

Financial Conduct Authority registration number 21084R
Homes and Communities Agency registration number L0916

AGAMEMNON HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

AGAMEMNON HOUSING ASSOCIATION LIMITED

INFORMATION

Directors	Commander R Edwards RN Mr M Perry Commodore A Lyddon RN Mr S Downham Mr R Harrison Mrs A Burn Mr G Musson Commander N Langhorn RN Lieutenant Commander K Mehta RN Mr C Dixon Mr P Watkins	(Appointed 5 April 2017) (Appointed 5 April 2017)
Chief Executive & Secretary	Lieutenant Colonel P C Burns Retired MSc CEng MIET	
FCA registration number	21084R	
HCA registration number	L0916	
Registered office	Agamemnon House Lindisfarne Close Cosham Portsmouth Hampshire PO6 2SB	
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	

AGAMEMNON HOUSING ASSOCIATION LIMITED

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AGAMEMNON HOUSING ASSOCIATION LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The year was mostly one of relative stability after the last few years of significant change. This year the focus was on quality delivery and incremental improvement of our offerings and services rather than any major upheaval.

We continue to improve our well-being offering and I was delighted to be able to open a dedicated new well-being facility in Victory Court. If this facility works well it would be our ambition to roll-out other similar well-being rooms in our other courts over the years ahead. We continue to re-invest in our existing stock, replacing and refurbishing, with a detailed long term capital plan, in order to at least maintain if not enhance the facilities for our residents.

The front-line staff continue to focus on giving our residents the very best quality of life, providing a friendly, caring environment with superior accommodation for all. I always enjoy my time in the courts talking to residents, and I am hugely impressed by the patience, consideration, thoughtfulness and care provided by our wardens to their residents, and I take this opportunity to thank them most sincerely for always going the extra mile. The wardens are supported by a professional team of property service engineers who keep our courts safe, well-maintained and operational; by our small office staff in Cosham who are vital to keeping the show on the road - and all under the day-to-day direction of the Chief Executive. I, and the rest of the Board of Trustees, thank them all.

The salaried staff work well with the Board of Trustees, all volunteers who give their time freely to support the charitable aims of the Association. Last year Liz Fairhurst had to step down from the Board through pressure of her other commitments and we thank her for her time and support over the past few years. Getting the right mix of relevant skills is a vital part of good governance, and I was delighted to welcome two new trustees this year, both of whom started their careers in the Royal Marines: Paul Watkins has considerable construction, building and property development experience (particularly in the retirement sector) and Carl Dixon has a wealth of knowledge and experience in care and extra care, a qualified dementia champion. Welcome both. Diversity is also key to a strong Board and I very much look forward to welcoming another serving female naval officer onto our Board soon.

We very much value our focus in providing quality living for Armed Forces veterans, so over the year we joined COBSEO (The Confederation of Service Charities) and are now registered with the COBSEO Housing Cluster. We also aim to maintain and improve links between our veterans and those currently serving, through visits and liaisons.

Financially we are in a good place and despite the Government imposed -1% rent reduction regime, our strong cost management and efficient financial controls allowed us to make a surplus of £296,660 in 2017. As a not-for-profit organisation this will allow us to continue enhancing and expanding our facilities, in line with our strategy, for the benefit of our residents.

Overall, a good year, a year of solid operational delivery with incremental improvements. A year in which our residents continued to benefit from high quality, safe, cost effective homes supported by friendly, caring and considerate staff. So, again, on behalf of the Board of Trustees, a massive thank you to the Chief Executive and his entire team for making this happen. Quality Living for Veterans.



Commander R. Edwards RN - Chairman

Chairman

25 April 2018

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the association continued to be that of the development, rental and management of social housing accommodation.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Commander R Edwards RN

Mr M Perry

Commodore A Lyddon RN

Captain P Binks RN

(Resigned 5 April 2017)

Mr S Downham

Mr E Fairhurst

(Resigned 20 July 2017)

Mr R Harrison

Mrs A Burn

Mr G Musson

Commander N Langhorn RN

Lieutenant Commander K Mehta RN

Mr C Dixon

(Appointed 5 April 2017)

Mr P Watkins

(Appointed 5 April 2017)

All directors hold one share in the association.

Results for the year

The results for the year are set out on page 7.

Directors' insurance

The association maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the association.

Auditor

A resolution proposing that Jones Avens Limited be reappointed as auditors of the association will be put to the Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the association's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the association's auditors are aware of that information.

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Board responsibilities statement

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the board 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association 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 the association and enable it to ensure that the financial statements comply with 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 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

Governance and Financial Viability Statement

The Board conducted a self-assessment in 2017 using the NHF Excellence in Governance self-assessment tool. The Association was found to be fully compliant across the excellence matrix. The Association has operated successfully, meeting all its in-year key objectives. This year's surplus remains healthy despite an ambitious capital expenditure and major planned maintenance programme. This is a result that is mainly due to our VFM strategy, improving occupancy and streamlining the void management process in particular.

Principal risks and uncertainties

The Association has identified the following categories of risk:

- Physical
- Strategic
- Compliance
- Human
- Technology
- Financial

All emerging risks to the delivery of the Agamemnon Housing Association's mission is recorded and assessed in terms of their impact and probability. The risk register is regularly reviewed during the year by the Board. The Board acknowledge that economic and political uncertainty will impact the business and is mindful of its responsibility to review and respond to risks into the future. Of course, no risk management plan would be complete without identifying measures to take in order to prevent the risks that have been highlighted. Using the analysis that you've completed and the KRI's you've agreed, now it's time to actually plan how and when you will put preventative measures in place. Changes in government policy which affect income streams received by the Association and also those changes which affect the income levels and benefit eligibility of our tenants. In particular, the rent reduction regime (-1% for four years) and other welfare reform measures, including the introduction of Universal Credit and the emerging Sheltered Rent strategy are anticipated to have a detrimental effect. Even though the Association has sufficient cash resources to meet its near future commitments, its development options will undoubtedly decrease as revenue is eroded.

AGAMEMNON HOUSING ASSOCIATION LIMITED

BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Value for Money Statement

'Value for money' (VFM) is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it acquires, within the resources available to it. Delivering VFM is synonymous with running Agamemnon Housing Association. The Association embraces a VFM culture and demonstrating VFM is a core responsibility for the CEO at the quarterly Finance and Auditee Committee meetings. We work hard to ensure that we achieve this through the careful use of resources and we continually strive to deliver efficiencies and improve the quality of our accommodation and services for our tenants. This has been supported by the Tenant Satisfaction Survey results where 96% of tenants who were surveyed in 2017 (100% surveyed, 72% replied) believed they were receiving VFM from their rent compared to 91% in 2016.

What we mean by the term "Value for Money"

Achieving the VFM is also often described in terms of the 'three E's' – economy, efficiency and effectiveness. The definition of the three E's is as follows:

- Economy – careful use of resources to save expenses, time or effort.
- Efficiency – delivering the same level of service for less cost, time or effort.
- Effectiveness – delivering a better service or getting a better return for the same amount of expense, time or effort.

We achieve this through:

- A comprehensive and strategic approach led by our Boards of Trustees.
- Understanding and monitoring the performance of all our resources and assets.
- Promoting VFM by adopting the Lean philosophy, and cascading good practice and success to all our staff.
- Embedding and delivering VFM with the right tools and support for our staff.
- Regularly reviewing our performance and reporting on a quarterly basis.
- Involving our customers with the delivery of our VFM through meetings and surveys.
- Complying with our regulator the Homes and Communities Agency and benchmarking with our peers at a National and local level.

Examples of what have we achieved?

- Despite an ambitious kitchen replacement programme, this year has seen losses due to voids drop to an all-time low of 0.76% of total possible revenue. This figure was over 5% in 2014 and it has improved year on year since then. We have achieved this through smarter working practices and improved collaboration between wardens, maintenance staff, letting staff and contractors.
- By batching work and streamlining our tendering process we have managed to reduce maintenance costs across many areas. An example of this is reducing lift maintenance costs by batching lift inspection, servicing and repair to one local contractor. This has realised savings of over 20%.
- By agreeing the reduction of energy usage in our courts with on-site staff and the competitive tendering of energy supply contracts, the Association has driven down the cost of communal heating and lighting costs. Energy costs were reduced by over 10% in some courts which is directly reflected in the Variable Service Charge.
- In training and developing our people, introducing better systems for managing absence and return to work, reviewing salaries and incentives, and introducing more flexible working, we seen reduced rates of unplanned staff time off. The number of staff days lost to illness and other unexpected absence has fallen by 22.5% since last year.

By order of the board



Lieutenant Colonel P C Burns Retired MSc CEng MIET
Chief Executive & Secretary

25 April 2018

AGAMEMNON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Agamemnon Housing Association Limited (the 'association') for the year ended 31 December 2017 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 association's affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 2015.

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 association 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 the circumstances set out in note 20 to the financial statements, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association'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.

Other information

The directors 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.

AGAMEMNON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AGAMEMNON HOUSING ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report or the Board Report.

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 association has not kept proper accounting records;
- 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 4, the directors 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 directors 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 directors are responsible for assessing the association'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 directors either intend to liquidate the association or to cease operations, or have 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.

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

This report is made solely to the association'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 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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jones Avens Limited

25 April 2018

Chartered Accountants
Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

AGAMEMNON HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT AND STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	1,526,436	1,512,768
Operating expenditure		(1,236,945)	(1,101,840)
Operating surplus	5	289,491	410,928
Interest receivable and similar income	8	89	78
Interest payable and similar expenses	9	-	(8,981)
Surplus before taxation		289,580	402,025
Taxation	10	-	-
Surplus for the financial year		289,580	402,025
Retained earnings at 1 January 2017		13,816,243	13,414,218
Retained earnings at 31 December 2017		14,105,823	13,816,243

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

Signed on behalf of the board



Commander R. Edwards RN
Chairman



Mr M. Perry
Vice-Chairman



Lieutenant Colonel P C Burns Retired MSc CEng MIET
Chief Executive & Secretary

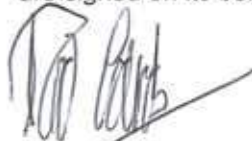
AGAMEMNON HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	14,103,131		14,392,488	
Current assets					
Debtors	13	35,933		17,373	
Cash at bank and in hand		837,487		276,792	
		<u>873,420</u>		<u>294,165</u>	
Creditors: amounts falling due within one year	14	<u>(97,096)</u>		<u>(79,730)</u>	
Net current assets			776,324		214,435
Total assets less current liabilities			<u>14,879,455</u>		<u>14,606,923</u>
Creditors: amounts falling due after more than one year	15		(773,621)		(790,662)
Net assets			<u>14,105,834</u>		<u>13,816,261</u>
Capital and reserves					
Called up share capital	18		11		18
Income and expenditure account			14,105,823		13,816,243
Total equity			<u>14,105,834</u>		<u>13,816,261</u>

The financial statements were approved by the board of directors and authorised for issue on 25 April 2018 and are signed on its behalf by:



Commander R. Edwards RN
Chairman



Mr M. Perry
Vice-Chairman



Lieutenant Colonel P C Burns Retired MSc CEng MIET
Chief Executive & Secretary

AGAMEMNON HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	19	597,895		677,242	
Interest paid		-		(8,981)	
		<u>597,895</u>		<u>668,261</u>	
Net cash inflow from operating activities		597,895		668,261	
Investing activities					
Purchase of tangible fixed assets		(37,289)		(170,786)	
Interest received		89		78	
		<u>(37,200)</u>		<u>(170,708)</u>	
Net cash used in investing activities		(37,200)		(170,708)	
Financing activities					
Repayment of bank loans		-		(475,789)	
		<u>-</u>		<u>(475,789)</u>	
Net cash used in financing activities		-		(475,789)	
Net increase in cash and cash equivalents		560,695		21,764	
Cash and cash equivalents at beginning of year		276,792		255,028	
Cash and cash equivalents at end of year		<u>837,487</u>		<u>276,792</u>	

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Entity information

Agamemnon Housing Association Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is Agamemnon House, Lindisfarne Close, Cosham, Portsmouth, Hampshire, PO6 2SB. The nature of the association's operations and principal activities are the rental and management of social housing sheltered flats.

The association constitutes a public benefit entity as defined by FRS 102.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice for Social Housing Providers 2014 (SORP), and with the Accounting Direction for private registered providers of social housing 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charge income receivable in the year net of rent and service charge losses from voids, revenue grants and the amortisation of government grants.

Interest income is recognised using the effective interest method and dividend income is recognised as the association's right to receive payment is established.

1.4 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property. Any items with a cost of less than £10,000 are deemed to be repairs and are recognised in the income and expenditure account.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	50 to 100 years straight line basis or components as below
Fixtures and fittings	5 years straight line basis
Vehicles	5 years straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

Major components of housing properties, including roofs (50 to 60 years), double glazing (30 years), boilers (15 years), heating (30 years), bathrooms (20 years), kitchens (20 years), lifts (30 years) and heating distribution (30 years), have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

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

1.5 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered at scheme level. The key indicators considered are:

- A change in demand for a property.
- Obsolescence of a property.
- A change in government policy.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income. No such indications were noted and therefore no review was considered necessary.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include rent arrears and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through income and expenditure are measured at fair value.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the association's obligations are discharged, cancelled, or they expire.

1.8 Taxation

The association has charitable status with HM Revenue and Customs and no charge to Corporation Tax arises on these results. Deferred tax is therefore also not applicable.

The association is not registered for VAT and all expenditure is shown inclusive of VAT.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Government grants

Social housing or other government grants are received to finance social housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Under certain circumstances, primarily following the sale of a property, the grant is repayable or recyclable but this is often restricted to the net proceeds of sale. Where government grants are required to be recycled, a liability is included to recognise this obligation.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

2 Judgements and key sources of estimation uncertainty

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are 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 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Estimated useful lives

The useful life of housing properties and their components has been estimated using the National Housing Federation matrix of property components as a basis.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Social housing turnover and costs

	2017 £	2016 £
Rents receivable excluding service charges	816,489	813,341
Service charges receivable	688,127	679,265
Other sundry income	4,779	3,121
Amortisation of capital grants	17,041	17,041
	<u>1,526,436</u>	<u>1,512,768</u>
Social housing activity expenditure	(1,236,945)	(1,101,840)
	<u>289,491</u>	<u>410,928</u>
Operating surplus/(deficit) from social housing activities		
	<u>289,580</u>	<u>402,025</u>
Net surplus/(deficit) from social housing activities		
	<u>(11,593)</u>	<u>(16,427)</u>
Void losses		

4 Accommodation owned and in management

	Number of units at 31 December 2017	Number of units at 31 December 2016
Completed units:		
Sheltered housing let at social rent - 2 person flats	94	94
Sheltered housing let at social rent - 1 person flats	143	142
	<u>237</u>	<u>236</u>

5 Operating surplus

	2017 £	2016 £
Operating surplus for the year is stated after charging/(crediting):		
Remuneration, exclusive of VAT, payable to the external auditors:		
Auditing of the accounts	3,873	3,690
Accountancy services	1,330	1,290
Depreciation of owned tangible fixed assets	323,846	319,860
Deficit on disposal of tangible fixed assets	2,800	-
	<u>331,849</u>	<u>643,930</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Office staff	4	3
Wardens	6	6
Maintenance and cleaning	7	7
Wellbeing assistant	1	1
	<u>18</u>	<u>17</u>
Average full time equivalent (based on a 37.5 hour week)	<u>14</u>	<u>14</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	323,151	303,649
Social security costs	24,874	23,875
Pension costs	20,726	20,819
	<u>368,751</u>	<u>348,343</u>

7 Board and key management personnel remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>63,244</u>	<u>60,714</u>

No remuneration was receivable by board members.

The highest paid director received £63,244 (2016 - £60,714) remuneration (excluding pension contributions).

The association does not operate an occupational pension scheme but offers to contribute a proportion of salary to the chief executive's personal pension scheme on the same terms as other employees; the chief executive elected to have this paid as part of the above salary.

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	89	78
	<u>89</u>	<u>78</u>

9 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	8,981
	<u>-</u>	<u>8,981</u>

10 Taxation

The association has charitable status with HM Revenue & Customs and on the basis of these financial statements no provision has been made for corporation tax.

11 Tangible fixed assets

	Housing properties £	Fixtures and fittings £	Vehicles £	Total £
Cost				
At 1 January 2017	18,526,237	66,907	7,952	18,601,096
Additions: works to existing properties	37,289	-	-	37,289
Disposals	(7,000)	-	-	(7,000)
	<u>18,556,526</u>	<u>66,907</u>	<u>7,952</u>	<u>18,631,385</u>
At 31 December 2017				
At 31 December 2017	18,556,526	66,907	7,952	18,631,385
Depreciation and impairment				
At 1 January 2017	4,133,749	66,907	7,952	4,208,608
Depreciation charged in the year	323,846	-	-	323,846
Eliminated in respect of disposals	(4,200)	-	-	(4,200)
	<u>4,453,395</u>	<u>66,907</u>	<u>7,952</u>	<u>4,528,254</u>
At 31 December 2017				
At 31 December 2017	4,453,395	66,907	7,952	4,528,254
Carrying amount				
At 31 December 2017	<u>14,103,131</u>	<u>-</u>	<u>-</u>	<u>14,103,131</u>
At 31 December 2016	<u>14,392,488</u>	<u>-</u>	<u>-</u>	<u>14,392,488</u>

The carrying value of land and buildings comprises:

	2017	2016
	£	£
Freehold	14,088,792	14,377,816
Long leasehold	14,339	14,672
	<u>14,103,131</u>	<u>14,392,488</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12	Financial instruments		2017 £	2016 £
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		8,203	5,843
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		80,018	62,435
			<u> </u>	<u> </u>
13	Debtors		2017 £	2016 £
	Amounts falling due within one year:			
	Social housing rent arrears		8,203	5,643
	Prepayments and accrued income		27,730	11,730
			<u> </u>	<u> </u>
			35,933	17,373
			<u> </u>	<u> </u>
14	Creditors: amounts falling due within one year		2017 £	2016 £
		Notes		
	Rents paid in advance		40,252	39,451
	Other taxation and social security		37	254
	Government grants	16	17,041	17,041
	Other creditors		-	1,288
	Accruals and deferred income		39,766	21,696
			<u> </u>	<u> </u>
			97,096	79,730
			<u> </u>	<u> </u>
15	Creditors: amounts falling due after more than one year		2017 £	2016 £
		Notes		
	Government grants	16	773,621	790,662
			<u> </u>	<u> </u>

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

16 Government grants

Deferred income is included in the financial statements as follows:

	2017 £	2016 £
Current liabilities	17,041	17,041
Non-current liabilities	773,621	790,662
	<u>790,662</u>	<u>807,703</u>
Social housing government grants		
At 1 January 2017	1,163,949	1,163,949
At 31 December 2017	<u>1,163,949</u>	<u>1,163,949</u>
Amortisation		
At 1 January 2017	356,246	339,205
Amortised during the year	17,041	17,041
At 31 December 2017	<u>373,287</u>	<u>356,246</u>
Carrying amount		
At 31 December 2017	<u>790,662</u>	<u>807,703</u>

Deferred income is comprised of social housing government grants which are amortised over the useful economic of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £705,457 (2016: £722,498).

17 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to income and expenditure in respect of defined contribution schemes	<u>20,726</u>	<u>20,819</u>

The association does not operate a pension scheme but will contribute a proportion of salary to an employee's personal pension scheme.

AGAMEMNON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
Brought forward	18	18
Forfeited during the year	(7)	-
	<u>11</u>	<u>18</u>
11 Ordinary of £1 each		

These shares do not carry any right to a dividend, cannot be redeemed and do not give any provision for a distribution on a winding up. All members are entitled to vote at General Meetings.

19 Cash generated from operations

	2017 £	2016 £
Surplus for the year after tax	289,580	402,025
Adjustments for:		
Finance costs	-	8,981
Investment income	(89)	(78)
Loss on disposal of tangible fixed assets	2,800	-
Depreciation and impairment of tangible fixed assets	323,846	319,860
Forfeited shares	(7)	-
Movements in working capital:		
(Increase)/decrease in debtors	(18,560)	4,707
Increase/(decrease) in creditors	17,366	(41,212)
(Decrease) in deferred income	(17,041)	(17,041)
Cash generated from operations	<u>597,895</u>	<u>677,242</u>

20 Non-audit services provided by auditor

In common with many other association's of our size and nature we use our auditors to assist with the preparation of the statutory financial statements.