

Registered Society number 26702R

TCHG LIVING LIMITED
Report and Financial Statements
for the year ended
31 March 2015

TCHG LIVING LIMITED
Year ended 31 March 2015

REPORT AND FINANCIAL STATEMENTS

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TCHG LIVING LIMITED
Year ended 31 March 2015

BOARD, DIRECTORS, ADVISERS AND BANKERS

BOARD MEMBERS

Francis Salway, Ordinary Member and Chair
Graham Hill, Ordinary Member and Chair of Audit Committee
Peter Cooke, Tenant Member (*resigned* July 2014)
Mark Easton, Ordinary Member
Robert Heapy, Executive Member
Jenine Langrish, BSc (Hons) ACIB, Ordinary Member
Charles Leigh-Dugmore, MCIQB, Ordinary Member
Jenny Molloy, Tenant Member (*resigned* June 2014)
Christine Pointer, MSc, Ordinary Member
Alan Riddell, Ordinary Member and Chair of TCHG Foundation (*retired* November 2014)
Sanaya Robinson, BSc (Hons) ACA MCT, Ordinary Member (*resigned* July 2015)
Marianne Hay, Ordinary Member (*appointed* November 2014)
Kim Hill, Ordinary Member (*appointed* September 2014)

EXECUTIVE DIRECTORS

Robert Heapy, Chief Executive
Robin Tebbutt, Finance Director
Jo Ellis, Operations Director
Christine Mumcuoglu, Business Services Director (to March 2015)
Colin Lissenden, Development Director

AUDITORS

External

Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

Internal

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

BANKERS

National Westminster Bank plc

LEGAL STATUS

Registered under the Co-operative and Community Benefit Societies Act 2014, number 26702R

REGISTERED OFFICE

Monson House, Monson Way, Tunbridge Wells, Kent TN1 1LQ

TCHG LIVING LIMITED

Year ended 31 March 2015

REPORT OF THE BOARD

The Board presents its report and the audited financial statements for TCHG Living for the year ended 31 March 2015.

Principal activities

TCHG Living is a Registered Society, registration number 26702R and until 30 July 2015 was a Registered Provider of Social Housing (RP). Until 31 March 2015, TCHG Living owned 531 properties, including a portfolio of 94 general needs units and 3 affordable units. The general needs and affordable housing was managed by the parent. The remaining stock was managed by TCHG Living and consisted of 136 market rent units, which are categorised as investment properties, 105 shared ownership and 193 intermediate rent units. In addition, TCHG Living managed the parent company's intermediate rented, rent to home-buy, shared ownership and market rented units.

Transfer of Engagements

All of TCHG Living's assets and liabilities except £5,000 and its retained tax losses were transferred on 31 March 2015 to its parent, Town and Country Housing Group (TCHG). The Company applied to the Social Housing Regulator to be de-registered as a Registered Provider on 1 July 2015, and the regulator confirmed de-registration on 30 July 2015. The Company will be reviewing its future activities during the forthcoming year.

Governance

The Company complies with the principal recommendations of the NHF Code of Governance (revised 2010).

Board Members and Executive Directors

The present Board Members and the Executive Directors are set out on page one. The Board Members are drawn from a wide range of backgrounds, bringing together professional, commercial and local experience. The membership is identical to that of Town & Country Housing Group.

The Board consists of ten persons, nine of whom are Non-Executive Members and one who is an Executive Member. The nine Non-Executive Members are paid as Members of the Parent Board and each owns one non-beneficial share in TCHG Living Limited. These shares are not transferable or withdrawable and carry no rights of interest, dividend or bonus.

Statement of Board's responsibilities

As a Registered Provider of social housing, the Board is responsible for preparing the report and financial statements for each financial year in accordance with applicable law and regulations, Co-operative and Community Benefit Societies Act 2014 and Registered Provider legislation. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Society legislation, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that TCHG Living will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of TCHG Living and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2012, and the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010.

TCHG LIVING LIMITED

Year ended 31 March 2015

REPORT OF THE BOARD (continued)

The Board has general responsibility for safeguarding the assets of the Company and hence for the prevention and detection of fraud and other irregularities.

Results

TCHG Living made a surplus on its ordinary activities before exceptional items of £671k. Taking account of an exceptional loss on the transfer of undertakings, this became a deficit of £16,870k. (2014: surplus of £647k).

Both turnover and operating costs in 2015 showed an increase of £215k from the prior year, resulting in an identical operating surplus. Overall surplus before the exceptional item was £24k higher than the prior year.

Customers

TCHG Living supported a varied client group: market and intermediate rented tenants, shared ownership leaseholders and prospective purchasers and tenants.

TCHG Living also provided services to the parent. These were governed by a service-level agreement.

Value-for-money statement

TCHG Living adopts the same value-for-money principles and policies as its parent. TCHG Living is committed to delivering value for money in achieving its social purpose. TCHG Living aims to ensure value for money underpins every aspect of decision-making. TCHG Living's value-for-money assessment is included within the parent's assessment. A summary version will be included in our annual report to tenants which is sent to all tenants and leaseholders in October 2015.

A copy of the full version of the self-assessment is on our website (<http://www.tchg.org.uk/vfm>).

Going concern

After making enquiries, the Board has a reasonable expectation that TCHG Living has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

At the date of making this report, each of the Company's Board Members, as set out on page 1, confirms the following:

- so far as each Board Member is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware; and
- each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Staff

All staff were employed by the parent, with costs charged to TCHG Living.

Equal opportunities

TCHG Living ensures that in all of its activities it does not allow unlawful discrimination. It also promotes equality of opportunity and treatment for all sections of the community. In particular, the Group recognises its responsibility to persons with special needs and has set standards within its development and housing management programmes and employment policies to ensure that such needs can be readily met.

TCHG LIVING LIMITED
Year ended 31 March 2015

REPORT OF THE BOARD (continued)

Health and safety

The health, safety and welfare of TCHG Living's residents and staff are paramount. Appropriate policies and procedures are in place to control, monitor and ensure TCHG Living complies with its duties as a landlord and employer. There have been no material breaches of health and safety in the year.

Approved by the Board and signed on its behalf:

Francis Salway
Chair
30 July 2015

TCHG LIVING LIMITED
Year ended 31 March 2015

STATEMENT ON INTERNAL CONTROLS

The Board acknowledges its responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness.

The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

TCHG Living is integrated into the Group-wide approach to risk adopted by Town & Country Housing Group. The risks faced by TCHG Living are considered both in relation to TCHG Living and their impact on the Group as a whole.

The process for identifying, evaluating and managing the significant risks faced by the Group is on-going and has been in place throughout the period commencing 1 April 2013 up to the date of approval of the annual report and financial statements. Some of the key elements of the control framework that the Group has established are as follows:

- The key risks are identified and recorded in a risk map, with the Group's audit committee being delegated to consider risk as a separate agenda item at least every six months. TCHG Living Board and senior staff identify and regularly review the key risks specific to TCHG Living twice a year.
- Business plans, comprehensive financial budgets and long-term financial plans are produced and approved at least annually by the Group Board.
- TCHG Living regularly reviews key performance indicators and management accounts, and ensures that appropriate action is taken to address any areas of underperformance.
- Standing orders and financial regulations, including delegated authorities, have been approved by the Group Board and are reviewed on a regular basis.
- A comprehensive treasury management policy and strategy is maintained and reviewed annually by the Group Board.
- An outsourced internal audit service reports quarterly to the Group audit committee and has direct access to the Chair of this committee.
- The Board appraises all significant new business opportunities as recommended by the Chief Executive.
- There has been significant investment in training and staff development to minimise control weaknesses through error.
- The Group audit committee and the Group Board receive and review annually a report from the Chief Executive on the effectiveness of the system of internal controls.

The Board confirms that there have been no regulatory concerns that have led to the regulator intervening in the affairs of TCHG Living, nor are there significant problems in relation to failures of internal controls that require disclosure in the financial statements.

Signed on behalf of the Board

Francis Salway, Chair
30 July 2015

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCHG LIVING LIMITED

We have audited the financial statements of TCHG Living Limited for the year ended 31 March 2015, which comprise the income and expenditure account, the balance sheet, the statement of total recognised surpluses and deficits, the note of historical cost surpluses and deficits, and the related notes 1 to 25. 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 Company's members, as a body, in accordance with the requirements of statute. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and the auditor

As explained more fully in the statement of Board's responsibilities set out on page 2, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeprivate.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Company 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.

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date:

TCHG LIVING LIMITED
Year ended 31 March 2015

INCOME AND EXPENDITURE ACCOUNT

	Note	2015 £'000	2014 £'000
Turnover	2	3,420	3,205
Operating costs	2	(1,765)	(1,550)
Operating surplus	2	1,655	1,655
Surplus on the sale of fixed assets	7	95	113
Surplus before interest and taxation		1,750	1,768
Interest receivable and other income	4	18	11
Interest payable and similar charges	5	(1,097)	(1,132)
Surplus on ordinary activities before exceptional item and taxation		671	647
Exceptional loss on transfer of undertakings	24	(17,541)	-
Tax on surplus on ordinary activities	10	-	-
(Loss)/surplus for the financial year		(16,870)	647

The above results relate solely to continuing activities.
The notes on pages 10 to 24 form part of these financial statements.

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS
Year ended 31 March 2015

	2015 £'000	2014 £'000
Reported (loss)/surplus on ordinary activities	(16,870)	647
Realisation of property revaluation gains	16,096	198
	(774)	845

TCHG LIVING LIMITED
Year ended 31 March 2015

BALANCE SHEET
as at 31 March 2015

	Note	2015 £'000	2014 £'000
Tangible fixed assets			
Housing properties	11	-	46,485
		-	46,485
Current assets			
Debtors – due within one year	12	5	92
Cash at bank and in hand		-	732
		5	824
Creditors: amounts falling due within one year	13	-	(838)
Net current assets/(liabilities)		5	(14)
Total assets less current liabilities		5	46,471
Creditors: amounts falling due after more than one year	14	-	33,580
Capital and reserves			
Revaluation reserve	11 & 22	-	12,112
Revenue reserve	22	5	779
		5	12,891
Non-equity capital and reserves		5	46,471

These financial statements were approved by the Board and signed on its behalf on 30 July 2015 by:

Francis Salway
Chair

Robert Heapy
Chief Executive

Robin Tebbutt
Company Secretary

TCHG LIVING LIMITED
Year ended 31 March 2015

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
For the year ended 31 March 2015

	2015 £'000	2014 £'000
(Loss)/surplus for the year	(16,870)	647
Unrealised surplus on the revaluation of properties	3,984	2,256
	<hr/>	<hr/>
Total recognised (loss)/surplus relating to the year	(12,886)	2,903
	<hr/> <hr/>	<hr/> <hr/>

TCHG LIVING LIMITED

Year ended 31 March 2015

NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the applicable accounting standards and the Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers (updated 2010) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2012.

The Board is satisfied that the current accounting policies are the most appropriate for the Company.

The Company is exempt from producing a cash flow statement under Financial Reporting Standard 1 because its cash flows are included within publicly available consolidated accounts.

As described in the Report of the Board, the Company's assets and liabilities except £5,000 were transferred to its Parent undertaking, Town & Country Housing Group. The loss arising on the Transfer is recognised in the income and expenditure account as an exceptional item.

Turnover

Turnover comprises rent and service charge income receivable in the year. Any under- or over-recovery of service charges is shown as a debtor or creditor, respectively. Other services are recognised based upon value (excluding value added tax, VAT) of goods and services supplied in the year.

Value added tax

TCHG Living charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by TCHG Living and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or current debtor.

Investment properties

Investment properties are included in the financial statements at open market value (being market value with vacant possession) at the year-end in accordance with the Statement of Standard Accounting Practice 19: Investment Properties. Any surplus on revaluation is recognised in the statement of total recognised surpluses and deficits and the revaluation reserve. Any deficit on revaluation, if temporary, is recognised in the statement of total recognised surpluses and deficits and the revaluation reserve. If a deficit below original cost arises and is deemed to be permanent, it is recognised in the income and expenditure account.

No depreciation is provided in respect of freehold and long leasehold investment properties where the lease has more than 20 years to the date of expiry.

Housing properties

Housing properties are properties available for rent and properties subject to shared ownership leases.

Completed housing properties are held at valuation. The following valuation basis is adopted:

- General needs housing – existing use value for social housing;
- Intermediate rent – market value subject to tenancies; and
- Shared ownership properties – market value subject to tenancies.

Housing properties under construction are stated at cost less related social housing grant and other capital grants.

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of capital improvements, as well as direct incremental overhead costs and staff time associated with new developments, improvements and component works.

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

1. Accounting policies (continued)

Housing properties (continued)

The Company accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components that are considered to have substantially different useful economic lives. These components are then depreciated over their individual useful economic lives.

The particular components identified by the Company and their respective useful economic lives are as follows:

Component	Useful economic life
Structure	135 years
Roof	60 years
Bathroom	30 years
Windows and doors	35 years
Kitchen	20 years
Heating system: boiler	15 years
Lift	30 years

Where a separate identified and depreciated component of an existing property is replaced, the carrying value of the component is expensed and the cost of the replacement component capitalised.

Expenditure on items not separately identified as components is capitalised if it results in an increase in the net rental stream over the life of the property, over the standard originally assessed when the property was first acquired or constructed.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation of housing properties is charged so as to write down their net book value to the estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Depreciation is provided against the revalued asset value.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.

Impairment

Housing properties that are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, a review is conducted to ascertain whether its effect is to reduce the value of the property beyond that which meets the internal criteria for the approval of schemes. Deficits that fall within these criteria are regarded as planned internal subsidies and are not treated as impairments. If an impairment above the acceptable level exists, a charge is made to the income and expenditure account to the extent that the impairment exceeds the acceptable deficit.

NOTES TO THE ACCOUNTS

1. Accounting policies (continued)

Mixed developments

Where a development is evaluated as a single scheme but has more than one element, such that one or more of the elements are expected to generate a surplus and one or more of the other elements have a valuation below the cost less attributable grant ('the shortfall'), then the surplus is reduced by the shortfall through the apportionment of the costs of each element of the scheme. This policy is applicable to all mixed-development schemes where surpluses from properties are used to cross-subsidise rented properties.

Social housing grant

When developments have been financed wholly or partly by a social housing grant (SHG), the cost of those developments has been reduced by the amount of the grant receivable. At the balance sheet date, if the SHG recoverable on the development programme as a whole is greater than gross cost, the difference is included in creditors and shown as SHG in advance. SHG is repayable under certain circumstances, primarily following the sale of a property supported by SHG, but this will normally be restricted to the net proceeds of the sale.

Recycled capital grant fund

The grant elements on the net sale receipts of grant-funded properties, typically Right to Buy or shared ownership stair-casing but not Right to Acquire, are required to be credited to a recycled capital grant fund under the terms of the SHG originally paid on such properties. Within the terms defined by the Homes and Communities Agency (HCA), the fund is to be used to provide replacement properties for rent, land acquisition and works to existing stocks or, if unused, to be repaid to the HCA.

Disposal proceeds fund

The net proceeds on the sale of the properties made under Right to Acquire and Social HomeBuy are required to be credited to a disposal proceeds fund under the terms of the SHG originally paid on such properties. Within the terms defined by the HCA, the fund is to be used to provide replacement properties for rent.

Pensions

The parent company, TCHG, employs all of the Group's employees and contributes to the Kent County Council Superannuation Scheme, a defined benefit, final salary scheme. TCHG closed membership of this scheme during 2003 for new joiners, who are instead entitled to receive employer's contributions into their personal pension scheme.

Taxation

The charge for taxation is based upon the surplus for the year and includes current tax and deferred tax.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets, which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Any assets or liabilities recognised have not been discounted.

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

1. Accounting policies (continued)

Deferred taxation (continued)

Deferred tax is measured at the tax rates expected to apply in the periods when the timing differences are expected to reverse, based on the tax rate and law enacted or substantially enacted at the balance sheet date.

Related parties

Advantage has been taken of the exemption available with Financial Reporting Standard 8: Related Parties from reporting related party transactions with group entities as the Company is included within the consolidated financial statements of the group.

2. Turnover, cost of sales, operating costs and operating surplus

	Turnover 2015 £'000	Operating costs 2015 £'000	Operating surplus 2015 £'000
Social housing lettings	2,431	(1,088)	1,343
Non-social housing activities			
Market rented lettings	989	(677)	312
	<hr/> 3,420	<hr/> (1,765)	<hr/> 1,655
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Turnover 2014 £'000	Operating costs 2014 £'000	Operating surplus 2014 £'000
Social housing lettings	2,238	(928)	1,310
Non-social housing activities			
Market rented lettings	967	(622)	345
	<hr/> 3,205	<hr/> (1,550)	<hr/> 1,655
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS (continued)

3. Income and expenditure for social housing lettings

	General needs 2015 £'000	Intermediate rent 2015 £'000	Shared ownership 2015 £'000	Total 2015 £'000	Total 2014 £'000
Rents receivable	495	1,194	337	2,026	1,964
Service charges receivable	40	7	86	133	130
Services to parent	64	128	74	266	140
Other	-	-	6	6	4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Turnover from social housing lettings	599	1,329	503	2,431	2,238
Management	336	37	47	420	312
Services	22	68	25	115	180
Routine maintenance	-	182	-	182	8
Planned maintenance	2	5	-	7	72
Major repairs expenditure	49	19	-	68	19
Bad debts	1	6	1	8	43
Depreciation of housing properties	82	164	35	281	267
Write-off housing components replaced in year	2	5	-	7	27
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating costs on social housing lettings	494	486	108	1,088	928
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus	105	843	395	1,343	1,310
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Losses from voids	2	26	1	29	57
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

4. Interest receivable

	2015 £'000	2014 £'000
Bank interest receivable	2	8
Interest on short-term loan to parent	16	3
	<hr/>	<hr/>
	18	11
	<hr/>	<hr/>

5. Interest payable and similar charges

	2015 £'000	2014 £'000
On loans and bank overdrafts		
On loans wholly or partly repayable in more than 5 years	1,093	1,132
Interest on short-term loan from parent	4	-
	<hr/>	<hr/>
	1,097	1,132
	<hr/>	<hr/>

6. Surplus on ordinary activities before taxation

	2015 £'000	2014 £'000
This is arrived at after charging		
Depreciation of housing properties	281	267
Write-off of housing components disposed	7	27
Auditors' remuneration (excluding VAT):		
- for audit services	6	5
- for taxation services	5	1
	<hr/>	<hr/>

7. Surplus on sale of fixed assets

	2015 £'000	2014 £'000
Disposal proceeds	270	891
Carrying value of fixed assets and sales costs	(162)	(559)
	<hr/>	<hr/>
	108	332
Transferred to disposal proceeds fund	-	(103)
Transferred to recycled capital grant fund	(13)	(116)
	<hr/>	<hr/>
	95	113
	<hr/>	<hr/>

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

8. Employee information

	2015 No.	2014 No.
Average number of full-time equivalent persons (including part-time employees) who worked wholly on behalf of TCHG Living during the year:		
Office staff	5	5
	<hr/>	<hr/>
	2015 £'000	2014 £'000
Staff costs (for above persons)		
Wages and salaries	152	153
Social security costs	13	13
Pension costs	13	15
	<hr/>	<hr/>
	178	181
	<hr/>	<hr/>

All staff are contracted to and paid by the parent company. The above costs represent the staff costs of persons solely engaged in TCHG Living activities.

9. Senior Executives and Board Members' emoluments

TCHG Living's Senior Executives and Board Members are Executives and Board Members of the parent. They received no additional remuneration for their role with TCHG Living.

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

10. Taxation

	2015 £'000	2014 £'000
Current tax:		
UK corporation tax on surplus for the year	-	-
Deferred tax:		
Net origination and reversal of timing differences	-	-
	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Factors affecting the tax (credit)/charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (21%), as explained below:

	2015 £'000	2014 £'000
(Deficit)/surplus for the year before tax	<u>(16,870)</u>	<u>647</u>
(Deficit)/surplus on ordinary activities multiplied by the standard rate of corporation tax of 21% (2014 23%)	(3,543)	149

Effects of:

Depreciation in excess of capital allowances	3	-
Fixed asset differences	34	39
Chargeable gains	15	22
Increase/(decrease) in tax losses	3,493	(210)
Other short term timing differences	(2)	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Factors affecting the tax charge for the year

As at 31 March 2015, TCHG Living Limited had tax losses of £29.9m (2014 £13.3m). These losses maybe set against certain profits arising in that Company in future accounting periods. A deferred tax asset of £6.0m (2014: £2.7m) has not been recognised due to uncertainties as to extent and timing of its recovery.

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

11. Tangible fixed assets – housing stock

	General needs £'000	Intermediate £'000	Shared ownership and leasehold £'000	Investment properties £'000	Total £'000
Cost or valuation					
At 1 April 2014	6,611	16,911	7,531	15,432	46,485
Component additions	20	69	-	-	89
Property disposals	-	-	(161)	-	(161)
Component disposals	(2)	(5)	-	-	(7)
Surplus on revaluation	1,089	1,086	470	1,058	3,703
Transfer to parent	(7,718)	(18,061)	(7,840)	(16,490)	(50,109)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation					
At 1 April 2014	-	-	-	-	-
Charge for the year	(83)	(164)	(34)	-	(281)
Eliminated on revaluation	83	164	34	-	281
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	6,611	16,911	7,531	15,432	46,485
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

11. Tangible fixed assets – housing stock (continued)

Comparable amounts determined according to the historical cost convention

	General needs £'000	Intermediate £'000	Shared ownership and leasehold £'000	Investment properties £'000	Total 2015 £'000	Total 2014 £'000
Gross cost	-	-	-	-	-	46,751
<u>Less:</u>						
Social housing grant	-	-	-	-	-	(9,980)
Depreciation on historical cost	-	-	-	-	-	(2,398)
	-	-	-	-	-	34,373
Revaluation surplus	-	-	-	-	-	12,112
	-	-	-	-	-	46,485
Valuation						

The properties have been valued by professional external valuers, Savills (L&P) Limited, Chartered Surveyors of 37-39 Perrymount Road, Haywards Heath, West Sussex, RH16 3BN, as at 31 March 2015 just prior to transfer to TCHG in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors using the following bases:

Tenure

General needs
Intermediate
Shared ownership
Market rented

Valuation Method

Existing use value – Social Housing (EUV-SH)
Market value subject to tenancies (MV-STT)
Market value subject to tenancies (MV-STT)
Market value subject to tenancies (MV-STT)

	2015 £'000	2014 £'000
Improvements to properties		
Capitalised works to existing properties and replacement of components	89	63
Improvements taken through I&E account	68	19
	157	82

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

12. Debtors

	2015 £'000	2014 £'000
Rent debtors	-	148
Less: provision for bad and doubtful debts	-	(89)
	<hr/>	<hr/>
	-	59
Other debtors:		
Amounts due from parent company	5	33
	<hr/>	<hr/>
	5	92
	<hr/> <hr/>	<hr/> <hr/>

13. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	-	80
Accrued loan interest and commitment fees	-	128
Accruals	-	136
Tenants' deposits	-	16
Rent received in advance	-	123
Recycled capital grant fund (note 15)	-	-
Amounts owed to parent company	-	355
	<hr/>	<hr/>
	-	838
	<hr/> <hr/>	<hr/> <hr/>

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

14. Creditors: amounts falling due after more than one year

	2015	2014
	£'000	£'000
Housing loans:		
Loans from parent company, more than 5 years	-	5,695
Housing loans external:		
Within 1-2 years	-	-
Within 2-5 years	-	3,339
In 5 years or more	-	24,482
	<hr/>	<hr/>
Total housing loans	-	33,516
Recycled capital grant fund (note 15)	-	-
Disposal proceeds fund (note 16)	-	-
Leaseholder sinking funds in respect of future major repairs	-	64
	<hr/>	<hr/>
	-	33,580
	<hr/> <hr/>	<hr/> <hr/>

15. Recycled capital grant fund (RCGF)

	2015	2014
	£'000	£'000
At 1 April	-	34
Grants recycled	13	116
Transferred to parent	(13)	(150)
	<hr/>	<hr/>
As at 31 March	-	-
	<hr/> <hr/>	<hr/> <hr/>

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

16. Disposal proceeds fund

	2015 £'000	2014 £'000
At 1 April	-	52
Grant recycled	-	103
Transferred to parent	-	(155)
	<hr/>	<hr/>
As at 31 March	-	-
	<hr/> <hr/>	<hr/> <hr/>

17. Contingent liabilities

There were no contingent liabilities at 31 March 2015 (2014: nil).

18. Share capital – non-equity

	2015	2014
At 1 April	10	7
Issued during the year	2	10
Surrendered during the year	(3)	(7)
	<hr/>	<hr/>
As at 31 March	9	10
	<hr/> <hr/>	<hr/> <hr/>

The shares provide members with the right to vote at general meetings but are not transferable or withdrawable and carry no rights to interest, dividend or bonus.

19. Capital commitments

TCHG Living had no capital commitments as at 31 March 2015 (2014: nil).

20. Operating leases

There are no operating leases (2014: nil).

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

21. Accommodation in management

The following number of units were in management at the end of the year:

At 31 March 2015	Owned and directly managed	Owned and managed by parent	Total owned	Not owned and managed for parent	Total managed
Social housing					
Shared ownership	-	-	-	-	-
Rent to HomeBuy	-	-	-	-	-
Intermediate rent	-	-	-	-	-
General needs	-	-	-	-	-
Affordable	-	-	-	-	-
	-	-	-	-	-
Non-social housing					
Market rented	-	-	-	-	-
All housing	-	-	-	-	-
At 31 March 2014					
	Owned and directly managed	Owned and managed by parent	Total owned	Not owned and managed for parent	Total managed
Social housing					
Shared ownership	105	-	105	284	389
Rent to HomeBuy	-	-	-	210	210
Intermediate rent	193	-	193	53	246
General needs	-	94	94	-	-
Affordable	-	3	3	-	-
	298	97	395	547	845
Non-social housing					
Market rented	136	-	136	15	151
All housing	434	97	531	562	996

TCHG LIVING LIMITED
Year ended 31 March 2015

NOTES TO THE ACCOUNTS

22. Movement on reserves

	Revenue reserve £'000	Revaluation reserve £'000	Total £'000
At 1 April 2014	779	12,112	12,891
Loss for the period	(16,870)	-	(16,870)
Surplus on revaluation of properties	-	3,984	3,984
Realisation of property revaluation surpluses	16,096	(16,096)	-
At 31 March 2015	5	-	5

23. Related parties and controlling party

The immediate and ultimate parent undertaking and controlling entity is Town & Country Housing Group (TCHG), an entity incorporated in Great Britain. TCHG's accounts can be obtained from its registered office: Monson House, Monson Way, Tunbridge Wells, Kent TN1 1LQ. TCHG and TCHG Living are managed on a unified basis and the members of TCHG Living are approved by the TCHG Board.

24. Exceptional loss on transfer of undertaking

On 31 March 2015, the Company's assets and liabilities except £5,000 were transferred to Town & Country Housing Group at nil consideration, resulting in a loss of £17,541,000.

25. Post Balance Sheet Event

On the 30 July 2015 the Social Housing Regulator confirmed the de-registration of the company as a Registered Provider of Social Housing.