

FAIR COMMUNITY HOUSING SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31ST MARCH 2020

Co-operative and Community Benefit Societies No. 29067R

FAIR COMMUNITY HOUSING SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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FAIR COMMUNITY HOUSING SERVICES LIMITED

INFORMATION

Management Committee

<i>Chairperson</i>	Helen Cadwallader	
<i>Secretary</i>	Vanessa Shone	
<i>Treasurer</i>	Teddy Amoyaw Tim Gadd	Resigned
<i>Members</i>	Oteng Asabre Denilson Barduche Sara Brown Florence Essien Kenneth Higgins Christine Nicholls Angela Simpson Ebun West	Resigned

***TMI Monitoring & Support Officer
Southwark Council***

Alex Heslop

Estate Manager

Abiola Olatunji

Bankers

Lloyds Bank Plc
25 Camberwell Green
PO Box 288
London
SE5 7AB

Auditors

Appleby & Wood
Statutory Auditor
40 The Lock Buikling
72 High Street
London
E15 2QB

Registered Office

Horselydown Offices
2 fair Street
London
SE1 2XA

**Co-operative and Community Benefit
Societies No.**

29067R

The organisation is incorporated with limited liability under Co-operative and Community Benefit Societies Act 2014 registered number 29067R

FAIR COMMUNITY HOUSING SERVICES LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH 2020

The management committee presents their report and financial statements for the year end 31st March 2020.

Principal Activity

The principal activity of the organisation is the management and maintenance for the following blocks/estates:

Coxson Way, Devons Mansions, Fair Street Flats, Hartland House, Lewes House, St John's Estate, St Olaves Estate

Services are run under the management agreement signed in 2004.

Review on activities for the year

Continuation Ballot

The TMO had a successful continuation ballot in the period and are humbled by the continuing support of the membership - with 83.2% of residents voting in favour of the TMO continuing with the delivery of the services.

The TMO plans to use the new mandate to deliver sustained improvement across its governance and operational activities which in turn will help deliver sustained improvement to service delivery.

Repairs

Improvement to the day to day repairs function in the previous financial year was sustained during 2019/20. The use of the TMO's in-house maintenance repairs team has allowed for a robust and timely service with further improvements and value being sought. 99% of repairs that were the responsibility of FCHS under the management agreement were completed on time.

On the health and safety front, the TMO delivered significant improvements to common areas across the TMO's geographical area. These served to address urgent remedial works such as pot holes to estate roads, defective pathways and defective brickworks.

Empty Homes (Voids)

There is work to be done to bring about much needed improvement to performance in this area with performance below expectation. Plans put in place contributed to an Improvement to performance during the final quarter of the financial period.

Housing Management

There are 2 properties within the TMO catchment which are the subject of unauthorised occupancy proceedings by Southwark Council to recover possession. The TMO performed well with respect to its management and responsiveness to anti-social behaviour cases reported which were reported to the organisation. We continue to manage and monitor anti-social behaviour cases, using appropriate processes to tackle problem cases and making referrals to external agencies for assistance as necessary.

Income collection and rent arrears recovery

The majority of our income comes from the management allowances which Southwark makes available to the TMO for managing the services for which it is responsible under the management agreement. We also collect rent on its behalf of the council and carry out early intervention work where households are in rent arrears. Against a target collection rate of 98%, the TMO collection rate during the period was 99.5%.

FAIR COMMUNITY HOUSING SERVICES LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH 2020

External Decoration Programme

The delivery of communal decoration works starting with blocks which were most in need of repair and which were clearly identified by the membership as a priority during the 2019's AGM. We intend to commence works at the very earliest opportunity at the blocks identified with the highest priority. To this end, we have appointed a building surveyor firm to support the delivery of the scheme on behalf of the TMO. However, works may only proceed following the completion of the Council's own major works programme designated for the same blocks earmarked for communal decoration during the 2020/21 by the TMO.

Community Engagement

FCHS has continued with providing fun and inclusive social activities for all residents through its partnership work with Avant Gardening which saw the delivery of a number of play initiatives at Coxson Way pocket park and St Johns Church Yard - primarily aimed at children.

Residents have also been able to benefit from the recent improvements to St John's Church Yard alongside the new revamped play area.

The Senior Citizens Christmas lunch in December was a success once again, with our over 60's residents reporting that they have an enjoyable time. We invited local resident to join us for a three course lunch in a local restaurant.

Management Committee

Members of the management committee are listed on the information page. Each member of the committee holds one fully paid share of 10p in the Organisation.

Going Concern

The Management committee has a reasonable expectation that the organisation has adequate resources to continue in operation for foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

FAIR COMMUNITY HOUSING SERVICES LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH 2020

CONTINUED

Responsibilities of Management Committee Members

- The Co-operative and Community Benefit Societies Act 2014 requires the Committee members to prepare financial statements for each financial year which give a true and fair view of the affair of the Organisation and its income and expenditure for that period. In preparing those financial statements the Management Committee are 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 a going concern basis (unless it is inappropriate to presume that the Organisation will continue to operation).

The Management Committee are responsible for keeping proper accounting records that disclose with reasonable accuracy at anytime, the financial position of the Organisation and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They have a general responsibility for taking reasonable steps to safeguard the assets of the Organisation and to prevent and detect fraud and other irregularities.

Disclosure of Information to Auditors

Each of the persons who are Management Committee members at the time when this Management Committee report is approved has confirmed that:

- so far as the member is aware, there is no relevant audit information of which the Organisation's auditors unaware, and
- the member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Organisation's auditors are aware of that information.

Auditors

The auditors Appleby & Wood, have expressed their willingness to continue in office and a resolution to reappoint them will be put to the members at the forthcoming Annual General Meeting.

This report was approved by the Management Committee on and signed on its behalf by:-

We hope that residents continue to appreciate the benefits of being a 'residents management organisation' with a manager on site who is able to respond quickly to most day-to-day problems, and who knows where to go on your behalf for more serious

We would like to thank everyone for the contributions they have made. All board members live on the estate and volunteer their time freely, for the benefit of the community. We couldn't operate without their commitment and enthusiasm. As always, they have worked hard this year and we are very grateful to them.

Management Committee

Members of the current Management Committee are listed on Page 1. Each member holds one fully paid share of 10p of the Organisation

Signed on behalf of the Committee Members

24 September 2020

FAIR COMMUNITY HOUSING SERVICES LIMITED

Independent Auditor's Report to the members of Fair Community Housing Services Limited

Opinion

We have audited the financial statements of Fair Community Housing Services Limited "(Organisation)" for the year ended 31st March 2020 which comprise the Income and Expenditure Account, Statement of Changes in Equity, the Balance Sheet and the related notes on pages 9 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

Give a true and fair view of the state of the Organisation's affairs as at 31st March 2020 and of its income and expenditure for the year ended; and

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Co-operative and Community Benefit Societies Act, 2014; and

in our opinion the information given in the Management Committee Report is consistent with the financial statements

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 Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Management Committee is responsible for the other information. The other information comprises the information included in the Management Committee' Report 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.

FAIR COMMUNITY HOUSING SERVICES LIMITED

Independent Auditor's Report to the members of Fair Community Housing Services Limited

(Continued)

Matters on which we are required to report by exception

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

- a satisfactory system of internal control over transactions has not been maintained; or
- the Organisation has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management Committee

As explained more fully in the statement of Management Committee's responsibilities the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 Management Committee is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 Organisation's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Organisation'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 Organisation and the Organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Appleby & Wood
Statutory Auditor
40 The Lock Building
72 High Street
Stratford
London E15 2QB

September 2020

FAIR COMMUNITY HOUSING SERVICES LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2020

	Note	2020 £	2019 £
Income			
LB Southwark - allowances		694,019	728,117
LB Southwark - leaseholder service charge adjustment		11,504	20,882
Net income /(expenditure) from rental activity	3	1,669	19,427
Other income		3,563	4,504
Grant income		22,314	6,000
Dream garden project		10,120	-
		<u>743,189</u>	<u>778,930</u>
Interest Receivable		9,233	8,994
Total Income		<u>752,422</u>	<u>787,924</u>
Expenditure			
Estate cost	5	541,634	469,052
Administration expenses	6	248,804	225,408
Legal and professional fees	7	30,719	29,277
Committee and community expenses	8	10,959	28,343
Dream garden project		10,120	-
		<u>(842,236)</u>	<u>(752,080)</u>
Total Expenditure		(842,236)	(752,080)
(Deficit)/Surplus on ordinary activities before taxation		(89,814)	35,844
Corporation tax	9	(1,754)	(1,709)
		<u>(91,568)</u>	<u>34,135</u>
(Deficit)/Surplus on ordinary activities after taxation and before transfer		<u>(91,568)</u>	<u>34,135</u>

The notes on page 9-14 are an integral part of these accounts.

Other movements in reserves (representing transfers to/from the reserve fund and designated surplus funds) are shown in Notes 14 and 15.

FAIR COMMUNITY HOUSING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2020

	Share capital £	Surplus Fund £	Reserve Fund £	Total Equity £
As at 1st April 2019	23	468,387	826,475	1,294,885
Comprehensive income for the year	- (91,568)	- (91,568)
Total Comprehensive income for the year	<u>23</u>	<u>376,819</u>	<u>826,475</u>	<u>1,203,317</u>
Transfer Between funds	(225,000)	225,000	-
Share Buyback				-
As at 31st March 2020	<u>23</u>	<u>151,819</u>	<u>1,051,475</u>	<u>1,203,317</u>

The notes on page 9-14 are an integral part of these accounts.

FAIR COMMUNITY HOUSING SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

	Note	2020		2019	
		£	£	£	£
Fixed Assets					
Tangible assets	10		4,774		7,318
Current Assets					
Debtors	11	68,958		57,108	
Cash at bank and in hand		<u>1,330,144</u>		<u>1,446,733</u>	
		1,399,102		1,503,841	
Creditors: amounts falling due within one year	12	<u>(200,559)</u>		<u>(216,274)</u>	
Net Current Assets			1,198,543		1,287,567
			<u><u>1,203,317</u></u>		<u><u>1,294,885</u></u>
Capital and Reserves					
Called up share capital	13		23		23
Surplus fund	14		151,819		468,387
Reserve fund	15		<u>1,051,475</u>		<u>826,475</u>
			<u><u>1,203,317</u></u>		<u><u>1,294,885</u></u>

The financial statements approved and authorised by the Committee of Management members

on September 2020 and signed on their behalf by :-

Chair Helen Cadwallader

Secretary Vanessa Shone

Treasurer Teddy Amoyaw

The notes on page 9-14 are an integral part of these accounts.

FAIR COMMUNITY HOUSING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

1. General Information

Fair Community Housing Services Limited is a private company, limited by shares incorporated and domiciled in England and Wales, and registered under the Co-operative and Community Benefit Societies Act 2014. The address of its principal office and principal place of business can be found on page 1. The principal activity of the Organisation is that of being responsible for the management, maintenance and improvement of housing accommodation and any associated amenities and environment in the area of benefit.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified with these accounting policies and in accordance with Financial Reporting Standard (FRS) 102 Section 1A, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied.

2.2 Income and expenditure

Similarly, expenditure represents the liabilities incurred in respect of the Organisation's activities during the year and includes amounts due at year end. Both income and expenditure are stated net of VAT. Employment costs are allocated to the different activities on the basis of estimated time spent on each activity by each employee.

2.3 Bad debts

The Organisation is responsible for collecting rents on behalf of London Borough of Southwark and bears the expense in the event of non-recovery. A provision has therefore been made against bad and slow debts on the following basis, which the Committee believe to be an accurate estimate of likely bad debt losses from the year end balances (subject to the contrary in individual cases):

Arrears:	£500 - £1,000	= 25%
	over £1,000	= 90%
	former tenants	= 100%

Bad Debts are stated net of amounts received from LB Southwark for handbacks (the Successful collection of rents from tenancies returned to the local authority) and rent waivers (the compensation given by London Borough Southwark on unauthorised occupancy arrears).

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:-

Office equipment	-	25% reducing balance
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The Organisation manages the housing estates on behalf of its owner, the London Borough of Southwark. It does not benefit economically from improvements made and fixed assets added to the Estate; the associated costs are therefore written off to the Income and Expenditure account as incurred.

2.5 Debtors and Creditors

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

2. Accounting Policies (continued)

2.7 Financial Instruments

The Organisation only enters into basis financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loan from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 Interest income

Interest income is recognised in the income and expenditure account.

2.9 Taxation

Tax is recognised in the income and expenditure account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted.

2.10 Operating leases

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

2.11 Pensions

The Organisation contributes to a defined contribution stakeholder pension scheme for the staff and reflects the amount due for the year in the accounts. A defined contribution pension scheme is a pension scheme under which the Organisation pays fixed contributions into a separate entity. Once the contributions have been paid the Organisation has no further payment obligations.

The contributions are recognised as an expense in the income and expenditure account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan held

2.12 Surplus fund

Under the management agreement, the Organisation is entitled to keep accumulated surpluses in its Surplus fund less amounts set aside in the reserve fund. The Surplus funds are to be used for the benefit of all residents of the Estate, whether by the Organisation or in the event of the Organisation ceasing its management activities for London Borough of Southwark, by a successor body.

2.13 Reserve fund

In accordance with the management agreement with the Council, the Reserve Fund has been established to meet the following potential liabilities: a) anticipated costs in the future years resulting from under-spending on repairs and services; b) known commitments of future work; and c) a contingency against costs arising from unforeseen circumstances. The fund will be used to meet costs in enabling the Co-operative to exercise its management functions under the management agreement in relation to the above potential liabilities. If a credit balance remains in the Reserve Fund when the management agreement ends, the balance will be paid over to

2.14 Restricted reserves

Funds paid to the Organisation for specific purposes are set aside in separate restricted reserves within the reserve Fund which are used solely for those purposes. The purposes of the funds are detailed in the notes to the financial statements.

2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Organisation's accounting policies, which are described in Note 2, the Management Committee are required to make judgements, estimates and assumptions which affect the reported amounts of assets, liabilities, revenue and expenses. The committee members base their judgments, estimates and assumptions on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different judgements or assumptions.

FAIR COMMUNITY HOUSING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

3. Net income expenditure from rental activity	2020	2019
	£	£
Rents Receivable	1,475,183	1,456,049
Rent payable to LB Southwark	<u>(1,475,162)</u>	<u>(1,456,049)</u>
	21	-
Void allowance	28,174	27,680
Less: rent losses from voids (properties)	<u>(10,132)</u>	<u>(7,779)</u>
Less: Movement on bad and slow debt provision	<u>(10,601)</u>	<u>5,148</u>
Handbacks, allowances, and waivers	<u>(5,793)</u>	<u>(5,622)</u>
	<u><u>1,669</u></u>	<u><u>19,427</u></u>

4. Employment costs	2020	2019
	£	£
Salaries	262,258	285,858
Employer's NIC	27,166	30,148
Pensions contributions	19,447	13,568
Agency staff and consultants	40,631	19,042
Staff Recruitment	1,700	-
Redundancy cost	2,362	-
Staff training and other expenses	<u>3,033</u>	<u>2,192</u>
	<u><u>356,597</u></u>	<u><u>350,808</u></u>

Allocated:

Estate Management	171,167	168,097
Housing Management	106,979	103,485
Office administration	<u>78,451</u>	<u>79,223</u>
	<u><u>356,597</u></u>	<u><u>350,805</u></u>

The average number of staff employed during the year was 8 (2019: 8)

5. Estate Expenses	2020	2019
	£	£
Cleaning and ground maintenance	153,377	162,157
Devon mansions holes project	-	27,143
St Johns Estate playground	40,460	-
Responsive repairs and maintenance	119,232	60,616
Heating and systems maintenance	37,995	37,995
Communal lighting	2,987	4,217
Communal repairs	16,416	8,827
Staff costs	<u>171,167</u>	<u>168,097</u>
	<u><u>541,634</u></u>	<u><u>469,052</u></u>

FAIR COMMUNITY HOUSING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

6. Administration expenses	2020	2019
	£	£
Printing, postage and stationery	4,829	5,535
Staff costs - office administration	78,451	79,226
Staff costs - housing management	106,979	103,485
Human resources services	24,548	3,208
Computer expenses	719	1,495
Telephone, fax, internet and alarm	5,849	6,596
Insurance	4,500	4,392
Garage rental	2,142	2,060
Office machinery maintenance and leasing	2,534	2,841
Bank charges	877	930
Payroll administration	2,928	1,849
Subscriptions and publications	3,002	3,170
Office costs	2,586	3,220
Office cleaning	4,484	4,498
Office Alarm costs	1,130	-
Sundry expenditure	170	406
Depreciation charge	3,076	2,497
	<u>248,804</u>	<u>225,408</u>
7. Legal fees and professional costs	2020	2019
	£	£
Legal and consultancy fees	23,555	23,775
Auditors' remuneration - Statutory audit	3,625	5,502
Continuation ballot	3,539	-
	<u>30,719</u>	<u>29,277</u>
8. Committee and community expenses	2020	2019
	£	£
Committee training & conferences	7,014	1,664
Committee & community expenses	3,945	26,679
	<u>10,959</u>	<u>28,343</u>
9. Taxation	2020	2019
	£	£
Corporation tax charge for the year	<u>1,754</u>	<u>1,709</u>

As an organisation responsible for managing and maintaining a local authority estate, the organisation is not liable to corporation tax on its estate management activity. The tax due is based on bank interest receivable at a tax rate of 19% (2019: 19%).

FAIR COMMUNITY HOUSING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

10. Tangible fixed assets - Office equipment

		£
Cost	As at 01.04.2019	20,147
	Additions	532
	Disposals	-
	As at 31.03.2020	<u>20,679</u>
Depreciation	As at 01.04.2019	12,829
	Charge for the year	3,076
	As at 31.03.2020	<u>15,905</u>
Net book value	As at 31.03.2020	<u>4,774</u>
	As at 31.03.2019	<u>7,318</u>

11. Debtors

	2020	2019
	£	£
Rents receivable	153,618	144,709
Less: Provision for bad debts and slow collection	<u>(127,474)</u>	<u>(116,873)</u>
Net rent arrears	26,144	27,836
Trade debtors	23,260	13,472
VAT refund due	2,729	-
Amount due from LB Southwark	-	-
Prepayments and other debtors	13,761	15,800
Accrued income	<u>3,064</u>	<u>-</u>
	<u>68,958</u>	<u>57,108</u>

12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	71,162	60,771
Corporation Tax	1,754	1,709
Pension contributions	397	190
Other taxation and social security	5,213	17,129
Rent received in advance	87,381	86,462
Amounts due to LB Southwark	8,015	7,238
Accruals and other creditors	<u>26,637</u>	<u>42,776</u>
	<u>200,559</u>	<u>216,275</u>

FAIR COMMUNITY HOUSING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

13. Share capital & membership	2020	2019
	No.	No.
As at 01.04.2019	23	26
Shares issued in year	-	-
Shares redeemed in year	-	(3)
As at 31.03.2020	<u>23</u>	<u>23</u>

Membership is open to all residents of the estates. Each member holds one share of £0.10p which is irredeemable, non-transferable and gives no entitlement to a dividend. Members are entitled to attend and vote at general meetings.

14. Surplus fund	2.12	Balance	Transfer	Transfer	Balance
		1 April 2019	in	(out)	31 March 2020
		£	£	£	£
Surplus fund - general		468,387	-	-	468,387
Surplus on ordinary activities		-	(91,568)	-	(91,568)
Transfer to Reserves fund		-	-	(225,000)	(225,000)
		<u>468,387</u>	<u>(91,568)</u>	<u>(225,000)</u>	<u>151,819</u>

The surplus fund represents the surplus for the year less transfer to the reserve fund that have been met in accordance with the provisions in the management agreement as referred to in note 7 below. The net transfer to other nominated parts of the surplus fund are also included in this amount.

Estate development reserve is to be used for environmental improvements.

15. Reserve fund	Balance	Transfer in	Transfer out	Balance
	1 April 2019	£	£	31 March 2020
	£	£	£	£
General improvements	-	30,000	-	30,000
Communal decorations (External Decoration allowance)	690,475	175,000	-	865,475
Reorganisation	-	20,000	-	20,000
Extension grant	20,000	-	-	20,000
Contingency reserve	116,000	-	-	116,000
	<u>826,475</u>	<u>225,000</u>	<u>-</u>	<u>1,051,475</u>

The Organisation receives funds annually to undertake a communal decoration programme as part of the annual allowance received from LB Southwark.

This programme is to be undertaken in a cyclical manner, across all blocks under the TMO management, as part of the overall TMO's maintenance plan

The board also decided that an amount approximately equivalent to three months allowance should be set aside as a contingency against cost arising costs from unforeseen circumstances.

16. Obligations under equipment operating leases	2020	2019
	£	£
Annual commitments expiring under one year	-	-
within one to two years	-	-
within two to five years	-	-