

**LAMBETH AND SOUTHWARK HOUSING
ASSOCIATION LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Registered Society Number: 14888R

**BEEVER AND STRUTHERS
Statutory Auditors**

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

The SORP requires that financial statements contain a Board report. The following information is all contained additionally in the Association's annual report, and is presented here in summary form:

1. Lambeth and Southwark Housing Association Ltd [LSHA] is a Registered Provider of social housing whose registered office is 7a St Agnes Place London SE11 4AU.

2. **Board Members**

The Board comprises the following who have served at some time during the year:

Howard Webber	Chair, appointed March 2015
Peter Allen	Deputy Chair
Ann Beatty	
Delia Beddis	appointed March 2015
Danny Friedman	appointed March 2015
Jonathan Prichard	Treasurer
Charles Folorusho	
Lekiddo Arbulah	
Hilary Barber	appointed March 2015
Matthew Wicks	resigned March 2015
Jonathan Hall	resigned March 2015
Bob Gleaves	resigned March 2015
Tonya Richards-Clarke	resigned March 2015

3. **Governing document:**

LSHA is registered under the Co-operative and Community Benefit Societies Act 2014. The rules adopted are NHF Model 2011.

4. **Principal activities:**

LSHA provides a variety of good, well managed housing within the London Boroughs of Lambeth, Southwark and Lewisham at affordable rents for those with low incomes.

5. **Review of the year:**

The financial statements show that rental income exceeded budget and a financial surplus was made. Rent increases were within Homes & Communities Agency parameters. The Association continued its asset management programme to keep its housing stock in good order.

6. **Post balance sheet events:**

There were no post balance sheet events.

7. **Policy on payment of creditors:**

We aim to pay suppliers and contractors promptly and within a reasonable time scale. Creditors are paid each month by credit transfer to their bank accounts where possible, after approval and authorisation of invoices.

8. **Other relevant organisations:**

Solicitors:	Batchelors, Charles House, 35 Widmore Road, Bromley BR1 1RW
Auditors:	Beever and Struthers, 15 Bunhill Row, London, EC1Y 8LP
Bankers:	Barclays Bank plc, 50 Pall Mall, London SW1A 1QD
Lenders:	Dexia, Shackleton House, 4 Battle Bridge Lane, London SE1 Santander Corporate Banking, 17 Ulster Terrace, London NW1 4JP

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD

9. Statement of the Board's Responsibilities in Respect of the Accounts

The Co-operative and Community Benefit Societies Act requires the Board to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus of the Association for that period. In preparing these accounts the Board is required to:-

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed.
4. Prepare the accounts on the going concern basis unless it is inappropriate.

The Board is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Association and which enable them to ensure that the accounts comply with the Co-operative and Community Benefit Societies Acts and Housing Acts. The Board is also responsible for safeguarding the assets of the Association and hence for ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Association's accounting records, cash holdings and receipts and remittances.

10. Statement on Value for Money

VfM means the delivery of our social objectives in the most cost effective way possible.

The value we produce is directly related to our social purpose – our mission is to make a difference to people's lives by:

- providing quality homes
- providing a range of outstanding services
- improving the physical and social sustainability of estates and communities.

For LSHA achieving VfM is about making a bigger difference by providing quality homes, the best services and the best neighbourhoods we possibly can with the resources available. We will do this mindful of the legitimate and sometimes competing interests of our key stakeholders: tenants, local community, local partner organisations (including the three local authorities in which we operate) and funders.

In summary, we seek to ensure VfM through:

- Embedding VfM within the culture of the organisation.
- Improving customer satisfaction and customer involvement.
- Benchmarking and comparing costs with those of other registered providers.
- Ensuring financial controls support the delivery, measurement and reporting of VfM.
- Ensuring consideration of VfM in all procurement.
- Encouraging Green initiatives and minimising wastage in our operations.
- Increasing partnership activities to provide more cost effective services.
- Improving our housing stock based on the results of our asset management review and forthcoming stock condition survey.
- Getting the best returns from our assets.
- Improving IT services to make LSHA more efficient and cost effective.

Our arrangements to ensure delivery of VfM as part of the day job

Roles of the Board, Chief Executive, other staff and tenants.

- The Board has a responsibility to lead on VfM and actively to hold the chief executive to account for VfM performance.
- The Chief Executive has a responsibility to assist and advise the board in determining the organisation's approach to achieving VfM.

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD**

10. Statement on Value for Money (continued)

- Tenants are involved in VfM through, for instance, agreeing priorities (and efficiencies), helping to shape services and scrutinising service performance and VfM. This is currently primarily achieved via the SOLFED Tenant Scrutiny Panel Assurance (and reporting) framework for VfM.
- All Board reports require a VfM comment.
- VfM considerations influence business culture and form an integral element of appraisals, 1:1s, team meetings and business culture.

Our track record – what we have achieved over the past year

a) Assets

- We completed the St. Faith's development – nine two and three bedroom homes in budget and on time.
- We successfully tendered kitchen and bathroom works at St. Agnes Place, Commercial Way and Royal Road.
- WE commissioned and delivered LSHA's first asset management review.

b) Operations

- LSHA is part of the Acuity benchmarking group. This allows LSHA to benchmark performance against other small housing associations in London.

c) Financial KPIs	2014-15	2013-14	2012-13
Rent collection	100%	100%	99.85%
Rent arrears	4.56%	4.95%	4.7%
Void loss	0.38%	2.1%	1.51%
Average relet time (days)	26	16	45
Debt per unit	£21,098	£12,858	£13,105
Total surplus	£311,212	£173,642	£261,922

Asset Management	2014-15	2013-14	2012-13
Emergency repairs on time	100%	100%	98%
Urgent repairs on time	96.9%	94%	98%
Routine repairs on time	100%	96%	93%
Gas inspections completed	100%	100%	99%
Reactive maintenance expenditure ^o	25%	31%	35%
Planned maintenance expenditure ^o	75%	69%	65%

Customer Satisfaction	2014-15	2012-13	2011-12
Overall satisfaction*	75%*	75%	85%
Customer satisfaction with repairs	95%	78%	88%

^o Expressed as a % of total maintenance expenditure.

*Taken from 2014 STAR survey

Practical VfM initiatives undertaken by LSHA during 2014/15 included:

- Successful grant claim of £260,000 for St. Faiths Rd development.
- Undertaking an asset management strategy review to help the Board make informed decisions on how best to use its assets.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD

10. Statement on Value for Money (continued)

- Initiating a comprehensive stock condition survey.
- Initiating an asset and liability register.
- Implementing a monthly CEO surgery.
- Negotiating improved terms with a website support company to facilitate more frequent updating of the website.
- Significant reduction in rent arrears.
- Implementing of a texting service for 75% of all LSHA tenants.
- Participating in independent mediation in a complex three legal case, resulting in savings in excess of £10,000 in costs.
- Exploring the potential for joint procurement within SolFed group of housing associations.
- Reviewing tenant engagement strategy to improve customer satisfaction.

LSHA recognises that it operates in an area of very high property prices. It recognises that in order to continue to develop new homes at affordable rents it may dispose of some very high value single houses as and when they become vacant. Any capital generated will be ploughed back into the provision of new homes.

c) Treasury Management

- The Board reviewed Financial Procedures and Financial Regulations.
- The Board initiated a review of 30 year Business Plan.

Projected Value for Money activities in 2015/16

- Continuing to embed VfM in the organisation.
- Supporting residents through Welfare Reform and Universal Credit whilst continuing to protect our income stream.
- Developing feasibility of joint procurement exercise with SolFed partners to achieve financial savings.
- Further reviewing tenant engagement strategy to improve customer satisfaction.
- Undertaking Treasury management review.

11. Statement on Code of Governance

The regulator of social housing in England & Wales, the Homes & Communities Agency, expects housing associations to comply with standards of performance and service delivery. The governance and financial viability standard (governance is about an organisation's ability to run itself efficiently and effectively) requires associations to comply with an appropriate code of governance. Areas of non-compliance with the code of governance should be explained.

Lambeth & Southwark Housing Association has adopted the National Housing Federation's Code of Governance published in 2015. The Code covers the Board's composition, renewal and functions; Board members' recruitment and training, and the information available to them; roles of the Chair and Chief Executive; and the conduct of business. The Code lays down principles of openness, transparency, accountability, diversity & inclusion, audit and risk, conduct and probity.

There is one part of the Code that LSHA does not comply with at present. The Code states that a member's maximum period of Board service should be no more than nine years in the interest of bringing in new members and supporting renewal. Recognising the need for renewal of the board but also a managed transition, the Board has been undergoing a programme of recruitment supported by Board member retirement. This approach will ensure that Board member tenure will have achieved compliance with the NHF's Code of Governance by the time of its AGM in March 2016.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

12. Statement on the Association's System of Internal Control

The Board has overall responsibility for the Association's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board ensures that the process for identifying, evaluating and managing the significant risks faced by the Association is on-going. These risks are regularly reviewed by the Board.

The Board discharges its responsibilities for internal control through the following key procedures:-

- The Board has established policies, procedures and standing orders which are regularly reviewed and updated.
- The Board approves the Association's business plan and annual budget, and monitors the Association's financial results against budget by receiving and examining quarterly financial reports.
- Cash flow forecasts are presented to the Board showing the Association's projected cash movements for the coming twelve months.
- Budgetary control is delegated to the Chief Executive, who receives regular management accounts. The Association has in place an organisational structure with formally defined lines of responsibility. Day to day budgetary control is operated by individual staff and the Chief Executive.
- Procedures are in place to identify major business risks in a timely manner.
- Capital investment decisions are made by means of detailed capital appraisals and are approved by the Board.
- The Association aims to recruit and train staff to operate a system of tight financial control. Staff are also expected to support the Association's commitment to integrity, competence and the effective and economic application of public funds to provide a high quality service.
- The Board ensures that there are appropriate control procedures in place and that these procedures are being followed.

The Board reviews the effectiveness of the Association's system of internal control through the receipt and discussion of regular reports from the Chief Executive.

All Board members holding office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware; and that each Board member has taken all appropriate steps to satisfy himself or herself of this.

By Order of the Board

Secretary:



Date:

26/11/2016 .

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of Lambeth & Southwark Housing Association for the year ended 30 September 2015 on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board and the Auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 3, the Board 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 (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially 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 Association's affairs as at 30 September 2015 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing In England From April 2012.

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 need for our audit.

15 Bunhill Row
London
EC1Y 8LP



Beever and Struthers
Statutory Auditor
Chartered Accountants
Date: 04 March 2016

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	1,825,820	1,755,704
Operating costs	2	(1,361,106)	(1,466,787)
Operating surplus	2	<u>464,714</u>	<u>288,917</u>
Interest receivable	6	4,879	2,950
Interest payable	7	(158,381)	(118,227)
Surplus for the year	8	<u><u>311,212</u></u>	<u><u>173,640</u></u>

All amounts relate to continuing activities.

The above surpluses are the historical cost surpluses.

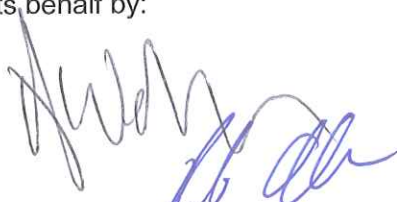
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 30 SEPTEMBER 2015


	2015 £	2014 £
Surplus for the year	311,211	173,640
Unrealised surplus/(deficit) on revaluation	21,700	20,132
Total recognised surplus for the year	<u><u>332,911</u></u>	<u><u>193,772</u></u>


LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2015

	Notes	2015 £	2014 £
Fixed assets			
Housing properties at cost less depreciation	10	22,063,175	20,884,928
Social housing and other grants	10	(13,963,556)	(13,755,926)
Other tangible assets	10	43,549	48,136
Investments	11	420,867	399,168
		<u>8,564,035</u>	<u>7,576,306</u>
Current assets			
Debtors	12	60,582	73,653
Investments	11	3,085,393	1,447,459
Cash at bank and in hand		79,786	33,882
		<u>3,225,761</u>	<u>1,554,994</u>
Less creditors			
Amounts falling due within one year	13	(502,395)	(508,582)
Net current assets		<u>2,723,366</u>	<u>1,046,412</u>
Total assets less current liabilities		<u>11,287,401</u>	<u>8,622,718</u>
Creditors			
Amounts falling due after more than one year	14	5,970,626	3,638,848
Capital and reserves			
Called-up share capital	16	19	26
Investment revaluation reserve	17b	320,867	299,167
Designated reserves	17a	-	941,997
Accumulated surplus	17a	4,995,889	3,742,680
		<u>11,287,401</u>	<u>8,622,718</u>

The financial statements on pages 8 to 21 were approved by the Board on the 26th January 2016 and were signed on its behalf by:

Board Member: 

Board Member: 

Secretary: 

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	£	2015 £	£	2014 £
Net cash flow from operating activities			774,644		789,399
Returns on investments and servicing of finance	19		(153,502)		(115,275)
Capital Expenditure					
Acquisition and construction of housing properties and components		(1,458,789)		(207,868)	
Social Housing Grant receipts		207,630		-	
Purchase of other fixed assets		(17,923)		(10,938)	
		<u>(1,269,082)</u>		<u>(218,806)</u>	
Net cash inflow/(outflow) before management of liquid resources and financing			<u>(647,940)</u>		<u>455,318</u>
Management of liquid resources	19		(1,637,934)		(412,025)
Financing	19		2,331,778		(61,846)
Increase/(Decrease) in cash	19		<u>45,904</u>		<u>(18,553)</u>
Reconciliation of operating surpluses to net cash inflow from operating activities					
Operating surplus			464,714		288,917
Depreciation charges			228,034		209,149
Change in debtors			13,071		(14,397)
Change in creditors			(6,188)		142,733
Loss on disposal			75,019		162,997
Share Capital changes			(6)		-
			<u>774,644</u>		<u>789,399</u>
Net cash inflow from operating activities			<u><u>774,644</u></u>		<u><u>789,399</u></u>
Reconciliation of net cash flow to movement in net debt					
Change in cash in the period			(45,904)		18,553
Cash used to increase liquid resources			(1,637,934)		(412,025)
Loans received/(repaid)			2,338,313		(55,426)
Change in net debt	19		<u>654,475</u>		<u>(448,898)</u>
Net debt at start	19		<u>2,227,778</u>		<u>2,676,676</u>
Net debt at end	19		<u><u>2,882,253</u></u>		<u><u>2,227,778</u></u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and has charitable status. The financial statements have been prepared in accordance with applicable Accounting Standards and statements of recommended practice.

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards and statements of recommended practice. The accounts comply with the Housing Act 1996 (as amended by the Housing Act 2004), the Accounting Direction for Social Housing in England and Wales from April 2012 and the Statement of Recommended Practice published by the National Housing Federation in 2010. The accounts are prepared on the historical cost basis of accounting with the exception of fixed asset investments which are carried at market value.

Turnover

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

Fixed assets and depreciation

The major components are now detailed in the list below. Each component has a substantially different economic life and is depreciated over this individual life.

Freehold land is not depreciated. Depreciation of housing properties components is charged so as to write down the cost of the components to their estimated residual value, on a straight line basis, over their estimated useful economic lives in the business. SHG is attributed to freehold land and the structure of a property in proportion to their cost. The depreciable amount of the structure is arrived at on the basis of the original structure cost, less the proportion of SHG and other grants attributable to housing properties, less residual value. No SHG is attributable to components other than the structure.

Where any SHG attributable to the structure exceeds the cost of the structure it is amortised over the life of the structure and reduces the total housing structure depreciation.

Building	100 years
Kitchen	25 years
Bathroom	20 years
Heating	15 years
Wiring and electrics	30 years

Depreciation on other fixed assets is charged on a straight line basis over the expected useful economic lives of the fixed assets to write off the costs less estimated residual values at the following annual rates.

Furniture and equipment	4% - 15%
Computer	33%
Electrical items	20%
Office refurbishment	5%

Leased assets

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

Social Housing Grant

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

Social housing grant received for items of cost written off in the Income and Expenditure Account are matched against those costs.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES

Social Housing Grant (*continued*)

Social housing grant can be recycled by the RSL under certain conditions, if the property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the HCA. However, SHG may have to be repaid if certain conditions are not met, and in that event, SHG becomes a subordinated unsecured repayable debt.

Social housing grant received and not spent is included in current liabilities.

Interest on borrowings

Interest on borrowings is charged in the income and expenditure account in the period to which it relates.

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.

Cyclical 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.

Provisions

The Association only provides for contractual liabilities.

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.

Designated reserves

The Board has designated reserves arising from charitable donations and charitable sources as Charitable Reserves.

Pensions

The cost of providing retirement pensions and related benefits is charged to management expenses over the period benefitting from the employee services.

Value Added Tax (VAT)

The Association is not registered for VAT. Irrecoverable VAT is included in the financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)

	Turnover	<u>2015</u>	
		Operating Costs	Operating Surplus/(deficit)
SOCIAL HOUSING LETTINGS	1,782,963	1,342,340	440,623
OTHER ACTIVITIES			
Managed associations	26,598	18,766	7,832
Commercial rents	13,000	-	13,000
Other	3,259	-	3,259
TOTAL	£1,825,820	£1,361,106	£464,714

	Turnover	<u>2014</u>	
		Operating Costs	Operating Surplus/(deficit)
SOCIAL HOUSING LETTINGS	1,716,514	1,449,944	266,570
OTHER ACTIVITIES			
Managed associations	24,315	16,843	7,472
Commercial rents	13,000	-	13,000
Other	1,875	-	1,875
TOTAL	£1,755,704	£1,466,787	£288,917

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

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Total 2015	Total 2014
INCOME		
Rents	1,637,687	1,582,593
Service Charges	145,276	133,921
Gross rents receivable	£1,782,963	£1,716,514
EXPENDITURE		
Services	220,900	190,465
Management	233,076	205,523
Routine maintenance	261,320	253,279
Planned maintenance	97,504	121,111
Major repairs expenditure	453,455	446,804
Abortive costs	15,577	29,478
Rent losses from bad debts	5,770	5,120
Housing property depreciation	280,541	372,146
Capitalised – component accounting	(225,803)	(173,982)
TOTAL EXPENDITURE ON LETTINGS	£1,342,340	£1,449,944
OPERATING SURPLUS ON LETTING ACTIVITIES	£440,623	£266,570
Void losses	£6,668	£26,134

4. EMPLOYEE INFORMATION

	2015	2014
The average weekly number of persons (including the Chief Executive) employed during the year was:		
Full-time equivalents	6	6
Staff costs (for the above persons)		
Wages and salaries	225,229	236,438
Social Security costs	20,207	20,179
Pension costs	(11,513)	8,845
	£233,923	£265,462

No employee had remuneration exceeding £60,000 per annum.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. DIRECTORS' EMOLUMENTS

	2015	2014
The aggregate emoluments paid to or receivable by Directors	<u>£72,246</u>	<u>£44,769</u>
The emoluments paid to the highest paid Director of the Association excluding pension contributions:	<u>£66,330</u>	<u>£40,029</u>

The Chair of the board has received remuneration of £2500 (2014: £-) in the year.

Two members of the Board received expenses of £- (2014: £81) in the year.

The Association contributes to the Chief Executive's pension which is a defined contribution scheme on the same terms as all other employees. A contribution of £5,916 was made in this year (2014: £5,280).

The Directors are the Board and the Chief Executive.

6. INTEREST RECEIVABLE

	2015	2014
Other interest receivable	<u>4,879</u>	<u>2,950</u>
	<u>£4,879</u>	<u>£2,950</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
On housing loans	<u>158,381</u>	<u>118,227</u>
Total	<u>£158,381</u>	<u>£118,227</u>

8. SURPLUS FOR THE YEAR

	2015	2014
Is stated after charging:- Auditors remuneration (including VAT)		
In their capacity as auditors	<u>6,000</u>	<u>5,150</u>
In respect of other services	<u>-</u>	<u>-</u>
	<u>£6,000</u>	<u>£5,150</u>

9. PENSIONS

The Association contributes towards personal pension schemes for employees. These schemes are all defined contribution schemes. The amount outstanding at the end of the year was £22,361 (2014: £22,361).

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

10. TANGIBLE FIXED ASSETS

	Housing Properties £	Housing Properties Under Constructio n £	Furniture and Equipment £	Computer £	Office and Fittings £	Total £
COST						
At 1 October 2014	22,433,453	-	12,757	60,881	48,963	22,556,054
Additions	225,803	1,232,986	-	17,923	-	1,476,712
Disposals	(237,639)	-	-	(20,195)	-	(257,834)
At 30 September 2015	<u>22,421,617</u>	<u>1,232,986</u>	<u>12,757</u>	<u>58,609</u>	<u>48,963</u>	<u>23,774,932</u>
DEPRECIATION						
At 1 October 2014	1,548,525	-	11,934	50,289	12,241	1,622,989
Charge for year	205,523	-	823	19,241	2,447	228,034
Disposals	(162,620)	-	-	(20,195)	-	(182,815)
At 30 September 2015	<u>1,591,428</u>	<u>-</u>	<u>12,757</u>	<u>49,335</u>	<u>14,688</u>	<u>1,668,208</u>
NET BOOK VALUE AT 30 SEPTEMBER 2015	<u>20,830,189</u>	<u>1,232,986</u>	<u>-</u>	<u>9,274</u>	<u>34,275</u>	<u>22,106,724</u>
Net book value At 30 October 2014	<u>20,884,928</u>	<u>-</u>	<u>823</u>	<u>10,592</u>	<u>36,722</u>	<u>20,933,065</u>
SOCIAL HOUSING GRANT						
At 1 October 2014	13,755,926					13,755,926
Additions	207,630					207,630
At September 2015	<u>13,963,556</u>					<u>13,963,556</u>

Housing Properties are all freehold with the exception of three leasehold properties with a historical cost of £10,628,828 (2014: £10,628,828).

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11. INVESTMENTS	2015	2014
Fixed asset investments		
Listed investments, at cost	-	-
Other investments, at cost	100,000	100,000
SOLFED investment	1	1
	<u>£100,001</u>	<u>£100,001</u>
Market Value	<u>420,867</u>	<u>399,168</u>
Current asset investments		
Building society and bank deposits	<u>£3,085,393</u>	<u>£1,447,459</u>
12. DEBTORS	2015	2014
Amounts falling due within one year		
Rent arrears	84,640	92,825
Less: provision for bad debts	(42,371)	(41,539)
Prepayments and other debtors	18,311	22,367
	<u>£60,582</u>	<u>£73,653</u>
13. CREDITORS	2015	2014
Amounts falling due within one year		
SHG received in advance	-	-
Trade creditors – revenue	293,148	323,723
Bank loans	76,806	70,271
Taxation and social security payable	5,721	5,781
Accruals and deferred income	60,415	41,918
Managed Associations	66,305	66,889
	<u>£502,395</u>	<u>£508,582</u>

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14. CREDITORS

Amounts falling due after more than one year

Housing loans as analysed in note 15 are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest as follows:

	2015	2014
By instalments		
Between one and two years	84,402	76,806
Between two and five years	286,225	272,669
In five years or more	592,940	682,314
 Not by instalments		
In five years or more	5,007,059	2,607,059
	<u>£5,970,626</u>	<u>£3,638,848</u>
	<u> </u>	<u> </u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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15. ANALYSIS OF HOUSING LOANS

	Balance at 1 October 2014	(Repaid)/ Issued in Year	Balance at 30 September 2015	Interest for Year 2015
Loans repayable by instalments:				
Greenwich NatWest (Note A) (4 Loans)	203,909	(16,836)	187,073	20,414
Dexia (Note B)	945,009	(50,996)	894,013	9,869
M.C. Carr-Gomm 1947 settlement (Note C)	826	(667)	159	33
Santander (Note D)	2,600,000	2,400,000	5,000,000	127,977
Over five years:-				
2½% Ordinary loan stock (unsecured)	4,330	-	4,330	73
4% Ordinary loan stock (unsecured)	1,342	-	1,342	5
Special loan stock (variable interest – unsecured)	255	-	255	6
4% Loans (unsecured)	1,133	-	1,133	4
Arrangement Fee	(47,685)	6,812	(40,873)	
Loans repayable within one year	(70,271)	(6,535)	(76,806)	
	<u>£3,638,848</u>	<u>£2,331,778</u>	<u>£5,970,626</u>	<u>£158,381</u>

- A The Greenwich NatWest loans are secured on:
164 - 166 Kennington Road, London SE11 and Salisbury Court, Webster Road SE16
- B The Dexia Public Finance Bank loans are secured on:
Otha and Garden House, 322 Clapham Road SW9
12 Durand Gardens SW9, 32 St Faith's Road SE21
1,3,5,7 St Agnes Place SE11, 147 Cooks Road and 34 Royal Road SE17,
100 Fitzalan Street, Roderick House, Nelldale SE16 and Antony House
- C The loan is unsecured and is repayable at 4% interest.
- D Abbey National Treasury Services loans are secured on:
11 Steedman Street, SE17 3Af
6 – 16 Albert Way, SE15 1DG
79 – 95 Commercial Way, SE15 6DB

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16. CALLED UP SHARE CAPITAL	2015	2014
Allotted issued and fully paid		
At start of the year	26	32
Issued during the year	5	1
Surrendered during the year	(12)	(7)
At end of year	<u>£19</u>	<u>£26</u>

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.

17a. GENERAL RESERVES

	Designated Charitable Funds	Income and Expenditure Account	Total
At 1 October 2014	941,997	3,742,680	4,684,677
Surplus for the year	-	311,212	311,212
Transfer	(941,997)	941,997	-
At 30 September 2015	<u>£-</u>	<u>£4,995,889</u>	<u>£4,995,889</u>

17b. INVESTMENT REVALUATION RESERVE

At 1 October 2014	299,167
Gain on revaluation	21,700
At 30 September 2015	<u>£ 320,867</u>

18. CAPITAL COMMITMENTS

	2015	2014
Capital expenditure that has been contracted for but has not been provided for in the financial statements	208,487	1,438,520
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-
	<u>£208,487</u>	<u>£1,438,520</u>

The Association expects to finance the expenditure above by:

Social Housing Grant receivable	69,210	207,000
Loans to be received or cash reserves	139,277	1,231,520
	<u>£208,487</u>	<u>£1,438,520</u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
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19. CASH FLOW STATEMENT NOTES

	2015	2014
Returns on investments and servicing of finance		
Interest received	4,879	2,952
Interest paid	(158,381)	(118,227)
	£(153,502)	£(115,275)
Management of liquid resources		
Money market investments	£3,085,393	£1,447,459
Financing		
Loans drawn/(repaid)	£2,338,313	£(55,426)

	At start	Cash flows	At end
Change in net debt			
Cash in hand and at bank	33,882	45,904	79,786
Current asset investments	1,447,459	1,637,934	3,085,393
Debt due within 1 year	(70,271)	(6,535)	(76,806)
Debt due after 1 year	(3,638,848)	(2,331,778)	(5,970,626)
TOTAL	£(2,227,778)	£(654,475)	£(2,882,253)

20. UNITS

	Total 2015	Total 2014
Under Management		
Owned	283	283
Not owned	27	27
	310	310

21. ACCUMULATED SOCIAL HOUSING GRANT

The total SHG received by the Association to date is £13,963,556 (2014: £13,755,926).

22. RELATED PARTY TRANSACTION

The Board members include tenants of the Association. Their tenancy agreement is under normal commercial terms.