

**LAMBETH AND SOUTHWARK HOUSING
ASSOCIATION LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

**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 volunteers who have served at some time during the year:

Matthew Wicks	Chair, March 2012
Peter Allen	Deputy Chair
Lekiddo Arbuah	
Marilyn Evers	
Bob Gleaves	
Jonathan Hall	
Andrew Munk	
Jonathan Prichard	Treasurer
Tonya Richards-Clarke	
Maria Whitmore	

3. **Governing document:**

LSHA is registered under the Industrial and Provident Society Act 1965. The rules 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 program to keep its housing stock in good order.

6. **Post balance sheet events:**

There were no post balance sheet events.

7. **Future developments:**

The Association is eligible to receive grant to support its development of nine new homes in Lambeth.

8. **Charitable gifts:**

£500 is donated periodically to HACT.

9. **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.

10. **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

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

The Industrial and Provident Societies Acts require 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 are 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the accounts comply with the Industrial and Provident Societies Acts and Housing Acts. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps 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 all its receipts and remittances.

12. Statement on Value for Money

The Association aims to deliver value for money to maximise its investment potential and ensure that it provides its customers with high quality homes and services. In line with its charitable aims, the surplus generated from housing management activities is reinvested into projects and services that benefit its communities.

The Board has set a target for 2013/14 of achieving, or working towards, a continuous improvement in all its key operational indicators. The Association also plans to start on site with 9 new homes and to continue its investment in retrofitting existing homes.

13. 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 has adopted the National Housing Federation's Code of Governance published in 2011. The Code covers the board's composition, renewal and functions; board members' recruitment, training and 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 are two parts of the Code that Lambeth & Southwark does not comply with at present. The Code recommends a maximum of 12 members on a board but ours has 15. The Code of Governance also says 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. Our Board has several members with more than nine years' service and all have brought skills and experience to the Association as it has grown. Recognising the need for renewal of the board but also a managed transition, the board will implement a succession planning policy that will include a programme of recruitment supported by board member retirement. This approach will ensure that board size and board member tenure are addressed simultaneously, and that the Association will have achieved compliance with all parts of 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

14. Statement on the Associations System of Internal Control

The Board has overall responsibility for the Association's system of internal control and for reviewing its effectiveness. The system for 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 controls through the following key procedures:-

- The Board has established policies procedures and standing orders which are regularly updated.
- The Board approves the Association's business plan. It also approves the Association's annual budget and monitors quarterly reports of the Association's financial results against budget.
- 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 to identify major business risks in a timely manner.
- Capital investment decisions are made by means of detailed capital appraisals and approved by the Board.
- The Association aims to recruit and train staff to operate a system of tight financial control. Staff are also encouraged to support the Association's commitment to integrity, competence and the effective economic application of public funds to provide a high quality service.
- The Board monitors 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 by receiving a report from the Chief Executive on the system of internal controls.

The Board members who held 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 each Board member has taken all steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

By Order of the Board

Secretary:



Date: 27 January 2014

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

We have audited the financial statements of Lambeth & Southward Housing Association for the year ended 30 September 2013 on pages 5 to 19. 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 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board and the Auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 2, the 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 Auditing Practices Board's [(APB'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 this 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 2013 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of Social Housing in England 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 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

Beever and Struthers
Statutory Auditor
Chartered Accountants

Date *26 March 2014*

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

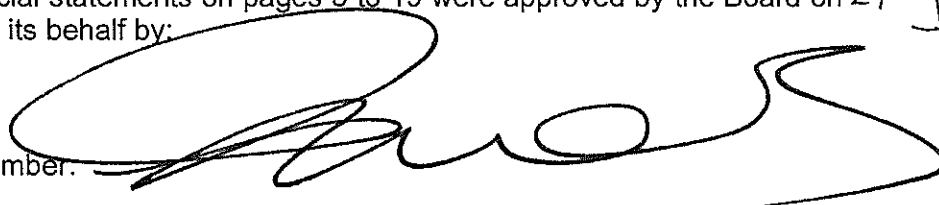
	Notes	2013 £	2012 £
Fixed assets			
Housing properties at cost less depreciation	2	21,048,421	21,066,675
Social housing and other grants	2	(13,755,926)	(13,755,926)
Other tangible assets	2	44,302	58,191
Investments	3	379,036	318,176
		<u>7,715,833</u>	<u>7,687,116</u>
Current assets			
Debtors	4	59,257	95,356
Investments	3	1,035,434	773,148
Cash at bank and in hand		52,435	34,459
		<u>1,147,126</u>	<u>902,963</u>
Less creditors			
Amounts falling due within one year	5	(372,161)	(361,680)
Net current assets		<u>774,965</u>	<u>541,283</u>
Total assets less current liabilities		<u>8,490,798</u>	<u>8,228,399</u>
Creditors			
Amounts falling due after more than one year	6	3,700,694	3,761,078
Capital and reserves			
Called-up share capital	8	32	32
Investment revaluation reserve	9b	279,035	218,175
Designated reserves	9a	923,796	905,697
Accumulated surplus	9a	3,587,241	3,343,417
		<u>8,490,798</u>	<u>8,228,399</u>

The financial statements on pages 5 to 19 were approved by the Board on 27th Jan, 2014 and were signed on its behalf by:

Board Member:

Board Member:

Secretary:





LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	2013 £	2012 £
Turnover	18	1,712,556	1,475,223
Operating costs	18	(1,334,132)	(1,239,530)
Operating surplus	18	<u>378,424</u>	<u>235,693</u>
Interest receivable	11	3,920	5,135
Interest payable	12	(120,421)	(40,320)
Surplus for the year	15	<u><u>261,923</u></u>	<u><u>200,508</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in this statement.

The above surpluses are the historical cost surpluses.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 £	2012 £
Surplus for the year	261,923	200,508
Unrealised (deficit)/surplus on revaluation	60,860	40,974
Total recognised surplus for the year	<u><u>322,783</u></u>	<u><u>241,482</u></u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	£	2013 £	£	2012 £
Net cash flow from operating activities			682,472		383,435
Returns on investments and servicing of finance	17		(116,501)		(35,185)
Capital Expenditure					
Acquisition and construction of housing properties and components		(230,207)		(7,728,980)	
Social Housing Grant receipts		-		4,691,428	
Purchase of other fixed assets		-		(10,173)	
			(230,207)		(3,047,725)
Net cash inflow/(outflow) before management of liquid resources and financing			335,764		(2,699,475)
Management of liquid resources	17		(262,286)		240,160
Financing	17		(55,502)		2,478,164
Increase/(Decrease) in cash	17		17,976		18,849
Reconciliation of operating surpluses to net cash inflow from operating activities					
Operating surplus			378,424		235,693
Depreciation charges			221,798		131,811
Change in debtors			36,099		(47,248)
Change in creditors			5,599		33,929
Loss on disposal			40,552		29,250
			682,472		383,435
Net cash inflow from operating activities					
Reconciliation of net cash flow to movement in net debt					
Change in cash in the period			(17,976)		(18,849)
Cash used to increase liquid resources			(262,286)		240,160
Loans repaid			(55,502)		2,479,864
Change in net debt	17		(335,764)		2,701,175
Net debt at start	17		3,012,440		311,265
Net debt at end	17		2,676,676		3,012,440

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES

The Association is incorporated under the Industrial & Provident Societies Acts 1965 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 private registered providers of Social Housing in England 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 Tenant Services Authority 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 2013

1. 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 2013

2. TANGIBLE FIXED ASSETS

	Housing Properties £	Housing Properties Under Construction £	Furniture and Equipment £	Computer £	Office and Fittings	Total £
COST						
At 1 October 2012	22,338,151	-	12,757	49,943	48,963	22,449,814
Additions	230,207	-	-	-	-	230,207
Disposals	(100,463)	-	-	-	-	(100,463)
	<u>22,467,895</u>	<u>-</u>	<u>12,757</u>	<u>49,943</u>	<u>48,963</u>	<u>22,579,558</u>
At 30 September 2013						
DEPRECIATION						
At 1 October 2012	1,271,476	-	10,098	36,030	7,344	1,324,948
Charge for year	207,909	-	919	10,522	2,448	221,798
Disposals	(59,911)	-	-	-	-	(59,911)
	<u>1,419,474</u>	<u>-</u>	<u>11,017</u>	<u>46,552</u>	<u>9,792</u>	<u>1,486,835</u>
At 30 September 2013						
NET BOOK VALUE AT 30 SEPTEMBER 2013	<u>21,048,421</u>	<u>-</u>	<u>1,740</u>	<u>3,391</u>	<u>39,171</u>	<u>21,092,723</u>
Net book value At 30 September 2012	<u>21,066,674</u>	<u>-</u>	<u>2,659</u>	<u>13,913</u>	<u>41,619</u>	<u>21,124,865</u>
SOCIAL HOUSING GRANT						
At 1 October 2012	13,755,926					13,755,926
Additions	-					-
	<u>13,755,926</u>					<u>13,755,926</u>
At September 2013						

Housing Properties are all freehold with the exception of three leasehold properties with a net cost of £10,628,828 (2012: £10,628,828).

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

3.	INVESTMENTS	2013	2012
	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>
		<u> </u>	<u> </u>
	Market Value	<u>379,036</u>	<u>318,176</u>
		<u> </u>	<u> </u>
	Current asset investments		
	Building society and bank deposits	<u>£1,035,434</u>	<u>£773,148</u>
		<u> </u>	<u> </u>
4.	DEBTORS	2013	2012
	Amounts falling due within one year		
	Rent arrears	78,483	70,814
	Less: provision for bad debts	(37,536)	(36,149)
	Prepayments and other debtors	18,310	60,691
		<u>£59,257</u>	<u>£95,356</u>
		<u> </u>	<u> </u>
5.	CREDITORS	2013	2012
	Amounts falling due within one year		
	SHG received in advance	-	-
	Trade creditors – revenue	241,657	247,494
	Bank loans	63,851	58,969
	Taxation and social security payable	4,262	5,954
	Accruals and deferred income	30,868	32,698
	Managed Associations	31,523	16,565
		<u>£372,161</u>	<u>£361,680</u>
		<u> </u>	<u> </u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

6. CREDITORS

Amounts falling due after more than one year

Housing loans as analysed in note 7 are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest as follows:

	2013	2012
By instalments		
Between one and two years	70,271	54,895
Between two and five years	254,149	128,080
In five years or more	3,369,215	3,562,126
Not by instalments		
In five years or more	7,059	15,977
	<u>£3,700,694</u>	<u>£3,761,078</u>
	<u> </u>	<u> </u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

7. ANALYSIS OF HOUSING LOANS

	Balance at 1 October 2012	(Repaid)/ Issued in Year	Balance at 30 September 2013	Interest for Year
Loans repayable by instalments:				
London Borough of Lambeth Greenwich NatWest (Note A) (4 Loans)	723	(723)	-	24
Dexia (Note B)	232,938	(13,791)	219,147	23,459
London Borough of Southwark M.C. Carr-Gomm 1947 settlement (Note C)	1,033,513	(42,145)	991,368	10,567
	5,405	(5,405)	-	154
	2,083	(616)	1,467	83
Abbey National (Note D)	2,600,000	-	2,600,000	86,047
Over five years:-				
2½% Ordinary loan stock (unsecured)	4,330	-	4,330	75
4% Ordinary loan stock (unsecured)	1,342	-	1,342	5
Special loan stock (variable interest - unsecured)	255	-	255	4
4% Loans (unsecured)	1,133	-	1,133	4
Arrangement Fee	(61,675)	7,178	(54,497)	-
Loans repayable within one year	(58,969)	(4,882)	(63,851)	-
	<u>£3,761,079</u>	<u>£(60,384)</u>	<u>£3,700,695</u>	<u>£120,422</u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

7. ANALYSIS OF HOUSING LOANS - NOTES

- 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

8. CALLED UP SHARE CAPITAL	2013	2012
Allotted issued and fully paid		
At start of the year	32	30
Issued during the year	-	2
Surrendered during the year	-	-
At end of year	<u>£32</u>	<u>£32</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.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

9a. GENERAL RESERVES

	Designation: Charitable Funds	Income and Expenditure Account	Total
At 1 October 2012	905,697	3,343,417	4,240,114
Surplus for the year	-	261,923	261,923
Transfer	18,099	(18,099)	-
At 30 September 2013	923,796	3,587,241	4,511,037

9b. INVESTMENT REVALUATION RESERVE

At 1 October 2012		218,175
Gain on revaluation		60,860
At 30 September 2013		279,035

10. CAPITAL COMMITMENTS

	2013	2012
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	1,670,000	-
	£1,670,000	£-

The Association expects to finance the expenditure above by:

Social Housing Grant receivable	270,00	-
Loans to be received, with loan offers	1,400,000	-
	£1,670,000	£-

11. INTEREST RECEIVABLE

	2013	2012
Other interest receivable	3,920	5,135
	£3,920	£5,135

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

12. INTEREST PAYABLE AND SIMILAR CHARGES	2013	2012
On housing loans	120,421	40,320
Total	<u>£120,421</u>	<u>£40,320</u>

13. DIRECTORS' EMOLUMENTS	2013	2012
The aggregate emoluments paid to or receivable by Directors	<u>£59,463</u>	<u>£56,943</u>
The emoluments paid to the highest paid Director of the Association excluding pension contributions:	<u>£53,168</u>	<u>£51,767</u>

Two members of the Board received expenses of £136 in the year, but received no remuneration 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 £5,280 was made in this year (2012: £5,176).

The Directors are the Board and the Chief Executive.

14. EMPLOYEE INFORMATION	2013	2012
The average weekly number of persons (including the Chief Executive) employed during the year was:		
Full-time equivalents	<u>5</u>	<u>6</u>
Staff costs (for the above persons)		
Wages and salaries	183,929	220,156
Social Security costs	18,640	15,135
Pension costs	12,699	(5,315)
	<u>£215,268</u>	<u>£229,976</u>

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

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

15. SURPLUS FOR THE YEAR	2013	2012
Is stated after charging:- Auditors remuneration (excluding VAT)		
In their capacity as auditors	4,600	5,000
In respect of other services	-	-
	<u>£4,600</u>	<u>£5,000</u>

16. 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 £26,336 (2012: £13,637).

17. CASH FLOW STATEMENT NOTES

	2013	2012
Returns on investments and servicing of finance		
Interest received	3,920	5,135
Interest paid	(120,421)	(40,320)
	<u>£(116,501)</u>	<u>£(35,185)</u>
Management of liquid resources		
Money market investments	£1,035,434	£773,148
	<u>£1,035,434</u>	<u>£773,148</u>
Financing		
Loans drawn/(repaid)	(48,151)	(68,204)
	<u>(48,151)</u>	<u>(68,204)</u>

	At start	Cash flows	At end
Change in net debt			
Cash in hand and at bank	34,459	17,976	52,435
Current asset investments	773,148	262,286	1,035,434
Debt due with 1 year	(58,969)	(4,882)	(63,851)
Debt due after 1 year	(3,761,078)	60,384	(3,700,694)
TOTAL	<u>£(3,012,440)</u>	<u>£335,764</u>	<u>£(2,676,676)</u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

	Turnover	2013 Operating Costs	Operating Surplus/(deficit)
SOCIAL HOUSING LETTINGS	1,672,959	1,317,967	354,992
OTHER ACTIVITIES			
Managed associations	22,882	16,165	6,717
Commercial rents	13,000	-	13,000
Other	3,715	-	3,715
TOTAL	£1,712,556	£1,334,132	£378,424
		2012	
	Turnover	Operating Costs	Operating Surplus/(deficit)
SOCIAL HOUSING LETTINGS	1,412,908	1,219,156	193,752
OTHER ACTIVITIES			
Managed associations	19,948	20,374	(426)
Commercial rents	13,000	-	13,000
Other	29,367	-	29,367
TOTAL	£1,475,223	£1,239,530	£235,693

See note 19 for a detailed analysis of the income and expenditure from lettings

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

19. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Total 2013	Total 2012
INCOME		
Rents	1,536,451	1,283,617
Service Charges	136,508	129,291
Gross rents receivable	<u>£1,672,959</u>	<u>£1,412,908</u>
EXPENDITURE		
Services	209,077	147,928
Management	205,426	255,207
Routine maintenance	263,821	267,710
Planned maintenance	290,211	296,178
Major repairs expenditure	235,733	164,617
Abortive costs	34,540	10,455
Rent losses from bad debts	6,432	946
Housing property depreciation	248,460	163,414
Capitalised – component accounting	(175,733)	(87,299)
TOTAL EXPENDITURE ON LETTINGS	<u>£1,317,967</u>	<u>£1,219,156</u>
OPERATING SURPLUS ON LETTING ACTIVITIES	<u>£354,992</u>	<u>£193,752</u>
Void losses	<u>£26,575</u>	<u>£26,326</u>
All general needs accommodation		

20. UNITS

	Total 2013	Total 2012
Under Management		
Owned	287	287
Not owned	27	27
	<u>314</u>	<u>314</u>

21. ACCUMULATED SOCIAL HOUSING GRANT

The total SHG received by the Association to date is £13,755,926 (2012: £13,755,926).

22. RELATED PARTY TRANSACTION

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