

IMANI HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2014

**BEEVER AND STRUTHERS
Registered Auditors**

IMANI HOUSING CO-OPERATIVE LIMITED

COMMITTEE REPORT FOR THE

YEAR ENDED 31 MARCH 2014

Principal Activities: The principal activity of the Imani Housing Co-operative is to provide social housing.

Names of Directors: The following are the Directors of the Co-op:

Khalid Mair	Chair
Forsdicka Crankson	Treasurer
Maxine Stephens	Secretary
Ken Dickenson	Committee member
Mark Clarke	Committee member
Abdul Thompson	Committee member
Herman King	Committee member
Lourita Pusey	Committee member

Review of business: The Committee commissioned a five-year business plan. The business plan focused on the future developments and capacity building. The plan also reviewed and set out strategy for cost effective management of our existing stock.

Land and buildings: There is no significant and substantial difference in the market value of interests in land at the year end from balance sheet amount.

Policy on payment of creditors: We have a policy of paying creditors within 28 days of receipt of invoices.

Value for money The Co-operative aims to deliver value for money to maximise its investment potential and ensure that it provides its customers with high quality homes and services. In line with its charitable aims, the surplus generated from housing management activities is reinvested into projects and services that benefit its communities. The Board has set a target for 2013/14 of achieving, or working towards, a continuous improvement in all its key operational indicators.

IMANI HOUSING CO-OPERATIVE LIMITED

COMMITTEE REPORT FOR THE

YEAR ENDED 31 MARCH 2014

Statement of the Committee's Responsibilities in Respect of the Accounts

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 Board 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 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 Social Housing in England from April 2012. It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board members who held office at the date of approval of this report, confirm that, so far as they are each aware, there is no relevant audit information of which the Co-operative's auditors are unaware, and each Board member has taken all steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Co-operative's auditors are aware of that information.

Statement on the Co-operative's system of internal financial control

The Committee is responsible for the Co-operative's management and internal financial control systems. These are designed to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against unauthorised use or disposition; and
- the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

The Committee discharges its responsibilities for internal financial control through the following key procedures:

- information systems for detailed financial reporting, budgeting and planning against which performance is monitored.
- financial control procedures based upon clearly defined responsibilities and authorities of the Committee and delegation to staff members.
- the Committee monitors that there are appropriate control procedures in place and that these procedures are being followed, through the work of external audit.
- Imani has a fraud policy which takes into account Best Practice as advised by the Housing Corporation in Good Practice Note 15 published in January 2008 "Demonstrating Controls Assurance in Housing Associations". Imani vigorously pursues all fraud attempts

Whilst the co-operative is not required to comply with circular 07/07 issued by the Housing Corporation it seeks to do so by adopting best practices in respect of internal controls. Circular 07/07 emphasises the importance of risk management, links it to internal control and requires an annual report by the chief executive to the Board on internal controls.

On behalf of the Board

Secretary:

Date: 24 September 2014

INDEPENDENT AUDITOR'S REPORT+
TO THE MEMBERS OF
IMANI HOUSING CO-OPERATIVE

We have audited the financial statements of Imani Housing Co-operative for the year ended 31 March 2014 on pages 4 to 13. 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 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.

Respective Responsibilities of the Board and the Auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 2, the Committees' is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Councils (FRC) 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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board 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.

We have undertaken the audit in accordance with the requirements of Financial Reporting Councils Ethical Standards including FRC Ethical Standard – Provisions Available for Small Entities, in the circumstances set out in note 13 to the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom generally accepted accounting practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012.

Matters on which we are required to report by exception

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

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

15 Bunhill Row
London
EC1Y 8LP

Beever and Struthers
Chartered Accountants
Statutory Auditors

Date

IMANI HOUSING CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014	2013
		£	£
Fixed assets			
Housing properties	2	4,184,975	4,184,217
Less: Housing Association and other grants	2	(3,448,526)	(3,448,526)
		736,449	735,691
 Other tangible fixed assets	2	-	1,123
		736,449	736,814
 Current assets			
Debtors	3	21,247	34,217
Cash at bank and in hand		1,149,391	1,006,727
		1,170,638	1,040,944
 Less Creditors			
Amounts falling due within one year	4	(214,897)	(188,129)
 Net current assets		955,741	852,815
 Total assets less current liabilities		1,692,190	1,589,629
 Creditors			
Amounts falling due after more than one year	5	703,540	720,888
 Capital and reserves			
Called-up share capital	6	31	31

Designated reserves	7	106,700	100,000
Revenue reserves	8	881,919	768,710
		1,692,190	1,589,629

The financial statements on pages 4 to 13 were approved by the Committee on 24 September 2014 and were signed on its behalf by:

Committee Member:

Committee Member:

Secretary:

IMANI HOUSING CO-OPERATIVE LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 MARCH 2014

	Notes	2014	2013
		£	£
Turnover	15	384,068	348,790
Operating costs	15	(258,283)	(242,805)
Operating surplus		125,785	105,985
Interest receivable	9	11,458	2,020
Interest payable and similar charges	10	(21,742)	(23,689)
Surplus/(deficit) on ordinary activities for the year before taxation	13	115,501	84,316
Tax payable	17	(2,292)	(299)
Surplus for the year after taxation		113,209	84,017
Less transfers	7/8	-	152,598
Surplus for the year after designations	8	113,209	236,615

All amounts relate to continuing activities.

All recognised gains and losses are included in this statement.

The above surpluses are the historical cost surpluses.

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2014

1. PRINCIPAL ACCOUNTING POLICIES

The Co-operative is incorporated under the Industrial & Provident Societies Acts 1965, now consolidated into the Co-operative and Community Benefit Societies Act 2014 and is registered with the Housing Corporation.

The financial statements have been prepared in accordance with the Statement of Recommended Practice 2010 accounting by Registered Social Landlords and the accounts comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 the Accounting Direction for Private Registered Providers of Social Housing in England 2012 and UK Generally Accepted Accounting Practice and Accounting Standards applicable in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and on the going concern basis. These accounts are prepared in accordance with applicable accounting standards.

Turnover

Turnover represents rental income receivable and grants from local authorities.

Fixed assets and depreciation

Tangible fixed assets, except housing properties, are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Office Equipment	33%
Housing Properties	1%
Property components	10%

Housing properties

Housing properties are stated at cost less housing association grant received, referred to as the "carrying value". Freehold land is not depreciated. Housing properties are depreciated over 100 years.

Where housing properties have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related SHG.

Social Housing Grant

Where developments have been financed wholly or partly by Social Housing Grant, the cost of those developments has been reduced by the amount of the grant received.

Social Housing Grant received for items of cost written off in the Income and Expenditure Account are matched against those costs as part of turnover.

Social Housing Grant is normally repayable in the following circumstances:-

- (i) if a property is sold,

IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2014

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(ii) if the development of a property is not completed.

Social Housing Grant is a subordinated repayable debt.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme.

Administration costs relating to development activities are capitalised based on an apportionment of the management time spent on this activity.

Leased assets

Rentals paid under operating leases are charged to the Income and Expenditure account as incurred.

Pension costs

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

Designations

The Co-operative designates those reserves which have been ear-marked for designated uses which prevent them, in the judgement of the Committee, from being regarded as part of the free reserves of the Co-operative.

Provisions

The Co-operative only provides for contractual liabilities.

Improvements to property

The Co-operative capitalises expenditure on housing properties which adds to the value of the property, or extends the useful life, or enhances the property and would have resulted in additional costs at the time of the original construction. Improvements to property that relate to assets that have a separately identifiable life to the property concerned, are also capitalised but under a category separate from the property.

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2014

2. TANGIBLE FIXED ASSETS

	Housing properties			Other fixed assets	Total
	Freehold	Leasehold	Total		
COST					
At 1 April 2013	4,258,260	-	4,258,260	43,678	4,301,938
Additions	-	-	-	-	-
Component additions	9,411	-	9,411	-	9,411
Transfer	-	-	-	-	-
At 31 March 2014	4,267,671	-	4,267,671	43,678	4,311,349

DEPRECIATION

At 1 April 2013	74,043	-	74,043	42,555	116,598
Charge for year	8,653	-	8,653	1,123	9,776
Transfer	-	-	-	-	-
At 31 March 2014	82,696	-	82,696	43,678	126,374

**NET BOOK VALUE
AT 31 MARCH 2014**

	4,184,975	-	4,184,975	-	4,184,975
Net book value At 31 March 2013	4,184,217	-	4,184,217	1,123	4,185,340

**SOCIAL HOUSING GRANT
AND OTHER GRANTS**

At 1 April 2013			3,448,526	-	3,448,526
Additions			-	-	-

At 31 March 2014

3,448,526 -

3,448,526

IMANI HOUSING CO-OPERATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2014

3. DEBTORS	2014	2013
Amounts falling due within one year		
Rent arrears	61,497	66,153
Less: provision for bad debts	(41,000)	(31,936)
Other debtors	750	-
	£21,247	£34,217

4. CREDITORS		
Amounts falling due within one year		
Taxation owed	2,288	299
Trade creditors – revenue	29,589	26,971
Accruals and deferred income	141,561	118,876
Rent prepaid	15,439	15,963
Bank loan	26,020	26,020
	£214,897	£188,129

5. CREDITORS		
Amounts falling due after more than one year		
Loans repayable by instalments		
In one year or more but less than two years	26,020	26,020
In two years or more but less than five years	78,060	78,060
In five years or more	606,205	624,517

Less loan costs capitalised	(6,745)	(7,709)
	£703,540	£720,888

The loan is secured by specific charges on the Co-operative's housing properties and is repayable in instalments with the final balance repayable in January 2022.

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2014

6. CALLED UP SHARE CAPITAL	2014	2013
Allotted Issued and Fully Paid		
At 1 April 2013	31	31
Issued during the period	-	-
At 31st March 2014	£31	£31

The shares do not have a right to any dividend or distribution in a winding-up, and are not redeemable. Each share has full voting rights.

7. DESIGNATED RESERVES

	Pension Reserve	Cyclical Maintenance	Major Repairs	Total
At 1 April 2013	100,000	-	-	100,000
Transfer	6,700	-	-	6,700
At 31 March 2014	106,700	-	-	106,700

8. REVENUE RESERVES

	2014 Total
At 1 April 2013	768,710
Profit for year after transfers	113,209
At 31 March 2014	£881,919

9. INTEREST RECEIVABLE

	2014	2013
Other interest receivable	£11,458	£2,020

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
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Interest payable	20,778	22,725
Amortisation of loan issue cost	964	964
On loans repayable	£21,742	£23,689
		=====

11. DIRECTORS' EMOLUMENTS

The Co-operative does not have a Chief Executive.

The Committee of Management received no remuneration in the year. The Chair received travel expenses in the year of £8,630 (2013: £8,673) and the rest of the Committee received expenses of £128 (2013: £212).

IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2014

12. EMPLOYEE INFORMATION	2014	2013
No of employees	2	2
Salaries	81,535	79,022
Social Security costs	9,130	8,834
	£90,665	£87,856

There were no employees earning £60,000 or higher.

13. SURPLUS FOR THE YEAR

Is stated after charging:-

Auditors remuneration (excluding VAT)

In their capacity as auditors	£2,850	£2,420
In respect of other services	£250	£200

In common with many other organisations of similar size and nature the Directors use their auditors to assist with the preparation of the financial statements and the provision of internal audit services. These services are carried out by different Responsible Individuals.

14. CAPITAL COMMITMENTS

Capital expenditure that has been authorised by the Committee of Management but has not yet been contracted for.

Purchase of Units currently managed	£262,720	£262,720
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IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2014

15. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2014		
	Turnover	Operating costs	Operating surplus
SOCIAL HOUSING LETTINGS	384,068	(258,283)	125,785
OTHER ACTIVITIES	-	-	-
TOTAL	384,068	(258,283)	125,785

	2013		
	Turnover	Operating Costs	Operating Surplus
SOCIAL HOUSING LETTINGS	348,790	(242,805)	105,985
OTHER ACTIVITIES	-	-	-
TOTAL	348,790	(242,805)	105,985

16. SOCIAL HOUSING LETTINGS

	Total 2014	Total 2013
INCOME		
Rents	340,824	308,320
Service charges	43,244	40,470
TOTAL INCOME FROM LETTINGS	£384,068	£348,790

Rent losses from voids	£	-	£(2,520)
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EXPENDITURE

Services	65,755	48,453
Management	69,513	69,007
Routine maintenance	81,617	84,668
Rent payable	18,000	18,000
Bad debts	13,446	(333)
Major repairs	1,299	-
Housing properties depreciation	8,653	23,010
TOTAL EXPENDITURE ON LETTINGS	£258,283	£242,805

FROM LETTINGS

OPERATING SURPLUS ON LETTING ACTIVITIES	£125,785	£105,985
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IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2014

17. TAXATION	2014	2013
Corporation tax		
Current at 20% (2013: 20%)	2,292	400
Less: over provision in prior years	-	(101)
Add: Under provision	-	-
	£2,292	£299

18. SOCIAL HOUSING UNITS

Owned at end of year		
Units for rent	44	44
Under management at end of year		
Units for rent	10	10
	54	54

19. SUBSIDIARY UNDERTAKINGS

The Co-operative has one subsidiary, Imani Sustainable Solutions Limited, a company limited by guarantee, which was incorporated on 2 December 2013 and is registered in England & Wales. The company has been dormant since its incorporation.