

Financial Conduct Authority registration number 21084R
Registered Provider number L0916

AGAMEMNON HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



AGAMEMNON HOUSING ASSOCIATION LIMITED



INFORMATION

Directors	Commander R Edwards RN Mr M Perry Mr S Downham Mr R Harrison Mr G Musson Lieutenant Commander K Mehta RN Mr C Dixon Mr P Watkins Lieutenant K Jenkins-Hill RN Ms R O Owen	(Appointed 25 April 2018) (Appointed 17 October 2018)
Chief Executive & Secretary	Commander N Langhorn RN	
FCA registration number	21084R	
Registered Provider 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	



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CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

I am delighted, once again, to report another successful year where the Agamemnon Housing Association has continued to deliver high quality, safe and cost effective homes for its tenants.

During the year the Board of Directors held an externally-facilitated strategic review that confirmed and reinforced our primary mission, 'to provide Quality Living to Veterans over 60 and their families'. The key outcomes were that the Board determined to:

- a. increase the number of our beneficiaries;
- b. improve engagement with the wider community;
- c. maximize our beneficiaries experience and wellbeing; and
- d. be recognized and respected as a beacon of excellence.

Strong financial controls enabled the Association to make an operating surplus of £262,862 (boosted by the sale of a surplus housing asset to £419,751) on a turnover of £1,522,494, despite the HM Government imposed -1% rent reduction and the ongoing and significant investment in our current courts. We continue to roll-out Wellbeing Rooms in our properties as well as ensure that our flats remain better than the UK Government's Decent Homes Standard. This programme of investment includes renewal and replacement of bathrooms and kitchens within our flats, as well as larger projects such as the replacement of lifts and windows.

In addition to investing in our current stock we continue to plan on growth, as we believe there is a clear requirement for our offering, and we are always looking for potential sites in the Portsmouth area.

During the year Commodore Tony Lyddon and Alex Burn stepped down from the Board and we thank them for their support and help over a number of years. In line with our push for greater diversity on the Board we were delighted to welcome Lieutenant Kelly Jenkins-Hill, which means we now have two serving female naval officers as Directors, as well as welcoming Rachel Owen who runs a local veterans-focused social enterprise.

The departure of the Chief Executive at the end of the year could have led to a certain amount of disruption but the Board were delighted when Commander Nigel Langhorn stepped in at short notice to steady the ship, and act as the interim CEO, and we thank him for his support.

Finally, as always, I would like to acknowledge the hard work and dedication of our team of wardens, property service engineers, domestic assistants, wellbeing support and office staff. They are on the front line, day in day out; friendly, caring and supportive, ensuring that the Association delivers on its vision of being the leading provider of quality living for veterans. Thank you all.

A handwritten signature in blue ink, appearing to read 'R Edwards', with a long horizontal line extending to the right.

Commander R Edwards RN

Chairman

10 April 2019

AGAMEMNON HOUSING ASSOCIATION LIMITED



BOARD REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

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	(Resigned 25 April 2018)
Mr S Downham	
Mr R Harrison	
Mrs A Burn	(Resigned 17 October 2018)
Mr G Musson	
Commander N Langhorn RN	(Resigned 11 February 2019)
Lieutenant Commander K Mehta RN	
Mr C Dixon	
Mr P Watkins	
Lieutenant K Jenkins-Hill RN	(Appointed 25 April 2018)
Ms R O Owen	(Appointed 17 October 2018)

All directors hold one share in the association.

Results for the year

The results for the year are set out on page 8.

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.



BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Governance and financial viability statement

The board continues to operate in a very effective manner and keeps itself abreast of emerging issues within the sector by its membership of the appropriate governing bodies (National Housing Federation, Homes England, Regulator of Social Housing, the Homes and Communities Agency). We are also members of COBSEO (Confederation of Service Charities) which ensures we keep updated on significant issues within the service charity sector. Finally, we are a key member of the Housing for Older People benchmarking group at Acuity which provides us with a peer review process within the social housing sector.

We conduct the NHF Code of Governance Compliance self-assessment check on an annual basis and this has been completed for 2018. Only one issue was raised regarding trustee appraisal which will be addressed in 2019.

Due to our efficient and cost-effective processes we continue to mark a healthy operating surplus which is re-invested in the current stock to maintain very high standards and is set aside for future growth to address the chronic shortage of social housing within the country.

Principal risks and uncertainties

The Association has identified the following categories of risk:

Physical – which is mitigated by a focus on planned maintenance, up to date health and safety procedures and fire prevention and mitigation devices. We are committed to the production of new stock in the Portsmouth area when the right conditions arise.

Strategic – addressed by holding strategy workshops every two years to ensure the board is up to date with the latest in the sector and provides the long-term outlook within the political and economic climate.

Compliance – 2018 saw a comprehensive health and safety risk assessment and the implementation of all the reports recommendations. Sector compliance is assured through association membership as outlined above.

Human – flexible working practices and attention to individual staff needs has resulted in a reduced staff turnover rate in 2018. This will be further enhanced in 2019 by the outsourcing of HR services to bring all our policies and procedures up to date and to enhance the staff experience when interacting with HR processes.

Technology – in 2019 a comprehensive IT re-refresh will take place to improve working practices, administrative effectiveness and cyber security. Once implemented the Associations systems will be fully GDPR compliant and employ much more robust cyber security procedures.

Financial – the Association is financially very secure with a large real estate portfolio and a healthy operating surplus on a yearly basis. Despite the financial robustness, the team are constantly striving for greater efficiency by reviewing all contracts to ensure best value for money. The compulsory 1% reduction in rents imposed by the government has been managed with minimum impact. Early experience of Universal Credit has highlighted that this could become an ever-increasing bureaucratic burden on the Association which needs to be addressed.

Value for money statement

'Value for money' (VFM) is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it acquires, within the resources available to it. The Association embraces a VFM culture and demonstrating VFM is a core responsibility for the CEO at the quarterly Finance and Audit 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. Regular feedback from our tenants at Tenants Participation Meetings, supports this view with many expressing satisfaction at the value for money they are getting.



BOARD REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Value for money statement (continued)

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.
- 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:

- 2018 saw a continuing emphasis on kitchen and bathroom refurbishment to bring our stock up to modern standards.
- As wardens are increasingly living out, we are letting out our old warden's flats to increase our stock levels and subsequent revenue.
- With the arrival of a new property maintenance administrator in 2018 we are going through a structured process of reviewing all contracts to ensure best value for money.
- We conducted a major mid-life upgrade to the lift in Sirius Court in 2018 and have two more planned for 2019 at Cornwell Court and Victory Court.
- The Association commissioned an external full stock survey in 2018 to ensure that we have a comprehensive understanding of our stock condition and likely lifespan.
- We are progressing a phased replacement of lighting within our courts by new LED systems to improve longevity and efficiency and reduce long term costs.

Regulator for Social Housing Indicator

	2018
Reinvestment %	0.19%
New supply delivered (social housing units) [as % of existing stock]	0.42%
New supply delivered (Non-social housing units)	0.00%
Gearing (RSH and Scorecard measure)	-8.43%
EBITDA MRI (as % interest)	N/A
Headline housing cost per unit	£4,114.45
Operating margin (social housing lettings)	16.59%
Operating margin (overall)	16.59%
Return on Capital Employed (ROCE) %	2.67%

On behalf of the board



Commander R Edwards RN

Chairman

10 April 2019

AGAMEMNON HOUSING ASSOCIATION LIMITED



DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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.



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 2018 set out on pages 8 to 22. 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 2018 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 audits of small entities, in the circumstances set out in note 19 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.



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 page 5, 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.

Use of our 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

10 April 2019

**Chartered Accountants
Statutory Auditor**

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

AGAMEMNON HOUSING ASSOCIATION LIMITED



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	1,522,485	1,526,436
Operating expenditure		(1,269,922)	(1,236,945)
Operating surplus	5	252,573	289,491
Interest receivable and similar income	8	1,855	89
Surplus on disposal of tangible fixed assets - - disposal of housing accommodation		155,034	-
Surplus before taxation		409,462	289,580
Taxation	9	-	-
Surplus for the financial year		409,462	289,580

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

Commander N Langhorn RN
Chief Executive & Secretary

AGAMEMNON HOUSING ASSOCIATION LIMITED



BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	10		13,799,354		14,103,131
Current assets					
Debtors	12	20,400		35,933	
Cash at bank and in hand		1,562,916		837,487	
		1,583,316		873,420	
Creditors: amounts falling due within one year	13	(110,794)		(97,096)	
Net current assets			1,472,522		776,324
Total assets less current liabilities			15,271,876		14,879,455
Creditors: amounts falling due after more than one year	14		(756,580)		(773,621)
Net assets			14,515,296		14,105,834
Capital and reserves					
Called up share capital	17		11		11
Income and expenditure account			14,515,285		14,105,823
Total equity			14,515,296		14,105,834

The financial statements were approved by the board of directors and authorised for issue on 10 April 2019 and are signed on its behalf by:

Commander R. Edwards RN
Chairman

Mr M. Perry
Vice-Chairman

Commander N. Langhorn RN
Chief Executive & Secretary

AGAMEMNON HOUSING ASSOCIATION LIMITED



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Income and capital expenditure account		Total
	£	£	£
Balance at 1 January 2017	18	13,816,243	13,816,261
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	289,580	289,580
Forfeited shares	(7)	-	(7)
Balance at 31 December 2017	11	14,105,823	14,105,834
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	409,462	409,462
Balance at 31 December 2018	11	14,515,285	14,515,296

AGAMEMNON HOUSING ASSOCIATION LIMITED



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	18		589,854		597,895
Investing activities					
Purchase of tangible fixed assets		(45,414)		(37,289)	
Proceeds on disposal of tangible fixed assets		179,134		-	
Interest received		1,855		89	
Net cash generated from/(used in) investing activities			135,575		(37,200)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			725,429		560,695
Cash and cash equivalents at beginning of year			837,487		276,792
Cash and cash equivalents at end of year			1,562,916		837,487



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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, Lindsfame Close, Cosham, Portsmouth, Hampshire, PO8 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****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.



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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

**1 Accounting policies****(Continued)*****Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

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 Accounting policies****(Continued)****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 2018

3 Social housing turnover and costs

	2018 £	2017 £
Rents receivable excluding service charges	806,421	816,489
Service charges receivable	694,306	688,127
Other sundry income	4,727	4,779
Amortisation of capital grants	17,041	17,041
	<u>1,522,495</u>	<u>1,526,436</u>
Social housing activity expenditure	(1,269,922)	(1,238,945)
Operating surplus/(deficit) from social housing activities	<u>252,573</u>	<u>289,491</u>
Net surplus/(deficit) from social housing activities	<u>409,462</u>	<u>289,580</u>
Void losses	<u>(22,990)</u>	<u>(11,593)</u>

4 Accommodation owned and in management

	Number of units at 31 December 2018	Number of units at 31 December 2017
Completed units:		
Sheltered housing let at social rent - 2 person flats	96	95
Sheltered housing let at social rent - 1 person flats	142	142
	<u>238</u>	<u>237</u>

5 Operating surplus

	2018 £	2017 £
Operating surplus for the year is stated after charging/(crediting):		
Remuneration, exclusive of VAT, payable to the external auditors:		
Auditing of the accounts	4,044	4,065
Accountancy services	1,370	1,330
Depreciation of owned tangible fixed assets	325,391	323,846
(Surplus)/deficit on disposal of tangible fixed assets	<u>(300)</u>	<u>2,800</u>

AGAMEMNON HOUSING ASSOCIATION LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Employees

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

	2018 Number	2017 Number
Office staff	4	4
Wardens	6	6
Maintenance and cleaning	7	7
Wellbeing assistant	1	1
	<u>18</u>	<u>18</u>
Average full time equivalent (based on a 37.5 hour week)	<u>14</u>	<u>14</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	342,908	323,151
Social security costs	28,009	24,874
Pension costs	23,524	20,726
	<u>394,441</u>	<u>368,751</u>

7 Board and key management personnel remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>65,369</u>	<u>63,244</u>

No remuneration was receivable by board members.

The highest paid director received £65,369 (2017 - £63,244) remuneration (excluding pension contributions).

The association offers to contribute 8% of the chief executive's gross salary to the 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 2018

8 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	1,855	89

9 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.

10 Tangible fixed assets

	Housing properties £	Fixtures and fittings £	Vehicles £	Total £
Cost				
At 1 January 2018	18,556,526	66,907	7,952	18,631,385
Additions	-	-	11,006	11,006
Additions: works to existing properties	34,408	-	-	34,408
Disposals	(42,500)	-	(7,952)	(50,452)
At 31 December 2018	18,548,434	66,907	11,006	18,626,347
Depreciation and impairment				
At 1 January 2018	4,453,395	66,907	7,952	4,528,254
Depreciation charged in the year	323,990	-	1,401	325,391
Eliminated in respect of disposals	(18,700)	-	(7,952)	(26,652)
At 31 December 2018	4,758,685	66,907	1,401	4,826,993
Carrying amount				
At 31 December 2018	13,789,749	-	9,605	13,799,354
At 31 December 2017	14,103,131	-	-	14,103,131

The carrying value of land and buildings comprises:

	2018	2017
	£	£
Freehold	13,775,743	14,088,792
Long leasehold	14,006	14,339
	13,789,749	14,103,131

AGAMEMNON HOUSING ASSOCIATION LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11	Financial instruments		2018	2017
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		10,151	8,203
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		93,396	80,018
			<u> </u>	<u> </u>
12	Debtors		2018	2017
			£	£
	Amounts falling due within one year:			
	Social housing rent arrears		10,151	8,203
	Prepayments and accrued income		10,249	27,730
			<u> </u>	<u> </u>
			20,400	35,933
			<u> </u>	<u> </u>
13	Creditors: amounts falling due within one year		2018	2017
			£	£
		Notes		
	Rents paid in advance		38,577	40,252
	Other taxation and social security		357	37
	Government grants	15	17,041	17,041
	Accruals and deferred income		54,819	39,768
			<u> </u>	<u> </u>
			110,794	97,096
			<u> </u>	<u> </u>
14	Creditors: amounts falling due after more than one year		2018	2017
			£	£
		Notes		
	Government grants	15	756,580	773,621
			<u> </u>	<u> </u>

AGAMEMNON HOUSING ASSOCIATION LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Government grants

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	17,041	17,041
Non-current liabilities	756,580	773,621
	<u>773,621</u>	<u>790,662</u>
Social housing government grants		
At 1 January 2018	1,163,949	1,163,949
At 31 December 2018	<u>1,163,949</u>	<u>1,163,949</u>
Amortisation		
At 1 January 2018	373,287	356,246
Amortised during the year	17,041	17,041
At 31 December 2018	<u>390,328</u>	<u>373,287</u>
Carrying amount		
At 31 December 2018	<u>773,621</u>	<u>790,662</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 £688,416 (2017: £705,457).

16 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to income and expenditure in respect of defined contribution schemes	23,524	20,726
	<u>23,524</u>	<u>20,726</u>

17 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
Brought forward	11	18
Forfeited during the year	-	(7)
	<u>11</u>	<u>11</u>
11 Ordinary of £1 each	<u>11</u>	<u>11</u>

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.

AGAMEMNON HOUSING ASSOCIATION LIMITED



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

18 Cash generated from operations

	2018 £	2017 £
Surplus for the year after tax	409,462	289,580
Adjustments for:		
Investment income	(1,855)	(89)
(Gain)/loss on disposal of tangible fixed assets	(300)	2,800
Gain on disposal of business	(155,034)	-
Depreciation and impairment of tangible fixed assets	325,391	323,846
Forfeited shares	-	(7)
Movements in working capital:		
Decrease/(increase) in debtors	15,533	(18,560)
Increase in creditors	13,698	17,366
(Decrease) in deferred income	(17,041)	(17,041)
Cash generated from operations	<u>589,854</u>	<u>597,895</u>

19 Non-audit services provided by auditor

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

