

Leazes Homes Limited
(a company limited by guarantee and not having a share capital)

Report and Financial Statements
For the year ended 31 March 2011

Charity Number: 1133627
Company Number: 6888341
TSA Registration Number: 4633

Reference and Administrative Details

Board

D W Midgley (Chair)
S C Murphy
H McStravick (appointed 25 May 2011)
R Higgins (appointed 7 July 2011)
C Tweedie
C Waddell (appointed 20 January 2011)
Vacancy Ordinary Trustee

T R Weightman (resigned 25 October 2010)
J Emmerson (resigned 7 April 2011)
R L Renton (resigned 25 May 2011)
D S Slesenger (resigned 25 May 2011)

Charity Number 1133627

Company Number 6888341

TSA Registration Number 46333

Company Secretary M Dickson

Registered Office YHN House
Benton Park Road
Newcastle upon Tyne
NE7 7LX

Auditors Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers The Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Solicitors Mr Stuart Ovens
Head of Corporate Law
Chief Executives Office
Civic Centre
Barras Bridge
Newcastle upon Tyne
NE99 1RD

Directors' Report for the year ended 31 March 2011

The Trustees, who are Directors for Company Law purposes, present their report and financial statements for the year ended 31 March 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated on 27 April 2009 and registered as a Charity on 20th January 2010.

The accounting reference date was changed to 31 March to bring it into line with that of the company's parent undertaking, Your Homes Newcastle Limited.

Governing documents

The charity's governing documents are its Memorandum and Articles of Association.

Recruitment and appointment of Trustees

The Board consists of seven Trustees made up of one trustee nominated by Your Homes Newcastle Trustee, two trustees nominated by Newcastle City Council Trustees and four Ordinary Trustees appointed by the Member.

The Trustees may at any time appoint any person to be an Ordinary Trustee either to fill a casual vacancy or as an addition to the existing Trustees provided the total number of Trustee shall not exceed the maximum number specified in the Articles.

During 2010/2011 one of the Ordinary Trustees resigned from the Board and this vacancy was filled in January 2011.

Trustee Induction and Training

All Trustees have received training in respect of their roles and responsibilities as Company Directors and Trustees of a Charity.

Risk Management

A risk register is currently being formulated. Audit Committee will have responsibility for monitoring the strategic risk register.

Structure

The Board is responsible for the governance, strategy and mission of Leazes Homes. It is supported in this by its parent company, Your Homes Newcastle, who provides professional expertise as required by the Board.

Public Benefit

Leazes Homes is committed to providing homes or hostels or other residential accommodation and any associated amenities for people in necessitous circumstances upon terms appropriate their means. The Trustees confirm that the organisation's objectives fully meet the public benefit test and that all activities of the charity described in the report are undertaken in pursuit of its aims.

Related parties

Leazes Homes is a subsidiary of Your Homes Newcastle. Your Homes Newcastle is a local authority controlled company within the meaning of Part V of the Local Government and Housing Act 1989, being a company under the control of Newcastle City Council. Copies of the financial statement for Your Homes Newcastle Limited can be obtained from the Company Secretary, Your Homes Newcastle Limited, YHN House, Benton Park Road, Newcastle upon Tyne NE7 7LX.

OBJECTIVES AND ACTIVITIES

Principal Activity

The principal activity of the company is to provide high quality affordable accommodation to people in need. The primary target for this activity is Newcastle upon Tyne. This objective is being delivered through working in partnership with key organisations in the affordable housing sector.

Review of the year

Leazes Homes has an Audit Committee comprising of two members of the Board and an external professional advisor who is also chair of the committee. This helps the company to identify and assess potential risk within the business and develop appropriate controls and systems to reduce those risks to an acceptable level.

In the year operational expenditure was incurred in setting up the company, such as the development of a website dedicated to the activities of Leazes Homes.

During the year, Leazes Homes successfully applied for registration with the Tenant Services Authority (TSA) as a provider of social housing.

Working in partnership with its parent company, Your Homes Newcastle, and Newcastle City Council, Leazes Homes has made good progress with building new properties and have a number of sites across the city which are at various stages of development. Developments include:-

- Bungalow accommodation for older people;
- General needs family housing ;
- Purpose designed supported housing for young families; and

- Purpose designed supported housing for people with learning disabilities.

Leazes Homes has also been actively working alongside existing social landlords and tenants and:-

- Has taken ownership of ninety one affordable homes in Walbottle, Newcastle upon Tyne as of 1st July 2011; and
- Has assisted a local Almshouse Charity to access central government funding to refurbish its housing stock.

Leazes Homes is committed to providing benefits to communities through its activities. In partnership with development and construction partners around 400 training and employment outcomes have been delivered since the establishment of Leazes Homes.

Future Developments

Leazes Homes' focus is on providing affordable housing in accordance with its Objects and Leazes Homes will continue to invest in properties which will be made available to meet general and supported housing needs.

Leazes Homes has submitted a bid for funding to the Homes and Communities Agency's 2011-15 Affordable Homes Programme. If successful this will result in around 144 new affordable homes being built over the 4 year programme period. The outcome of this submission will be determined by the HCA during July 2011 and Leazes Homes will then be in a position to develop its plans more fully once the outcome has been determined.

Progress is being made on the transfer of 165 affordable homes from Your Homes Newcastle to Leazes Homes. These are a mixture of general needs and supported housing properties. A business case supporting the transfer has been approved by Leazes Homes Board and it is envisaged that the transfer will be undertaken after the outcome of the bid to the Homes and Communities Agency's 2011-15 Affordable Homes Programme has been determined.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

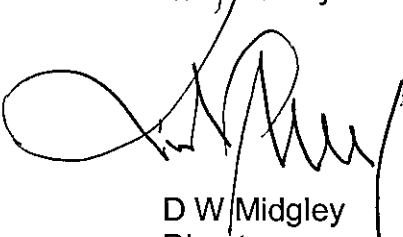
Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the Annual General Meeting.

The Directors' Report was approved by the Board on 7 July 2011 and signed on its behalf by:



D W Midgley
Director



M Dickson
Company Secretary

Independent auditors' report

to the members of Leazes Homes Limited

We have audited the financial statements for the year ended 31 March 2011 which comprise the Income and Expenditure Account, Balance Sheet and the related notes 1 to 8. 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).

This report is made solely to the Housing Association's members, as a body, in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination as amended. Our audit work has been undertaken so that we might state to the Association'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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on pages 4 and 5, the Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Reports of the members of the Board to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report

to the members of Leazes Homes Limited

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Ernst + Young LLP

Ernst & Young LLP
Registered Auditor
Newcastle upon Tyne

20 July 2011

Income and expenditure account

For the year ended 31 March 2011

	Note	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Gift aid receivable	2	-	37,313
Operating costs	4	(11,295)	-
Operating (loss)/profit		<u>(11,295)</u>	<u>37,313</u>
(Loss)/profit on ordinary activities before and after taxation		<u>(11,295)</u>	<u>37,313</u>

All amounts relate to continuing activities.

There have been no recognised gains and losses during the period, other than those shown in the income and expenditure account, therefore no Statement of Total Recognised Gains and Losses has been prepared.

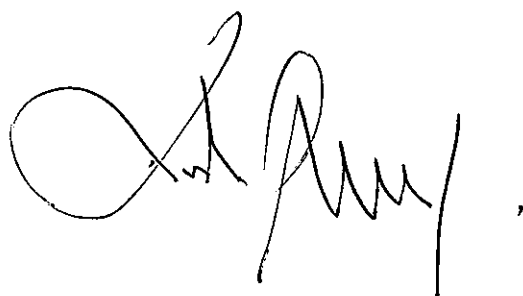
Balance sheet

at 31 March 2011

	Note	2011 £	2010 £
Current assets			
Debtors	5	-	37,313
Cash		36,726	-
		<u>36,726</u>	<u>37,313</u>
Creditors: amounts falling due in less than one year			
	6	(10,708)	-
		<u>26,018</u>	<u>37,313</u>
Net assets			
		<u>26,018</u>	<u>37,313</u>
Capital and reserves			
	8	<u>26,018</u>	<u>37,313</u>

These financial statements were approved by the Board and authorised for issue on 7 July 2011

Signed on behalf of the Board



D W Midgley
Director

Notes to the financial statements

at 31 March 2011

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. A summary of the more important accounting policies is set out below.

Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting.

Accounting convention

The financial statements have been prepared under the historical cost accounting convention modified to include the revaluation of certain land and buildings and in accordance with applicable accounting standards in the United Kingdom, the Accounting Requirements for Registered Social Landlords General Determination as amended, and the 'Statement of Recommended Practice: accounting by registered social landlords (SORP Update), issued in 2008.

Statement of cash flows

No cash flow statement has been prepared on the basis that the Association's parent undertaking has prepared a group cash flow statement for inclusion in its group financial statements, of which the Association is a wholly owned subsidiary, and these group financial statements are publicly available.

2. Corporate Gift Aid

Leazes Homes Limited is a subsidiary of Your Homes Newcastle Limited.

Under the corporate gift aid tax treatment regime, the company has received 100% of Your Homes Newcastle Limited's trading profit in respect of the period ended 31 March 2011. No tax is payable on Gift Aid receivable as the company is an exempt charity.

3. Employee information

The company had no employees during the period and there are no staff costs. No remuneration was paid to the directors of the company.

4. Operating Costs

	2011	2010
	£	£
Transport	304	-
Supplies and services	10,991	-
	<u>11,295</u>	<u>-</u>

Notes to the financial statements

at 31 March 2011

5. Debtors

	2011	2010
	£	£
Amounts due from parent undertaking	-	37,313
	<u>-</u>	<u>37,313</u>

6. Creditors

	2011	2010
	£	£
Creditors	155	
Accruals	4,800	-
Amount due to parent undertaking	5,753	-
	<u>10,708</u>	<u>-</u>

7. Constitution

Leazes Homes Limited is a company limited by guarantee and does not have any share capital. The member of the organisation is Your Homes Newcastle.

8. Reconciliation of reserves and shareholders funds

	<i>Revenue Reserves</i>	
	2011	2010
	£	£
Opening Balances as at 1 April	37,313	-
On incorporation	-	-
Result for period	(11,295)	37,313
Closing Balance as at 31 March	<u>26,018</u>	<u>37,313</u>