion of existing spaces, such as lofts, garages or summerhouses, or by building separately where part of the garden provides enough space and suitable access. This helps provide single person accommodation, which would be unsustainable as an individual property.

No properties were purchased during the year however Acre Housing plan to purchase an additional property in Banbury during the coming year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Induction and training of new trustees

New trustees are given a thorough induction in line with guidance from the Charity Commission. They are encouraged to meet tenants and to understand their particular needs. Training is organised as required and the trustees review their skills mix on an annual basis.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for undertaking an annual risk assessment of the charity. From this an annual development plan is drawn up and implemented. A maintenance and refurbishment schedule is set each year to ensure the housing stock remains in good condition.

ACRE HOUSING

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Acre Housing for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

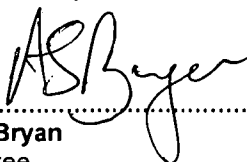
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

As part of the 5 year planning cycle in which all major contracts are tendered at some point, audit services were tendered by the Trustees during the year. In accordance with the Companies Act 2006, a resolution proposing the appointment of James Cowper Kreston was submitted to Trustee at the meeting held on 10 December 2020 and was carried unanimously.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
A S Bryan
Trustee
Date: 21/7/2021

ACRE HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRE HOUSING

Opinion

We have audited the financial statements of Acre Housing (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

ACRE HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRE HOUSING (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

ACRE HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRE HOUSING (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

ACRE HOUSING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRE HOUSING (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren O'Connor BSc (Hons) FCCA ACA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 22 July 2021

ACRE HOUSING

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies		5,496	-	5,496	-
Charitable activities	3	-	1,035,745	1,035,745	967,831
Other trading activities		-	-	-	250
Investment income		-	231	231	980
Total income		5,496	1,035,976	1,041,472	969,061
Expenditure on:					
Charitable activities		-	522,227	522,227	542,448
Total expenditure		-	522,227	522,227	542,448
Net income					
Transfers between funds	10	5,496 (316)	513,749 316	519,245 -	426,613 -
Net movement in funds		5,180	514,065	519,245	426,613
Reconciliation of funds:					
Total funds brought forward		591,412	9,826,790	10,418,202	9,991,589
Net movement in funds		5,180	514,065	519,245	426,613
Total funds carried forward		596,592	10,340,855	10,937,447	10,418,202

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 28 form part of these financial statements.

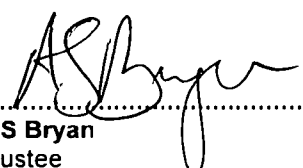
ACRE HOUSING
REGISTERED NUMBER: 02677365

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	11,964,150	11,586,463
Current assets			
Debtors	7	62,501	50,526
Cash at bank and in hand		578,705	549,468
		<u>641,206</u>	<u>599,994</u>
Creditors: amounts falling due within one year	8	(271,553)	(228,073)
Net current assets		<u>369,653</u>	<u>371,921</u>
Total assets less current liabilities		<u>12,333,803</u>	<u>11,958,384</u>
Creditors: amounts falling due after more than one year	9	(1,396,356)	(1,540,182)
Total net assets		<u><u>10,937,447</u></u>	<u><u>10,418,202</u></u>
Charity funds			
Restricted funds	10	596,592	591,412
Unrestricted funds	10	10,340,855	9,826,790
Total funds		<u><u>10,937,447</u></u>	<u><u>10,418,202</u></u>

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
A S Bryan
Trustee


.....
Lady J Thomson
Trustee

Date: 21 July 2021

The notes on pages 14 to 28 form part of these financial statements.

ACRE HOUSING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash generated from operating activities	13	645,350	494,899
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		-	143,614
Purchase of tangible fixed assets		(396,707)	(536,070)
Interest received		231	980
Net cash used in investing activities		(396,476)	(391,476)
Cash flows from financing activities			
Cash inflows from new borrowing		-	350,000
Repayments of borrowing		(170,939)	(140,460)
Interest paid		(48,698)	(49,602)
Net cash (used in)/provided by financing activities		(219,637)	159,938
Change in cash and cash equivalents in the year		29,237	263,361
Cash and cash equivalents at the beginning of the year		549,468	286,107
Cash and cash equivalents at the end of the year	14	578,705	549,468

The notes on pages 14 to 28 form part of these financial statements

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ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Acre Housing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Incoming resources represent income receivable from fund raising. Donations and gifts, interest received, rental income and housing benefits.

Grants and donations receivable are included in the year in which the offer is conveyed to the Charity, except in those cases where the offer has conditions, such as grants and donations being recognised as income when the conditions have been fulfilled. Grants and donations offered subject to conditions which have not been met at the year end are not included in the financial statements.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

The estimated useful lives are as follows:

Long-term leasehold property	- over the term of the lease
Fixtures and fittings	- 15% reducing balance

Depreciation has not been provided in respect of freehold property. The company adopts a policy of fully maintaining its buildings and as such the residual value is so high and the expected useful life is so long, that the depreciation charge would be immaterial both in terms of the depreciation charged for the year and the cumulative charge to the balance sheet.

The freehold and long leasehold buildings are reviewed annually for any signs of impairment by the trustees.

Items included in fixed assets are capitalised where the purchase cost exceeds £1,000, where the expenditure is deemed to add to the market value of the property. Where works are carried out specifically to meet the needs of current or incoming tenants the cost is written off when incurred.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

1.9 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

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

The most significant estimates and assumptions which affect the carrying amount of each assets and liabilities in the accounts relates to:

Depreciation - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Accommodation provision and related services	1,035,745	1,035,745	967,831
	<hr/>	<hr/>	<hr/>
Total 2020	967,831	967,831	
	<hr/>	<hr/>	

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Analysis of expenditure on charitable activities

	Direct costs 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Accommodation provision and related services	419,149	96,065	7,013	522,227	542,448
	<u>419,149</u>	<u>96,065</u>	<u>7,013</u>	<u>522,227</u>	<u>542,448</u>
Total 2020	433,541	103,000	5,907	542,448	
	<u>433,541</u>	<u>103,000</u>	<u>5,907</u>	<u>542,448</u>	

Of the £522,227 expended during the year £522,227 was unrestricted (2020: £542,448 unrestricted)

A donation of £96,065 was paid during the year to Style Acre (2020: £98,000 paid and a further £5,000 accrued at the year end).

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Analysis of expenditure on charitable activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Rates and water	35,081	30,946
Insurance	9,796	8,840
Housing rent paid	9,035	8,711
Leasehold service charges	27,193	26,935
Repairs and renewals	190,778	232,453
Administration and housing management fees	65,275	65,275
Legal and professional fees	14,273	7,285
Depreciation	19,020	22,716
(Gain)/loss on sale of tangible fixed assets	-	(19,222)
Bank charges and interest	1,631	6,316
Loan interest	47,067	43,286
	419,149	433,541

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Auditors' remuneration	6,000	2,390
Auditors' remuneration for non audit work	250	2,230
General expenses	763	1,287
	7,013	5,907

5. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020: £Nil).

During the year, no Trustee expenses have been incurred (2020: £Nil).

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. Tangible fixed assets

	Freehold property £	Long leasehold £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2020	10,321,345	1,423,303	16,623	11,761,271
Additions	391,211	-	5,496	396,707
At 31 March 2021 [^]	<u>10,712,556</u>	<u>1,423,303</u>	<u>22,119</u>	<u>12,157,978</u>
Depreciation				
At 1 April 2020	-	166,015	8,793	174,808
Charge for the year	-	17,708	1,312	19,020
At 31 March 2021	<u>-</u>	<u>183,723</u>	<u>10,105</u>	<u>193,828</u>
Net book value				
At 31 March 2021	<u>10,712,556</u>	<u>1,239,580</u>	<u>12,014</u>	<u>11,964,150</u>
At 31 March 2020	<u>10,321,345</u>	<u>1,257,288</u>	<u>7,830</u>	<u>11,586,463</u>

The net book value represents fixed assets used for direct charitable purposes.

The Trustees are of the opinion that freehold properties with a net book value of £10,712,556 have a market value of £11,735,000 as at 31 March 2021. The freehold properties are held at historic cost.

Long leasehold properties with a net book value of £1,239,580 have a market value of £1,757,000 as at 31 March 2021. The long leasehold properties are held at historic cost.

7. Debtors

	2021 £	2020 £
Trade debtors	9,441	7,821
Other debtors	6,771	14,675
Prepayments and accrued income	46,289	28,030
	<u>62,501</u>	<u>50,526</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	140,972	168,085
Trade creditors	11,305	17,641
Other creditors	94,780	21,217
Accruals and deferred income	24,496	21,130
	<u>271,553</u>	<u>228,073</u>

The bank loans are secured against the freehold properties of the charity.

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>1,396,356</u>	<u>1,540,182</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	<u>109,361</u>	<u>138,218</u>
Between two and five years		
Bank loans	<u>328,083</u>	<u>317,013</u>
Over five years		
Bank loans	<u>958,912</u>	<u>1,084,951</u>

The bank loans are secured against the freehold properties of the charity.

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Designated funds	6,087,167	-	-	522,083	6,609,250
Designated funds - donated properties	3,729,623	-	-	(8,018)	3,721,605
	<u>9,816,790</u>	<u>-</u>	<u>-</u>	<u>514,065</u>	<u>10,330,855</u>
General funds					
General fund	<u>10,000</u>	<u>1,035,976</u>	<u>(522,227)</u>	<u>(513,749)</u>	<u>10,000</u>
Total Unrestricted funds	<u>9,826,790</u>	<u>1,035,976</u>	<u>(522,227)</u>	<u>316</u>	<u>10,340,855</u>
Restricted funds					
Charles Road	201,801	-	-	(179)	201,622
Hagbourne Road	71,083	-	-	-	71,083
Fir Tree Avenue	25,000	-	-	-	25,000
Bradstocks Way	82,299	-	-	-	82,299
Slade Road	41,500	-	-	-	41,500
Bryan Way	155,500	-	-	-	155,500
Steventon Road	429	-	-	-	429
Virginia Way	13,800	-	-	-	13,800
Ashfield Road	-	5,496	-	(137)	5,359
	<u>591,412</u>	<u>5,496</u>	<u>-</u>	<u>(316)</u>	<u>596,592</u>
Total of funds	<u>10,418,202</u>	<u>1,041,472</u>	<u>(522,227)</u>	<u>-</u>	<u>10,937,447</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Designated funds	4,734,745	-	-	1,352,422	6,087,167
Designated funds - donated properties	4,655,288	-	-	(925,665)	3,729,623
	<u>9,390,033</u>	<u>-</u>	<u>-</u>	<u>426,757</u>	<u>9,816,790</u>
General funds					
General fund	<u>10,000</u>	<u>969,061</u>	<u>(542,448)</u>	<u>(426,613)</u>	<u>10,000</u>
Total Unrestricted funds	<u>9,400,033</u>	<u>969,061</u>	<u>(542,448)</u>	<u>144</u>	<u>9,826,790</u>
Restricted funds					
Charles Road	201,945	-	-	(144)	201,801
Hagbourne Road	71,083	-	-	-	71,083
Fir Tree Avenue	25,000	-	-	-	25,000
Bradstocks Way	82,299	-	-	-	82,299
Slade Road	41,500	-	-	-	41,500
Bryan Way	155,500	-	-	-	155,500
Steventon Road	429	-	-	-	429
Virginia Way	13,800	-	-	-	13,800
	<u>591,556</u>	<u>-</u>	<u>-</u>	<u>(144)</u>	<u>591,412</u>
Total of funds	<u>9,991,589</u>	<u>969,061</u>	<u>(542,448)</u>	<u>-</u>	<u>10,418,202</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Statement of funds (continued)

Purpose of restricted funds:

Charles Road

The funds received in respect of Charles Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Included within restricted funds in respect of Charles Road is a donation for the purchase of fixtures and fittings of £7,040. These funds are being amortised to match the depreciation being charged in the financial statements of £179 (2020: £144).

Hagbourne Road

The funds received in respect of Hagbourne Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Fir Tree Avenue

The funds received in respect of Fir Tree Avenue have been utilised and then capitalised within tangible fixed assets under freehold property.

Bradstocks Way

The funds received in respect of Bradstocks Way have been utilised and then capitalised within tangible fixed assets under freehold property.

Slade Road

The funds received in respect of Slade Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Bryan Way

The funds received in respect of Bryan Way have been utilised and then capitalised within tangible fixed assets under freehold property.

Steventon Road

The funds received in respect of Steventon Road have been utilised and then capitalised within tangible fixed assets under freehold property.

Virginia Way

The funds received in respect of Virginia Way have been utilised and then capitalised within tangible fixed assets under freehold property.

Ashfield Road

During the year a donation of £5,496 was received for the purchase of fixtures and fittings at Ashfield Road. These funds are being amortised to match the depreciation being charged in the financial statements of £137 (2020: £Nil).

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	9,816,790	-	-	514,065	10,330,855
General funds	10,000	1,035,976	(522,227)	(513,749)	10,000
Restricted funds	591,412	5,496	-	(316)	596,592
	<u>10,418,202</u>	<u>1,041,472</u>	<u>(522,227)</u>	<u>-</u>	<u>10,937,447</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	9,390,033	-	-	426,757	9,816,790
General funds	10,000	969,061	(542,448)	(426,613)	10,000
Restricted funds	591,556	-	-	(144)	591,412
	<u>9,991,589</u>	<u>969,061</u>	<u>(542,448)</u>	<u>-</u>	<u>10,418,202</u>

12. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	596,592	11,367,558	11,964,150
Current assets	-	641,206	641,206
Creditors due within one year	-	(130,581)	(130,581)
Creditors due in more than one year	-	(1,537,328)	(1,537,328)
Total	<u>596,592</u>	<u>10,340,855</u>	<u>10,937,447</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	591,412	10,995,051	11,586,463
Current assets	-	599,994	599,994
Creditors due within one year	-	(228,073)	(228,073)
Creditors due in more than one year	-	(1,540,182)	(1,540,182)
Total	591,412	9,826,790	10,418,202

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	519,245	426,613
Adjustments for:		
Depreciation charges	19,020	20,568
Loss/(profit) on the sale of fixed assets	-	(19,222)
Increase in debtors	(11,975)	(54)
Increase in creditors	70,593	18,372
Interest received	(231)	(980)
Interest paid	48,698	49,602
Net cash provided by operating activities	645,350	494,899

14. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	578,705	549,468
Total cash and cash equivalents	578,705	549,468

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	549,468	29,237	578,705
Debt due within 1 year	(168,085)	27,113	(140,972)
Debt due after 1 year	(1,540,182)	143,826	(1,396,356)
	<u>(1,158,799)</u>	<u>200,176</u>	<u>(958,623)</u>

16. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Development of property	<u>221,102</u>	<u>-</u>

17. Operating lease commitments

At 31 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	25,533	8,840
Later than 1 year and not later than 5 years	35,358	35,358
Later than 5 years	89,869	98,709
	<u>150,760</u>	<u>142,907</u>

ACRE HOUSING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. Related party transactions

Style Acre, a charitable company, provide day to day executive management for Acre Housing and are deemed to be a related party.

During the year the following transactions took place with Style Acre:

Administration charges totalling £65,275 (2020: £65,275) were charged by Style Acre in respect of general administration costs, including housing and property management.

During the year Acre Housing made an unrestricted grant to Style Acre of £96,065 (2020: £103,000).

As at 31 March 2021 an amount of £33 was owed to Style Acre (2020: £6,863 was owed by Style Acre).

Style Acre Trading is a wholly owned trading subsidiary of Style Acre. Style Acre Trading Limited have granted a tenancy to Acre Housing for part of a building it owns, which Acre Housing in turn sublets to service users in supported housing.

During the year the following transactions took place with Style Acre Trading Limited:

Housing rent and leasehold service charges totalling £30,809 (2020: £30,711) were charged by Style Acre Trading Limited.

As at 31 March 2021 an amount of £642 was owed by Style Acre Trading (2020: £Nil).