

**ANCHOR TENANTS LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 31 January 2018**

**NIXON MEE LIMITED**

**COALVILLE**

**LEICESTERSHIRE**

**ANCHOR TENANTS LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2018**

	2018		2017	
	£	£	£	£
<b>INCOME :</b>				
Rents receivable		293,310		295,636
Rent of hall		2,419		286
Church rent		200		200
Wayleave		50		50
Interest received		75		95
		<u>296,054</u>		<u>296,267</u>
<b>EXPENSES :</b>				
<b>Management Expenses</b>				
Salaries	51,724		50,721	
National Insurance	1,891		1,763	
Committee fees	1,100		531	
Printing, postage and stationery	885		1,297	
Telephone	788		720	
Website	36		338	
Office and workshop water charges	279		317	
Light and heat	1,648		1,472	
Cleaning and pest control	1,684		1,801	
Van expenses	1,390		1,522	
Audit and accountancy	1,350		1,350	
Professional fees	2,520		2,629	
FCA fee	205		195	
Donations	100		-	
Bank charges	226		149	
Hall expenses	1,827		1,181	
Key deposit refunds	-		115	
Sundry expenses	469		360	
		<u>68,122</u>		<u>66,461</u>
<b>Estate Expenses</b>				
Repairs - Building, roofing and skip hire	114,765		60,602	
- Damp proofing	2,998		10,474	
- Window and door replacement	5,170		14,201	
- Central heating installation and repairs	17,771		22,485	
- Electrical	32,856		6,893	
- Painting	14,500		19,008	
- Lead pipe replacement	8,590		9,780	
- Gas testing, servicing and connection	11,345		12,859	
- Hall	4,663		15,988	
Empty properties – rates and light & heat	1,274		2,218	
Insurance	14,130		13,882	
		<u>228,062</u>		<u>188,390</u>
Depreciation		<u>1,534</u>		<u>1,098</u>
<b>(Deficit) /surplus before taxation</b>		(1,664)		40,318
<b>Taxation</b>		142		(6,514)
<b>(Deficit)/surplus after taxation</b>		<u>(1,522)</u>		<u>33,804</u>
<b>Accumulated surplus at beginning of year</b>		<u>154,995</u>		<u>121,191</u>
<b>Accumulated surplus at end of year</b>		<u><u>153,473</u></u>		<u><u>154,995</u></u>



**ANCHOR TENANTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(1) ACCOUNTING POLICIES**

The Society has adopted the following accounting policies, which should be read in conjunction with the financial statements as set out on pages 1 to 4.

**Basis of Accountancy**

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as applied to smaller entities by the adoption of Section 1A of FRS 102 (s.1A of FRS 102). The disclosure requirements of s.1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling which is the functional currency of the Society.

**Turnover**

The Society's turnover represents rent receivable during the year.

**Fixed Assets and Depreciation**

Fixed assets are stated at cost, less depreciation and amounts written off. Depreciation is calculated to write off tangible fixed assets over their estimated useful lives at the following annual rates:

Estate	-	nil
Plant and fixtures	-	10% of cost
Van	-	20% of cost
Computer equipment	-	25% of cost

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**(2) FIXED ASSETS**

	<u>Estate</u>	<u>Plant</u>	<u>Fixtures and equipment</u>	<u>Van</u>	<u>Total</u>
<b>COST</b>					
At 1 February 2017	70,150	5,359	4,665	4,500	84,674
Additions	-	-	579	-	579
At 31 January 2018	<u>70,150</u>	<u>5,359</u>	<u>5,244</u>	<u>4,500</u>	<u>85,253</u>
<b>DEPRECIATION</b>					
At 1 February 2017	-	5,359	1,420	1,500	8,279
Charge for the year	-	-	634	900	1,534
At 31 January 2018	<u>-</u>	<u>5,359</u>	<u>2,054</u>	<u>2,400</u>	<u>9,813</u>
<b>NET BOOK VALUE</b>					
At 31 January 2018	<u>70,150</u>	<u>-</u>	<u>3,190</u>	<u>2,100</u>	<u>75,440</u>
At 31 January 2017	<u>70,150</u>	<u>-</u>	<u>3,245</u>	<u>3,000</u>	<u>76,395</u>

The committee are of the opinion that the cost of obtaining a fair value of the Estate would outweigh the benefit and accordingly the Estate is classified as property. Depreciation should be provided on this, but has not been done, which is not in accordance with the requirements of Financial Reporting Standard 102.

**(3) SHARE CAPITAL**

	£
At 1 February 2017	16,453
Additions	350
Withdrawals	(60)
At 31 January 2018	<u>16,743</u>

**ANCHOR TENANTS LIMITED**  
**STATEMENT OF RESPONSIBILITIES OF THE**  
**MANAGEMENT COMMITTEE FOR THE FINANCIAL STATEMENTS**

The purpose of this statement is to distinguish the Management Committee's responsibilities for the financial statements from those of the auditor as stated in their report.

The Management Committee is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial period. Under this Act the Management Committee 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 Society's state of affairs at the end of the period and of its income and expenditure for that period.

In preparing those financial statements the Management Committee is required to:

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

The Management Committee is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enables it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Management Committee is aware:

- there is no relevant audit information of which the Society's auditor is unaware; and
- the Management Committee has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHOR TENANTS LIMITED**

### **Qualified Opinion**

We have audited the financial statements of Anchor Tenants Limited (the 'Society') for the year ended 31 January 2018 which comprise the Income & Expenditure Account and Balance Sheet and notes to the financial statements, 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).

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 January 2018 and of 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 Co-operative and Community Benefit Societies Act 2014.

### **Basis for qualified opinion**

As disclosed in note 2 to these financial statements depreciation is not provided on the freehold property, which practice, in our opinion, is not in accordance with the requirements of Financial Reporting Standard 102.

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities in that in common with many other organisations of this size and nature the Society has used our services to assist with the preparation of its payroll and with the preparation of the financial statements and the preparation and submission of returns to the tax authorities 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee of management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

(continued)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHOR TENANTS LIMITED (continued)**

### **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:

- the Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the financial statements are not in agreement with the Society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the committee of management**

As explained more fully in the committee of management's responsibilities statement set out on page 4 the committee of management is 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 it determines 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 committee of management is responsible for assessing the Society'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 committee of management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.