

Registered Society No: 21590R

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2019

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

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BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

CO-OPERATIVE INFORMATION

Registered society number	21590R
Committee members	<p>Praful Joshi <i>Chairman Appointed Aug 2018</i> Hocine Zemouri <i>Vice Chairman Appointed Aug 2018, resigned Jun 19</i> Ketan Ganatra <i>Treasurer Appointed Aug 2018, resigned May 19</i> Manoj Modi <i>Secretary Appointed Aug 2018</i> Bipin Valand Niketu Sachdev Chitra Joshi Manish Thobhani <i>Co-opted member Appointed Aug 2018</i> Hina Modi <i>Co-opted member</i> Nanji Gohil Ramesh Valand <i>Resigned Aug 2018</i> Ramesh Nai <i>Resigned Aug 2018</i> Ajay Parekh <i>Resigned Aug 2018</i></p>
Registered office	131 Loughborough Road Leicester LE4 5LQ
Auditor	Rogers Spencer Limited Newstead House Pelham Road Nottingham NG5 1AP
Solicitors	Shakespeare Martineau Two Colton Square Leicester LE1 1QH Frisby & Small 5 De Montfort Street Leicester LE1 7GE
Bankers	Natwest Bank Melton Turn Branch 2 Melton Road Leicester LE4 5EA

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

The Committee of Management presents their report and the audited financial statements for the year ended 31 March 2019.

Committee members

Chairman	Praful Joshi
Vice Chairman	Hocine Zemouri (resigned June 2019)
Treasurer	Ketan Ganatra (resigned May 2019)
Secretary	Manoj Modi
Other Members	Bipin Valand Niketu Sachdev Chitra Joshi Manish Thobhani (co-opted member) Hina Modi (co-opted member) Nanji Gohil

Principal activity

The principal activity of the Co-operative is the provision of rented accommodation for its members.

Review of the Year and Future Developments

The Committee of Management are pleased to report a total comprehensive income for the year of £510,229 (2018: £648,478).

Last year the Co-operative commissioned a full stock condition survey of their portfolio. Pinnacle PSG have undertaken this work during the year and the full survey has recently been completed. All properties were surveyed by an external consultancy firm and Pinnacle PSG are now working to compile the results into a planned programme of work to be completed over the coming months and years.

The Co-operative also started working alongside Pinnacle PSG to develop a new repairs specification. Whilst this is a detailed and extensive piece of work that may take some months to complete, it is hoped that it will improve the quality and value for money to the tenant members'.

The Co-operative has no plans to increase its portfolio in the short term; however, upon completion of repairs highlighted by the stock condition survey and once all existing properties have been brought to a good standard it will review this decision and seek new property stock.

New Committee members are always welcome and members are encouraged to attend courses and conferences to enhance their skills. All members of the Committee of Management are members of the Co-operative, with the exception of the co-opted members, and they each therefore own a share in it.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

Principal risks and uncertainties

The Committee of Management's review of risk included consideration of the completeness of the principal risks, the relative significance of those risks and of the risk management techniques that are applied to mitigate those risks.

The Committee of Management agreed that a range of risk mitigation techniques should be used including insurance, preparation of contingency plans, and internal controls. The system of internal control is present in all aspects of our operations and is essential to our management of risk.

Risk management

The management of principal risks is reviewed yearly by the Committee of Management. The reviews include:

- the consideration of changes in the risk profile of the Organisation;
- review of risks inherent in new initiatives;
- the effect on risk and control of organisational, operational and technological changes;
- ensuring there are adequate resources to properly control the Organisation's activities;
- review of risk "events" (losses, system breakdowns, etc representing crystallisation of risks);
- proposed amendments to the Organisation's risk management procedures in light of experience.

Code of governance

The Managing Agents' staff take internal control seriously. Members of staff are encouraged to discuss ways in which procedures can be improved with their managers in an open way.

The Committee of Management receives confirmation that controls continue to operate from four main sources. These are:

- control confirmations provided by the Managing Agent and supported by key performance indicators;
- internal audit reports prepared according to an agreed plan over a three year cycle;
- external auditors' management letters, and
- compliance reports issued by Homes England and/or other regulatory bodies.

Major instances of the failure of controls to operate are reported to the Committee of Management.

The Committee of Management is aware that neither the external auditors nor Homes England, nor external accrediting bodies have any specific responsibility to identify shortcomings in its systems of internal control. For this reason the Organisation relies on the Managing Agent as the principal source of reassurance.

Fraud

The Organisation complies with Homes England's requirements of fraud.

All cases of actual and attempted fraud are reported to the Committee of Management. All cases of fraud in excess of £1,000 must be reported to Homes England.

There was 1 minor case of fraud in the year. This was reported to the Committee of Management but as it was less than £1,000 was not reported to the regulator. The issue is currently under further investigation although the Committee member in question has resigned.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

Reference to Committee's annual review of internal control

The Committee are constantly reviewing their internal controls and processes.

The Committee have undertaken a programme of Learning and Development to build on their knowledge, act as challengers to their Service Provider and provide the level of scrutiny required by their tenant Members.

Members of the Management Committee have been proactive in developing their skills and knowledge and in the year attended both the National Federation of Housing Conference and the Annual Confederation of Co-operatives conference.

Liability insurance

The Co-operative has taken out liability insurance on behalf of the members of the Committee of Management.

Related party transactions

By the nature of the organisation being a Housing Co-operative, members of the Committee of Management are tenants of the Co-operative, with the exception of the co-opted members. All such members of the Committee of Management are charged and required to pay rent on standard terms.

Responsibilities in respect of the financial statements

The Committee is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Committee is required to:

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

Responsibilities in respect of the financial statements

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

The Regulator of Social Housing value for money metrics

The Regulator of Social Housing has introduced new metrics against which all registered providers are required to report.

Regulator of Social Housing metrics 2018/19			
Metric	Performance 2018/19	Performance 2017/18	Comparison with other housing associations
Reinvestment (%) The investment in properties as percentage of total properties held	4.1%	3.7%	BNCHA had a relatively low level of investment in 2018/19 as repair programmes were held to allow for a full stock condition survey. The increase on the prior year is a reflection of the investment in void properties.
New supply delivered (%) The number of new homes acquired or developed as a proportion of the total number of homes	0%	0%	BNCHA is not currently seeking to acquire new properties as they focus on improving their current stock. Land is also in short supply in Leicester which has driven up prices.
Gearing (%) How much of the assets are made up of debt and the degree of debt finance after allowing for cash held	-24%	-19%	BNCHA is in a net cash position. It retains significant cash ready to invest in property improvements across its portfolio.
EBITDA MRI A key indicator for liquidity and investment capacity	0%	0%	BNCHA has no interest liabilities
Headline social housing cost The cost per unit held	£2,961	£2,766	BNCHA has a relatively low cost per unit compared to other associations – this reflects the lower investment in housing for older people. The cost per unit has remained relatively constant year on year although the small increase reflects investment in void properties.
Operating margin (%) Profitability of operating assets before any exceptional expenses	28%	35%	BNCHA has a relatively low operating margin compared to other associations because a low surplus is made on tenant rents. The decrease in 2018/19 reflects extensive investment in repairs to void properties.
Return on capital employed A measure of the efficient investment of capital resources	3%	4%	BNCHA is in the lower range of housing associations on this metric as it is essentially a not-for-profit business.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

Signed on behalf of the Committee



21-06-19.

P Joshi
Chair
21 June 2019

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Belgrave Neighbourhood Co-operative Housing Association Limited for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2019 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2019

Other information

The board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

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:

- the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 6, the board is 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 board 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 board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2019

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rogers Spencer
Statutory Auditors
Chartered Accountants
Nottingham

21 June 2019

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME


FOR THE YEAR ENDED 31 MARCH 2019


	Notes	2019 £	2018 £
Turnover	2	1,825,881	1,838,408
Operating expenditure	2	(1,320,522)	(1,194,856)
Operating surplus	2	<u>505,359</u>	<u>643,552</u>
Interest receivable		6,083	6,061
Surplus on ordinary activities before tax		<u>511,442</u>	<u>649,613</u>
Taxation	5	(1,217)	(1,153)
Surplus for the year		<u>510,225</u>	<u>648,460</u>
Paid shares surrendered	12	4	18
Total comprehensive income for the year		<u>510,229</u>	<u>648,478</u>

The results relate wholly to continuing activities and the notes on pages 16 to 25 form an integral part of these accounts.

The financial statements on pages 12 to 15 were approved and authorised for issue by the Committee on 21 June 2019.

Signed on behalf of the Committee


P Joshi Chairman


M Modi Secretary


N Gohil Committee Member

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible fixed assets	7 & 8	13,840,125	13,918,157
Current assets			
Debtors	9	73,657	78,785
Cash & cash equivalents		3,192,770	2,573,309
		<u>3,266,427</u>	<u>2,652,094</u>
Creditors (falling due within one year)	10	<u>(507,712)</u>	<u>(418,184)</u>
Net current assets		2,758,715	2,233,910
Total assets less current liabilities		<u>16,598,840</u>	<u>16,152,067</u>
Creditors (falling due after one year)	11	(8,948,280)	(9,124,232)
Total net assets		<u>7,650,560</u>	<u>7,027,835</u>
Reserves			
Called up share capital	12	480	484
Revaluation reserve	8	147,688	35,188
Income & expenditure reserve		7,502,392	6,992,163
Total reserves		<u>7,650,560</u>	<u>7,072,835</u>

The financial statements on pages 12 to 15 were approved and authorised for issue by the Committee of Management on 21 June 2019.

Signed on behalf of the Committee

 21-06-19.
P Joshi Chairman


M Modi Secretary

N Gohil Committee Member



The notes on pages 16 to 25 form an integral part of these accounts.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

	Called Up Share Capital £	Revenue Reserves £	Revaluation Reserves £	Total £
Balance at 1 April 2018	484	6,992,163	35,188	7,027,835
Surplus for the year	-	510,229	-	510,229
Total comprehensive income	484	7,502,392	35,188	7,538,064
Share capital surrendered	(4)	-	-	(4)
Gross surplus	480	7,502,392	35,188	7,538,060
Revaluation reserve	-	-	112,500	112,500
Balance at 31 March 2019	480	7,502,392	147,688	7,650,560

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Cash flow from operating activities	689,375	826,169
Interest paid	-	-
Tax paid	(1,152)	(527)
Net cash flow from operating activities	<u>688,223</u>	<u>825,642</u>
Cash flow from investing activities		
Purchase of fixed assets	(74,845)	(271,688)
Interest received	6,083	6,061
Net cash flow from investing activities	<u>(68,762)</u>	<u>(265,627)</u>
Cash flow from financing activities		
Proceeds from the issue of shares	-	8
Net cash flow from financing activities	<u>-</u>	<u>8</u>
Net increase in cash and cash equivalents	<u>619,461</u>	<u>560,023</u>
Cash and cash equivalents at 1 April 2018	2,573,309	2,013,286
Cash and cash equivalents at 31 March 2019	<u><u>3,192,770</u></u>	<u><u>2,573,309</u></u>
Cash and cash equivalents consists of:		
Cash at bank and in hand	<u>3,192,770</u>	<u>2,573,309</u>
Cash flow from operating activities		
Operating surplus for the year	505,359	643,552
<i>Adjustments for non-cash items:</i>		
Depreciation of fixed assets	265,377	252,109
Decrease/(increase) in debtors	5,128	(15,482)
Increase/(decrease) in creditors	89,463	121,942
Amortisation of grants	(175,952)	(175,952)
Cash flow from operating activities	<u>689,375</u>	<u>826,169</u>

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Legal status

Belgrave Neighbourhood Co-operative Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with Homes England as a Private Registered Provider of Social Housing. The address of the registered office is given in the information on page 3 of these financial statements.

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)*, the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the revaluation of investments and certain fixed assets. The financial statements are prepared in sterling £, and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Turnover

Turnover represents rental and service charge income receivable in the year. Charges for services provided and Supporting People income are recognised as income when the Co-operative has provided the service concerned. Grants made as contributions to revenue expenditure are credited to income in the period in which the related expenditure is incurred.

Property managed by agents

Where the Co-operative carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the statement of comprehensive income.

Apportionment of service fees

Service fees have been apportioned to the Income and Expenditure Account on the basis of the charges levied by Pinnacle PSG (Managing Agent), as per the signed Service Level Agreement (SLA). Service fees include, but are not limited to, housing management, accountancy support, IT maintenance and Committee education & training.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Principal accounting policies

Major repairs expenditure

Major repair projects that began before 1 April 1993 have been included in fixed assets. Major repair projects commencing after 1 April 1993 have been written off to the Income and Expenditure Account, together with any corresponding SHG receivable, except where the work is considered to be an improvement, when the cost and SHG are both capitalised. Improvement expenditure is expenditure which "adds value to" or "extends the useful life of" the property concerned.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements.

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property

Housing properties in the course of construction are stated at cost and not depreciated.

The Co-operative separately identifies the major components which comprise its housing properties, and charges depreciation to write down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The major components of its housing properties and their useful economic lives are as follows:

Building structure	80 years
Roofs	70 years
Kitchens	20 years
Bathrooms	20 years
Windows and doors	25 years
Heating and boilers	15 years

Freehold land is not depreciated.

The Co-operative owns a 50% share of an office building situated on 131 Loughborough Road. This is depreciated on a straight line basis over the expected economic useful life at the following annual rate:

Interest in 131 Loughborough Road	2%
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Principal accounting policies

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Current asset investments

Current asset deposits are bank deposits that can only be withdrawn by giving more than twenty-four hours' notice.

Provisions

The Association only provides for contractual liabilities.

Taxation

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Co-operative is not registered for VAT. All amounts disclosed in the accounts are inclusive of VAT.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

2(a). Turnover, operating expenditure and operating surplus

Social housing lettings	Turnover	Operating expenditure	Operating surplus
2019	1,825,881	(1,320,522)	505,359
2018	1,838,408	(1,194,856)	643,552

2(b). Turnover and operating expenditure

	Notes	2019 £	2018 £
Income from social housing lettings			
Rents receivable		1,554,861	1,540,166
Service charges		109,532	132,221
Charges for supporting people		12,577	2,016
Amortisation of grants		142,792	142,792
Other grant income		33,160	33,160
Gross rents receivable		1,852,922	1,850,355
Rent losses from voids		(27,041)	(11,947)
Total income from lettings	2a	1,825,881	1,838,408
Expenditure on social housing lettings			
Housing management	6	375,424	293,353
Services	6	117,196	110,778
Support costs	6	-	3,505
Routine maintenance	6	369,103	385,315
Planned maintenance		80,119	46,986
Major repair expenditure		105,397	60,603
Rent losses from bad debts		11,906	45,603
Disposal of assets	7	-	-
Depreciation of SHG properties	7	261,377	248,713
Total expenditure on lettings		1,320,522	1,194,856
Operating surplus on letting activities		505,359	643,552

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

3. Directors' remuneration

The total remuneration paid to the directors of the Co-operative (the Committee of Management) was:

	2019 £	2018 £
Emoluments (including pension contributions and benefits-in-kind)	Nil	Nil
The number of directors who received emoluments (including pension contributions) in the following ranges was:		
£ Nil	10	8
Total expenses reimbursed to the Directors not chargeable to UK income tax	669	Nil

4. Surplus on ordinary activities

The operating surplus is stated after charging:

	2019 £	2018 £
Rent losses from bad debts	11,906	45,603
Depreciation of tangible fixed assets	265,377	252,109
Auditor remuneration	7,085	13,390
	284,368	311,102

5. Tax on surplus on ordinary activities

The charge for the year relating to United Kingdom corporation tax is made up as follows:

	2019 £	2018 £
Current year at current rates	1,217	1,153

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6. Management expenses

	Housing Management	Services	Routine Maintenance	Finance & Admin	2019 Total	2018 Total
Management fees	230,856	27,719	46,356	30,018	334,949	349,166
Estate costs						
Insurance	28,878				28,878	21,353
Repairs & maintenance			299,513		377,245	251,739
Service expenditure		75,586			75,586	88,032
Overheads						
AGM expenses				11,427	11,427	12,029
Annual report				10,320	10,320	8,418
Conferences & training				8,355	8,355	2,746
Social activities & marketing				13,589	13,589	8,910
Printing, postage & stationery				5,547	5,547	4,165
Committee expenses				5,489	5,489	7,965
Committee travel				97	97	851
Subscriptions & memberships				7,963	7,963	864
Charitable donations				150	150	0
Audit fees				7,085	7,085	13,390
Consultancy fees				2,069	2,069	1,169
Legal & professional fees				28,056	13,345	12,357
Bank charges & interest payable				843	843	1,155
Office insurance				164	164	135
Office maintenance				12,826	12,826	1,627
Office utilities				4,816	4,816	966
Office premises depreciation				4,000	4,000	2,409
	259,734	103,305	345,870	152,814	861,722	789,446
Finance & admin apportionment	115,691	13,891	23,231	(152,814)	-	-
	375,424	117,196	369,101	-	861,722	789,446

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

7. Housing properties

	Housing Properties
Cost	
At 1 April 2018	17,661,936
Additions:	74,845
Works to existing properties	-
At 31 March 2019	<u>17,736,781</u>
Depreciation	
At 1 April 2018	3,920,329
Charge for the year	261,377
At 31 March 2019	<u>4,181,706</u>
Net book value	
At 31 March 2019	<u>13,555,075</u>
At 31 March 2018	13,741,607

8. Other fixed assets

	Office Premises
Cost	
At 1 April 2018	200,000
Revaluation reserve	112,500
At 31 March 2019	<u>312,500</u>
Depreciation	
At 1 April 2018	23,450
Charge for the year	4,000
At 31 March 2019	<u>27,450</u>
Net book value	
At 31 March 2019	<u>285,050</u>
At 31 March 2018	176,550

The Co-operative has a 50% share in the office premises at 131 Loughborough Road, Leicester.

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

9. Debtors

	2019	2018
	£	£
Rent arrears	119,630	111,035
Bad and doubtful debt provision	(86,135)	(74,229)
Net rent arrears	<u>33,495</u>	<u>36,806</u>
Other debtors	12,415	18,641
Prepayments & accrued income	27,746	23,338
	<u>73,657</u>	<u>78,785</u>

All debtors fall due within one year.

10. Creditors (falling due within one year)

	2019	2018
	£	£
Trade creditors	159,396	84,601
Deferred social housing grant (note 16)	142,792	142,792
Deferred capital grant (note 16)	33,160	33,160
Rents paid in advance	85,538	89,325
Corporation tax	1,217	1,153
Accruals & deferred income	85,609	67,153
	<u>507,712</u>	<u>418,184</u>

11. Creditors (falling due after one year)

	2019	2018
	£	£
Deferred social housing grant (note 16)	8,636,438	8,779,230
Deferred capital grant (note 16)	311,842	345,002
	<u>8,948,280</u>	<u>9,124,232</u>

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

12. Share capital

	2019	2018
	£	£
Shares of £1 each in issue at 1 April	484	492
Shares surrendered during year	(24)	(18)
Shares issued during year	20	10
Shares in issue at 31 March	<u>480</u>	<u>484</u>

The shares have no rights to dividends nor to any share of the assets of the Co-operative in the event of it ceasing to operate.

13. Property numbers

	2019	2018
Units in management at year end	<u>379</u>	<u>379</u>

All units currently in management are for general needs

14. Control

Control of the Co-operative lies with the Committee of Management.

15. Management of the Co-operative

The Co-operative employs Pinnacle PSG as their managing agent.

16. Deferred grants

	2019	2018
	£	£
At 1 April	9,300,184	9,476,136
Grants received	-	-
Released to income	(175,952)	(175,952)
At 31 March	<u>9,124,232</u>	<u>9,300,184</u>
Amount due to be released < 1 year	175,952	175,952
Amount due to be released > 1 year	8,948,280	9,124,232
	<u>9,124,232</u>	<u>9,300,184</u>

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

17. Related party transactions

At the date of these financial statements, 10 Committee members are tenants of Co-operative properties.

The net total rent balances paid in advance in respect of these members at 31 March 2019 was £1,014 (2018: £979).

During the year the Co-operative paid £669 (2018: £nil) in expenses to Committee members.

