IMANI HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Homes and Communities Agency - No. C3755
Co-operative and Community Benefit Societies Act 2014 – No. 24914R

BEEVER AND STRUTHERS
Statutory Auditors

IMANI HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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IMANI HOUSING CO-OPERATIVE LIMITED
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2016

DIRECTORS OF THE COOPERATIVE	
CHAIR	Khalid Mair
SECRETARY	Abdul Thompson
TREASURER	Fosdicka Crankson
OTHER COMMITTEE MEMBERS	Ken Dickenson Samuel Jackson-Cofie Venne Ndobho
AUDITORS:	Beever and Struthers 15 Bunhill Row London EC1Y 8LP
BANKERS:	HSBC 56 Tooting High Street London SW17 0RN
SOLICITORS:	Devonshire Solicitors 30 Finsbury Circus London EC2M 7DT
PRINCIPAL LENDERS:	Royal Bank of Scotland Banking Operations 2nd Floor Bankside 3 London SE1 0SW

Registered with the Homes and Communities Agency - No. C3755

Registered under the Co-operative and Community Benefit Societies Act 2014 – No. 24914R

IMANI HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2016

Principal Activities:	The principal activity of the Imani Housing Co-operative is to provide social housing.
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 2016/17 of achieving, or working towards, a continuous improvement in all its key operational indicators.

Public Benefit Entity
As a public benefit entity, Imani Housing Co-operative has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Auditors
Beever and Struthers have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Compliance with Governance and Financial Viability Standard
The committee confirms that the Co-oeprative have met the Homes and Communities Agency's regulatory expectations in the governance and financial viability standard.
The Co-operative has adopted the NHF Code of Governance and carried out a self-certification review of compliance during the year which did not reveal of any areas of non-compliance with the Code.

Statement of Compliance
The committee confirms that this Report has been prepared in accordance with the principles set out in Para 4.7 of the 2014 SORP for Registered Social Housing Providers.

IMANI HOUSING CO-OPERATIVE LIMITED

REPORT FROM THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2016

Statement of the Management Committee's Responsibilities in Respect of the Financial Statements

The Management Committee is responsible for preparing the report and financial statements in accordance with applicable law and regulation.
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 Co-operative 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 Co-operative will continue in business.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative 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 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.

Information for Auditors

We the members of the Management Committee who held office at the date of approval of these Financial Statements as set out above confirm, so far as we are aware, that there is no relevant audit information of which the Co-operative's auditors are unaware; and we have taken all the steps that we ought to have taken as committee members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Committee

Khalid Mair

Date: 24|08|2016

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
IMANI HOUSING CO-OPERATIVE LIMITED
FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Imani Housing Co-operative Limited for the year ended 31 March 2016 which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Reserves and Statement of Cash Flows and the related notes. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Co-operatives 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 Co-operatives members those matters we are required to state to them in an auditors 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 Co-operative and the Co-operatives members as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of the Management Committee and Auditors

As explained more fully in the Statement of the Committee of Management's Responsibilities set out on page 3, the Committee of Management 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 Council's Ethical Standards for Auditors.

Scope of 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 co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the management committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Management Committee report to identify material inconsistencies with the audited financial statements and to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materiality inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Co-operatives affairs as at 31 March 2016 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Private Registered Providers of Social Housing in England 2015.

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 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 require for our audit.

Beever and Struthers

15 Bunhill Row
London
EC1Y 8LP

Beever and Struthers
Statutory Auditors
Chartered Accountants

Date: 8/9/16

IMANI HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £ (restated)
Turnover	2	432,784	421,779
Operating expenditure	2	(371,041)	(281,010)
Operating surplus/(deficit)		61,743	140,769
Investment income and interest receivable	4	2,987	5,156
Loss on sale of investments		-	-
Surplus on sale of fixed assets		-	-
Interest payable	5	(20,324)	(25,944)
Taxation		(600)	(1,035)
Surplus/(deficit) for the year after tax		43,806	118,946
Total comprehensive income for the year		43,806	118,946

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 9 to 20 form an integral part of the accounts.

The financial statements on pages 5 to 20 were authorised and approved by the Management Committee on 24/8/ 2016 and were signed on its behalf by:

Committee Member:

Committee Member:

Secretary:

IMANI HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Notes	2016 £	2015 £ (restated)
Fixed assets			
Housing properties	9	3,703,471	3,702,354
Other tangible fixed assets	9	4,966	5,956
		3,708,437	3,708,310
Current assets			
Cash and cash equivalents	10	1,206,348	1,232,123
Debtors	11	39,301	34,617
		1,245,649	1,266,740
less Creditors			
amounts falling due within one year	12	(275,469)	(281,358)
Net current assets/(liabilities)		970,180	985,382
Total assets less current liabilities		4,678,618	4,693,692
Creditors: amounts falling due after more than one year	13	(3,274,845)	(3,333,726)
Total net assets		1,403,772	1,359,966
Reserves			
Called up share capital	15	31	31
Income and expenditure reserve	Page 7	1,403,741	1,359,935
Total reserves		1,403,772	1,359,966

The financial statements on pages 5 to 20 were authorised and approved by the Management Committee on 24/08/ 2016 and were signed on its behalf by:

Committee Member:

Committee Member:

Secretary:

IMANI HOUSING CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Income and expenditure reserve	Designated reserves	Total
	£	£	£	£
Balance as at 1 April 2015 as previously stated	31	881,919	106,700	988,650
Transfer between reserves on transition to FRS 102	-	106,700	(106,700)	-
Changes on transition to FRS 102		252,370		252,370
Balance as at 1 April 2015 as restated	31	1,240,989	-	1,241,020
Surplus/(deficit) from Statement of Comprehensive Income	-	118,946	-	118,946
Balance at 31 March 2015	31	1,359,935	-	1,359,966
Surplus/(deficit) from Statement of Comprehensive Income	-	43,806	-	43,806
Balance at 31 March 2016	31	1,403,741	-	1,403,772

The notes on pages 9-20 form an integral part of the accounts

IMANI HOUSING CO-OPERATIVE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	2015
		£	£
			(restated)
Net cash generated from operating activities	i	55,941	159,066
Cash flow from investing activities			
Purchase of tangible fixed assets		(38,449)	(29,526)
Surplus from sale of tangible fixed assets		-	-
Proceeds from sale of investments		-	-
Interest received		2,987	5,156
		(35,462)	(24,370)
Cash flow from financing activities			
Interest paid		(20,234)	(25,943)
Issue of ordinary shares		-	-
Repayment of borrowings		(26,020)	(26,020)
		(46,254)	(51,963)
Net change in cash and cash equivalents		(25,775)	82,732
Cash and cash equivalents at beginning of the year		1,232,123	1,149,391
Cash and cash equivalents at end of the year		**1,206,348**	**1,232,123**

Note i

	2016	2015
Cash flow from operating activities		
Surplus/(deficit) for the year	43,806	118,946
Adjustments for non-cash items:		
Depreciation charges	38,323	34,854
Amortisation of intangible assets	(33,827)	(33,825)
Change in debtors	(4,686)	(13,370)
Change in creditors	(5,612)	30,638
Taxation	600	1,035
Adjustments for investing or financing activities:		
Surplus from sale of fixed assets	-	-
Interest payable	20,324	25,944
Interest received	(2,987)	(5,156)
Net cash generated from operating activities	59,941	159,066

The notes on pages 9-20 form an integral part of the accounts.

LEGAL STATUS

Imani Housing Co-operative Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Housing Corporation.

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 Cooperative and Community Benefit Societies Act 2014. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

The Co-operative's financial statements have been prepared in compliance with FRS 102 as it applies for the first time to the financial statements of the association's for the year ended 31 March 2016.

The Co-operative's transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. An explanation of how the transition to FRS 102 has affected the reported financial position and performance, as well as the exemptions taken on transition, is given in note 21.

Going concern

The Co-operative's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. Government's announcements in July 2015 impacting on the future income of the association have led to a reassessment of the association's business plan as well as an assessment of imminent or likely future breach in borrowing covenants. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had an effect on amounts recognised in the financial statements:

a. **Tangible fixed assets**. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

b. **Impairment**. The Association has identified a cash generating unit for impairment assessment purposes at scheme level. Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

   Following a trigger for impairment, the Association perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on a depreciated replacement cost. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property.

Turnover and revenue recognition
Turnover represents rental income receivable, grants from local authorities and the Homes and Communities Agency, development administration and other income.

Rental income is recognised when the property is available for let, net of voids.

Investment Income
Interest income is recognised using the effective interest method and dividend income is recognised as the RP's right to receive payment is established.

Housing properties
Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Freehold land is not depreciated. Leasehold land is depreciated over the lease term.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories. The following UEL's applied are as follows:

Structure	100 years
Roof	70 years
Windows	30 years
Kitchen	20 years
Bathroom	30 years
Boiler	15 years
Electrical	40 years
Mechanical	30 years

Other fixed assets
This includes equipment bought for the properties with depreciation being on a straight-line basis at an annual rate of 6.67%.

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.
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 the Homes and Communities Agency 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.

Financial Instruments
Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Fixed Asset Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current Asset Investment

Current asset investments are unlisted and are stated at historical cost at year end.

Capitalisation of Interest and Administration Costs

Interest on the mortgage loan financing a 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 the

Planned Repairs and Maintenance

The Association does not provide for liabilities that are not contracted for at the year end. Consequently, cyclical repairs and maintenance costs incurred are charged to the income and expenditure account when incurred.

Improvements to Property

The Association capitalises expenditure on housing properties which adds to the value of the property or extends its useful life. 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.

Service Charges

Service charge income and costs are recognised on an accruals basis. The association operates fixed service charges on a scheme by scheme basis in full consultation with residents.

Provisions

The Association only provides for contractual liabilities.

Investments

Investments in unlisted company shares, which have been classified as non-current investments as the association intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

VAT

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

Taxation

By virtue of S.478 Corporation Tax Act 2010, the Association is exempt from corporation tax.

2 TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	---2016---		
	Turnover	Operating Expenditure	Operating Surplus
SOCIAL HOUSING LETTINGS			
OTHER			
Leased property rent and costs	432,784	(371,041)	61,743
Donations and other income	-	-	-
Development costs	-	-	-
TOTAL	432,784	(371,041)	61,743

	---2015---		
	Turnover	Operating Expenditure	Operating Surplus
SOCIAL HOUSING LETTINGS			
OTHER			
Leased property rent and costs	421,779	(281,010)	140,769
Donations and other income	-	-	-
Development costs	-	-	-
TOTAL	421,779	(281,010)	140,769

See note 3 for a detailed analysis of the income and expenditure from lettings.

3. TURNOVER AND OPERATING EXPENDITURE

	2016 £	Restated 2015 £
INCOME		
Rent receivable net of identifiable service charge	363,376	353,619
Service Charges	35,583	34,335
Gross rents receivable	398,959	387,954
Amortised government grants	33,825	33,825
TURNOVER FROM SOCIAL HOUSING LETTINGS	432,784	421,779
EXPENDITURE		
Services	62,904	68,587
Management	79,715	74,835
Routine maintenance	91,542	92,719
Major repairs expenditure	6,618	6,780
Rent losses from bad debts	6,000	4,827
Property depreciation	36,432	33,262
Pension Costs	87,830	-
OPERATING EXPENDITURE ON SOCIAL HOUSING LETTINGS	371,041	281,010
OPERATING SURPLUS/(DEFECIT) ON SOCIAL HOUSING LETTINGS	61,743	140,769
VOID LOSSES	2,439	2,487

4. INTEREST RECEIVABLE AND INVESTMENT INCOME

Bank interest receivable	2,987	5,156
	2,987	5,156

5. INTEREST PAYABLE

On loans and overdrafts	20,324	25,944
	20,324	25,944

6. SURPLUS FOR THE YEAR

		2016	2015
		£	£
Is stated after charging:-			
Auditors remuneration (excluding VAT) -	audit	3,972	4,076
other services		1,750	-
Operating lease payments		-	-
Impairment of housing properties		-	-
Depreciation of housing properties		36,433	33,265
Depreciation of other tangible fixed assets		1,890	1,589

7 DIRECTORS REMUNERATION

Directors (key management personnel) are defined as members of the committee.
The directors of the Association are the members of the management committee, none of whom received any emoluments during the year. (2015: £nil). The Chair received travel expenses of £20,208 (2015: £13,348) and expenses of £379 (2015: £310) and board training of £1,878 (2015: £4,851).

8 EMPLOYEE INFORMATION

The Co-op employs 2 members of staff (2015: 2).

	2016	2015
	£	£
Staff costs		
Wages and salaries	83,269	83,478
Social Security costs	6,387	7,324
Pension costs	4,276	0
	93,932	90,802

No employees received more than £60,000 in the year (2015: 0).

9 TANGIBLE FIXED ASSETS

COST/VALUATION	Housing Properties £	Other fixed assets £	**Total** **£**
At start of the year (restated)	4,289,655	51,220	4,340,875
Additions	37,550	899	38,449
Disposals	-	(40,990)	(40,990)
At end of the year 31 March 2016	4,327,205	11,130	4,338,335
DEPRECIATION			
At start of the year (restated)	587,301	45,265	632,565
Charge for Year	36,433	1,890	38,323
Disposals	-	(40,990)	(40,990)
At end of the year	623,734	6,164	629,897
NET BOOK VALUE AT END OF THE YEAR 31 MARCH 2016	**3,703,471**	**4,966**	**3,708,438**
Net book value as at start of the year	3,702,354	5,955	3,708,310

HOUSING PROPERTIES COMPROMISE:	**2016** **£**	2015 £
Freeholds	3,703,472	3,702,354
Long leaseholds	-	-
Short leaseholds	-	-
	3,703,472	3,702,354

Works to existing properties in the year:		
Improvement works capitalised	-	-
Components capitalised	37,550	21,984
Amounts charged to expenditure	-	-
	37,550	21,984

10 CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank		
Other deposits	1,206,348	1,232,123
	1,206,348	1,232,123

11 DEBTORS

	2016	2015
	£	£
Amounts falling due within one year:		
Rent arrears	77,237	65,293
Less: provision for bad debts	(37,936)	(31,936)
Less: adjustment for net present value for arrears with repayment schedules	-	-
Social housing grant receivable	-	-
Prepayments and accrued income	-	1,260
	39,301	34,617

Debtors are all due within one year.

12 CREDITORS

Creditors less than one year	**2016**	Restated 2015
	£	£
Loans repayable	26,020	26,020
Trade creditors	31,874	40,958
Corporation tax	600	1,031
Rents and service charges paid in advance	18,267	15,739
Accruals and deferred income	164,883	163,783
Deferred capital grant (Note 14)	33,825	33,827
	275,469	281,358

13 CREDITORS MORE THAN ONE YEAR

	2016 £	Restated 2015 £
Loans repayable (Note 13a)	651,501	676,557
Deferred capital grant (Note 14)	2,623,344	2,657,169
	3,274,845	3,333,726

13a) LOANS ANALYSIS

	2016 £	2015 £
Loans repayable by instalments:-		
Within one year (see note 12)	26,020	26,020
Between one and two years	26,020	26,020
Between two and five years	78,060	78,060
In five years or more	579,222	605,242
Less loan issue costs	(5,781)	(6,745)
	677,521	702,577

The loan is secured by specific charges on the Co-operatives housing properties and is repayable in instalments with the final balance repayable in January 2022. Interest charged is Libor + 2.25%.

14 DEFERRED CAPITAL GRANT

	2016 £	2015 £
At start of the year (restated)	2,690,996	2,724,821
Grant received during the year	-	
Released to income during the year	(33,825)	(33,825)
	2,657,169	2,690,996
Amount due to be released < 1 year	33,825	33,825
Amount due to be released > 1 year	2,623,344	2,657,169

15 CALLED UP SHARE CAPITAL

	2016 £	2015 £
Allotted issued and fully paid		
At start of the year	31	31
Issued during the year	-	-
Cancelled during the year	-	-
At end of the year	31	31

The par value of each share is £1. 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. All shares are fully paid.

16 OPERATING LEASES

At the end of the year the Association had annual commitments under these leases as follows:

Operating lease which expires:		
Between two and five years	-	-

17 CAPITAL COMMITMENTS

	2016 £	2015 £
Expenditure contracted for but has not been provided for in the financial statements		-
Expenditure that has not been authorised by the committee of management but has not yet been contacted for	448,211	448,211
	-	
	448,211	448,211

The capital commitments will be paid by cash available

18 GRANT AND FINANCIAL ASSISTANCE

	2016 £	2015 £
Total accumulated government grant and financial assistance received or receivable at 31 March:	3,448,526	3,448,526
Held as deferred capital grant	-	-
Recognised as income in the year within the statement of comprehensive income	(33,825)	(33,825)

19 SOCIAL HOUSING ACCOMMODATION UNITS

	2016	2015
Under management at end of year:		
Rented units	54	54

20 RELATED PARTY TRANSACTIONS

The Management Committee members are tenants of the Co-operative. The rents charged to these tenants during the year were under normal commercial terms and conditions of the business and they cannot use their position to their advantage. Other than this, no members of the Management Committee had any interest in any contract or arrangement with Imani Housing Co-operative Limited.

Tenant board members

There are three tenant board members Abdul Thompson, Ken Dickenson and Samuel Jackson-Cofie. The rents charges to these tenants during the year were under commercial terms and conditions of the business and they cannot use their position to their advantage. The rent arrears balance of £4,829.83 as at 31 March 2016 (2015: £3,873.25).

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.

21 FIRST TIME OF ADOPTION FRS 102

	Note	Reserves as at transition date 1 April 2014	Surplus/(deficit) Year ended 31 March 2015	Reserves as at 31 March 2015
		£	£	£
As previously stated under former UK GAAP		**988,619**	**107,945**	**1,096,564**
As restated under former UK GAAP				
Transitional adjustments				
Increase in depreciation of housing properties	a.	(471,339)	(22,824)	(494,163)
Increase in amortisation of grants relating to housing properties	b.	723,709	33,825	757,534
As stated in accordance with FRS 102		**1,240,989**	**118,946**	**1,359,935**

Explanation of changes to previously reported profit and equity:

a. FRS 102 requires that capital grant previously deducted from the cost of fixed assets, is treated as creditors where the fixed assets are carried at cost. The effect compared to current UK GAAP is an increase to the carrying cost of housing properties resulting in an increase in the depreciation at transition of £471,339 and a decrease in the surplus for the year ended 31 March 2015 of £22,824.

b. FRS 102 requires that government capital grant previously deducted from the carrying cost of housing properties is treated as a deferred capital grant creditor and released to the Statement of Comprehensive Income over the useful life of the associated assets. The effect compared to current UK GAAP is an increase in income recognised on transition of £723,709, and £33,825 increase in surplus for the year ended 31 March 2015.

22 EVENTS AFTER BALANCE DATE

No events that need to be disclosed