

Registered number 24566R
Homes and Communities Agency registered number C3489

20/20 Housing Co-operative Limited
Financial Statements
Year ended 30 September 2018

20/20 Housing Co-operative Limited

Report of the Management Committee for the year ended 30 September 2018

The Management Committee presents its report and audited Financial Statements for the year ended 30 September 2018.

Legal & administrative details

Status

The Co-operative is registered as a housing co-operative in England, under the Co-operative and Community Benefit Societies and Credit Unions Act 1965, registered number 24566R. It is registered with the Homes and Communities Agency (formerly the Housing Corporation) as a Registered Housing Provider, registered Number C3489.

Members of the Management Committee

Sara Paul	(Chair)	Helima Zindani
Pete Doherty		Denis Douglas
Clare Kane		Pete Walsh
Mahan Afzal		Lynn Mansell-Stott
Ben Hallam	(Secretary)	Nic Bliss (Treasurer)
Zoe Holt		Fatima Zindani

Secretary

Ben Hallam

Registered office

16 Park Road
Moseley
Birmingham
B13 8AB

Auditor

Slade & Cooper Limited
46-50 Oldham Street
Manchester
M4 1LE

Bankers

Co-operative Bank plc	Lloyds Bank
118 - 120 Colmore Row	PO Box 1000
Birmingham	Andover
B3 3BA	BX1 1LT

Nature of operations and principal activities

The co-operative rents and maintains accommodation for general needs social housing.

20/20 Housing Co-operative Limited
Report of the Management Committee (continued)
for the year ended 30 September 2018

Value for money

In line with the Home and Communities Agency's Standard and the Financial Regulations and Standard Orders the Co-operative seeks to achieve value for money on all expenditure. Prior to the approval of the accounts the Management Committee has considered a report which demonstrates compliance with the appropriate requirements.

Assessment of compliance with the Governance and Financial Viability standard

The Management Committee has reviewed the Governance and Financial Viability Standard published by the Homes & Communities Agency. We confirm that we comply with the standard.

Code of governance

The Management Committee has reviewed the code of governance for housing co-operatives issued jointly by the Confederation of Co-operative Housing and the National Housing Federation and confirms that the co-operative is in compliance with it.

The Management Committee's responsibilities

The Co-operative and Community Benefit Society Act 2014 requires 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 the Income and Expenditure of the Co-operative for that period. In preparing the 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;
- 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 to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014. They are also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Management Committee

Signature _____

Ben Hallam Secretary

Date _____

Independent Auditor's Report

To the members of 20/20 Housing Co-operative Limited for the year ended 30 September 2018

Opinion

We have audited the financial statements of 20/20 Housing Co-operative Limited for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the co-operative'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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the co-operative's affairs as at 30 September 2018, 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;
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the co-operative in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the management committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the management committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the management committee

As explained more fully in the Management Committee's Responsibilities Statement set out on page 2, the management committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines 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 management committee is 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 management committee either intends to liquidate the co-operative or to cease operations, or has 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 website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Slade & Cooper Limited
Statutory Auditor
Green Fish Resource Centre
46-50 Oldham Street
Manchester M4 1LE

20/20 Housing Co-operative Limited
Statement of comprehensive income
Year ended 30 September 2018

		2018	2017
		£	£
Turnover	2	233,117	233,063
Administrative expenditure		(191,316)	(182,017)
		<hr/>	<hr/>
Operating surplus / (deficit)		41,801	51,046
Income from fixed asset investments		372	210
Interest receivable and similar income		206	1,611
Interest payable and similar charges		(17,782)	(17,873)
		<hr/>	<hr/>
Surplus on ordinary activities for the year before tax	5	24,597	34,994
Tax on surplus on ordinary activities	7	(110)	(355)
		<hr/>	<hr/>
Surplus for the year after tax		24,487	34,639
		<hr/>	<hr/>
Total comprehensive income for the year		24,487	34,639

20/20 Housing Co-operative Limited
Balance sheet
Year ended 30 September 2018

		2018		2017	
		£	£	£	£
Fixed assets					
Tangible fixed assets - housing properties	8		2,249,353		2,282,505
Tangible fixed assets - other	9		23,147		24,073
Investments	10		17,000		17,000
			2,289,500		2,323,578
Current assets					
Debtors	11	15,250		14,558	
Cash at bank and in hand		248,056		224,274	
		263,306		238,832	
Creditors: amounts falling due within one year	12	(85,607)		(76,864)	
			177,699		161,968
Net current assets			177,699		161,968
Total assets less current liabilities			2,467,199		2,485,546
Creditors: amounts falling due after more than one year	13		(1,647,113)		(1,689,949)
Total net assets			820,086		795,597
Reserves					
Share capital	14		55		53
Revenue reserve	15		749,151		709,990
Designated major repairs reserve	15		70,880		85,554
Total Reserves			820,086		795,597

The financial statements were approved and authorised for issue by the management committee:

_____ Sara Paul

_____ Ben Hallam, Secretary

_____ Nic Bliss

_____ Date

20/20 Housing Co-operative Limited
Statement of changes in equity
Year ended 30 September 2018

	Share capital £	Income and expenditure £	Total £
At start date 2017	53	760,905	760,958
Total comprehensive income for the year	-	34,639	34,639
Share capital issued	2	-	2
Share capital cancelled	(2)	-	(2)
	<hr/>	<hr/>	<hr/>
At end date 2017 and start date 2018	53	795,544	795,597
Surplus for the year	-	24,487	24,487
	<hr/>	<hr/>	<hr/>
Total comprehensive income	53	820,031	820,084
Share capital issued	9	-	9
Share capital cancelled	(7)	-	(7)
	<hr/>	<hr/>	<hr/>
At end date 2018	55	820,031	820,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20/20 Housing Co-operative Limited
Statement of Cash Flows
Year ended 30 September 2018

	Note	2018 £	2017 £
Net income/(expenditure) for the year		24,487	34,639
Adjustments for:			
<i>Cash flows from operating activities:</i>			
Depreciation charge		64,814	63,763
Loss/(profit) on sale of fixed assets		8,656	17,773
Dividends, interest and rents from investments		(578)	(1,821)
Decrease/(increase) in debtors		(692)	1,231
Increase/(decrease) in creditors		(34,093)	(39,436)
		62,594	76,149
Cash provided by/(used in) operating activities		62,594	76,149
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		578	1,821
Purchase of tangible fixed assets		(39,392)	(45,131)
Purchase of investments		-	(10,000)
Share Capital Movement		2	-
		(38,812)	(53,310)
Cash provided by/(used in) investing activities		(38,812)	(53,310)
Increase/(decrease) in cash and cash equivalents in the year		23,782	22,839
Cash and cash equivalents at the beginning of the year		224,274	201,435
		248,056	224,274
Cash and cash equivalents at the end of the year		248,056	224,274

20/20 Housing Co-operative Limited
Notes to the financial statements
Year ended 30 September 2018

1 Summary of significant accounting policies

a General information and basis of preparation

20/20 Housing Co-operative Limited is a registered society, and a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the information on page 1 of these financial statements.

20/20 Housing Co-operative Limited constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Cooperative and Community Benefit Societies Act 2014. The financial statements have been prepared on a going concern basis under the historical cost convention.

b Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, development costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is reviewed annually and is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	Indefinite	
Housing properties - structure	100 years	straight line
Housing properties - other components		
Roof	60 years	straight line
Windows	22 years	straight line
Boilers	20 years	straight line
Kitchens	15 years	straight line
Bathrooms	25 years	straight line
Heating & Plumbing	30 years	straight line
Electrics	45 years	straight line
Other property, plant and equipment		
Office Equipment	4 years	straight line
Solar Panels	30 years	straight line

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

c Debtors and creditors receivable / payable within one year

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

d 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.

e Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

f Tax

The co-operative is approved as fully mutual under Section 644 of the Corporation Taxes Act 2010 and so is not subject to corporation tax on its housing income. Tax is provided on investment income at the appropriate rate.

g Turnover and other income

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency, and the amortisation of social housing grants.

h Government grants

Social housing grants can be claimed towards the cost of major works and have been received to finance the development of housing properties. These grants are recognised at the fair value of the asset received or receivable. As the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

i Judgements and key sources of estimation uncertainty

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies which have a significant effect on amounts recognised in the financial statements.

There were no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Social housing turnover and costs

	2018	2017
	£	£
Rents receivable excluding service charges	205,866	205,836
Service charges receivable	6,152	6,152
Void losses	(2,621)	(1,224)
Other Income	3,584	2,163
	<hr/>	<hr/>
	212,981	212,927
Revenue grants receivable	-	-
Capital grants receivable	20,136	20,136
	<hr/>	<hr/>
Total turnover	233,117	233,063
Social housing activity expenditure	(191,316)	(182,017)
	<hr/>	<hr/>
Operating surplus from social housing activities	41,801	51,046
	<hr/> <hr/>	<hr/> <hr/>
Net surplus from social housing activities	41,801	51,046
	<hr/> <hr/>	<hr/> <hr/>

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

3 Financial assistance and other grant receivable

The total accumulated amount of financial assistance and other grant received or receivable at the date of the statement of financial position, based upon properties owned at that date, was as follows:

	2018	2017
	£	£
Recognised in the Statement of Comprehensive Income	526,394	506,258
Held as deferred income	1,487,212	1,507,348
	<hr/>	<hr/>
	2,013,606	2,013,606
	<hr/> <hr/>	<hr/> <hr/>

4 Accommodation owned and in management

	Number of units at 1 October 2017	Number of units at 30 September 2018
Completed units:		
General needs housing:		
Let at social rent	49	49
	<hr/>	<hr/>
	49	49
	<hr/> <hr/>	<hr/> <hr/>

5 Surplus / (deficit) on ordinary activities

Surplus / (deficit) on ordinary activities is stated after charging / (crediting):

	2018	2017
	£	£
Auditor's remuneration (audit)	1,610	1,610
Auditor's remuneration (non-audit work)	1,235	1,235
Depreciation of tangible fixed assets	64,814	63,763
Rent and service Charge losses from bad debts	1,669	-
	<hr/> <hr/>	<hr/> <hr/>

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

6 Payments to members, Management Committee members, and officers

There were no fees, remuneration or expenses paid to members, Management Committee members and officers, except as listed below.

	2018	2017
Expenses payable to members of the Management Committee who were not employees of the co-operative	£ 1,572	£ 830
	<u> </u>	<u> </u>

All members of the Management Committee are tenants of the co-operative. Their tenancies are on normal commercial terms and Management Committee members cannot use this position to their advantage.

7 Tax

	2018	2017
	£	£
Tax on the surplus on ordinary activities	110	355
	<u> </u>	<u> </u>

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

8 Tangible fixed assets – housing properties

	Housing properties for letting
Cost:	
At 1 October 2017	3,113,336
Additions	39,392
Disposals	(17,186)
	3,135,542
At 30 September 2018	3,135,542
Depreciation:	
At 1 October 2017	830,831
Charge for year	63,888
Disposals	(8,530)
	886,189
At 30 September 2018	886,189
Net book value:	
At 30 September 2018	2,249,353
	2,249,353
At 30 September 2017	2,282,505
	2,282,505

The total net book value comprised completely of freehold land and buildings.

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

9 Tangible fixed assets – other

	Equipment
Cost:	
At 1 October 2017	28,349
	<hr/>
At 30 September 2018	28,349
	<hr/> <hr/>
Depreciation:	
At 1 October 2017	4,276
Charge for the year	926
	<hr/>
At 30 September 2018	5,202
	<hr/> <hr/>
Net book value:	
At 30 September 2018	23,147
	<hr/> <hr/>
At 30 September 2017	24,073
	<hr/> <hr/>

10 Fixed asset investments

	2018	2017
	<i>£</i>	<i>£</i>
Lyvennet Community Pub Ltd	7,000	<i>7,000</i>
Leeds Community Homes	5,000	5,000
Ty Brethyn Housing Co-op	5,000	5,000
	<hr/>	<hr/>
	17,000	<i>17,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The co-operative owns 7,000 £1 shares in Lyvenet Community Pub Ltd, which is a registered society. The shares are non-transferable and can be redeemed at par. They pay a rate of interest fixed at their AGM. Nic Bliss is a director at Leeds Community Homes.

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

11 Debtors

	2018	2017
	£	£
Trade debtors (gross social housing rent arrears)	8,773	7,411
Other debtors	7	3
Prepayments and accrued income	6,470	7,144
	<hr/>	<hr/>
	15,250	14,558
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	21,710	21,495
Rents paid in advance	5,751	4,727
Corporation tax	110	355
Government grants	20,136	20,136
Accruals and deferred income	37,900	30,151
	<hr/>	<hr/>
	85,607	76,864
	<hr/> <hr/>	<hr/> <hr/>

Bank loans and overdrafts totalling £201,747 (2017 - £224,232) are secured by specific charges on the co-operative's housing properties and are repayable at varying rates of interest.

13 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	180,037	202,737
Government grants	1,467,076	1,487,212
	<hr/>	<hr/>
	1,647,113	1,689,949
	<hr/> <hr/>	<hr/> <hr/>

20/20 Housing Co-operative Limited
Notes to the financial statements (continued)
Year ended 30 September 2018

14 Share capital

	2018	2017
	£	£
Shares of £1 each brought forward	53	53
Shares issued during the year	9	2
Share capital cancelled	(7)	(2)
	55	53
	55	53

Each share carries one vote in a general meeting of the Co-operative. The shares do not carry any rights to dividend, redemption, or distribution in a winding-up.

15 Reserves

	Revenue Reserve	Designated major repairs reserve	Total
	£	£	£
Reserves accounts brought forward	709,990	85,554	795,544
Surplus for the year	24,487	-	24,487
Transfer between funds	14,674	(14,674)	-
	749,151	70,880	820,031
	749,151	70,880	820,031

The major repairs reserve was set up to designate funds for the following year's planned and cyclical maintenance costs.

16 Financial Instruments

The carrying amount of the society's financial instruments are as follows:

	2018	2017
	£	£
Financial Assets		
Equity instruments measured at cost less impairment		
Fixed asset unlisted investments	17,000	17,000
	17,000	17,000
	17,000	17,000

20/20 Housing Co-operative Limited
Detailed revenue account
for the year ended 30 September 2018

	£	2018	£	2017	£
Turnover					
Rental income					
Rent receivable	205,866			205,836	
Service charge receivable	6,152			6,152	
Voids	(2,621)			(1,224)	
Other Income	3,584			2,163	
			212,981		212,927
Other income					
Capital grants amortisation	20,136			20,136	
			20,136		20,136
			233,117		233,063
Expenditure					
Estate costs					
Repairs and maintenance	33,245			33,205	
Bad debts	1,669			-	
Landlords supply	1,128			897	
Insurance	9,990			9,526	
Void Works	24,046			6,320	
Depreciation	63,888			62,694	
Council Tax	423			219	
Gardening	4,681			4,520	
Service Contracts	5,000			7,335	
Cleaning	221			549	
Loss on disposal	8,656			17,773	
Agents' fees	843			1,172	
			153,790		144,210
Office overheads					
Depreciation of equipment	926			1,069	
			926		1,069
Other management expenses					
Agents' fees	24,596			24,375	
Office costs	295			1,304	
Legal and professional Fees	2,480			1,190	
Audit and accountancy	3,414			3,414	
Bank charges	1,038			1,259	
Meeting costs	1,052			863	
Training	1,444			3,579	
Donations	1,000			-	
Affiliation fees	1,281			754	
			36,600		36,738
			(191,316)		(182,017)
Operating surplus			41,801		51,046
Investment income			372		210
Interest receivable on bank deposits			206		1,611
Interest payable			(17,782)		(17,873)
Surplus before tax			24,597		34,994
Tax			(110)		(355)
Surplus after tax			£ 24,487		£ 34,639

This page does not form part of the financial statements