

Fortis Property Care Limited

Financial Statements For the Year Ended 31 March 2016

Company Number: 3795555



Fortis Property Care Limited

Financial Statements for the Year Ended 31 March 2016

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Fortis Property Care Limited

Executive Officers, Advisers & Bankers 2016

Directors: Andrew Milner Appointed 19 May 2015
Colin Davis Appointed 22 September 2015
Caroline Dykes
David Clark
John Waring
Bill Tebay
Denis Thompson Resigned 22 September 2015
Fred Bentley Resigned 22 September 2015

Executive Officers: Bill Tebay, Managing Director
Support from Fortis Living:
Guy Weston, Group Chief Executive
Andrew Howarth, Executive Director Finance

Secretary Andrew Howarth

Registered office: Festival House,
Groewood Road,
Enigma Business Park,
Malvern,
Worcestershire, WR14 1GD

Company Number: 3795555

Registered Auditors: Beever and Struthers,
Chartered Accountants,
St George's House,
215-219 Chester Road,
Manchester, M15 4JE

Bankers: Barclays Bank plc,
Midlands Corp Banking,
PO Box 3333,
1 Snow Hill,
Birmingham,
West Midlands, B3 2WN

Fortis Property Care Limited

Report of the Board & Strategic Report 2016

The Board of directors present their report and strategic report together with the audited financial statements for the year ended 31 March 2016.

Group Structure

Fortis Property Care Limited (FPC) is an amalgamation of two successful in-house contractors formed on 1 April 2014, when Festival Housing Limited (Festival) and Worcester Community Housing Limited (WCH) formed a new organisation named Fortis Living. The new Group structure has a new Group parent, Fortis Living, with Festival & WCH as subsidiaries. These three Companies, which are all Registered Providers of social housing, have a common Board which was appointed on 1 April 2014.

The majority shareholding in the Company is with Fortis Living, the Group Parent.

Cost Sharing Group

The cost sharing group (CSG) was extended to include all Group Members in 2014. One external contract with Nexus remains outside of the CSG and this has been extended to March 2017. During the year Fortis Living, Festival and WCH have continued to participate in the Cost Sharing Group along with our external partner, Rooftop Housing Group. The CSG allows for the efficient delivery of maintenance services amongst qualifying group members enabling these services to be delivered in the most tax efficient way by minimising any VAT costs on in house labour.

Principal activities

The Company's principal activity is to provide property maintenance and repairs services to registered providers of social housing. The Company was a subsidiary of Fortis Living, a charitable registered provider of social housing, throughout the year.

Internal Control Statement

Governance

Fortis Living is responsible for the internal control system and for reviewing its effectiveness.

Fortis Living recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable, but not absolute, assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of the Company's assets and interests.

The Homes and Communities Agency's (HCA) Regulatory Framework for social housing requires that Fortis Living has an effective risk management and internal controls assurance framework. In meeting its responsibilities, Fortis Living has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed.

Fortis Living's Audit & Risk Committee is responsible for monitoring the risk management process, reviewing internal control and reports to the Company's board on the efficacy of the process. The Remuneration & Governance Committee is responsible for monitoring and reviewing governance issues and reports to the Company's board on the efficacy of the process.

The process adopted by Fortis Living in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

Fortis Property Care Limited

Report of the Board & Strategic Report 2016 (continued)

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Company's activities. The Risk Management Review Group regularly considers and delivers reports on significant risks facing the Company and the Board receives regular reports on changes affecting key risks.

Environment and Control Procedures

The Company has responsibility for a schedule of matters relating to the management of the Company including operational and financial control. There are governance arrangements in place, which cover issues such as delegated authority, segregation of duties, accounting, cashflow management, health and safety, data and asset protection, and fraud prevention and detection.

Information and financial reporting systems

Financial reporting procedures include detailed budgets for the year ahead, detailed monthly management accounts, and short and long term forecasts. These are reviewed in detail by the executive director and considered and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Monitoring and corrective action

A process of control self assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

The internal control framework and risk management process is subject to regular review and supported by internal and external auditors who are responsible for providing independent assurance to the senior management team and Audit & Risk Committee. The Audit & Risk Committee considers internal control and risk at regular intervals through the year and there is a formal process for the reporting and correction of significant control weaknesses.

The Audit & Risk Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. An annual report is submitted to the Board.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Company. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Going Concern

Under the governance requirements, the Board confirms that, after making enquiries, it has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the adoption of the going concern basis in preparing the accounts is continued.

Fortis Property Care Limited

Report of the Board & Strategic Report 2016 (continued)

Financial Performance

The Statement of Comprehensive Income is set out on page 9 and shows a profit for the year before gift aid amounting to £1.3m (2015: £0.83m).

The overall profit for the year of £0.45m (2015: £0.08m) was after payment of gift aid to Fortis Living of £0.88m (2015: £0.75m). The directors do not propose the payment of a dividend.

Cost and efficiency measures in 2015/16 contributed to a net operating surplus of £1.3m which exceeded the business plan projections of £620k. The surplus was reinvested as gift aid into the Fortis Living business. The results for the Company for the current year compared to prior years is shown in the table below:

	2016	2015	2014	2013
	£000	£000	£000	£000
Turnover	22,376	16,790	14,569	13,662
Cost of sales	18,727	14,005	12,346	11,528
Gross profit	3,649	2,785	2,223	2,134
Administrative expenses	2,316	1,953	1,450	1,060
Operating Surplus before Gift Aid	1,333	832	773	1,074
Operating Margin %	6.0%	5.0%	5.3%	7.9%
Gain on disposal of property, plant and equipment	1	1	-	-
Gift Aid	880	752	1,136	120
Net Profit/(loss) after taxation	454	81	(363)	954

Within the year activity with both the Fortis Living Group and Rooftop Housing Group increased as more planned maintenance work was introduced. The table below shows the source of turnover achieved in the year and budgeted for 2016/17:

Turnover	2015/16	2016/17
	£m	£m
Festival	10.8	11.1
Worcester	4.6	5.4
Rooftop	6.0	5.9
Nexus	1.0	1.0
Turnover	22.4	23.4

Services provided during the year included responsive and void repairs, gas servicing and repairs, and grounds maintenance. Planned maintenance programmes included the replacement of key components including kitchens, bathrooms, boilers and heating, fascias and gutters, electrical installations and the re-roofing of properties.

During the year the Board re-affirmed its commitment to the 5-year plan and to the growth and savings targets within it. However the plan will be reviewed during 2016/17.

A full pay review of Terms and Conditions for FPC office staff was completed in 2015/2016 while preparatory work on Terms and Conditions for Trades staff was completed and approved by the

Fortis Property Care Limited

Report of the Board & Strategic Report 2016 (continued)

FPC Board. This project will be completed early in 2016/17 and provision for changes in rates of pay is accommodated in the operating budget.

A mobile working IT solution will be put in place in 2016/17 which will have a significant and positive effect on productivity by reducing administration and unnecessary visits to the office.

Key Performance results for the year compared to the prior year are included in the table below

DESCRIPTION	TARGET 14/15	ACTUAL 14/15	TARGET 15/16	ACTUAL 15/16	TARGET 16/17
% of emergency repairs completed on time	99.8%	98.0%	99.8%	98.6%	98.6%
% of properties receiving annual gas service	100.0%	100.0%	100%	99.97%	100%
% of repairs completed RFT	90.0%	91.1%	92%	78.2%	85%
% of appointments kept	97.5%	96.9%	97.5%	92.6%	93%
Average productivity per operative per annum	£63k	£90k	90k	£91.93k	£90k
Average job completions per day	4	4	4	3.7	4
Net profit as % of turnover	2.7%	3.0%	2.8%	6.2%	3.6%
% customer satisfaction with FPC services	96.0%	94.8%	96%	90.2%	92%
Average no. of calendar days to complete repair	10	11.9	10	11.5	11
Average sickness days	6.2	10.4	6.1	11.3	10

The above table refers to performance on Fortis Living Group activity.

Principal risks and uncertainties

All risks are closely monitored by the Board and Executive. Present contracts are not considered to hold any significant financial risk.

Health and Safety is a risk area for the Company but all staff are well trained and the Company has its own Health and Safety Manager who ensures procedures are followed on site.

The operating environment for housing associations is becoming more challenging and FPC has a strong role to play in assisting its partners to deliver against their efficiency targets by providing Value for Money services. The Company continues to have agreements with two major suppliers which help to control material prices, and the re-procurement of one of these contracts was deferred during the year. FPC continues to operate an efficient work scheduling system which it is expecting to enhance during 2016/17 with the procurement and implementation of a mobile working solution.

Risks are expected to be mitigated by the expected growth to be achieved within the Fortis Living Group, and through the Cost Sharing Group. The group is expected to deliver a more efficient and streamlined service as well as enabling a higher level of financial leverage. Value for money should be achieved through economies of scale, creating efficiencies in similar areas of operation as well as greater powers of influence.

Fortis Property Care Limited

Report of the Board & Strategic Report 2016 (continued)

Significant group cost savings targets are expected to be achieved by placing maintenance work that is currently outsourced by Group Members directly with Fortis Property Care Limited.

Directors' Responsibilities

The directors are responsible for preparing the Directors' Report the Strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

Annual General Meeting

The Annual General Meeting will be held on Tuesday 20 September 2016.

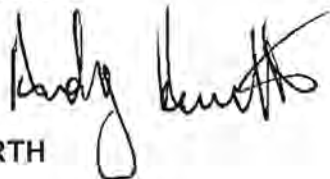
Disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Report of the Board and Strategic Report was approved by the Board on 26 July 2016 and signed on its behalf by:

By order of the Board



ANDREW HOWARTH
SECRETARY

26 July 2016

Fortis Property Care Limited

Independent Auditor's Report to the Shareholders of Fortis Property Care Limited 2016

We have audited the financial statements of Fortis Property Care Limited for the year ended 31 March 2016 on pages 9 to 17. 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 company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 company's affairs as at 31 March 2016 and of its profit for the year then ended;
- 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.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Fortis Property Care Limited

Independent Auditor's Report to the Shareholders of Fortis Property Care Limited 2016 (continued)

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters where 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.

Beever and Struthers

MARIA HALLOWS (Senior Statutory Auditor)

For and on behalf of
BEEVER AND STRUTHERS
Chartered Accountants and Statutory Auditors

St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Date: *26 July 2016*

Fortis Property Care Limited

Statement of Comprehensive Income for the year ended 31 March 2016

	Note	2016 £'000	Restated 2015 £'000
Turnover	2	22,376	16,790
Cost of sales		<u>(18,727)</u>	<u>(14,005)</u>
Gross profit		3,649	2,785
Administrative expenses		<u>(2,316)</u>	<u>(1,953)</u>
Operating Profit		1,333	832
Gain on disposal of property, plant and equipment		1	1
Gift aid	16	<u>(880)</u>	<u>(752)</u>
Profit on ordinary activities before taxation	3	454	81
Taxation	5	-	-
Profit on ordinary activities after taxation		<u>454</u>	<u>81</u>

All amounts relate to continuing activities.

The notes on pages 12 to 17 form part of these financial statements.


Fortis Property Care Limited

Statement of Financial Position at 31 March 2016

	Note	2016	2016	Restated 2015	Restated 2015
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		100		73
Current assets					
Stocks	7	45		28	
Debtors	8	1,778		2,231	
Cash at bank and in hand	9	1,585		-	
		3,408		2,259	
Creditors: amounts falling due within one year	10	(2,135)		(1,413)	
Net current assets			1,273		846
Total assets less current liabilities			1,373		919
Capital and reserves					
Called up share capital	11		-		-
Profit and loss reserve			1,373		919
Shareholders' funds			1,373		919

Company Number: 3795555

The financial statements on pages 9 to 17 were approved and authorised for issue by the Board of Directors on 26 July 2016 and are signed on behalf of the Board by:



 Director

Andrew Milner

The notes on pages 12 to 17 form part of these financial statements.

Fortis Property Care Limited
Statement of Changes in Equity 2016

	Profit and Loss Reserve £'000
At 1 April 2014 as previously stated	914
Prior period adjustment	(76)
At 1 April 2014 as restated	838
Profit from Statement of Comprehensive Income	81
At 31 March 2015	919
Profit from Statement of Comprehensive Income	454
At 31 March 2016	<u>1,373</u>

The notes on pages 12 to 17 form part of these financial statements.

Fortis Property Care Limited

Notes Forming Part of the Financial Statements 2016

1 Accounting policies

The financial statements have been prepared in compliance with FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland”. They have been prepared on the historical cost basis and are in sterling, which is the functional currency of the entity. The following principal accounting policies have been applied:

Cash flow statement

The Company has taken advantage of the exemption conferred by FRS 102 not to prepare a cash flow statement on the grounds that the voting rights in the Company are controlled within Fortis Living and the Company is included in consolidated financial statements.

Turnover

Turnover represents the value of work done at invoiced amounts less value added tax. Income is accrued for work which is partially complete and un-invoiced.

Depreciation

Depreciation is provided to write off the cost of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	-	33.33% straight line
Plant and Machinery	-	33.33% straight line
Computer Hardware	-	25% straight line
Computer Software	-	20% straight line
Fixtures and Fittings	-	20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Value Added Tax (“VAT”)

The Company is registered for VAT and charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Company and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

Cost Sharing Group

The Company is host to a cost sharing group (CSG) which was established in October 2013 between Festival Housing Limited, Rooftop Housing and Festival Property Care Limited and extended to include all Group Members in 2014. The three subsidiaries of Rooftop Housing Group are all members of the CSG and all hold a share in the Company.

The overriding aim of the CSG is to allow the delivery of high quality maintenance services in common with all CSG group members. In sharing costs and a large workforce, the CSG members are able to share overheads and (where staff are directly employed) minimise any VAT costs on in house labour. The Company complies with the HMRC conditions required to operate a CSG.

Fortis Property Care Limited

Notes Forming Part of the Financial Statements 2016 (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Statement of Comprehensive Income.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the Statement of Comprehensive Income over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Pension costs

Fortis Living is a contributing member of the Local Government Pension Scheme (LGPS) and Festival Housing Limited is the contributing member of the Social Housing Pension Scheme (SHPS); both of which are multi-employer defined benefit schemes. The assets of these schemes are held separately from those of the group in independently administered funds. Full disclosure in accordance with FRS 102 can be found within the Financial Statements of the Parent undertaking.

Fortis Living Group also contributes to the SHPS defined contribution scheme.

Tooling

Expenditure on loose tools is written off in the period in which it is incurred.

2 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

Fortis Property Care Limited

Notes Forming Part of the Financial Statements 2016 (continued)

3 Profit on ordinary activities

	2016	2015
	£'000	£'000
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	79	48
Hire of land and buildings – operating leases	72	58
Hire of plant and machinery – operating leases	712	609
(Profit) on sale of property, plant and equipment	(1)	(1)
	454	81

Auditors remuneration is paid by the ultimate parent undertaking, Fortis Living.

4 Employees', Directors' and Executive Officer remuneration

The Company does not employ any staff.

Fortis Living employs all the staff engaged on Company business and recharges the Company with the applicable costs. Details of staff numbers and cost are available in the Group accounts.

Emoluments to directors are also disclosed in the Group accounts.

5 Taxation on profit on ordinary activities

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2016	2015
	£'000	£'000
Profit on ordinary activities before tax	454	81
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 – 21%)	91	17
Effect of:		
Utilisation of charges on income	(91)	(21)
Excess of depreciation over capital allowances	-	4
Tax charge for the year	-	-

Fortis Property Care Limited

Notes Forming Part of the Financial Statements 2016 (continued)

6 Tangible fixed assets

	Computer Equipment £'000	Motor Vehicles £'000	Plant and Machinery £'000	Fixtures & Fittings £'000	Total £'000
Cost					
At 1 April 2015	263	95	94	9	461
Additions	34	-	31	-	65
Group transfers	-	148	73	-	221
Disposals	-	(15)	(5)	-	(20)
At 31 March 2016	297	228	193	9	727
Depreciation					
At 1 April 2015	231	95	61	1	388
Group transfers	-	132	47	-	179
Provided for the year	15	16	46	2	79
Disposals	-	(15)	(4)	-	(19)
At 31 March 2016	246	228	150	3	627
Net book value					
At 31 March 2016	51	-	43	6	100
At 31 March 2015	32	-	33	8	73

7 Stocks

	2016 £'000	2015 £'000
Materials and consumables	45	28

There is no material difference between the replacement cost of stocks and the amounts stated above.

8 Debtors

	2016 £'000	2015 £'000
Trade debtors	1,027	1,338
Amount due from Group undertakings	322	481
Prepayments and accrued income	429	412
	1,778	2,231

All amounts shown under debtors fall due for payment within one year.

Fortis Property Care Limited

Notes Forming Part of the Financial Statements 2016 (continued)

9 Cash at Bank

	2016 £'000	2015 £'000
Cash at Bank	1,585	-
	1,585	-

10 Creditors: amounts falling due within one year

	2016 £'000	Restated 2015 £'000
Bank Overdraft	-	20
Trade creditors	964	1,116
Amount due to Group undertakings	447	98
Accruals and deferred income	528	179
Other Taxation Creditors	133	-
Other Creditors	63	-
	2,135	1,413

11 Share capital

	Authorised		Allotted, called up and fully paid	
	2016	2015	2016	2015
	£	£	£	£
100 ordinary shares of £1 each	100	100	100	100

12 Pension Obligations

Details of the pension schemes are disclosed in the Group accounts.

13 Operating Leases

The Company has commitments under non-cancellable operating leases as set out below:

	2016		2015	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
	Within one year	12	615	23
In two to five years	11	601	81	693
Over five years	-	-	10	-
	23	1,216	114	1,262

Fortis Property Care Limited

Notes Forming Part of the Financial Statements 2016 (continued)

14 Related party disclosures

The Company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with Festival Housing Limited and Worcester Community Housing Limited on the grounds that the voting rights in the Company are controlled within Fortis Living and the Company is included in consolidated financial statements.

15 Ultimate parent company

The Company's Parent undertaking during the year was Fortis Living, which is incorporated in Great Britain and registered in England and Wales under the Co-operative and Community Benefit Societies Act. Copies of the Group Financial Statements of Fortis Living are available to the public and may be obtained from Festival House, Grovewood Road, Enigma Business Park, Malvern, Worcestershire, WR14 1GD.

16 Gift Aid

A Gift Aid payment of £880k was made to Festival Housing Limited (2015: £752k).

17 First Time Adoption of FRS 102

On adoption of FRS 102 the Company has restated the comparatives; the impact on reserves is as follows:

		Reserves as at 1 April 2014	Profit/ (loss) year ended 31 March 2015	Reserves as at 31 March 2015
	Note	£'000	£'000	£'000
As previously stated under former UK GAAP		914	103	1,017
Transitional adjustment:				
Inclusion of holiday pay accrual	a	(76)	(22)	(98)
As stated in accordance with FRS 102		838	81	919

Explanation of changes to previously reported surplus and equity

- a. FRS 102 requires that the cost of unused entitlement and short term employee benefits are measured and recognised in the reporting period. The effect is that unused holiday entitlement has now been recognised as an accrual at the reporting date in Fortis Living and is recharged. This has resulted in a decrease of the profit and loss reserve at transition of £0.076m and a decrease in the surplus for the year ended 31 March 2015 of £0.022m.

**The pages which follow do not
form part of the statutory
financial statements of the Company**

Fortis Property Care Limited

Detailed Statement of Comprehensive Income for the year ended 31 March 2016

	2016 £'000	2015 £'000
Turnover	22,376	16,790
Cost of Sales	18,727	14,005
	<hr/>	<hr/>
Gross Profit	3,649	2,785
Administrative expenses	2,316	1,953
	<hr/>	<hr/>
Operating Profit	1,333	832
Gain on disposal of property, plant and equipment	1	1
Gift aid	880	752
	<hr/>	<hr/>
Operating Profit on ordinary activities	454	81
	<hr/> <hr/>	<hr/> <hr/>

Fortis Property Care Limited

Detailed Statement of Comprehensive Income for the year ended 31 March 2016

Cost of sales

	2016	2015
	£'000	£'000
Purchases	10,556	7,681
Staffing Costs (operational) recharged from parent	6,583	4,993
Vehicle expenses	988	821
Fuel costs	448	393
Tool allowance	98	78
Depot Costs	54	39
	18,727	14,005
	18,727	14,005

Administrative expenses

	2016	2015
	£'000	£'000
<i>Administrative expenses</i>		
Staffing Costs recharged from parent	1,300	1,066
Depreciation – equipment	79	48
Staff welfare	3	2
Bank charges	6	5
Consultancy fees	35	92
Legal fees	-	4
Management charges	816	643
VAT recoverable	(90)	(38)
Car allowances	16	7
Hospitality	-	-
Community Projects	1	1
Mileage claims	8	8
Other Staff Costs	2	15
Corporate subscriptions	18	7
Office running costs	22	29
Compensation	3	1
Advertising	25	5
	2,244	1,895
<i>Establishment expenses</i>		
Rent	72	58
	2,316	1,953
	2,316	1,953