
MOVE51°N

Homes for Haringey Residential Community Interest Company

**Annual report and financial statements
for the period ended 31 March 2016**

Company No. 09543450

www.move51.london

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Company information

Name and registered office

Homes for Haringey Residential Community Interest Company
48 Station Road
London
N22 7TY

Company registration number

09543450

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Solicitors

PainSmith Solicitors
1 Mansfield Business Park
Station Approach, Lymington Bottom Road
Medstead
Hampshire
GU34 5PZ

Bankers

Santander plc
Bridle Road
Bootle
L30 4G

Barclays Bank plc
1 Snowhill
Queensway
Birmingham
B4 6GN

Company information (continued)

Board of directors

Andrew Billany (Chair)	Appointed: 15 April 2015
Chris Liffen	Appointed: 15 April 2015
Astrid Kjellberg-Obst	Appointed: 15 April 2015
Rita Tinney	Appointed: 5 April 2016 Resigned: 25 April 2016
Catherine Hardy-Smith	Appointed: 15 June 2016

Company Secretary

Catherine Hardy-Smith	Appointed: 15 April 2015 Resigned: 31 March 2016
Charlotte Currie	Appointed: 31 March 2016 Resigned: 10 May 2016
Dawn Kent-Payne	Appointed: 10 May 2016

Directors' report for the period ended 31 March 2016

The Board of directors present their report and the audited financial statements of the Company for the period 15 April 2015 to 31 March 2016.

Review of the business

Homes for Haringey Residential Community Interest Company, (the Company) is a not-for-profit private lettings and property management agency under the control of Homes for Haringey Limited.

The Company trades as Move 51 Degrees North (herein Move51) and was established on 15 April 2015 as a private company limited by shares.

Results and performance

The results of the Company for the period ended 31 March 2016 are set out on pages 11 to 22.

Future developments

Move51 now has three properties in management and is in the process of marketing two further properties. Its remit is being widened to offer incentivised Assured Shorthold Tenancies to private landlords as a cost effective alternative to most other Temporary Accommodation options available, and which will help us continue to tackle homelessness in the Borough of Haringey.

Risk review

Risks are reviewed regularly at each board meeting and a quarterly risk position is provided to the Audit and Risk committee of Homes for Haringey as the only shareholder for Move51. Homes for Haringey are allowing some of their internal audit days to be used for an in-depth audit of the agency which will occur late in the 2016/17 audit programme.

Directors

The main role of the Company's Board of directors is to guide the strategic direction of the Company in line with its constitution.

A list of directors of the Company is shown on page 4. No director has any interests in the Company

Employees

A small team has been in place establishing the business and key positions have been filled. The Company has policies in place to deal with sickness absence, disciplinary, grievance and capability issues. Staff are supported with professional training and the opportunity to gain professional qualifications. Communication and engagement with employees is in the form of team briefings.

Equalities and diversity

The Company is committed to eliminating all forms of discrimination, disadvantage and unfair treatment on the grounds of; age, disability, colour, ethnic origin, nationality, national origin or race, gender, HIV status, marital status, religious belief, responsibility for dependants, sexuality or unrelated criminal conviction. The Company is committed to meeting its obligations under equalities legislation, guidance, and codes of practice.

Directors' report for the period ended 31 March 2016 (Cont.)

The Company recognises the importance and benefits of equalities and diversity, as an organisation, as a service provider and as an employer.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

In the case of each director;

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (s)he has taken all the steps that he or she ought to have taken in his or her duty as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report for the period ended 31 March 2016 (Cont.)

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent entity, Haringey London Borough Council. The directors have received written confirmation that the Council intends to support the Company for at least one year after these financial statements are signed.

Independent auditors

PricewaterhouseCoopers LLP were appointed as the Company's auditors for the 2015/16 financial year on 30 November 2015.

By order of the Board

The Directors' report was approved by the Board on 24 October 2016 and signed on its behalf by:



Andrew Billany
Chair

Independent auditors' report to the members of Homes for Haringey Residential Community Interest Company

Report on the financial statements

Our opinion

In our opinion, Homes for Haringey Residential Community Interest Company's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss and cash flows for the period 15 April 2015 to 31 March 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements for the period 15 April 2015 to 31 March 2016 (the "Annual Report"), comprise:

- Balance sheet as at 31 March 2016;
- Statement of comprehensive income for the period then ended;
- Statement of cash flows for the period then ended;
- Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the period ended 31 March 2016 for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Homes for Haringey Residential Community Interest Company

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

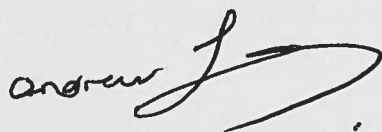
- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Independent auditors' report to the members of Homes for Haringey Residential Community Interest Company

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Lowe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 October 2016

Statement of comprehensive income for the period ended 31 March 2016

		Period ended 31 March 2016
	Note	£000
Turnover	5	1
Cost of sales		-
Gross profit		1
Administrative expenses		(310)
Operating loss	6	(309)
Interest payable and similar charges	8	(8)
Loss on ordinary activities before taxation		(317)
Tax on loss on ordinary activities	9	-
Loss for the financial period		(317)
Other comprehensive income		-
Total comprehensive expense for the period		(317)

All amounts relate to continuing operations.

The notes on pages 15 to 22 form part of these financial statements.

Balance sheet as at 31 March 2016

	Note	As at 31 March 2016 £000
Fixed assets		
Tangible assets	10	29
Current assets		
Debtors	11	24
Cash at bank and in hand		39
		63
Creditors : amounts falling due within one year	12	(106)
Net current liabilities		(43)
Total assets less current liabilities		(14)
Creditors: amounts falling due after more than one year	13	(303)
Net liabilities		(317)
Capital and reserves		
Called up share capital	17	-
Profit and loss account - (deficit)		(317)
Total shareholders' deficit		(317)

The notes on pages 15 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 24 October 2016 and were signed on its behalf by:



Andrew Billany
Chair

Statement of changes in equity for the period ended 31 March 2016

	Profit and loss account £000
Balance as at 15 April 2015	-
Loss for the financial period	(317)
Other comprehensive income for the period	-
Total comprehensive income for the period	(317)
Balance as at 31 March 2016	(317)

The notes on pages 15 to 22 form part of these financial statements.

Statement of cash flows for the period ended 31 March 2016

	Note	Period ended 31 March 2016 £000
Net cash flow from operating activities	14	(222)
Net cash used in operating activities		(222)
Cash flow from investing activities		
Purchase of tangible assets		(34)
Net cash used in investing activities		(34)
Cash flow from financing activities		
Proceeds from unsecured loan		303
Interest paid		(8)
Net cash generated from financing activities		295
Net increase in cash and cash equivalents		39
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		39
Cash and cash equivalents consists of:		
Cash at bank and in hand		39
Cash and cash equivalents		39

The notes on pages 15 to 22 form part of these financial statements.

Notes to the financial statements for the period ended 31 March 2016

1. General information

Homes for Haringey Residential Community Interest Company ('the Company'), trading as Move 51 Degrees North, was established by Homes for Haringey Limited on 15 April 2015 to deliver a not-for-profit private lettings and property management agency.

The Company is a wholly owned subsidiary of Homes for Haringey Limited, its immediate parent undertaking. The ultimate parent undertaking is London Borough of Haringey ('the Council').

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 48 Station Road, London N22 7TY.

2. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Principal accounting policies

The principal accounting policies, which have been applied consistently in the preparation of these financial statements, are set out below.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention. These financial statements are prepared in pounds sterling rounded to the nearest thousand ('£000'). This is the first time the Company will prepare financial statements since incorporation on 15 April 2015. Therefore, the financial statements are for the period from 15 April 2015 to 31 March 2016.

Going concern

The directors believe that it is appropriate to prepare the financial statements on the going concern basis due to the continued financial support of the ultimate parent undertaking, Haringey London Borough Council. The directors have received written confirmation that the Council intends to support the Company for at least one year after these financial statements are signed.

Consolidated financial statements

The Company is included in the consolidated financial statements of Homes for Haringey Limited which is publicly available through its website at www.homesforharingey.org or through its Company Secretary at 48 Station Road, London N22 7TY.

Notes to the financial statements for the period ended 31 March 2016**3. Principal accounting policies (continued)****Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of value added taxes (VAT).

The Company offers the following services:

- Securing the letting for the landlord including rent collection; and
- Managing the letting on behalf of the landlord.
-

Commissions earned on the above services are recognised as follows:

- (i) Commissions on securing the letting are recognised immediately subject to a deferral of revenue in recognition of the following:
 - (a) Contracts that have break clauses may require a refund if the tenant breaks early; and
 - (b) The Company is contracted to provide a rent collection service for the estimated duration of the outstanding tenancies and the related revenue associated with the service is recognised on a straight-line basis over that period.
- (ii) Property management fee is recognised monthly at a fixed percentage of the monthly rental.

Employee benefits

The Company provides a range of employment benefits, including paid annual leave, paid sick leave and a defined contribution pension plan. The costs of providing employee benefits are charged to the profit and loss account on an accruals basis.

(i) Short term employee benefits

Short term employee benefits are recognised as an expense in the period the service is received and include gross salaries and wages, bonuses, employer's national insurance contributions, pension costs and holiday pay.

(ii) Defined contribution pension plan

The Company operates a defined contribution pension scheme with the People's Pension, and provides automatic enrolment into the pension plan for employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations.

The assets of the plan are held separately from the Company in independently administered funds. The pension cost charged to the profit and loss account is equal to the contributions payable to the plan in the year on an accruals basis.

Notes to the financial statements for the period ended 31 March 2016**3. Principal accounting policies (continued)****Tangible assets**

The Company's tangible assets comprise of office equipment and are stated at cost less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bringing the asset to its present location and condition for its intended use.

Depreciation is calculated using the straight line method. Office equipment is depreciated over the useful economic life of three years to their residual value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Provisions and contingencies**(i) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(ii) Contingencies

Contingent liabilities arise as a result of past events when;

- (a) It is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date or
- (b) The existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control.

Contingent liabilities are not recognised but are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial liabilities

Basic financial liabilities, including trade creditors and other payables and borrowings are recognised on the balance sheet when the Company becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Short term trade and other payables within one year are measured at the transaction price.

Notes to the financial statements for the period ended 31 March 2016

3. Principal accounting policies (continued)

(ii) *Financial assets*

Basic financial assets, including trade debtors and other receivables, cash and bank balances, are initially recognised at transaction price, 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. Short term debtors receivable within one year are recorded at transaction price less any impairment.

Impairment of trade debtors

Trade debtors are stated after provisions for impairment of specific debtor accounts. Any losses arising from the impairment of trade debtors are recognised in the profit and loss account within operating expenses.

Borrowing costs

The Council provides loans to the Company at market rates. Borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Related party transactions

The Company discloses transactions with related parties to explain the effect of such transactions on the financial statements. Separate disclosure for transactions with the parent undertaking is given in note 15.

4. Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key accounting estimate and assumption that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is;

Client funds

Client monies and the associated liabilities are not shown on the balance sheet. This is because the Company treats the monies as belonging to clients and not as its own funds. Client monies are held in designated client accounts and, on that basis, the Company expects that, in the event of the Company becoming insolvent, such monies would be ring-fenced and not be available to the creditors as a whole. They are not available for offset against any other account held with the bank. Treatment of client monies is subject to Association of Residential Letting Agency rules.

Notes to the financial statements for the period ended 31 March 2016**5. Turnover**

Turnover is derived entirely from the ordinary activities of the Company and arises solely in the United Kingdom. The Company derives revenue from lettings and property management fees and commissions and from other charges to third parties.

6. Operating loss

Operating loss is stated after charging:

	Period ended 31 March 2016 £000
Employee costs	130
Other employee-related costs	14
Advertising	97
Supplies and services	55
Transport costs	5
Audit fees	4
Depreciation	5
Total	310

7. Employees and directors**Employees**

The monthly average number of employees was:

	Period ended 31 March 2016 Number
Lettings and property services	5
Total	5

Employee costs comprise:

	Period ended 31 March 2016 £000
Wages and salaries	112
Social security costs	14
Other pension costs	4
Total employee costs	130

Notes to the financial statements for the period ended 31 March 2016**7. Employees and directors (continued)****Directors**

The emoluments of directors are paid by the parent undertaking. The directors' services to this Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent undertaking. Accordingly, the above details for employees do not include emoluments in respect of directors.

8. Interest payable and similar charges

	Period ended 31 March 2016 £000
Interest expense on Council loans	(8)
Total interest payable and similar charges	(8)

9. Taxation

The Company is liable for UK corporation tax on its profits at the main rate of 20%. No tax is payable as the Company made a trading loss for the financial period ended 31 March 2016. Under UK tax legislation, losses can be carried forward and used to offset future taxable income. Any potential deferred tax asset has not been recognised due to uncertainty of future use of tax losses.

10. Tangible assets

	Office equipment £000
Cost	
At 15 April 2015	-
Additions	34
At 31 March 2016	34
Accumulated depreciation	
At 15 April 2015	-
Provided in the year	(5)
At 31 March 2016	(5)
Net book amount at 31 March 2016	29

Notes to the financial statements for the period ended 31 March 2016**11. Debtors**

	As at 31 March 2016 £000
Trade debtors	1
Other debtors	18
Prepayments	5
Total debtors	24

12. Creditors: amounts falling due within one year

	As at 31 March 2016 £000
Trade creditors	10
Amounts owed to parent undertaking	73
Other creditors including taxation and social security	7
Accruals and deferred income	16
Total creditors	106

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

Haringey Council provide loans at market rates of interest for the running costs of the Company. The loans received in the period totalling £303K are unsecured and due after two years.

14. Notes to the statement of cash flows

	Period ended 31 March 2016 £000
Loss for the financial period	(317)
Interest payable and similar charges	8
Operating loss	(309)
Depreciation of tangible assets	5
Increase in debtors	(24)
Increase in creditors	106
Net cash flow from operating activities	(222)

Notes to the financial statements for the period ended 31 March 2016**15. Related party transactions**

The Company is wholly owned by Homes for Haringey Limited, its parent undertaking, and was established to deliver a private lettings and property management agency.

The Board of the Company and the Company Secretary are employees of the parent company. No transactions have taken place between the Company and members of its Board.

The Company owed Homes for Haringey Limited £73K at 31 March 2016 in respect of services provided.

Save as disclosed elsewhere in these financial statements, there are no further related party transactions requiring disclosure under FRS 102.

16. Controlling party

Homes for Haringey Limited (company number 05749092; registered office at 48 Station Road, London N22 7TY) is the Company's immediate parent undertaking. Haringey London Borough Council is the Company's ultimate controlling party.

The consolidated financial statements of Homes for Haringey Limited are included within the group financial statements of the Council. The Council's financial statements are available through its website at www.haringey.gov.uk or through the Council's Corporate Finance department at River Park House, 225 High Road, London N22 8HQ.

17. Share capital

Called up share capital represents the nominal value of shares issued.

At incorporation on 15 April 2015, the Company issued one ordinary share of £1 to its parent undertaking, Homes for Haringey Limited. No further shares were issued during the period ended 31 March 2016.