

IMANI HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Regulator of Social Housing - No. C3755

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

IMANI HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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IMANI HOUSING CO-OPERATIVE LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS OF THE COOPERATIVE

The following served from 1 April 2017 up to the date of approval of these financial statements

CHAIR	Khalid Mair
SECRETARY	Abdul Thompson
TREASURER	Samuel Jackson-Cofie (took position on 8 th April 2017)
OTHER COMMITTEE MEMBERS	Ken Dickenson Fosdicka Crankson (retired on 6 th April 2017) Venne Ndobho

STATUS The organisation is a Registered Society, registered under the Co-operative and Community Benefit Societies Act 2014

REGISTERED OFFICE 17A Seely Road
London
SW17 9QP

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 Regulator of Social Housing - No. C3755

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

IMANI HOUSING CO-OPERATIVE LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2018

The Management Committee presents its report and the audited financial statements for the year ended 31 March 2018.

Principal Activities

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

Review the Results

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.

The Co-Operative generated a surplus in the year of £86,947, compared to £141,598 in 2017, increasing total capital and reserves to £1,632,286 compared to £1,545,339 in 2017.

In 2018 in addition to Statement of Comprehensive Income expenditure on repairs, £38,764 was re-invested on component replacements to existing properties.

There were no post balance sheet events. The Co-operative undertakes no research and development. There have been no significant differences in the market value of interests or land in the hands of the Co-operative.

No change in arrangements during the year. Each member, including the Management Committee members, holds one fully paid £1 share in the Co-operative. There are no directors' share options nor has there been any acquisition of the company's own shares. The Co-operative does not issue shares other than the nominal non-refundable £1 shares.

The Co-operative has made no political or charitable gifts during the year. The Co-operative employs less than 250 staff members. Creditors are paid within 30 days unless there is a dispute.

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 2017/18 of achieving, or working towards, a continuous improvement in all its key operational indicators. The regulator has recently issued value for money metrics to ensure performance to be measured consistently for each Registered Provider. We have adopted these which are reported below:

Indicator	2018	2017	Commentary
Reinvestment in development and capital works	7.74%	0.74%	Due to acquisition of stock which were under our management
New supply delivered (Social housing units)	18.52%	-	Due to increase total stock by 10 units
New supply delivered (Non-social housing units)	-	-	-
Gearing	(7.16%)	(11.02)%	This is due to significant cash holding as compared to the level of debt.
Interest cover including capitalised repairs (EBITDA-MRI)	167.72%	672.33%	The drop in interest cover is due to increase in interest payable in this year and financing cost
Social housing cost per unit	£4,951.65	£5,007.94	Improvement in SHC per unit is due to improved operating cost in addition to increase number of units
Operating margin (Social housing lettings)	36.97%	36.75%	Operating margin is slightly better than the previous year due to improve operating surplus
Operating margin (overall)	36.97%	36.75%	
Return on capital employed	3.46%	3.36%	ROCE is comparable to the previous year.

IMANI HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2018

Principal Risks and Uncertainties

This is a Fully Mutual Co-operative and all tenants are members who have full and complete control of every aspect of management and repair of the properties in which they reside. The members have full control over the rent they pay in order to maintain their properties with the only caveat being that the quality of the houses and homes are maintained to a high standard which results in an overall increase in quality of the components and planned to ensure that the properties will remain in good condition for the indefinite future.

A full budget is considered each year identifying each components including the basic fabric of the houses, the life of the components, the costs of replacing that component, the current age of the component and thus the total amount that needs to be set aside to carry out the replacement of that components when it becomes due for replacement.

Compliance with Governance and Financial Viability Standard

The Management Committee confirms that the Co-operative has met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard.

The Co-operative continues to adopt the National Housing Federation's Code of Governance. This code was updated in 2015. In accordance with our policies and procedures, the Co-operative complies with the Code of Governance in all respects.

Statement on the Co-Operatives' Systems of Internal Financial Controls

The Management Committee acknowledges its ultimate responsibility for the Co-operative's system of internal control, and for ensuring that the Co-operative has in place systems of internal control where the extent and formality of individual controls should relate to the risks incurred, whilst recognising that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. Key elements of fulfilment of this responsibility include:

- The establishment of formal policies and procedures covering the prime processes of the Co-operative. These include a formal fraud policy, which is reviewed, updated and promulgated to all staff on a regular basis.
- Implementation of financial regulations and delegated authorities designed to ensure that assets are safeguarded against unauthorised use or disposition, and that proper accounting records are maintained.
- The appointment of experienced and suitably qualified staff to take responsibility for business functions, and an appropriate organisational structure.
- The production and review of appropriate and reliable financial management information for use within the Co-operative or for publication, covering the monitoring of the Co-operative's financial performance and cash flows against approved short and long term plans, with analysis of material variances.
- Assessment and approval of new activities and investment decisions, through decision making levels appropriate to the level of value and risk, as defined in the financial regulations and delegated authority procedures.
- Monitoring by the Management Committee of the reports of the external auditors to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting appropriate action to correct weaknesses and respond to recommendations for improvement from these reports.

These processes of internal control are reviewed on an ongoing basis.

The Management Committee has reviewed the effectiveness of the systems of internal control in existence in the Co-Operative for the year ended 31 March 2018 and until the date of approval of these financial statements.

Public Benefit Entity

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

Going Concern

The Management Committee have reviewed future forecasts and are satisfied the Co-operative is a going concern. Accordingly the accounts have been prepared on the going concern basis.

IMANI HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2018

Statement of the Management Committee's Responsibilities

The 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 Management 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 Management 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 Co-operative 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 Management Committee members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Appointment of 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.

Approved on behalf of the Management Committee



Khalid Mair
Chair

Date: 30 August 2018

IMANI HOUSING CO-OPERATIVE LIMITED
REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 MARCH 2018

We have audited the financial statements of Imani Housing Co-operative Limited for the year ended 31 March 2018 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".

In our opinion, the financial statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31 March 2018 and of its surplus 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 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society 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 the provisions available for small entities, in the circumstances set out in note 6 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Co-operative's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report from the Management Committee, other than the financial statements and our auditor's report thereon. The Committee is responsible for the other information. 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.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

IMANI HOUSING CO-OPERATIVE LIMITED
REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 MARCH 2018

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the information given in the Report from the Management Committee for the financial year for which the financial statements are prepared is consistent with the financial statements
- a satisfactory system of control over transactions has not been maintained; or
- the Co-operative has not kept proper accounting records; or
- 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.

Responsibilities of the Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 4, the Committee are 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 Committee 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 Committee are responsible for assessing the Co-operative'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 Committee either intend to liquidate the Co-operative or to cease operations, or have no realistic alternative but to do so.

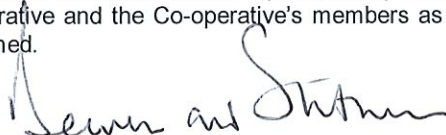
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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(2) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Co-operative'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 Co-operative and the Co-operative's members as a body for our audit work, for this report, or for the opinions we have formed.


Beever and Struthers
Chartered Accountants
Statutory Auditor

15 Bunhill Row
London
EC1Y 8LP

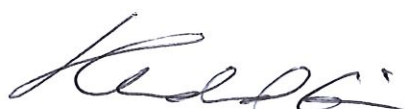
Date:

25 September 2018

IMANI HOUSING CO-OPERATIVE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	2	448,115	435,748
Operating expenditure	2	(282,455)	(275,614)
Operating surplus/(deficit)		<u>165,660</u>	<u>160,134</u>
Investment income and interest receivable	4	203	633
Interest payable	5	(78,877)	(19,042)
Surplus/(deficit) for the year before tax	6	<u>86,986</u>	<u>141,725</u>
Taxation	7	(39)	(127)
Total comprehensive income for the year		<u>86,947</u>	<u>141,598</u>

The financial statements on pages 7 to 23 were authorised and approved by the Management Committee on 30 August 2018 and were signed on its behalf by:



Committee Member



Committee Member



Secretary

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 11 to 23 form an integral part of the financial statements.

IMANI HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible Fixed Assets: Housing Properties	10	3,974,181	3,704,885
Tangible Fixed Assets: Other Fixed Assets	10	1,966	4,230
		<u>3,976,147</u>	<u>3,709,115</u>
Current assets			
Trade and Other Debtors	11	41,589	46,630
Cash and Cash Equivalents		909,118	1,293,014
		<u>950,707</u>	<u>1,339,644</u>
Less Creditors			
Amounts falling due within one year	12	(140,346)	(289,353)
Net current assets/(liabilities)		<u>810,361</u>	<u>1,050,291</u>
Total assets less current liabilities		<u>4,786,508</u>	<u>4,759,406</u>
Creditors			
Amounts falling due after more than one year	13	(3,154,191)	(3,214,036)
Total net assets		<u>1,632,317</u>	<u>1,545,370</u>
Reserves			
Called up share capital	15	31	31
Income and Expenditure Reserve		1,632,286	1,545,339
Total reserves		<u>1,632,317</u>	<u>1,545,370</u>

The financial statements on pages 7 to 23 were authorised and approved by the Management Committee on 30 August 2018 and were signed on its behalf by:



Committee Member



Committee Member



Secretary

The notes on pages 11 to 23 form an integral part of the financial statements.

IMANI HOUSING CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2018

	Income and expenditure reserve	Total
	£	£
Balance as at 1 April 2016	1,403,741	1,403,741
Surplus/(deficit) from Statement of Comprehensive Income	141,598	141,598
Balance at 31 March 2017	<u>1,545,339</u>	<u>1,545,339</u>
Surplus/(deficit) from Statement of Comprehensive Income	86,947	86,947
Balance at 31 March 2018	<u><u>1,632,286</u></u>	<u><u>1,632,286</u></u>

The notes on pages 11 to 23 form an integral part of the financial statements.

IMANI HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Net cash generated from operating activities (Note i)		28,597	161,187
Cash flow from investing activities			
Purchase of tangible fixed assets	10	(307,799)	(29,128)
Purchase of investments		-	-
Interest received	4	203	633
Cash flow from financing activities			
Interest paid	5	(78,877)	(19,042)
Issue of ordinary shares		-	-
Repayment of borrowings		(26,020)	(26,020)
Net change in cash and cash equivalents		(383,896)	87,630
Cash and cash equivalents at beginning of the year		1,293,014	1,205,384
Cash and cash equivalents at end of the year		909,118	1,293,014
Note i			
Cash flow from operating activities			
Surplus/(deficit) for the year		86,947	141,598
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	10	40,766	28,450
Decrease/(increase) in trade and other debtors	11	5,042	(7,329)
Increase/(decrease) in trade and other creditors	12	(149,007)	13,884
Adjustments for investing or financing activities:			
Government grants utilised in the year	14	(33,825)	(33,825)
Interest payable	5	78,877	19,042
Interest receivable	4	(203)	(633)
Investment income		-	-
Net cash generated from operating activities		28,597	161,187

The notes on pages 11 to 23 form an integral part of the financial statements.

IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

LEGAL STATUS

Imani Housing Co-operative Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 registration number 249149R and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing registration number C3755. The registered office is 17A Seely Road, London, SW17 9QP.

1 PRINCIPAL ACCOUNTING POLICIES

The Co-operative's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2014.

Basis of Accounting

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. 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. The Co-operative transitioned from previous UK GAAP to FRS 102 as at 1 January 2015.

As a public benefit entity, Imani Housing Co Operative Limited, has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

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. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Turnover and revenue recognition

Turnover represents rental income receivable, service charges, amortised capital grants and amounts invoiced in respect of the provision of services. Service charges are accounted for on a fixed service charge basis.

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

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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 Co-operative 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

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Equipment, Fixtures and Furniture	5 years
Computer & IT Equipment	3 years

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 Co-operative 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 Regulator of Social Housing 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.

Provisions

The Co-operative only provides for contractual liabilities.

IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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 this activity.

VAT

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

Taxation

As a fully mutual Housing Co-operative, its mutual trading activities are exempt from Corporation Tax as per s.642 of the Corporation Tax Act 2010 except that of its investment income received on which it is liable to Corporation Tax.

Financial instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income.

Financial instruments held by the Co-operative are classified as follows:

- Cash is held at cost.
- Financial assets such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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 Statement of Financial Position 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 the most significant effect on amounts recognised in the financial statements.

- a. Categorisation of housing properties. The Co-operative has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Co-operative has considered if the asset is held for social benefit or to earn commercial rentals.
- b. Impairment. The Co-operative has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

- 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.

IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2 TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	Turnover £	---2018--- Operating Expenditure £	Operating Surplus £
SOCIAL HOUSING LETTINGS			
OTHER			
Leased property rent and costs	448,115	(282,455)	165,660
Donations and other income	-	-	-
Development costs	-	-	-
TOTAL	448,115	(282,455)	165,660

	Turnover £	---2017--- Operating Expenditure £	Operating Surplus £
SOCIAL HOUSING LETTINGS			
OTHER			
Leased property rent and costs	435,748	(275,614)	160,134
Donations and other income	-	-	-
Development costs	-	-	-
TOTAL	435,748	(275,614)	160,134

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

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3. TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2018	2017
	£	£
INCOME		
Rent receivable net of identifiable service charge	377,662	366,340
Service Charges	36,628	35,583
Amortised government grants	33,825	33,825
TURNOVER FROM SOCIAL HOUSING LETTINGS	448,115	435,748
EXPENDITURE		
Services	48,325	59,819
Management	83,348	78,104
Routine maintenance	91,792	92,474
Major repairs expenditure	5,160	12,666
Rent losses from bad debts	15,328	6,566
Property depreciation	38,502	25,985
OPERATING EXPENDITURE ON SOCIAL HOUSING LETTINGS	282,455	275,614
OPERATING SURPLUS/ (DEFICIT) ON SOCIAL HOUSING LETTINGS	165,660	160,134
VOID LOSSES	137	2,310
4. INTEREST RECEIVABLE AND INVESTMENT INCOME		
Bank interest receivable	203	633
	203	633
5. INTEREST PAYABLE		
On bank loans and overdrafts	17,474	19,042
Other loans	61,403	-
	78,877	19,042

IMANI HOUSING CO-OPERATIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. SURPLUS FOR THE YEAR

	2018	2017
	£	£
Is stated after charging:-		
Auditors remuneration (excluding VAT)		
In their capacity as auditors	3,530	3,400
In respect of other services	1,275	1,225
Operating lease payments	-	-
Impairment of housing properties	-	-
Depreciation of housing properties	38,502	25,986
Depreciation of other tangible fixed assets	2,264	2,464

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the financial statements and tax services.

7. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2018	2017
	£	£
United Kingdom corporation tax rate at 19% (2017: 20%)		
Current tax	39	127

8. DIRECTORS REMUNERATION

Directors (key management personnel) are defined as members of the Management Committee. The directors of the Co-operative are the members of the Management Committee, none of whom received any emoluments during the year. (2017: £nil). The Chair received travel expenses of £15,635 (2017: £17,166). Board expenses of £1,017 (2017: £379) and Board training of £2,694 (2017: £2,602).

9. EMPLOYEE INFORMATION

The Co-operative employs 2 members of staff (2017: 2).

	2018	2017
	No.	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:	2	2
	2018	2017
	£	£
Staff costs		
Wages and salaries	84,981	76,954
Social Security costs	5,583	5,373
Pension costs	4,249	10,560
	94,813	92,887

No employees received more than £60,000 in the year (2017: 0).

IMANI HOUSING CO-OPERATIVE LIMITED
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FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

COST/VALUATION	Housing Properties £	Other fixed assets £	Total £
At 1 April 2017	4,354,604	12,859	4,367,463
Component Additions	38,762	-	38,762
Additions	307,798	-	307,798
Disposals	-	-	-
At 31 March 2018	<u>4,662,402</u>	<u>12,859</u>	<u>4,675,261</u>
DEPRECIATION			
At 1 April 2017	649,719	8,629	658,348
Charge for Year	38,502	2,264	40,766
Disposals	-	-	-
At 31 March 2018	<u>688,221</u>	<u>10,893</u>	<u>699,114</u>
Net Book Value at 31 March 2018	<u>3,974,181</u>	<u>1,966</u>	<u>3,976,147</u>
Net Book Value at 1 April 2017	3,704,885	4,230	3,709,115
HOUSING PROPERTIES COMPROMISE:		2018	2017
		£	£
Freeholds		3,974,181	3,704,885
Long leaseholds		-	-
Short leaseholds		-	-
		<u>3,974,181</u>	<u>3,704,885</u>
Works to existing properties in the year:			
Improvement works capitalised		-	-
Components capitalised		38,764	27,399
Amounts charged to expenditure		-	-
		<u><u>38,764</u></u>	<u><u>27,399</u></u>

IMANI HOUSING CO-OPERATIVE LIMITED
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11. DEBTORS

	2018	2017
	£	£
Arrears of rent and service charges	96,264	87,157
Less: provision for bad debts	(57,421)	(42,936)
Prepayments and accrued income	2,746	2,409
	<u>41,589</u>	<u>46,630</u>

Debtors are all due within one year.

12. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade Creditors	37,048	38,222
Loans Repayable (Note 13a)	26,020	26,020
Corporation tax	40	127
Other taxation and social security	137	1,979
Rents and service charges paid in advance	25,757	20,963
Accruals and deferred income	17,519	168,217
Deferred capital grant (Note 14)	33,825	33,825
	<u>140,346</u>	<u>289,353</u>

IMANI HOUSING CO-OPERATIVE LIMITED
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13. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Loans repayable (Note 13a)	598,497	624,517
Deferred capital grant (Note 14)	2,555,694	2,589,519
	<u>3,154,191</u>	<u>3,214,036</u>

13a) LOANS ANALYSIS

	2018	2017
	£	£
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	494,417	520,437
	<u>598,497</u>	<u>624,517</u>

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. Interest charged is Libor + 2.25%.

14. DEFERRED CAPITAL GRANT

	2018	2017
	£	£
At start of the year (restated)	2,623,344	2,657,169
Grant received during the year	-	-
Released to income during the year	(33,825)	(33,825)
	<u>2,589,519</u>	<u>2,623,344</u>
Amount due to be released < 1 year (Note 12)	33,825	33,825
Amount due to be released > 1 year (Note 13)	<u>2,555,694</u>	<u>2,589,519</u>
Total accumulated government grant and financial assistance received or receivable at 31 March:	3,448,526	3,448,526

IMANI HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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15. NON EQUITY SHARE CAPITAL	2018	2017
	£	£
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	<u>31</u>	<u>31</u>

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 Co-operative had annual commitments under these leases as follows:

	2018	2017
	£	£
Operating lease which expires:		
In one year or more but less than two years	-	-
Between two and five years	-	-
In five years or more	-	-
	<u>-</u>	<u>-</u>

17. CAPITAL COMMITMENTS

	2018	2017
	£	£
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
	<u>-</u>	<u>448,211</u>

The capital commitments in 2017 relate to the expected final payment for the freehold of the properties previously managed and now fully owned by Imani Housing Co-operative.

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18. SOCIAL HOUSING ACCOMMODATION UNITS	2018	2017
Under management at end of year:		
Owned and managed	54	44
Managed but not owned	-	10
	<u>54</u>	<u>54</u>

19. RELATED PARTY TRANSACTIONS

Tenant board members

The Management Committee has tenant members who hold tenancy agreements on normal terms and cannot use their position to their advantage. Rents charged to the tenant Management Committee members was £27,506 (2017: £24,518). The rent arrears balance of £6,610 as at 31 March 2018 (2017: £431). Related party balances are not secured.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. FINANCIAL INSTRUMENTS

	2018 £	2017 £
The Co-operative's financial instruments may be analysed as follows:		
Financial Assets		
Financial Assets Measured at Cost		
Cash and Cash Equivalents	909,118	1,293,014
Financial Assets Measured at Amortised Cost		
Rent and Service Charge Debtors	96,264	87,157
Total Financial Assets	<u>1,005,382</u>	<u>1,380,171</u>
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost		
Trade Creditors	37,048	38,222
Other Creditors	17,519	168,217
Housing Loans Payable	624,517	650,537
Total Financial Liabilities	<u>679,084</u>	<u>856,976</u>