Registered Society No: 21590R

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2025

CONTENTS

CO-OPERATIVE INFORMATION

Registered society number	21590R	
Committee members	Jaimini Bharakhada	Chair
	Jorubha Barot	
	Santaben Modhvadia	
	Fred Moore	
	Ann Smith	Secretary
Registered office	131 Loughborough Road Leicester LE4 5LQ	
Auditor	Rogers Spencer Limited Newstead House Pelham Road Nottingham NG5 1AP	
Solicitors	Devonshires Solicitor LLP 30 Finsbury Circus London EC2M 7DT	
Bankers	Natwest Bank Melton Turn Branch 2 Melton Road Leicester LE4 5EA	

REPORT OF THE COMMITTEE OF MANAGEMENT

The Committee of Management presents their report and the audited financial statements for the year ended 31 March 2025.

Committee members

Chair	Jaimini Bharakhada
Treasurer	Position vacant
Secretary	Ann Smith
Other Members	Jorubha Barot Ketu Mehta Fred Smith (resigned)

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 is reporting a deficit for the year of (£80,074) (2024 Surplus: £247,840).

The committee is disappointed that, following last year's surplus, it has to report a small deficit for the year. The deficit is primarily as a result of increased spending on repairs caused by action being taken on damp and mould cases and action taken to reduce the number of historic empty homes. Taking action in both of these areas will be beneficial for the co-op in the long term because it brings homes back into use and of course tackling damp and mould cases is both a regulatory requirement and the right thing to do.

During the year, the committee has reviewed its business plan and its asset management plan. The co-op's "getting to know you" work has now been completed. The Committee particularly expresses its thanks to Pinnacle for the work that they have done on our behalf to gather this information, which has now enabled us to update our thirty-year programme of works. Our former work with business planning consultants, the David Tolson Partnership (DTP) gave us reassurance that our business plan was viable in 2024, and we have since review our thirty-year finance programme and it remains viable and sufficient to enable us to deliver our ongoing asset management programme.

During the year, the Committee carried out a strategic review working with committee members and staff. This review included consideration of the Registered Provider regulatory standards, including the new Consumer Standards to ensure that the co-op is and will remain compliant. It also included a review of the co-op's strategic priorities, resulting as follows:

- Developing the Belgrave Community
- Reviewing governance and operations
- Improving the homes
- Recognising diverse needs
- Growth and maximising the use of co-op assets

REPORT OF THE COMMITTEE OF MANAGEMENT

The Committee regularly reviews its compliance with its legal and regulatory obligations and can report that all properties are compliant across all areas of compliance:

- Gas safety checks
- Asbestos register
- Fire Risk assessments.
- EICR (Electrical) safety checks.
- Addressing low rated EPC properties.

The Committee has taken progressive steps in the development and the review of a new suite of policies, commissioned through the Confederation of Co-operative Housing, which they believe will enhance good operating practise whilst also reflecting relevant & up-to-date guidance. A programme to review all policies in a timely manner has been developed.

Our offices at 131 Loughborough Road, our registered office for a number of years, has been used for a number of community/well-being events i.e. .Ekta, which provides a wide range of activities and workshops aimed at empowering tenant members and the community.

The weekly 'Ekta' session also provides a range of activities and initiatives that promote physical and mental well-being as well as practical advice on how to keep their home warm, deal with damp/mould etc and has now expanded to twice a week.

The building has proved to be an ideal opportunity to develop specific services for Belgrave tenant members and promote our identity and deliver services. We are already looking at how we can make best use for the building, which will include exploring potential community facilities.

In addition, the site has been used for:

- Belgrave Food hub
- Community Garden Project
- Community Engagement Projects.
- Volunteer Engagement.

Principal risks and uncertainties

The Committee are proactive in managing risk and uncertainty involved in the operation of the Co-operative and to this end we organise regular risk management reviews into working practices, governance, and business planning. We cover:

- Risk management.
- Business continuity plans.
- Committee training & development.
- Business planning and Action Plan.

REPORT OF THE COMMITTEE OF MANAGEMENT

The Committee believe a range of risk mitigation techniques should be used in the running of the Co operative and as such they endorse practices such as, but not limited to:

- The continual review & management of policies and procedures.
- Q&A audits- independent audits.
- Oversight of local and national legislation.
- Seeking support from key stakeholders

Governance and Viability Standard

The BNCHA committee annually considers its compliance with the Governance and Viability Standard.

In respect of governance, the committee considers that BNCHA is fully compliant with the standard having implemented actions recommended by the co-op's internal audits in respect of a governance review carried out in 2021.

In respect of viability, the committee has annually reviewed its long-term finance plan over the last three years, and, with the external validation provided by DTP, is satisfied with the co-op's long-term viability.

The committee also considered its compliance with the Confederation of Co-operative Housing's Code of Governance and determined that the co-op is fully compliant.

The Managing Agents' (Pinnacle) 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 is aware that neither the external auditors, 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.

<u>Fraud</u>

The organisation complies with the Regulator of Social Housing's requirements regarding fraud. It would be rare that there would be any cases of fraud in the co-op, but all cases of actual and attempted fraud would be reported to the Committee of Management. All cases of fraud in excess of £1,000 are required to be reported to the Regulator.

No incidents of fraud have been identified during 2024/25.

Reference to Committee's development programs

As part of good governance and managing internal controls, the Committee are proactive in undertaking learning and development to provide a better service to the Co-operative.

REPORT OF THE COMMITTEE OF MANAGEMENT

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 ultimately responsible for ensuring the financial statements are prepared in accordance with applicable law and regulations; however, they use the support and guidance of their managing agent.

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.

The Committee is overall 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 and has delegated this to its Service Provider, Pinnacle to ensure it meets all the regulatory requirements.

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			
Metric	Forecasted 2025/26	Performance 2023/24	Performance 2024/25	Comparison with other housing associations
Reinvestment (%) The investment in properties as percentage of total properties held	7%	22%	8%	Decrease in the level of reinvestment for this year, as the repair programme has ended.
New supply delivered (%) The number of new homes acquired or developed as a proportion of the total number of homes	0%	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	-2%	-3%	-2%	BNCHA is in a net cash position and has maintained its cash position relative steady for the last year.
EBITDA MRI A key indicator for liquidity and investment capacity	0%	0%	0%	BNCHA has no interest liabilities
Headline social housing cost The cost per unit held	6,062	£5,367	£5,740	BNCHA has a relatively low cost per unit compared to other associations – decrease overall expenditure as repairs programme has ended.
Operating margin (%) Profitability of operating assets before any exceptional expenses	1%	1%	-4%	BNCHA is spending less on repairs as major repair programme has ended.
Return on capital employed A measure of the efficient investment of capital resources	0%	0%	1%	BNCHA is in the lower range of housing associations on this metric as it is essentially a not-for-profit business. Decrease in repairs and maintenance.

Signed on behalf of the Committee

J Bharakhada
Chair

19 September 2025

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Belgrave Neighbourhood Co-operative housing association Limited for the year ended 31 March 2025 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 2025 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 2022.

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

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2025

Other information

The other information comprises the information included in the Report of the Committee of Management, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the Report of the Committee of Management. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 8, 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.

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2025

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities inculding fraud

Our approch to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Co-operative through discussions with the committee, and from our commercial knowledge and experience of the housing sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Co-operative, including the taxation legislation and data protection, Co-operative and community benefit society act 2014, anti-bribery, employment, environmental and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the Co-operatives financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the Co-operatives remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out within note 1 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2025

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of committee members;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Date 19 September 2025

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	2	2,268,695	2,116,646
Operating expenditure	2	(2,354,064)	(1,872,505)
Operating surplus/(deficit)	2	(85,369)	244,141
Interest receivable		6,547	4,562
Surplus/(deficit) on ordinary activities before tax		(78,822)	248,703
Taxation	6	(1,244)	(867)
Surplus/(deficit) for the year		(80,066)	247,836
Paid shares surrendered/(issued)	13	(8)	4
Total comprehensive income/(loss) for the year		(80,074)	247,840

The results relate wholly to continuing activities and the notes on pages 17 to 28 form an integral part of these accounts.

The financial statements on pages 13 to 16 were approved and authorised for issue by the Committee on 19 September 2025.

Signed on behalf of the Committee

J Bharakhada	Chair
A Smith	Secretary
Jorubha Barot	Committee Member

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes		2025 £		2024 £
Fixed assets					
Tangible fixed assets	8 & 9		14,777,762		14,931,354
Current assets					
Debtors	10	248,456		146,617	
Cash & cash equivalents		241,221		279,635	
		489,677		426,252	
Creditors (falling due within one year)	11	(631,994)		(466,142)	
Net current liabilities			(142,317)		(39,890)
Total assets less current liabilities			14,635,445		14,891,464
Creditors (falling due after one year)	12		(7,892,568)		(8,068,521)
Total net assets			**6,742,877**		**6,822,943**
Reserves					
Called up share capital	13		467		459
Revaluation reserve			222,288		222,288
Income & expenditure reserve			6,520,122		6,600,196
Total reserves			**6,742,877**		**6,822,943**

The financial statements on pages 13 to 16 were approved and authorised for issue by the Committee of Management on 19 September 2025.

Signed on behalf of the Committee:

J Bharakhada	Chair	
A Smith	Secretary	
Jorubha Barot	Committee Member	

The notes on pages 17 to 28 form an integral part of these accounts.

STATEMENT OF CHANGES IN RESERVES

	Called Up Share Capital £	Revenue Reserves £	Revaluation Reserves £	Total £
Balance at 1 April 2023	463	6,352,356	222,288	**6,575,107**
Surplus / (deficit) for the year	-	247,840	-	**247,840**
Total comprehensive income	463	6,600,196	222,288	**6,822,947**
Share capital surrendered	(24)	-	-	**(24)**
Share capital issued	20			**20**
Gross surplus	459	6,600,196	222,288	**6,822,943**
Revaluation reserve	-	-	-	-
Balance at 1 April 2024	**459**	**6,600,196**	**222,288**	**6,822,943**
Surplus / (deficit) for the year	-	(80,074)	-	(80,074)
Total comprehensive income	459	6,520,122	222,288	6,742,869
Share capital surrendered	(25)	-	-	(25)
Share capital issued	33	-	-	33
Gross surplus	467	6,520,122	222,288	6,742,877
Revaluation reserve	-	-	-	-
Balance at 31 March 2025	**467**	**6,520,122**	**222,288**	**6,742,877**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flow from operating activities	141,125	20,484
Interest paid	-	-
Tax paid	(868)	(867)
Net cash flow from operating activities	140,257	19,617
Cash flow from investing activities		
Purchase of fixed assets	(185,218)	(219,381)
Interest received	6,547	4,562
Net cash flow from investing activities	(178,671)	(214,819)
Cash flow from financing activities		
Proceeds from the issue of shares	-	-
Net cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(38,414)	(195,202)
Cash and cash equivalents at 1 April	279,635	474,837
Cash and cash equivalents at 31 March	241,221	279,635
Cash and cash equivalents consists of:		
Cash at bank and in hand	241,221	279,635
Cash flow from operating activities		
Operating surplus for the year	(85,369)	244,141
Adjustments for non-cash items:		
Depreciation of fixed assets	338,810	322,261
Decrease/(increase) in debtors	(101,839)	7,898
Increase/(decrease) in creditors	165,475	(377,864)
Amortisation of grants	(175,952)	(175,952)
Cash flow from operating activities	141,125	20,484

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 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. 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.

Going concern

At the time of approving the financial statements, the Committee of Management have a reasonable expectation, backed by the reviewed long term financial Plan, Asset management Plan and the 2025/26 cashflow, that the co-operative has adequate resources to continue to meet its legal and regulatory obligations for the foreseeable future. Whilst there were net current liabilities at the end of March 2025, this was a planned arrangement where those liabilities have now been resolved. During 2024/25 the focus on addressing Damp and Mould problems and historic voids, and the general challenging time caused by the cost of living crisis, the committee ensures sufficient liquidity through regular monthly detailed review of the co-op's cashflow, alongside a regular review of the co-op's long term finance plan (which covers a much longer period than the period required to state that the co-op is a going concern). Thus, the committee members continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

1. Principal accounting policies

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.

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 the 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%

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.

1. Principal accounting policies

Judgements and key sources of estimation uncertainty

In the application of the Co-operatives accounting policies, the committee members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

Social housing lettings	Turnover	Operating expenditure	Operating surplus
2025	2,268,695	2,354,064	(85,369)
2024	2,116,646	1,872,505	244,141

2(b). Turnover and operating expenditure

	Notes	2025 £	2024 £
Income from social housing lettings			
Rents receivable		2,029,871	1,885,769
Service charges		166,232	133,379
Other income		-	14,400
Amortisation of grants		142,792	142,792
Other grant income		33,160	33,160
Gross rents receivable		2,372,055	2,209,500
Rent losses from voids		(103,360)	(92,854)
Total income from lettings	2a	2,268,695	2,116,646
Expenditure on social housing lettings			
Housing management	7	585,898	449,515
Services	7	205,159	209,299
Support Services	7	46,837	141,007
Miscellaneous Costs		20,694	14,910
Routine maintenance	7	989,241	596,032
Planned maintenance		60,875	69,243
Major repair expenditure		120,414	79,960
Rent losses from bad debts		-	-
Disposal of assets	8	-	-
Depreciation of SHG properties	8	324,946	312,539
Total expenditure on lettings	2a	2,354,064	1,872,505
Operating surplus/(deficit) on letting activities		(85,369)	244,141

3. Directors' remuneration

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

	2025	2024
	£	£
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	Nil	Nil
Total expenses reimbursed to the Directors not chargeable to UK income tax	-	-

4. Surplus on ordinary activities

The operating surplus is stated after charging:

	2025	2024
	£	£
Rent losses from bad debts	-	-
Depreciation of tangible fixed assets	338,810	312,539
Auditor remuneration:		
Audit	9,602	10,800
Accountancy	2,200	1,800
Other services	-	1,620
	350,612	326,759

5. Staff costs

The average monthly number of employees, including members of the executive team, during the year/period was as follows:

	2025	2024
	Number	Number
Management and administration	3	2
	3	2

The average number of employees, including members of the executive team, calculated on a full-time equivalent was 3 employee (2024 - 2).

5. Staff costs (continued)

The aggregate remuneration of such employees was as follows:

	2025	2024
	£	£
Wages and salaries	49,892	52,002
Social security	-	-
Other pension costs	510	978
	50,402	52,980

There are no employees who received more than £60,000 as their employee package.

6. Tax on surplus on ordinary activities

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

	2025	2024
	£	£
Current year at current rates	1,244	867

7. Management expenses

	Housing Management	Services	Support Services	Routine Maintenance	Finance & Admin	2025 Total	2024 Total
Management fees	340,928	-	31,240	120,953	26,727	**519,848**	495,677
Estate costs							
Insurance	74,755	-	-	-	-	**74,755**	59,913
Repairs & maintenance	-	-	-	807,900	-	**807,900**	398,827
Service expenditure	-	205,159	-	-	-	**205,159**	209,299
Overheads							
AGM expenses	-	-	-	-	29,748	**29,748**	20,909
Conferences & training	-	-	-	-	484	**484**	270
Social activities & marketing	-	-	-	-	5,421	**5,421**	16,875
Printing, postage & stationery	-	-	-	-	8,937	**8,937**	7,269
Subscriptions & memberships	-	-	-	-	1,566	**1,566**	2,421
Outsource Payroll Costs	-	-	-	-	50,402	**50,402**	52,980
Audit fees	-	-	-	-	10,193	**10,193**	14,224
Consultancy fees	-	-	-	-	28,808	**28,808**	35,766
Legal & professional fees	-	-	-	-	23,019	**23,019**	21,017
Bank charges & interest payable	-	-	-	-	1,580	**1,580**	1,302
Office maintenance	-	-	-	-	43,402	**43,402**	40,960
Office utilities	-	-	-	-	2,048	**2,048**	8,422
Office premises depreciation	-	-	-	-	13,864	**13,864**	9,722
	415,684	205,159	31,240	928,853	246,199	**1,827,134**	1,395,853
Finance & admin apportionment	170,214		15,597	60,388	(246,199)		-
	585,898	205,159	46,837	989,241	-	**1,827,134**	1,395,853

8. Housing properties

	Housing Properties
Cost	
At 1 April 2024	19,811,873
Additions:	
Works to existing properties	185,218
Disposals	-
At 31 March 2025	19,997,091
Depreciation	
At 1 April 2024	5,554,262
Charge for the year	324,946
At 31 March 2025	5,879,208
Net book value	
At 31 March 2025	14,117,883
At 31 March 2024	14,257,611

9. Other fixed assets

	Office Premises
Cost	
At 1 April 2024	693,187
Additions	-
Disposals	-
At 31 March 2025	693,187
Depreciation	
At 1 April 2024	19,444
Charge for the year	13,864
At 31 March 2025	33,308
Net book value	
At 31 March 2025	659,879
At 31 March 2024	673,743

10. Debtors

	2025 £	2024 £
Rent arrears	139,415	100,779
Bad and doubtful debt provision	-	-
Net rent arrears	139,415	100,779
Other debtors	5,000	9,407
Prepayments & accrued income	104,041	36,431
	248,456	146,617

All debtors fall due within one year.

11. Creditors (falling due within one year)

	2025 £	2024 £
Trade creditors	281,856	168,380
Deferred social housing grant (note 17)	142,792	142,792
Deferred capital grant (note 17)	33,160	33,160
Rents paid in advance	48,956	44,165
Corporation tax	1,331	955
Accruals & deferred income	123,899	76,690
	631,994	466,142

12. Creditors (falling due after one year)

	2025 £	2024 £
Deferred social housing grant (note 17)	7,746,526	7,922,479
Deferred capital grant (note 17)	146,042	146,042
	7,892,568	8,068,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13. Share capital

	2025	2024
	£	£
Shares of £1 each in issue at 1 April	459	463
Shares surrendered during year	(25)	(24)
Shares issued during year	33	20
Shares in issue at 31 March	467	459

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.

14. Property numbers

	2025	2024
Units in management at year end	379	379

All units currently in management are for general needs

15. Control

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

16. Management of the Co-operative

The Co-operative employs Pinnacle Housing Limited as their managing agent.

17. Deferred grants

	2025	2024
	£	£
At 1 April	8,244,472	8,420,425
Grants received	-	-
Released to income	(175,952)	(175,952)
At 31 March	8,068,520	8,244,473
Amount due to be released < 1 year	175,952	175,952
Amount due to be released > 1 year	7,892,568	8,068,521
	8,068,520	8,244,473

18. Related party transactions

At the date of these financial statements 4 Board and Committee members were tenants of Co-operative properties. The net total rent balances paid in advance in respect of the committee members as at 31 March 2025 was £450 (2024: £204) and the rent balances in arrears was £864 (2024 £729). Total Committee expenses were £Nil (2024 £Nil)