

Registered Society number: 28193R

**Millbank Estate Management Organisation
Limited**

Report and Financial Statements

31 March 2015

Millbank Estate Management Organisation Limited

Legal and administrative details

For the year ended 31 March 2015

Status	The organisation is a registered society, incorporated on 1 January 1984	
Registered society Number	28193	
Registered office and operational address	Erasmus Street London SW1P 4HP	
Honorary Officers	P Hayes P Doherty G Bobin M Goviera	Chair Vice Chair Secretary Treasurer
Principal Staff	K Carson	Estate Director
Bankers	Barclays Bank Plc 13 Artillery Row London SW1P 1RH	
	National Westminster Bank P.O. Box 3038 57 Victoria Street London SW1H 0ND	
Auditors	Sayer Vincent LLP Chartered accountants and registered auditors Invicta House 108-114 Golden Lane London EC1Y 0TL	

Millbank Estate Management Organisation Limited

Report of the management committee

For the year ended 31 March 2015

The management committee presents its report and the audited financial statements for the year ended 31 March 2015.

The Income and Expenditure account for the period ended 31 March 2015 shows an excess of expenditure over income of £26K. Whilst there has been an overspend, the deduction in previous year overspend highlights the vast improvement in the budgeting of the account for this period. Many overhead expenditure items have reduced such as stationery by 25% and the board administrative costs by 59%. However some costs have increased particularly in the area of legal and professional fees. This was following the governance difficulties the organisation faced last year and the implementation of the service improvement recommendations as a result of the independent governance audit, which was commissioned by Westminster City Council in 2014.

The management committee have further taken measures to ensure that going forward, overspending ceases and as such they have completed a staffing review and instigated restructuring both office/estate services. The restructuring will ensure that service provision is effective and value for money. Cost has been incurred in this period because of that process. It is anticipated that the new organisational strategy will not initially reduce cost in the next financial year but over time will ensure that our work force has the relevant skill set to ensure the organisation is run efficiently and vast improvements in our service delivery.

Responsibilities of the management committee

The management committee is responsible for preparing the management committee's report and the financial statements in accordance with applicable law and regulations.

The law governing registered societies requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the society as at the balance sheet date and of its incoming resources and application of resources including income and expenditure for the then ended.

In preparing those financial statements which give a true and fair view, the management committee should follow best practice and:

- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the society will continue on that basis.

The management committee is responsible for keeping proper books of accounts such as are necessary to give a true and fair view of the society's state of affairs and to explain its financial transactions.

The society must also establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances, and hence is responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Millbank Estate Management Organisation Limited

Report of the management committee

For the year ended 31 March 2015

Each of the management committee confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the management committee also confirm that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the management committee

Member of the management committee during the year and up to the date of this report were as follows:

G Bobin
N Chitnavis
P Doherty
M Gouveia
A Habib
P Hayes
L Hiscock
M Landman
O Martone
G Morgan

All members of the management committee are members of the society and subscribe to one share or if they are a representative from another organisation, the organisation holds one share. Members of the management committee have no beneficial interest in the society and are not remunerated.

Auditors

Sayer Vincent LLP were reappointed as the society's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the management committee on 29 September 2015 and signed on its behalf by

P Hayes

Independent auditor's report

To the members of

Millbank Estate Management Organisation Limited

We have audited the financial statements of Millbank Estate Management Organisation Limited for the year ended 31 March 2015 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the management committee and the auditors

As explained more fully in the statement of management committee's responsibilities set out in the report of the management committee, the management committee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Management committee's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the management committee; and the overall presentation of the 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. In addition, we read all the financial and non-financial information in the report of the management committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014

Independent auditor's report

To the members of

Millbank Estate Management Organisation Limited

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit

DATE

Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, EC1Y 0TL

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Millbank Estate Management Organisation Limited

Income and expenditure account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Income			
Management and maintenance allowance		588,487	672,020
Bank interest		297	233
Income from residents		969	830
Other income		7,563	8,830
Grant income		3,306	13,076
Total income		600,622	694,989
Expenditure			
<u>Repairs and maintenance</u>			
Contractors and materials		208,645	320,684
Staff costs	2	86,089	86,573
Total repairs and maintenance		294,734	407,257
<u>Estate management</u>			
Staff costs	2	178,970	173,900
Board & administrative costs		8,696	21,100
Compensation costs		640	5,456
Audit and accountancy		35,604	38,434
Sundry expenses		12,027	7,541
Training costs		2,368	877
Rent and rates		9,608	6,368
Cleaning		6,246	6,177
Light and heat		1,037	-
Telephone		8,371	12,734
Printing, postage and stationery		18,195	24,193
Office repair & equipment hire		3,910	2,720
Insurance		5,979	6,046
Projects and activities		1,422	8,143
Legal and professional fees		20,802	11,515
Travel expenses		649	376
Gardening		1,757	5,980
Depreciation		5,706	4,037
Bad debt provision		-	-
Bank charges		667	669
Computer costs		5,605	7,659
Grant funded activities		3,306	13,076
Total estate management costs		331,565	357,001
Total expenditure		626,299	764,258
Deficit for the year prior to taxation	3	(25,677)	(69,269)
Taxation	4	57	47
Deficit for the year after taxation		(25,734)	(69,316)
Transfer from/(to) contingency fund		20,236	60,965
Deficit on general fund		(5,498)	(8,351)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements on reserves are disclosed in Note 9 to the financial statements.

Millbank Estate Management Organisation Limited

Balance sheet

As at 31 March 2015

	Note	2015 £	2015 £	2014 £
Tangible fixed assets	5		15,170	17,747
Current assets				
Debtors	6	31,819		90,252
Cash at bank and in hand		457,425		440,800
		489,244		531,052
Creditors: amounts due within 1 year	7		(428,573)	(447,224)
Net current assets			60,671	83,828
Net assets			75,841	101,575
Capital and reserves				
General fund			39,205	44,703
Contingency fund			36,611	56,847
Share capital	8		25	25
Total funds	9		75,841	101,575

Approved by the management committee on 29 September 2015 and signed on its behalf by

_____ Chair

_____ Secretary

_____ Member

Millbank Estate Management Organisation Limited

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Co-operative and Community Benefit Societies Act 2014.
- b) Management and maintenance allowances received are credited to the income and expenditure account in the period in which they are receivable, and are shown net of VAT.
- c) The general fund represents funds available to MEMO after transfers to other funds.

The contingency fund consists of allowances which have not been spent within the year shown as a reserve fund in line with the Management Agreement.

- d) Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:-

Fixtures and equipment	- 25% straight line
Computer equipment	- 25% straight line

- e) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the income and expenditure account on a straight line basis over the length of the lease.

2. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	228,019	233,947
Social security costs	19,924	21,964
Agency and temp staff costs	1,400	1,830
Other staff costs	15,716	2,732
	<u>265,059</u>	<u>260,473</u>

No employee earned more than £60,000 during the year.

The average number of employees (full-time equivalent) during the year was 9 (2014: 9).

Staff costs can be attributed as follows:-

	2015	2014
	£	£
Repairs and maintenance	86,089	86,573
Estate management	178,970	173,900
	<u>265,059</u>	<u>260,473</u>

Millbank Estate Management Organisation Limited

Notes to the financial statements

For the year ended 31 March 2015

3. Deficit for the year

This is stated after charging / crediting:	2015	2014
	£	£
Depreciation	5,706	4,037
Management Committee members' remuneration	-	-
Management Committee members' reimbursed expenses	127	687
Auditors' remuneration:		
▪ Audit	6,500	6,500
Operating lease rentals:		
▪ Property	9,288	6,102
▪ Other	7,500	7,500
	<u>7,500</u>	<u>7,500</u>

One management committee member (2014: 3) received reimbursed expenses for travel and subsistence in the year 2014-15 (2014: £687).

4. Taxation

	2015	2014
	£	£
UK corporation tax at 20% (2014 : 20%)	<u>57</u>	<u>47</u>

5. Tangible fixed assets

	Computer Equipment £	Fixtures and equipment £	Total £
Cost			
At the start of the year	10,260	14,048	24,308
Additions in the year	<u>1,699</u>	<u>1,430</u>	<u>3,129</u>
At the end of the year	<u>11,959</u>	<u>15,478</u>	<u>27,437</u>
Depreciation			
At the start of the year	2,647	3,914	6,561
Charge for the year	<u>2,455</u>	<u>3,251</u>	<u>5,706</u>
At the end of the year	<u>5,102</u>	<u>7,165</u>	<u>12,267</u>
Net book value			
At the end of the year	<u>6,857</u>	<u>8,313</u>	<u>15,170</u>
At the start of the year	<u>7,613</u>	<u>10,134</u>	<u>17,747</u>

Millbank Estate Management Organisation Limited

Notes to the financial statements

For the year ended 31 March 2015

6. Debtors	2015 £	2014 £
Trade and other debtors	10,502	17,300
Other debtors	1,144	4,741
Prepayments and accrued income	<u>20,173</u>	<u>68,211</u>
	<u>31,819</u>	<u>90,252</u>

7. Creditors : amounts due within 1 year	2015 £	2014 £
Trade creditors	55,277	87,480
Taxation and social security	18,879	1,748
Accruals and deferred income	8,843	9,958
Other creditors	<u>345,574</u>	<u>348,038</u>
	<u>428,573</u>	<u>447,224</u>

8. Share capital	2015 £	2014 £
At the start and end of the year	<u>25</u>	<u>25</u>

9. Movements in reserves	At 1 April 2014 £	Income £	Expenditure £	Transfers £	At 31 March 2015 £
Contingency fund	56,847	-	-	(20,236)	36,611
General fund	<u>44,703</u>	<u>600,622</u>	<u>(626,356)</u>	<u>20,236</u>	<u>39,205</u>
Total reserves	<u>101,550</u>	<u>600,622</u>	<u>(626,356)</u>	<u>-</u>	<u>75,816</u>

Purposes of funds

Contingency fund

This consists of allowances which have not been spent within the year shown as a reserve fund in line with the Management Agreement. This will cover any future shortfalls in expenditure that the allowances cannot meet when those occasions arise.

General fund

The general fund represents a provision to meet anticipated future costs resulting from underspends in repairs and services, known commitments for future work and a contingency against the costs arising from unforeseen circumstances.

Millbank Estate Management Organisation Limited

Notes to the financial statements

For the year ended 31 March 2015

10. Operating lease commitments

The society had annual commitments under operating leases expiring as follows:

	Equipment		Property	
	2015	2014	2015	2014
	£	£	£	£
Due within one year	<u>6,800</u>	<u>7,500</u>	<u>12,545</u>	<u>5,575</u>