

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**(REGISTERED SOCIETY NO: 14888R)**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 SEPTEMBER 2019**

**DRAFT**

**FINANCIAL STATEMENTS OF  
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**EXECUTIVE OFFICERS AND ADVISORS OF  
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**BOARD OF MANAGEMENT**

The Board Members who served from 1 October 2018 up to the date of approval of these financial statements were as follows:

Howard Webber	(Chair)
Hilary Barber	(Vice Chair)
Delia Beddis	
Danny Friedman	
Sandra Ferguson	
Tim Collins	
Alicia Azucena	
Cleo Daley-Ranger	
James Cross	(Appointed 13 March 2019)

**REGISTERED OFFICE**      7a St Agnes Place  
London  
SE11 4AU

**AUDITORS**      Beever and Struthers  
15 Bunhill Row  
London  
EC1Y 8LP

**SOLICITORS**      Batchelors  
Charles House  
35 Widmore Road  
Bromley  
BR1 1RW

**BANKERS**      Barclays Bank plc  
50 Pall Mall  
London  
SW1A 1QD

**PRINCIPAL  
LENDERS**      Santander Corporate Banking  
17 Ulster Terrace  
London  
NW1 4JP

Dexia  
Shackleton House  
4 Battle Bridge Lane  
London SE1

**Registered under the Co-operative and Community Benefit Societies Act 2014 – No. 14888R  
Regulator of Social Housing Registration Number - L0927**

**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Governing document**

LSHA is registered under the Co-operative and Community Benefit Societies Act 2014.

**Principal activities**

L&SHA 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.

**Review of the year**

The financial statements show that rental income exceeded budget and a financial surplus was made. Rent increases were within the Regulator of Social Housing's parameters. The Association continued its asset management programme to keep its housing stock in good order.

LSHA acquired eleven NHS key worker flats during the year. The rents for which are set at 80% of local market rent.

The Association lost one member of staff during the year who had been with LSHA for six years. An EU national, Brexit uncertainty was given as their reason for returning to their country of origin.

**Risks**

The potential uncertainty around Brexit, and its impact on the economy remains the most serious risk. In addition the latest review of the risk map identified;

- Tightening of national housing policy;
- Failure to maintain cost controls
- Potential fraud, cybercrime, and
- Risk of error in project appraisal and mis-specification of developments

as the four other highest ranking areas of potential risk facing the Association.

**Potential developments**

The Association is expecting to start on site by March 2020 on the addition of thirty, modular construction, airspace flats at an existing site in Bermondsey, SE16. Talks are also ongoing for the provision of 11 flats at Bush Road, SE8. Both schemes are based on affordable rents viability models.

**Compliance with Governance and Financial Viability Standard**

The Board confirms that the Association has met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard. The Association continues to adopt the National Housing Federation's Code of Governance. This code was updated in 2017. The Association complies with the Code of Governance in all respects.

**Auditors**

Beever and Struthers have expressed their willingness to continue in office. A resolution regarding their reappointment will be proposed at the forthcoming annual general meeting.

**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Internal Controls**

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

- The establishment of formal policies and procedures including delegated authorities covering the prime processes of the Association. These include a formal fraud policy.
- The appointment of an internal auditor to review processes and systems, whose reports are reviewed by the Board.
- The production and review of appropriate and reliable financial management information for use within the Association or for publication, covering the monitoring of the Association's financial performance and cash flows against approved short and long term plans, with analysis of material variances.

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

The Board has reviewed the effectiveness of the systems of internal control in existence in the Association for the year ended 30 September 2019 and until the date of approval of these financial statements.

**Public Benefit Entity**

As a public benefit entity, PRP Group has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

**VALUE FOR MONEY**

**Summary**

This self-assessment sets out LSHA's approach to achieving value for money in the way it operates. It is a regulatory requirement to include a summary of this self-assessment in LSHA's Financial Statements

**What VfM means to LSHA**

'Value for Money' is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it acquires and provides, within the resources available to it. Achieving VfM is often described in terms of the 'three Es'

- Equity – ensuring services are delivered fairly to a wide range of customers in line with LSHA's Values.
- Economy – careful use of resources to save expense, time or effort;
- Efficiency – delivering the same level of service for less cost, time or effort

We are open about how we meet our targets and manage our finances. Each year we publish our annual report so that residents can see how we are performing against agreed standards. Our financial statements explain how we have managed our money.

**Significance**

Maximising the value for money derived from scarce resources is always important for any housing association; never more so than at the present time of severe financial restraint and annual cash reductions in rents over the four year period to March 2020. As a small housing association with limited levels of activity we are limited in the

**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**VALUE FOR MONEY (continued)**

ways in which we can easily make savings. The Regulator for Social Housing's regulatory framework for social housing requires, under the Value for Money standard applicable in 2017/18, that:

*"on an annual basis, RPs will publish a robust self-assessment which sets out in a way that is transparent and accessible to stakeholders how they are achieving value for money in delivering their purpose and objectives".*

The assessment shall:

- enable stakeholders to understand the return on assets measured against the organisation's objectives;
- set out the absolute and comparative costs of delivering specific services;
- evidence the value for money gains that have been and will be made.

**Strategic Approach**

A key objective of LSHA's Business Plan is to deliver affordable quality in homes and services. Through VFM LSHA's aims to ensure:

- resources are available to achieve the association's Business Plan objectives and key priorities;
- a balance between cost, quality and performance;
- a good level of customer satisfaction.

It is generally accepted that VFM is about:

- ✓ doing the right things (what customers want and what the business needs)
- ✓ doing things right (first time)
- ✓ at the right price (not necessarily the cheapest)
- ✓ and in the right way (the most streamlined way that meets requirements).

Three significant areas of investment: development, community investment and staffing have received particular attention by the Board during the year, with a focus on making the best use of resources to enable further investment, particularly in developing new homes.

We also operate in an environment where staff are encouraged to take ownership of opportunities that could be used to achieve value for money and for business improvement.

**The Vfm savings we made in 2018/19**

Practical examples of the ways in which Vfm savings have been made include:

- Implementation of the NHF Schedule of Rates October 2018
- Retendering of grounds maintenance contract
- Retender of estate cleaning contract
- Retendering of gas servicing contract
- Retendering of electrical works contract
- Review of Treasury Management policy

**Projected value for money activities in 2019/20**

- Joint commissioning of new online tenant portal
  - Office relocation
- Implementation of community investment strategy

**REPORT OF THE BOARD**

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Measure (All measures are based on annual accounts unless otherwise stated)	LSHA 2016-17	LSHA 2017-18	LSHA 2018-19	Peer Group Median 2018-19* (Acuity London Benchmarking Group)	Peer Group Quartile 2018-19*	Change from last year	LSHA Target 2019-20	Regulator of Social Housing Metric (see below for definitions)
<b>Business Health</b>								
Operating margin (social housing) %	16.06	11.86	16.7	17.4	3			Metric 6
Operating margin (overall) %	16.8	12.9	18.7	15.5	2			Metric 6
EBITDA MRI Interest Cover %	229	253	400	222	N/A**		>110	Metric 4
Headline social cost/unit £	4,847	5,009	4,797	5,808	1		<5000	Metric 5
<b>Business Process</b>								
Current arrears as % of rent due	4.3	4.4	4.0	4.0	2		4.3	
% of repairs completed within target time. repairs %	95.5	90	90	96	3		97	
Cost per property p.a. Housing Management <sup>1</sup> £	358	434	347	466***	1			
Cost per property p.a. Responsive repairs & voids £ <sup>1</sup>	717	590	942	741***	4			
Cost per property p.a. Major & cyclical works £ <sup>1</sup>	1,095	1,618	1,140	926***	3			

<sup>1</sup> Based on management accounts

## REPORT OF THE BOARD

### LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2019

<b>Homes</b>								
Return on capital employed %	1.57	1.2	1.6	2.3	3	↑		Metric 7
Average relet time GN (days)	27	21	17	27	1	↑	20	
<b>Services</b>								
Satisfaction with overall services GN %	76	76	76 <sup>2</sup>	79.5	3	↔		
Satisfaction with responsive repairs %	70	97	84	75	1	↓		
<b>Growth &amp; Capacity</b>								
New supply % social units	0	0	0	0	N/A	↔		Metric 2
New supply delivered (non social housing) %	0	0	3.6	0	1	↑		Metric 2
Reinvestment in supply of properties %	1.2	1.2	12.3	2.7	N/A			Metric 1
Gearing %	18	18	24.6	18	N/A		<45%	Metric 3
<b>People</b>								
Staff turnover %	14	0	15	N/A	N/A		<15	
Average days lost to sickness	9	3	9	4 (or 9 for all RPs)	3		<6	

\* Based on Acuity Smaller Housing Association National Report for 2018-19

\*\* N/A is used when the metric does not have polarity ie is not appropriate for peer group benchmarking.

\*\*\* Based on Region Medium

2 Based on last comprehensive tenant survey 2016. A STAR survey is currently being undertaken but results will unfortunately not be available before the publication of the Financial Statements.



**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1	LSHA's performance is within the first/top quartile compared to the benchmark data available
2	LSHA's performance is within the second quartile compared to the benchmark data available
3	LSHA's performance is within the third quartile compared to the benchmark data available
4	LSHA's performance is within the fourth/bottom quartile compared to the benchmark data available



**Metric 1:** This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held.

**Comment:** LSHA have invested in new supply for the first time since 2015. In this regard our performance is in the upper quartile of our peer group RPs.

**Metric 2:** The new supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

Registered providers will report on two new supply delivered ratios:

- A) New supply delivered (social housing units)
- B) New supply delivered (non-social housing units)

**Comment:** LSHA has increased its supply of units owned and managed with the acquisition of 11 S106 Key Worker homes. This puts us in the higher quartile of our peer group RPs.

**Metric 3:** This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

**Comment:** The increase in gearing is a recognition of the Board's commitment to continue to deliver affordable accommodation in areas of high demand and high development costs in London.

**Metric 4:** The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

**Comment:** The level of EBITDA MRI interest cover is in the upper quartile of peer group RPs. This is a further consequence of LSHA's aspirations to deliver new homes.

**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Metric 5:** The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost measures set out in the metric are unchanged from the metric used in the regulator's 2016 publication. Delivering better value for money. However, the denominator has been changed from units managed to units owned and/or managed.

**Comment:** LSHA's unit cost of £4,797 is within the upper quartile of peer group RPs and reflects the ongoing drive to maintain good quality services in an area of high cost.

**Metric 6:** The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. In assessing this ratio, it is important that consideration is given to registered providers' purpose and objectives (including their social objectives). Further consideration should also be given to specialist providers who tend to have lower margins than average.

**Comment:** LSHA's operating margin has declined in the last year but still remains within the upper two quartiles of peer group RPs. 2018/19 was a period of exceptional activity with improved management of our programmed and major works enabling us to invest underspend within the financial year, thereby helping maintain the value of our major assets, our tenants homes.

**Metric 7:** This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.

**Comment:** LSHA's return on capital employed % has improved since 2017/18 but remains a 3<sup>rd</sup> quartile performance compared to our regional peer group.

**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Progress 2018/19 over 2017/18**

With the new table of metrics it is not always easy to draw direct comparisons between our performance and sector benchmarks. As a small organisation there will always be a tendency to greater extremes in variation than would be the case for larger organisations. Generally, we have performed at a similar level or better in 2018/19 than in the previous year. This is in large part down to having a generally settled and very capable staff team, along with a continuing emphasis on the need to ensure we spend our reducing income wisely.

Staff turnover and sickness have been higher. This is as a result of one member of staff leaving and a second member of staff needing to take extended leave following an operation. All other staff sickness records have been within target.

Comment on the Regulatory metrics are addressed above. For those PI's out with the & metrics LSHA has generally performed well.

Areas that we performed well in.

- Our cost per property is lower than our peer group median. This is offset by higher than median figures for cost per property p.a. responsive repairs & voids.
- Staff turnover continues to remain very stable. We lost one member of staff who had been with us for six years.
- Rent arrears. Between January and June 2019, we experienced a month on month reduction in rent arrears.
- Voids. The turnaround time for non-management voids have reduced from 20 to 17 days.

**Areas that require attention**

- Repair satisfaction
- Repair completion time
- Cost per property p.a. Responsive repairs & voids is high but when considered alongside the cost per property p.a. Housing Management the total of £1,289 is only 6.7% above the Acuity benchmark median. The responsive repair and void figure have been distorted by some major void costs during the year. Cost per property p.a. Major & cyclical works. LSHA has maintained relatively high levels of major and cyclical repair costs for a number of years. This in part reflects an eight year programme of major reinvestment added to the older age profile of much of our housing stock.

**Summary**

In summary, this section of the financial statements has outlined:

- How important VFM is in achieving LSHA's strategic objectives.
- The VFM savings we made in 2018/19 and areas that require attention.
- How our operating costs compare with others.
- Our performance in relation to the VFM metrics.

**REPORT OF THE BOARD**  
**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Statement of the Board's Responsibilities in Respect of the Financial Statements**

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulation.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2017. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

**Information for Auditors**

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

On behalf of the Board

Howard Webber

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO  
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Opinion**

We have audited the financial statements of Lambeth and Southwark Housing Association Limited for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Association’s affairs as at 30 September 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 prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

**Basis for opinion**

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 6 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

- the Board’s use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association’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.

**REPORT OF THE INDEPENDENT AUDITORS TO  
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Other information**

The Board is responsible for the other information. The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

- the association 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 revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the Board**

As explained more fully in the Statement of Responsibilities of the Board set out on page 9, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Association'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 Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO  
LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Association's members, as a body, in accordance with section 87(2) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the 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.

**Beever and Struthers  
Chartered Accountants  
Statutory Auditor**

15 Bunhill Row  
London  
EC1Y 8LP

**Date:**

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Notes	2019 £	2018 £
Turnover	2	2,160,898	2,099,876
Operating expenditure	2	(1,756,434)	(1,829,516)
		<hr/>	<hr/>
<b>Operating surplus / (deficit)</b>		<b>404,464</b>	<b>270,360</b>
Interest		8,449	5,738
Interest payable	5	(124,306)	(91,574)
Increase in valuation of investment properties	11	(10,000)	5,000
Increase in valuation of fixed asset investments	13	50,883	58,488
		<hr/>	<hr/>
<b>Surplus for the year</b>		<b>329,490</b>	<b>248,012</b>
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>329,490</b>	<b>248,012</b>
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 13 to 33 were approved and authorised for issue by the Board on ..... 2019 and were signed on its behalf by:

**Howard Webber**  
Chair

**Mark Jackson**  
Secretary

**Hilary Barber**  
Vice Chair

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 17 to 33 form an integral part of these accounts.



LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Housing Properties	10	22,941,745	20,542,136
Investment properties	11	310,000	320,000
Other Tangible Assets	12	32,869	35,602
Fixed asset investments	13	664,881	613,998
		<b>23,949,495</b>	21,511,736
<b>Current assets</b>			
Trade and other debtors	14	52,409	55,816
Investments	15	1,382,318	1,955,870
Cash and cash equivalents		43,807	120,824
		<b>1,478,534</b>	2,132,510
<b>Less: Creditors: amounts falling due within one year</b>	16	(756,042)	(1,070,960)
<b>Net current assets/ (liabilities)</b>		722,492	1,061,550
<b>Total assets less current liabilities</b>		<b>24,671,987</b>	22,573,286
<b>Creditors: amounts falling due after more than one year</b>	17	(16,377,966)	(14,608,755)
<b>Total assets less liabilities</b>		<b>8,294,021</b>	7,964,531
Non-equity share capital	18	21	21
Income and expenditure reserve		7,419,119	7,130,512
Revaluation reserve		874,881	833,998
<b>Total reserves</b>		<b>8,294,021</b>	7,964,531

The financial statements on pages 13 to 33 were approved and authorised for issue by the Board on ..... 2019 were signed on its behalf by:

**Howard Webber**  
Chair

**Mark Jackson**  
Secretary

**Hilary Barber**  
Vice Chair

The notes on pages 17 to 33 form an integral part of these financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Income and expenditure reserve £	Revaluation reserve £	<b>Total</b> £
<b>Balance as at 30 September 2017</b>	6,945,988	770,510	7,716,498
Surplus / (deficit) from Statement of Comprehensive Income	184,524	63,488	248,012
	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 September 2018</b>	7,130,512	833,998	7,964,510
Surplus / (deficit) from Statement of Comprehensive Income	288,607	40,883	329,490
	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 September 2019</b>	<b>7,419,119</b>	<b>874,881</b>	<b>8,294,000</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 33 form an integral part of these financial statements.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>Net cash generated from operating activities</b>	(i)	<b>393,557</b>	757,432
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(223,503)	(251,895)
Completion of new scheme		(2,614,304)	-
Interest received		8,449	5,738
		<b>(2,829,358)</b>	(246,157)
<b>Cash flow from financing activities</b>			
Interest paid		(124,306)	(91,574)
Movement in borrowings		1,909,538	(87,541)
Movement in share capital		-	(1)
		<b>1,785,232</b>	(179,116)
<b>Net change in cash and cash equivalents</b>		(650,569)	332,159
<b>Cash and cash equivalents at beginning of the year</b>		2,076,694	1,744,535
<b>Cash and cash equivalents at end of the year</b>		<b>1,426,125</b>	2,076,694

Note i

	Notes	2019 £	2018 £
<b>Cash flow from operating activities</b>			
Surplus / (deficit) for the year		329,490	248,012
<b>Adjustments for non-cash items:</b>			
Depreciation of tangible fixed assets		440,931	340,998
Decrease / (increase) in trade and other debtors		3,407	24,348
(Decrease) / increase in trade and other creditors		(314,918)	146,093
Carrying amount of tangible fixed asset disposals		-	115,960
Revaluation of investment properties		10,000	(5,000)
Revaluation of fixed asset investments		(50,883)	(58,488)
Amortisation of Social Housing Grant		(140,327)	(140,327)
<b>Adjustments for investing or financing activities:</b>			
Interest payable		124,306	91,574
Interest receivable		(8,449)	(5,738)
<b>Net cash generated from operating activities</b>		<b>393,557</b>	757,432

The notes on pages 17 to 33 form an integral part of these financial statements.

# LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### Legal Status

Lambeth and Southwark Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 7a St Agnes Place, London, SE11 4AU.

#### 1. Principal Accounting Policies

##### Basis of Accounting

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

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2017. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

The Association's financial statements have been prepared in compliance with FRS 102. The Association transitioned from previous UK GAAP to FRS 102 as at 1 October 2014.

##### Going concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The Government's announcements in July 2017 impacting on the future income of the Association have led to a reassessment of the Association's business plan as well as an assessment of imminent or likely future breach in borrowing covenants. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

##### Judgements and key sources of estimation uncertainty

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

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

##### Other key sources of estimation and assumptions:

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

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**1. Principal Accounting Policies (continued)**

**Turnover and revenue recognition**

Turnover represents rental income receivable, service charge income, amortised capital grant, revenue grants from local authorities and the Homes England and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

**Loan interest costs**

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

**Loan finance issue costs**

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

**Taxation**

The Association has charitable status and is exempt from any liability to corporation tax.

**Value Added Tax**

The Association is not registered for VAT and therefore all costs incurred where applicable are inclusive of VAT.

**Valuation of investments**

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

Investments in listed company shares, which have been classified as current asset investments, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

**Current asset investments**

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

**1. Principal Accounting Policies (continued)**

**Tangible fixed assets and depreciation**

**Housing properties**

Tangible fixed assets are stated at cost, less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

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

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

	Years
Structure	100
Kitchen	25
Bathroom	20
Heating	15
Wiring and electrics	30

The Association depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

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

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

**Capitalisation of interest and administration costs**

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**1. Principal Accounting Policies (continued)**

**Leasing and hire purchase**

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

**Short-term debtors and creditors**

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 income statement in other operating expenses.

**Social Housing and other government grants**

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

**Recycling of Capital Grant**

Where Social Housing Grant is recycled the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**1. Principal Accounting Policies (continued)**

**Impairment of Financial Assets**

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- a. All equity instruments regardless of significance; and
- b. Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- a. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- b. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

**Revaluation Reserve**

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.



LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

2(a). Turnover, cost of sales, operating expenditure and operating surplus

	Turnover £	2019 Operating expenditure £	Operating surplus £
<b>Social housing lettings (note 3)</b>	2,023,508	(1,686,500)	337,008
<b>Activities other than social housing</b>			
Managed associations	21,620	(11,221)	10,399
Commercial rents	13,000	-	13,000
Key worker scheme	88,521	(20,002)	68,519
Development	-	(38,711)	(38,711)
Other	14,249	-	14,249
<b>Total</b>	<b>2,160,898</b>	<b>(1,756,434)</b>	<b>404,464</b>

	Turnover £	2018 Operating expenditure £	Operating surplus £
<b>Social housing lettings (note 3)</b>	2,051,893	(1,785,387)	266,506
<b>Activities other than social housing</b>			
Managed associations	26,380	(20,990)	5,390
Commercial rents	13,000	-	13,000
Key worker scheme	-	-	-
Development	-	(23,138)	(23,138)
Other	8,602	-	8,602
<b>Total</b>	<b>2,099,875</b>	<b>(1,829,515)</b>	<b>270,360</b>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. Turnover and operating expenditure

	Total 2019 £	Total 2018 £
<b>Income</b>		
Rent receivable net of identifiable service charge	1,722,444	1,740,790
Service charge income	160,737	170,776
Amortised government grants	140,327	140,327
<b>Turnover from Social Housing Lettings</b>	<b>2,023,508</b>	<b>2,051,893</b>
<b>Operating expenditure</b>		
Management	285,377	262,500
Services	94,525	116,634
Routine maintenance	311,428	318,660
Planned maintenance	456,892	513,806
Major repairs expenditure	305,051	363,041
Abortive costs	-	-
Rent losses from bad debts	18,532	6,576
Depreciation of housing properties	431,568	449,260
Capitalised – component accounting	(216,873)	(245,090)
<b>Operating expenditure on Social Housing Lettings</b>	<b>1,686,500</b>	<b>1,785,387</b>
<b>Operating Surplus / (Deficit) on Social Housing Lettings</b>	<b>337,008</b>	<b>266,506</b>
<b>Void losses</b> (being rental income lost as a result of property not being let, although it is available for letting)	8,190	6,396

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

4. Accommodation owned, managed and in development

	2019 No of properties owned & managed	2018 No of properties owned & managed
<b>Social Housing</b>		
Under management at end of year:		
Social housing (owned)	292	292
Key worker scheme (owned)	11	-
Commercial properties (owned)	1	1
Social housing (managed)	19	27
	<u>323</u>	<u>320</u>

5. Interest and financing costs

	2019 £	2018 £
On housing loans	124,306	91,574
	<u>124,306</u>	<u>91,574</u>

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**6. Surplus/ (deficit) on ordinary activities**

	<b>2019</b>	<b>2018</b>
	£	£
The operating surplus is stated after charging / (crediting):		
Auditors remuneration (excluding VAT)		
In their capacity as auditors	6,335	6,215
In respect of other services	100	100
Depreciation of housing properties	431,568	330,301
Depreciation of other fixed assets	9,363	7,697
	441,366	375,913

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the statement of cash flows, as permitted under the FRC's Ethical Standard 2016 Section 6: Provisions Available for Audits of Small Audits.

**7. Tax on Surplus/(deficit) on ordinary activities**

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

**8. Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	£	£
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	5,000	5,000
The aggregate emoluments paid to or receivable by executive Directors and former executive directors	130,474	125,810
The aggregate compensation paid to or receivable by Key Management Personnel	-	-
The emoluments paid to the highest paid Director excluding pension contributions	67,214	64,337
The aggregate amount of Directors or past Directors pensions, excluding amounts payable under a properly funded pension scheme	-	-
The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a Director	76,800	55,680
The aggregate amount of any consideration payable to Directors for loss of office	-	-

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 £6,721 was made in the year (2018: £6,432).

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent. The Chair is the only Board member to be remunerated in both 2019 and 2018.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. Employee information

	2019	2018
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Office staff	7	7
Wardens, caretakers and cleaners	2	2
	<u>9</u>	<u>9</u>

	2019 £	2018 £
Staff costs		
Wages and salaries	354,273	314,830
Social Security costs	25,633	22,545
Pension costs	18,613	17,481
	<u>398,519</u>	<u>354,856</u>

	2019	2018
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the year:		
£60,000 - £70,000	-	-
£70,000 - £80,000	1	1

No employees received more than £80,000 in the year (2018: 0).

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. Tangible fixed assets

	Housing Properties £	Housing Properties Under Construction £	Total £
<b>Cost</b>			
At 1 October 2018	24,092,933	-	24,092,933
Additions to properties acquired	-	-	-
Component replacements	216,873	-	216,873
Schemes completed	2,614,304	-	2,614,304
Disposals	(136,638)	-	(136,638)
At 30 September 2019	<u>26,787,472</u>	<u>-</u>	<u>26,787,472</u>
<b>Depreciation and impairment</b>			
At 1 October 2018	3,550,797	-	3,550,797
Charge for the year	431,568	-	431,568
Disposals	(136,638)	-	(136,638)
At 30 September 2019	<u>3,845,727</u>	<u>-</u>	<u>3,845,727</u>
<b>Net book value at 30 September 2019</b>	<b><u>22,941,745</u></b>	<b><u>-</u></b>	<b><u>22,941,745</u></b>
Net book value at 1 October 2018	<u>20,542,136</u>	<u>-</u>	<u>20,542,136</u>
	<b>2019</b>	<b>2018</b>	
	<b>£</b>	<b>£</b>	
<b>Housing Properties comprise:</b>			
Freeholds	13,514,248	10,976,848	
Leaseholds	9,427,497	9,565,288	
	<b><u>22,941,745</u></b>	<b><u>20,542,136</u></b>	
Works to existing properties in the year:			
Improvement works capitalised	-	-	
Component replacements	216,873	245,091	
Amounts charged to expenditure	10,496	45,734	

The aggregate amount of interest and finance costs included in the cost of housing properties is £0. The net book value of other fixed assets includes £0 (2018: £0) in respect of assets held under finance leases.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. Investment properties

	2019 £	2018 £
At start of year	320,000	315,000
Additions	-	-
Gain/(loss) from adjustment in value	(10,000)	5,000
At end of year	<b>310,000</b>	320,000

Investment properties were valued at 30 September 2019 and 30 September 2018 by JLL professional qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards.

12. Other fixed assets

	Furniture and Equipment £	Computer £	Office & Fittings £	Total £
<b>Cost</b>				
At 1 October 2018	19,127	70,535	48,963	138,625
Additions	-	6,630	-	6,630
Disposals	-	(6,948)	-	(6,948)
At 30 September 2019	<u>19,127</u>	<u>70,217</u>	<u>48,963</u>	<u>138,307</u>
<b>Depreciation and impairment</b>				
At 1 October 2018	14,031	66,959	22,033	103,023
Charge for the year	1,274	5,641	2,448	9,363
Disposals	-	(6,948)	-	(6,948)
At 30 September 2019	<u>15,305</u>	<u>65,652</u>	<u>24,481</u>	<u>105,438</u>
<b>Net book value at 30 September 2019</b>	<b><u>3,822</u></b>	<b><u>4,565</u></b>	<b><u>24,482</u></b>	<b><u>32,869</u></b>
Net book value at 1 October 2018	<u>5,096</u>	<u>3,576</u>	<u>26,930</u>	<u>35,602</u>

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

**13. Fixed Asset Investments**

	<b>2019</b>	<b>2018</b>
	£	£
Listed investments, at cost	-	-
Other investments, at cost	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Market value</b>	<u>664,881</u>	<u>613,998</u>

**14. Trade and other debtors**

	<b>2019</b>	<b>2018</b>
	£	£
Rent arrears	84,574	75,531
Less: provision for bad debts	(61,160)	(49,419)
Prepayments and other debtors	28,995	29,704
	<u>52,409</u>	<u>55,816</u>

Debtors are all due within one year

**15. Current Asset Investments**

	<b>2019</b>	<b>2018</b>
	£	£
Building society and bank deposits	1,382,318	1,955,870
	<u>1,382,318</u>	<u>1,955,870</u>

**16. Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	£	£
Trade creditors (revenue)	402,347	696,100
Loans due within one year	97,842	95,325
Taxation and social security payable	7,836	6,715
Rents paid in advance	89,389	71,720
Deferred Grant (Note 21)	140,327	140,327
Managed associations	18,301	60,773
	<u>756,042</u>	<u>1,070,960</u>



LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

17(a). Creditors: amounts falling due after more than one year

	2019 £	2018 £
Loans (Note 17b)	5,594,384	3,684,846
Deferred Grant (Note 21)	10,783,582	10,923,909
	<u>16,377,966</u>	<u>14,608,755</u>

17(b). Loan analysis

	2019 £	2018 £
<b>Loans repayable by instalments:</b>		
In one year or more but less than two years	97,842	97,842
In two years or more and less than five years	326,242	326,242
In five years or more	163,240	253,702
<b>Not by instalments:</b>		
In five years or more	5,007,060	3,007,060
Total loans	<u>5,594,384</u>	<u>3,684,846</u>

Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest.

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**18. Non-equity share capital**

	<b>2019</b>	<b>2018</b>
	£	£
Allotted Issued and Fully Paid		
At the start of the year	21	22
Issued during the year	1	1
Surrendered during the year	(1)	(2)
At the end of the year	<b>21</b>	<b>21</b>

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up, and are not redeemable. Each share has full voting rights. All shares are fully paid.

**19. Capital commitments**

	<b>2019</b>	<b>2018</b>
	£	£
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	-	-
	<b>-</b>	<b>-</b>

The Association expects these commitments to be financed with Reserves.

LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

**20. Operating leases**

The Association holds no equipment under operating leases (2018: £0).

**21. Deferred Capital Grant and financial assistance**

	<b>2019</b> £	<b>2018</b> £
At 1 October 2018	11,064,236	11,204,563
Grant received in the year	-	-
Released to income in the year	(140,327)	(140,327)
	<u>10,923,909</u>	<u>11,064,236</u>
At 30 September 2019		
Amount due to be released < 1 year (Note 16)	140,327	140,327
Amount due to be released > 1 year (Note 17(a))	10,783,582	10,923,909
The total accumulated government grant and financial assistance received or receivable at 30 September 2019:	<u>14,032,766</u>	<u>14,032,766</u>

**LAMBETH AND SOUTHWARK HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**22. Related parties**

The following are related parties:

The Board has tenant members who hold tenancy agreements on normal terms and cannot use their position to their advantage. Rent charged to the tenant Board member during the year was £5,197 (2018: £5,384). Arrears on their tenancy at the reporting period end was £nil (2018: £0).

Related party balances are not secured.

**23. Financial Instruments**

The Association's financial instruments may be analysed as follows:

	<b>2019</b>	<b>2018</b>
	£	£
<b>Financial assets</b>		
<b>Financial assets measured at cost</b>		
Cash and cash equivalents	43,807	120,824
<b>Financial assets measured at fair value</b>		
Investments	1,382,318	1,955,870
<b>Financial assets measured at amortised cost</b>		
Rental debtors	84,574	75,531
Other debtors and accrued income	28,995	29,704
<b>Total financial assets</b>	<b>1,539,694</b>	<b>2,181,929</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Rents paid in advance	89,387	71,720
Trade creditors	402,347	696,100
Other creditors	26,137	67,488
Housing loans	5,692,226	3,780,171
<b>Total financial liabilities</b>	<b>6,210,097</b>	<b>4,615,479</b>