

Annual Return (AR30) form

Section 1 – About this form

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register <https://mutuals.fca.org.uk>. Our privacy notice explains how and why we use personal data: <https://www.fca.org.uk/privacy>.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here: <https://www.handbook.fca.org.uk/handbook/R FCCBS>

Section 2 – About this application

Society name	Fair Community Housing Services Limited
Register number	29067R
Registered address	Horselydown Offices 2 Fair Street London
Postcode	SE1 2XA

2.1 What date did the financial year covered by these accounts end?

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Section 3 – People

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers. Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
Kenneth Higgins	03	1960
Patricia Strobino	07	1975
Kathy Atkins	12	1955
Angela Simpson	11	1976
Ebun West	10	1960
Modupe West	01	1969
Sabrina Francis	01	1989
Teddy Amoyaw	12	1968
Oteng Asabre	01	1945
Phillipa Ferreira	07	1987

Continue on to a separate sheet if necessary.

3.2 All directors must be 16 or older. Please confirm this is this case:

All directors are aged 16 or over

3.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority. 'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

No close links.

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers. Societies must have a secretary.

Name of secretary	Month and year of birth	
Vanessa Shone	01	1960

Section 4 – Financial information

4.1 Please confirm that:

- accounts are being submitted with this form
- the accounts comply with relevant statutory and accounting requirements
- the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members	260
Turnover	533,785
Assets	1,411,500
Number of employees (if any)	3
Share capital	23
Highest rate of interest paid on shares (if any)	n/a

4.3 What Standard Industrial Classification code best describes the society's main business? Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: <http://resources.companieshouse.gov.uk/sic/>

68209

Section 5 – Audit

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance: <https://www.handbook.fca.org.uk/handbook/RFCCBS>

5.1 Please select the audit option the society has complied with:

- Full professional audit
- Auditor's report on the accounts
- Lay audit
- No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

Yes

Not applicable

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

Yes

No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

Not applicable

OSCR number:	
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5.6 Is the society a housing association?

No Go to **section 6**

Yes Go to question **5.7**

5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:

		Registration number
Homes and Communities Agency	<input type="checkbox"/>	
Scottish Housing Regulator	<input type="checkbox"/>	
The Welsh Ministers	<input type="checkbox"/>	
Department for Communities (Northern Ireland)	<input type="checkbox"/>	

Section 6 – Subsidiaries

6.1 Is the society a subsidiary of another society?

Yes

No

6.2 Does the society have one or more subsidiaries? (As defined in sections 100 and 101 of the Act)

Yes Continue to question 6.3

No Continue to Section 7

6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

Registration Number	Name

6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion

Section 7– Condition for registration

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); **or**
- are conducting business for the benefit of the community ('community benefit society').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:

<https://www.handbook.fca.org.uk/handbook/R FCCBS>

Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society? For example, did you provide housing, manufacture goods, develop IT systems etc.

Delivery of housing management service to 557 units as defined within a geographical area located immediately south of Tower Bridge on behalf London Borough of Southwark.

7A.2 Please describe the members' common economic, social and cultural needs and aspirations. In answering this question, please make sure it is clear what needs and aspirations members had in common.

Provision of sustainable social housing management and related services.

7A.3 How did the society's business meet those needs and aspirations?

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

By ensuring management standards remain high and that works are completed on a timely manner to an appropriate standard.

7A.4 How did members democratically control the society? For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

Annual General Meeting of members elects a Management Committee to over see delivery of housing management service delivery.

7A.5 What did the society do with any surplus or profit? For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

Surpluses are held in reserve.

Section 7B - Community benefit societies

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society? For example, did you provide social housing, run an amateur sports club etc.

The principal activity of the organisation is the provision of housing management services for the following blocks/estates:

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

Services are delivered in line with the Management Agreement between Southwark Council and the TMO signed in 2004.

7B.2 Please describe the benefits to the community the society delivered? Here we are looking to see *what* the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

In addition to its core functions, the organisation delivered and supported schemes which improved the environment of its community. It also organised and delivered a range of social activities which were of value across the period.

7B.3 Please describe how the society's business delivered these benefits? The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 7B.1) provided benefit to the community.

Benefits are derived from improved standard of service delivered. The service delivered to timely and robust with satisfaction levels at a high standard.

7B.4 Did the society work with a specific community, and if so, please describe it here? For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

Work is confined exclusively to the residents of Fair Community Housing Services.

7B.5 What did the society do with any surplus or profit? For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?

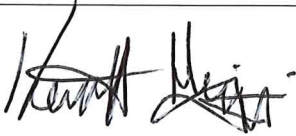
Surplus funds to be reinvested into the activities of the organisation and for the benefit of the community.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest. Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

None.

Section 8– Declaration

The secretary of the society must complete this section.

Name	Vanessa Shone/ Ken Higgins
My signature below confirms that the information in this form is accurate to the best of my knowledge	
Signature	
Position	Secretary/ Chair
Date	09/04/2024

Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: mutualsannrtns@fca.org.uk.

Or you can post the form to:

Mutual Societies
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

This form is available on the Mutuals Society Portal:

<https://societyportal.fca.org.uk>

REGISTERED NUMBER: 29067R

Fair Community Housing Services Limited

Report of the Management Committee and Audited Financial Statements
for the year ended 31 March 2023

FAIR COMMUNITY HOUSING SERVICES LIMITED

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for the year ended 31 March 2023**

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FAIR COMMUNITY HOUSING SERVICES LIMITED

Society Information

COMMITTEE OF MANAGEMENT	Kenneth Higgins Modupe West Vanessa Shone Ebun West Sabrina Francis Angela Simpson	Chair Vice Chair, Treasurer Secretary
REGISTERED OFFICE	Horselydown Offices 2 Fair Street London SE1 2XA	
REGISTERED NUMBER	29067R	
AUDITORS	Simpson Wreford & Partners Chartered Accountants & Statutory Auditors Suffolk House George Street Croydon CR0 0YN	
BANKERS	Lloyds Bank Plc 25 Camberwell Green London SE5 7AB	

FAIR COMMUNITY HOUSING SERVICES LIMITED

Report of the Management Committee for the year ended 31 March 2023

The Management Committee presents its report with the financial statements for the year ended 31 March 2023.

MANAGEMENT COMMITTEE

The committee members who served during the year and to the date of this report were:

Chair	Kenneth Higgins Patricia Strobino	- appointed as Chair on 4 October 2022 - resigned as Chair and from the Committee on 24 September 2022
Treasurer & Vice Chair	Modupe West	- appointed as Vice Chair and to the Committee on 4 October 2022 - appointed as Treasurer on 6 February 2024
Treasurer	Kathy Atkins Teddy Amoyaw	- resigned as Treasurer and from the Committee on 6 February 2024 - resigned as Treasurer and from the Committee on 4 October 2022
Secretary	Vanessa Shone	
Members	Ebun West Oteng Asabre Sabrina Francis Angela Simpson Phillipa Ferreira	- appointed 24 September 2022 - resigned 24 September 2022 - appointed 24 September 2022 - resigned 24 September 2022

PRINCIPAL ACTIVITY

The principal activity of the organisation continues to be that of providing management and maintenance services for the following blocks / estates on behalf of the London Borough of Southwark:

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

ACTIVITIES IN THE YEAR

Repairs

Repairs performance was very good this year. 97.8% of day-to-day repairs raised by the TMO were completed on time. This was against a target of 90%.

Estate inspections

All blocks managed by the TMO have a formal inspection monthly. Schedules are displayed on notice boards and residents are invited to attend. Scores are awarded for cleaning and grounds maintenance and repairs identified. During the course of the year TMO offices continued to work with the contractor, Southwark's Cleansing and Grounds Maintenance Service, to seek improvements in performance.

FAIR COMMUNITY HOUSING SERVICES LIMITED

Report of the Management Committee for the year ended 31 March 2023

ACTIVITIES IN THE YEAR (continued)

Empty Homes (Voids)

Performance on voids was good. There were 5 voids during the year all were let within the 28 day target time.

Housing Management

The TMO manages breaches of tenancy including anti-social behaviour with support from the Council's specialist team. When legal action is needed the case passes to Southwark to issue proceedings and TMO officers work alongside them as necessary.

During this year officers worked with Southwark on a serious case of Harassment and Anti-Social Behaviour. A closure order was issued and court proceedings began.

There was also one case of unauthorised occupation which was subject to possession proceedings by Southwark. This was carried over from 2021/2022 and is expected to conclude in 2023/2024.

Income collection and rent arrears recovery

The TMO collects rent on behalf of Southwark carrying out early intervention work where households are in arrears. Performance was very good this year. The collection rate was 99.9% against a target of 98%.

Community Engagement

The TMO delivered two social events in the year, a Fun Day in the summer and the Senior Christmas Lunch.

GOING CONCERN

As detailed in note 8, the London Borough of Southwark have demanded repayment of communal decoration payments made to the Co-operative that were intended for the Co-operative to manage and oversee the programme of communal decoration works on the estate. The Council has taken back responsibility for managing these works.

It was agreed that the TMO would return an initial £1m, which has been provided for as a liability in these financial statements. Further amounts will be required to be repaid, which at the date these financial statements were authorised for issue remain undetermined, but are likely to be greater than the value of the TMO's total reserve position as at the balance sheet date.

When the full and final value of the communal decoration funds to return to the Council are determined, the London Borough of Southwark have indicated their intention to enter in to a constructive dialogue with the TMO regarding the monies to return to the Council, and remain committed to working with the TMO to ensure the organisation can continue to provide services to its residents, and that the provisions of the management agreement in place between the TMO and the Council will be observed.

In consideration of the above, the Management Committee are confident that the TMO has adequate resources to satisfy its anticipated financial obligations for at least 12 months from the date of signature of the financial statements, which have been prepared on the going concern basis.

FAIR COMMUNITY HOUSING SERVICES LIMITED

**Report of the Management Committee
for the year ended 31 March 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Management Committee are aware, there is no relevant audit information of which the organisation's auditors are unaware, and each Member of the Management Committee has taken all the steps that he or she ought to have taken as a Member of the Management Committee to make himself or herself aware of any relevant audit information and to establish that the Co-operative's auditors are aware of that information.

AUDITORS

The auditor will be selected through a tender process and appointed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Vanessa Shone
Secretary

Date: 28 March 2024

FAIR COMMUNITY HOUSING SERVICES LIMITED

Statement of Management Committees' Responsibilities for the year ended 31 March 2023

The Management Committee are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the committee members to prepare financial statements for each financial year. Under the act the Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Section 1A of the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and under the provisions of the Co-operative and Community Benefit Societies Act 2014. The Committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the organisation and of the profit or loss of the organisation for that period. In preparing these financial statements, the committee members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Co-operative will continue in business.

The Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time 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 are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Independent Auditors to the Members of
Fair Community Housing Services Limited**

Opinion

We have audited the financial statements of Fair Community Housing Services Limited (the 'organisation') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2023 and of its profit 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.

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 Auditors' 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

In auditing the financial statements, we have concluded that the Management Committees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Co-operative's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Management Committee are responsible for the other information. The other information comprises the information in the Report of the Management Committee and the Statement of the Management Committees' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Report of the Independent Auditors to the Members of Fair Community Housing Services Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the organisation and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

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:

- adequate accounting records have not been kept,
- the financial statements are not in agreement with the accounting records and returns; or
- a satisfactory system of internal control over transactions has not been made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committees' Responsibilities set out on page five, the Management Committee 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 Management Committee determine 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 are 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.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, through discussions with management and those charged with governance. We identified the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, The Co-operative and Community Benefit Societies Act 2014, the supervisory requirements of the Financial Conduct Authority, and tax legislation as being of significance in the context of the Co-operative and its ongoing activities.
- We made enquiries with management and those charged with governance along with reviewing board meeting minutes to confirm our understanding that the Co-operative continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the Co-operative to ensure ongoing compliance.
- We assessed the susceptibility of the Co-operative's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the Co-operative's policies and procedures on fraud risks through discussion with the Co-operative's management.

**Report of the Independent Auditors to the Members of
Fair Community Housing Services Limited**

Auditors' responsibilities for the audit of the financial statements (continued)

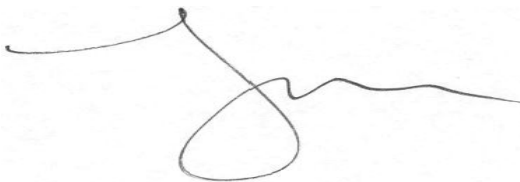
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls and improper revenue recognition. In addressing this risk of fraud from the above we have tested the appropriateness of journal entries and other adjustments including a sample of manual journals along with testing revenue recognition and confirming that cut-off is appropriate.
- We communicated those laws and regulations considered relevant to the Co-operative, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the organisation's members, as a body, in accordance with 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 a Report of the Auditors 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.



Jonn Millidge (Senior Statutory Auditor)
for and on behalf of Simpson Wreford & Partners
Chartered Accountants & Statutory Auditors
Suffolk House
George Street
Croydon
CR0 0YN


Date: 28 March 2024


FAIR COMMUNITY HOUSING SERVICES LIMITED

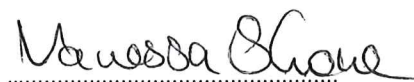
Statement of Comprehensive Income
for the year ended 31 March 2023

	2023 £	2022 £
INCOME	533,785	666,298
EXPENDITURE		
Estate costs	(468,567)	(426,848)
Administration expenses	(148,395)	(170,419)
Legal and professional fees	(19,283)	(10,327)
Committee and community expenses	(12,218)	(10,042)
	<hr/>	<hr/>
OPERATING (LOSS) / PROFIT	(114,678)	48,662
Interest receivable and similar income	8,762	374
Net surplus on rent collection activity	32,590	34,028
	<hr/>	<hr/>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(73,326)	83,064
Tax on (loss) / surplus	(1,665)	(71)
	<hr/>	<hr/>
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	(74,991)	82,993
Other comprehensive income	-	-
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(74,991)</u>	<u>82,993</u>

The financial statements were approved by the Management Committee on 28 March 2024 and were signed on its behalf by:


.....
Kenneth Higgins
Chair


.....
Modupe West
Vice Chair, Treasurer


.....
Vanessa Shone
Secretary

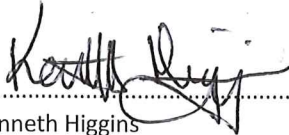
The notes form part of these financial statements.

FAIR COMMUNITY HOUSING SERVICES LIMITED (REGISTERED NUMBER: 29067R)

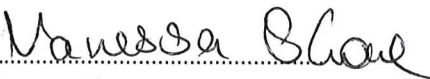
Balance Sheet
as at 31 March 2023

	Notes	2023 £	2022 £
NON-CURRENT ASSETS			
Tangible fixed assets	4	3,860	4,075
CURRENT ASSETS			
Debtors	5	46,971	59,525
Cash at bank and in hand		1,360,669	1,403,400
		<u>1,407,640</u>	<u>1,462,925</u>
CREDITORS			
Amounts falling due within one year	6	(1,193,007)	(173,516)
		<u>214,633</u>	<u>1,289,409</u>
NET CURRENT ASSETS			
		<u>218,493</u>	<u>1,293,484</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>218,493</u>	<u>1,293,484</u>
CAPITAL AND RESERVES			
Share capital	7	23	23
Surplus funds	9	37,356	69,612
Reserve funds	9	181,114	1,223,849
		<u>218,493</u>	<u>1,293,484</u>

The financial statements were approved by the Management Committee on 28 March 2024 and were signed on its behalf by:


Kenneth Higgins
Chair


Modupe West
Vice Chair, Treasurer


Vanessa Shone
Secretary

The notes form part of these financial statements.

FAIR COMMUNITY HOUSING SERVICES LIMITED

Notes to the Financial Statements for the year ended 31 March 2023

1. STATUTORY INFORMATION

The principal activity of the Co-operative is the provision of maintenance and management services to 7 blocks/estates situated in Bermondsey on behalf of the London Borough of Southwark. The organisation is incorporated under the Co-operative and Community Benefit Societies Act 2014. The address of the registered office is Horselydown Offices, 2 Fair Street, London, SE1 2XA.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Co-operative and Community Benefit Societies Act 2014. The financial statements have been prepared under the historical cost convention.

Going concern

As detailed in note 8, the London Borough of Southwark have demanded repayment of communal decoration payments made to the Co-operative that were intended for the Co-operative to manage and oversee the programme of communal decoration works on the estate. The Council has taken back responsibility for managing these works.

It was agreed that the TMO would return an initial £1m, which has been provided for as a liability in these financial statements. Further amounts will be required to be repaid, which at the date these financial statements were authorised for issue remain undetermined, but are likely to be greater than the value of the TMO's total reserve position as at the balance sheet date.

When the full and final value of the communal decoration funds to return to the Council are determined, the London Borough of Southwark have indicated their intention to enter in to a constructive dialogue with the TMO regarding the monies to return to the Council, and remain committed to working with the TMO to ensure the organisation can continue to provide services to its residents, and that the provisions of the management agreement in place between the TMO and the Council will be observed.

In consideration of the above, the Management Committee are confident that the TMO has adequate resources to satisfy its anticipated financial obligations for at least 12 months from the date of signature of the financial statements, which have been prepared on the going concern basis.

Income

Income represents the value, net of value added tax, of management fees and grants received and work carried out in respect of services provided to residents.

Net surplus / (loss) on rent collection activity

The Co-operative manage the rent collection of all 7 blocks / the estate under their management on behalf of the London Borough of Southwark. Under the management agreement with Council the Co-operative receive an annual void allowance but must incur losses against any voided properties, and in the event of non-recovery. The Co-operative make an allowance against old and doubtful debt of current tenants at 25% of debts between £500 - £1,000 and at 90% of debts greater than £1,000. The Co-operative will not be liable for any void losses where rent waivers are agreed (when dwellings are unfit for occupation for specific reasons outlined in the management agreement) or loss of rental income for particular cases which have been handed back to the council.

FAIR COMMUNITY HOUSING SERVICES LIMITED

Notes to the Financial Statements for the year ended 31 March 2023

2. ACCOUNTING POLICIES (continued)

Interest receivable and similar income

Interest receivable and similar income is made up of interest earned on bank deposits and is recognised on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life on the following basis:

Fixtures, fittings and equipment	25% reducing balance
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When an asset is sold or disposed, gains and losses are determined by comparing the proceeds with the carrying amounts and are recognised in the Statement of Comprehensive Income.

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.

Debtors

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Tax is recognised in the Income Statement, and is payable on bank interest received.

Financial instruments

The organisation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The Co-operative operates a defined contribution pension plan for its employees. A defined contribution pension plan is a pension plan under which the Co-operative pays fixed contributions into a separate entity. Once the contributions have been paid, the Co-operative has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Co-operative in independently administered funds.

Reserves

The Co-operative holds various reserves which are defined under their management agreement with the London Borough of Southwark. More details of these are given in Note 9.

FAIR COMMUNITY HOUSING SERVICES LIMITED

Notes to the Financial Statements
for the year ended 31 March 2023

3. EMPLOYEES

	2023	2022
	£	£
Wages and salaries	116,001	119,795
Social security costs	9,486	12,163
Pension contributions	2,900	6,876
Agency staff costs	109,339	111,741
Redundancy costs	4,283	8,692
Other staff related expenditure	-	3,000
	<u>242,009</u>	<u>262,267</u>
Allocated to:		
Estate management	125,573	125,888
Housing management	76,229	78,680
Office administration	40,207	57,699
	<u>242,009</u>	<u>262,267</u>

The average number of employees during the year was 3 (2022 - 4).

4. FIXED ASSETS

	Office Equipment	Total
	£	£
Cost		
At 1 April 2022	21,435	21,435
Additions	1,071	1,071
Disposals	(5,571)	(5,571)
At 31 March 2023	<u>16,935</u>	<u>16,935</u>
Depreciation		
At 1 April 2022	17,360	17,360
Charge for the year	1,286	1,286
Released on disposals	(5,571)	(5,571)
At 31 March 2023	<u>13,075</u>	<u>13,075</u>
Net book value		
At 31 March 2023	<u>3,860</u>	<u>3,860</u>
At 31 March 2022	<u>4,075</u>	<u>4,075</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Rent receivable	31,565	26,181
Trade debtors	544	21,541
VAT recoverable	1,172	-
Other debtors	8,031	6,000
Prepayments and accrued income	5,659	5,803
	<u>46,971</u>	<u>59,525</u>

FAIR COMMUNITY HOUSING SERVICES LIMITED

**Notes to the Financial Statements
for the year ended 31 March 2023**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	78,564	14,860
Corporation tax	1,665	71
Other taxation and social security	2,289	339
VAT	-	20,266
Rent received in advance	62,389	69,275
Amounts due to LB Southwark	1,009,431	9,112
Other creditors	212	139
Accruals and deferred income	38,457	59,454
	<u>1,193,007</u>	<u>173,516</u>

7. SHARE CAPITAL

	2023	2022
	£	£
Fully paid shares of 10 each:		
As at 1 April 2022 and 31 March 2023	23	23
	<u>23</u>	<u>23</u>

Each member holds one non-redeemable and non-transferrable share of £0.10p and each share has one vote. The shares carry no right to interests, dividends or bonuses and there are no provisions for distribution on winding up.

8. CONTINGENT LIABILITIES

As described in note 9, following the year end the London Borough of Southwark have demanded repayment of communal decoration payments made to the Co-operative, that were intended for the Co-operative to manage and oversee the programme of communal decoration works on the estate. The Council has taken back responsibility for funding and managing these works.

In discussions with the Council it was agreed that the TMO would return an initial £1m which has been provided for as a liability in these financial statements. In addition, the Council have informed the Co-operative that they will require further amounts to be repaid, which at the date the financial statements were authorised for issue remain undetermined. As a result, the Management Committee are unable to assess the potential financial obligation of this additional liability. Accordingly no provision for any liability over and above the £1m already provided for has been made in these financial statements.

FAIR COMMUNITY HOUSING SERVICES LIMITED

Notes to the Financial Statements
for the year ended 31 March 2023

9. RESERVES

	Balance at 1 April 22 £	Net income / expenditure £	Other movements £	Transfers in/(out) £	Balance at 31 Mar 23 £
Surplus funds					
Retained earnings	<u>69,612</u>	<u>(66,684)</u>	<u>-</u>	<u>34,428</u>	<u>37,356</u>
Reserve funds					
Communal decorations reserve	1,022,992	-	(1,000,000)	-	22,992
Reorganisation reserve	8,307	(8,307)	-	-	-
Extension reserve	20,000	-	-	-	20,000
Contingency reserve	<u>172,550</u>	<u>-</u>	<u>-</u>	<u>(34,428)</u>	<u>138,122</u>
	<u>1,223,849</u>	<u>(8,307)</u>	<u>(1,000,000)</u>	<u>(34,428)</u>	<u>181,114</u>

Communal decorations reserve

The communal decorations reserve were funds given to the Co-operative to manage the programme of communal decoration works on the estate, and were ringfenced for that purpose. However these works were not undertaken by the TMO. The London Borough of Southwark have taken responsibility for their completion.

Following the year end in February 2024, the Council demanded the return of these reserves and have initially requested repayment of £1m, due in March 2024. Further amounts will become payable to the Council, though at the date the financial statements were authorised for issue this was undetermined.

As a result a provision for £1m has been made, held as a liability repayable to the London Borough of Southwark. Further provisions will be made once the Council determine the final balance to be paid, and will be funded by the remaining balance in the reserve, plus amounts held in retained earnings.

Extension grant

The extension grant was received a number of years ago to extend the Co-operative's main office.

Reorganisation reserve

These funds are held separately from retained earnings and have been utilised against redundancy payments made in response to the reorganisation of the Co-operative.

Contingency reserve

Under the Management Agreement with Southwark Council, the Co-operative is required to keep a reserve fund to meet potential liabilities, including anticipated costs in future years resulting from under-spending on repairs and services; known commitments for future work in addition to the Major Works Account (if any); and, a contingency against costs arising in unforeseen circumstances.

It is the Management Committee's policy that this reserve should be equal to 3 months of the Management and Maintenance Allowance received each year and consider this sufficient to cover the above the potential liabilities as described above.

FAIR COMMUNITY HOUSING SERVICES LIMITED

**Notes to the Financial Statements
for the year ended 31 March 2023**

10. RELATED PARTY TRANSACTIONS

The Management Committee are members as well as residents of Fair Community Housing Services Limited. They are charged rent and service charges on the same terms as residents who are not Committee Members. They do not receive any remuneration for services rendered. No Committee Members received reimbursed expenses in the year or in the prior year.

11. ULTIMATE CONTROLLING PARTY

Whilst the Co-operative is controlled by its members, it is wholly dependent upon income from the London Borough of Southwark.

FAIR COMMUNITY HOUSING SERVICES LIMITED

**Detailed Income and Expenditure Account
for the year ended 31 March 2023**

	2023 £	2022 £
INCOME		
Management and maintenance allowance	552,488	546,815
External decorations allowance	-	78,067
Other allowances	-	43,226
Leaseholder allowances	(23,859)	(8,812)
Other income	2,592	2,438
Grant income	<u>2,564</u>	<u>4,564</u>
Total income	<u><u>533,785</u></u>	<u><u>666,298</u></u>
EXPENDITURE		
Estate costs		
- Cleaning and ground maintenance	162,862	157,491
- Disrepair costs	12,134	32,081
- Responsive repairs and maintenance	116,976	65,846
- Heating and systems maintenance	43,977	43,115
- Communal lighting	7,045	1,908
- Communal repairs and maintenance	-	519
- Staff costs - estate	<u>125,573</u>	<u>125,888</u>
	468,567	426,848
Administrative expenses		
- Printing, postage and stationery	2,976	3,331
- Staff costs - housing management	76,229	78,680
- Staff costs - office administration	40,207	57,699
- Recruitment expenses	4,745	-
- Restructuring costs	2,422	-
- Human Resource services	2,113	3,190
- Computer and IT costs	466	774
- Telephone and internet	2,149	3,482
- Equipment leasing	-	1,889
- General office costs	3,668	3,557
- Office cleaning	4,238	5,980
- Payroll administration	2,634	2,332
- Insurance	3,077	2,924
- Garage rental	1,162	1,934
- Bank charges	1,023	1,070
- Depreciation	1,286	2,982
- Loss on disposal of fixed assets	<u>-</u>	<u>595</u>
	148,395	170,419
Legal and professional fees		
- Legal and consultancy costs	-	6,892
- Auditors' remuneration	3,827	3,435
- Accountancy and bookkeeping	<u>15,456</u>	<u>-</u>
	19,283	10,327

FAIR COMMUNITY HOUSING SERVICES LIMITED

Detailed Income and Expenditure Account
for the year ended 31 March 2023

EXPENDITURE (continued)

Committee and community expenses

- Committee training and conferences	1,343	2,503
- Committee and community expenses	2,454	5,616
- Community events	8,421	1,923

	12,218	10,042
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Total expenditure

	648,463	617,636
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Operating (loss) / surplus

	(114,678)	48,662
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Interest receivable and similar income

- Bank interest received	8,762	374
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Net surplus on rent collection activity

- Rents receivable	1,558,866	1,479,860
- Rents payable to LB Southwark	(1,558,866)	(1,479,860)

- Void allowance	29,595	27,621
- Rent losses from voids	(5,481)	(7,706)
- Handbacks allowances & waivers	2,425	(7,862)
- Movement on bad debt provision	6,051	21,975

	32,590	34,028
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(Loss) / surplus on ordinary activities before taxation

	(73,326)	83,064
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