

**SOUTH EAST INDEPENDENT
LIVING LIMITED**

**Report and Financial
Statements**

**For the financial year ended
31st March 2019**

**Company Registration Number: 08710235
(England and Wales)**

South East Independent Living Limited

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Company Information

Board Directors

Mary Hope (Chair)
Roger Eastwood
Eastbourne Homes Limited

Company Secretary

Jane McCarthy-Penman

Registered Office

1 Grove Road
EASTBOURNE
East Sussex
BN21 4TW

Company Registration Number: 08710235

Auditor

RSM UK Audit LLP
Chartered Accountants
Marlborough House
Victoria Road South
CHELMSFORD
Essex
CM1 1LN

Bankers

Lloyds Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
GILLINGHAM
Kent
ME8 0LS

South East Independent Living Limited

Directors' Report For the Year Ended 31st March 2019

The Directors present their annual report and financial statements for the year ended 31st March 2019.

Principal Activities

The principal activity of the Company is the delivery of short-term housing floating support for people of 65 years and over who live in Eastbourne, Lewes and Wealden districts. The STEPS Team also provided a Navigator Service which was targeted at people aged 18 or over, resident in East Sussex, who have a long-term physical health condition and need advice and guidance to help them live life to the full. The service came to an end on the 20th November 2018 due a reduction in funding of £212,620 by East Sussex County Council. Support and information is provided over the phone or by visiting clients at home.

Future Developments

East Sussex County Council have extended the Floating Support contract for a further 24 months from the 21st November 2018.

In response to the reduction in the budget from East Sussex County Council adult social care, we will ensure the new STEPS housing contract remains viable and relevant in the financial landscape. To ensure the continuance of the service, we will pilot a new paid for support service which we are currently exploring during 2019/20.

Directors

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

R C Eastwood
M E R Hope
Eastbourne Homes Limited

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed as appointed as auditors in the absence of an Annual General Meeting.

Statement of Disclosure to Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the Board


.....
J K R McCarthy-Penman
Company Secretary

Directors' Responsibilities Statement For the Year Ended 31st March 2019

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 elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, 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 and loss of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 corporate and financial information included on the website, which is shared with EBC and LDC. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

South East Independent Living Limited

Independent Auditor's Report to the Members of South East Independent Living Limited

Opinion

We have audited the financial statements of South East Independent Living Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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 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 company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to [prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

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 company'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 company 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.

South East Independent Living Limited

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit 

ANDREW MONTEITH (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

1st August 2019.

**Statement of Comprehensive Income
for the year ended 31st March 2019**

		Year ended 31 March 2019 £	Year ended 31 March 2018 £
Turnover		962,848	1,051,109
Administrative expenses		(939,901)	(1,035,235)
Operating Profit		<u>22,947</u>	<u>15,874</u>
Interest payable and similar charges		(3,000)	(3,000)
Profit before taxation	2	<u>19,947</u>	<u>12,874</u>
Taxation	4	-	(659)
Profit for the financial year	8	<u>19,947</u>	<u>12,215</u>
Other comprehensive income net of taxation			
Actuarial (loss)/gain on defined benefit pension schemes	7	(34,000)	22,000
Total comprehensive (loss)/income for the year		<u><u>(14,053)</u></u>	<u><u>34,215</u></u>


South East Independent Living Limited

Balance Sheet As at 31st March 2019

	Notes	2019 £	2018 £
Current assets			
Debtors	5	125,390	245,503
Cash at bank and in hand		160,439	86,194
		<u>285,829</u>	<u>331,697</u>
Creditors: amounts falling due within one year			
	6	(91,158)	(190,973)
Net current assets		<u>194,671</u>	<u>140,724</u>
Net assets excluding pension liability		<u>194,671</u>	<u>140,724</u>
Defined benefit pension liability	7	(172,000)	(104,000)
Net assets		<u><u>22,671</u></u>	<u><u>36,724</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss reserves	8	22,670	36,723
Total equity		<u><u>22,671</u></u>	<u><u>36,724</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on the ~~xxxxxx~~ and are signed on its behalf by:


R C Eastwood
Director

Notes to the Financial Statements for the year ended 31st March 2019

1. Accounting Policies

Company information

South East Independent Living Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Grove Road, Eastbourne, East Sussex, BN21 4TW.

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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

South East Independent Living Limited has the continued support of Eastbourne Homes Limited, its parent company and this has been confirmed in writing. The Directors therefore have no reason to believe that the company will not be able to meet its liabilities for the 12 months from the approval of the financial statements and have prepared the accounts on the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services net of VAT and trade discounts.

South East Independent Living Limited

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

1. Accounting Policies (Continued)

Financial Instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Basic financial assets, which include trade 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.

Loans and Receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

1. Accounting Policies (Continued)

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 company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade Creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of Financial Liabilities

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

Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

South East Independent Living Limited

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

1. Accounting Policies (Continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

The Company participates in the Local Government Pension Scheme (LGPS), a defined benefit pension scheme administered by East Sussex County Council (ESCC). The assets of the scheme are invested and managed independently of the finances of the Company. Contributions are based on pension costs of the Company's unithised fund. Costs include the regular cost of providing benefits, which it is intended should remain at a substantial level of current and expected future earnings of the employees covered.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method.

Gains/losses

Gains or losses recognised in the profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligation.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

2 Profit before taxation

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Profit before taxation is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	2,300	2,200

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

3 Employees

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

	Year ended 31 March 2019 Number	Year ended 31 March 2018 Number
Total	37	37

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
4 Taxation		
Current tax		
UK corporation tax on profits for the current period	-	4,288
Adjustments in respect of prior periods	-	(3,629)
Total current tax	-	659

	2019 £	2018 £
5 Debtors		
Amounts falling due within one year:		
Trade debtors	43,969	144,183
Other debtors	81,421	101,320
	125,390	245,503

South East Independent Living Limited

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

6 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	500	58
Amounts due to group undertakings	19,821	118,352
Corporation tax	-	4,288
Other taxation and social security	49,614	42,552
Other creditors	21,223	25,723
	<u>91,158</u>	<u>190,973</u>

Included within other creditors is £3,329 (2018: £5,688) a balance in relation to amounts unpaid to pension schemes as at the year end.

7 Retirement benefit schemes

Defined benefit schemes- East Sussex Pension Fund (ESPF)

The ESPF is a multi-employer scheme, administered by ESCC under the regulations governing the LGPS, a defined benefit pension scheme. The most recent full actuarial valuation was on 31 March 2019 by a qualified independent actuary.

Key assumptions

	2019	2018
	%	%
Discount rate	2.40%	2.70%
Expected rate of increase of pensions in payment	2.50%	2.40%
Expected rate of salary increases	2.90%	2.80%

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

7 Retirement benefit schemes (Continued)

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2019	2018
	Years	Years
Retiring today		
- Males	22.1	22.1
- Females	24.4	24.4
Retiring in 20 years		
- Males	23.8	23.8
- Females	26.3	26.3

Amounts recognised in the profit and loss account:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Current service cost	68,000	81,000
Net interest on defined benefit liability	3,000	3,000
Total costs	71,000	84,000

Amounts taken to other comprehensive income:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Actual return on scheme assets	(98,000)	(21,000)
Less: calculated interest element	25,000	22,000
Return on scheme assets excluding interest income	(73,000)	1,000
Actuarial changes related to obligations	107,000	(23,000)
Total expenditure/(income)	34,000	(22,000)

South East Independent Living Limited

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2019 £	2018 £
Present value of defined benefit obligations	1,215,000	1,008,000
Fair value of plan assets	(1,043,000)	(904,000)
Deficit in scheme	<u>172,000</u>	<u>104,000</u>

Movements in the present value of defined benefit obligations:

	2019 £
Liabilities at 1 April 2018	1,008,000
Current service cost	68,000
Contributions from scheme members	9,000
Benefits Paid	(5,000)
Actuarial gains and losses	107,000
Interest cost	28,000
At 31 March 2019	<u>1,215,000</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2019 £
Fair value of assets at 1 April 2018	904,000
Interest income	25,000
Contributions by the employer	37,000
Contributions by scheme members	9,000
Benefits Paid	(5,000)
Return on plan assets (excluding amounts included in net interest)	73,000
At 31 March 2019	<u>1,043,000</u>

Notes to the Financial Statements (continued) For the Year Ended 31st March 2019

7 Retirement benefit schemes (Continued)

The analysis of the scheme assets at the reporting date were as follows:

	2019	2018
	£	£
Equity instruments	672,600	650,900
Property	107,300	86,700
Bonds	231,200	130,900
Cash	31,900	35,500
	1,043,000	904,000

The company expects to contribute £37,000 to its defined benefit pension plans in the year ended 31 March 2020.

8 Reserves

	2019	2018
	£	£
At the beginning of the year	36,723	2,508
Profit for the year	19,947	12,215
Actuarial differences recognised in other comprehensive income	(34,000)	22,000
At the end of the year	22,670	36,723

9 Parent company

Eastbourne Homes Limited is the immediate parent company, and is registered in England and Wales. Eastbourne Homes Limited is the smallest group for which consolidated accounts including South East Independent Living Limited are prepared and Eastbourne Borough Council is the largest group. The consolidated accounts for Eastbourne Homes Limited are available from 1 Grove Road, Eastbourne, East Sussex, BN21 4TW. The ultimate parent undertaking and controlling party is Eastbourne Borough Council.