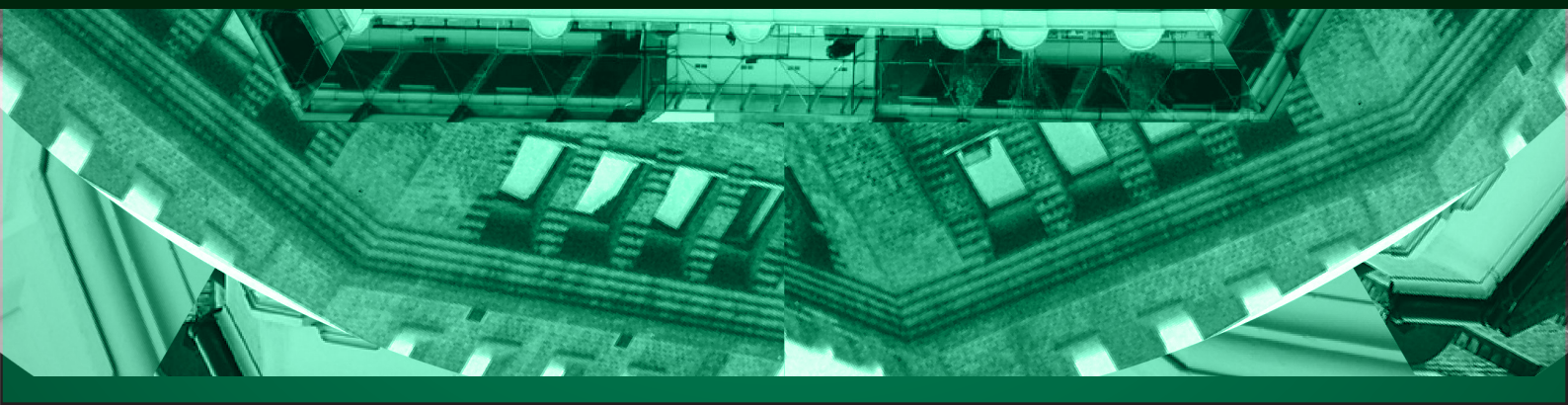






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EXECUTIVE AND ADVISORS

Board	Brian Rose	(Chair)
	Pat Rushton	(Treasurer)
	Dan Taubman	
	Lorna O'Hara	(Retired 20 September 2014)
	Karamjit Bhullar	(Retired 20 September 2014)
	Barbara Lenton	(Retired 20 September 2014)
	Mike Usher	(Resigned 1 June 2015)
	Paul Stewart	(Resigned 25 June 2015)
	Tony Robertson	(Resigned 17 September 2014)
	Virginia Phillips	(Resigned 16 May 2015)
	Paul Turner	(Resigned 3 July 2014)
	Naila Mir	(Appointed 27 November 2014 Resigned 29 April 2015)
	Joy Kite	(Co-opted 27 November 2014 Resigned 8 May 2015)
	Karen Marlow	(Resigned 25 June 2015)
	Kenneth Campbell	(Re-co-opted 27 November 2014)
Toby D'Olier	RHP Appointee	
Derrick Turner	(Appointed 27 November 2014)	
William McManus	(Appointed 27 November 2014)	
Nicholas Leggett	(Appointed 27 November 2014)	
Ben Brousson	(Co-opted 27 November 2014)	
Managing Director	Sue Philpott	
Secretary and Registered Office	Sue Philpott 8 Waldegrave Road Teddington Middlesex TW11 8GT	
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP	
Bankers	The Co-operative Bank 14 New Broadway Ealing London W5 2LX	Lloyds Bank PLC City Office PO Box 72 Bailey Drive Gillingham Business Park Kent ME8 0LS
Co-operative & Community Benefit Society Registered Number	25197R	
Homes & Communities Agency	C3675	

REPORT OF THE BOARD

The Board presents its report together with the audited financial statements for the year ended 31 March 2015.

Principal activity

The principal activity of the company (Co-op Homes) is to secure good quality, affordable, tenant controlled housing for people in housing need.

The core business activity is, and will continue to be, to provide a range of services which meet the needs of our customers, both individual and corporate, principally:

- the provision of housing, both short-life and permanent, for our own tenants and for affiliated organisations;
- the management and maintenance of such housing; and
- the provision of support services to affiliated organisations.

Review of results

Co-op Homes made a surplus for the year of £733,675 (2014: £744,524). The operating surplus was £807,928 (2014: £820,194). As further detailed in Note 10 the increased surplus has enabled Co-op Homes to increase its spending on planned maintenance at its properties to £693,099 (2014: £594,630).

The main areas of operation are West London, Reading and Slough and other areas that can be managed from our offices in West London. Co-op Homes continues to manage 296 units (2014: 296) of owned accommodation in these areas.

Short life activity continues to reduce as leases come to an end. At 31 March 2015 Co-op Homes had 6 short life units remaining (2014: 10). This includes 4 units in East Anglia which Co-op Homes currently intends to manage for several years to reduce the level of grant obligation on the schemes.

Co-op Homes provided management and other services to 20 Housing Co-ops (2014: 19) during the year, generating revenue of £484,845 (2014: £438,534). As shown in Note 3 the loss on this business activity has reduced from £71,830 for 2013/14 to £48,501 in the year ended 31 March 2015. Co-op Homes intends to continue increasing the revenue in this business stream in order to eliminate these operating losses within the current financial year.

Co-op Homes has continued to invest in its IT systems and introduced an ongoing programme of employee training and development. During 2014/15 Co-op Homes has continued to upgrade its website giving tenants access to up to date information and the ability to pay their rent online.

Over the course of the year the number of units in management increased from 791 to 1,008 as additional properties managed for housing co-operatives more than matched the loss of short life leased properties.

Value for money

Co-op Homes, in conjunction with its parent, Richmond Housing Partnership is committed to ongoing improvements in operating efficiency and value for money.

The Co-op Homes Board's Business Planning Day in March 2014, considered the ways it should ensure that it was making the best use of its assets. It led to a review of:

- the Asset Management Strategy and the development of the Asset Management Plan for 2015-2018;
- the Marketing Strategy, pricing structure and the associated action plan that drive the growth in the agency managed business;
- the resourcing requirements to ensure delivery of the strategic priorities.

The result was re-confirmation of the organisation's commitment to investing in its homes through the sustained investment of circa £580 - £600k per annum of the next three years in the planned and cyclical maintenance programmes. This was done in the knowledge that not only would this ensure that the physical assets of the organisation would be maintained, but that it would lead directly to a decrease in the costs of providing the relatively inefficient responsive repairs service, and continue to enhance the customers' perception of Co-op Homes as a landlord and service provider.

The Marketing Strategy for agency managed business growth was re-invigorated. It has led to a segmentation of the potential customer base, directing activities towards target geographical areas and potential customers where the organisation would have the best opportunity of achieving new business and be able to deliver services with the minimum of additional resources.

Focus on improving customer service and efficient core service delivery remains a key priority. Over the last year, rent arrears have continued downward despite commencement of the welfare reforms, with the permanent stock ending at 3.35% compared with an opening position of 3.5%; void turnaround remains well within upper quartile performance at 4.2 days; and there has been good progress (30% sign up) with moving towards more electronic delivery of services through greater use of the refreshed website and customer communication via e-mail.

The Board considered the opportunity cost of investment decisions. It looked at Co-op Homes' capacity to take on new agency managed business, the cost of delivering services to widely differing customers and the impact of restricting the geographical spread of operations. It balanced this with the competing priorities of improving service delivery and customer satisfaction; whilst also being engaged in: on-going planned investment in its homes; the procurement of the estate servicing contract; and the negotiations for the demolition and replacement of the properties in Carnwath Road.

This work illustrates how the organisation has integrated value for money into its strategic planning, directing resources at the most important activities with an understanding of the cost implications for doing so.

Peer Review

An analysis in 2015 of the comparative financial performance of the organisation's chief competitors has clearly shown that Co-op Homes performs in most circumstances, more strongly than its peers:

Overall operating results	CHS	Peer 1	Peer 2
Turnover (£k)	2,435	5,528	7,210
Operating Surplus (£k)	820	983	1,566
Operating Margin (%)	33.7%	17.8%	21.7%
Surplus before tax (£k)	745	1,020	1,069
% of turnover	30.6%	18.5%	14.8%
Turnover per FTE (£k)	174	135	90
Cost per unit managed 2013/14	1,073	892	NK
Cost per unit managed 2014/15	925	NK	NK

VFM Achieved

Since April 2014, Co-op Homes has continued to improve the quality and responsiveness of its core services and its approach to customer service. These improvements have led to significant increases in the levels of customer satisfaction. In particular, the general level of customer satisfaction has increased from 84% to 88% with those very satisfied increasing from 42% to 48%.

Satisfaction with the repairs service has remained high at 83% with 56% being very satisfied whilst at the same time achieving a reduction of £9k (5.4%) in the core cost of this service.

This continues the year on year reduction in the costs of the responsive repairs service from £291k in 2011/12 to £158k in 2014/15. A focus on rebalancing repairs spend in favour of more planned and cyclical maintenance as opposed to responsive repairs has produced a ratio in total expenditure on planned maintenance of 80% to 20% for responsive repairs for 2014/15. This compares with a ratio of 78:22 for the previous year.

Co-op Homes is also performing well in terms of being an excellent employer with 69% very satisfied employees, low turnover of just 6.3% and a short-term sickness absence of just 0.9%.

Over 2014/15 we were able to grow the turnover for the agency managed business by 11% and now provide services to an additional 223 homes, whilst reducing the service's operating deficit by almost 21%.

Focus for 2015/16

The focus for 2015/16 is to continue to:

- improve core services and satisfaction levels for both CHS' residents and customers using the agency managed service; and
- grow the agency managed service through targeted marketing and a robust business development campaign.

Co-op Homes received external accreditation as a quality service provider in 2012 and this is a key enabler to growing the agency managed business. Re-assessment is scheduled for 2015 and Co-op Homes has used and will continue to use improvements in its operational management and greater customer insight to ensure that it provides services that the customers want, to the quality they expect and at a price that they consider offers value for money. As the agency managed service customer base grows, further economies of scale are anticipated that will in turn, push down the Association's cost per unit managed and thus the fees charged.

The other main driver of value for money remains: delivering an Asset Management Plan that continues to yield a ratio of circa 80:20 planned to responsive repairs, using the contract procurement process to market test both quality and price competitiveness.

Statement of responsibilities of the Board for the report and financial statements

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

The Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Societies legislation the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the organisation for that period. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply these consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2010 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation 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 Co-op Homes and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

It is also responsible for safeguarding the assets of Co-op Homes and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Board is aware:

- there is no relevant audit information of which Co-op Homes' auditors are unaware; and
- the Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Code of governance

During the year the Board of Co-op Homes (South) Limited carried out a review of its governance arrangements and assessed its compliance with the National Housing Federation (NHF) Code of Governance (revised 2010). The Board confirms compliance with the code except for: to ensure continuity and adequate skills mix on the Board one Board member will serve in access of nine years, for a further 12 months as a co-optee.

Internal controls assurance

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable assurance against material misstatement or loss.

Key elements in the control framework include:

- Board approved terms of reference and delegated authorities.
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks.
- Robust strategic and business planning processes, with detailed financial budgets and forecasts.
- Formal recruitment, retention, training and development policies for all staff.
- Established authorisation and appraisal procedures for significant new initiatives and commitments.
- A robust approach to treasury management which is subject to external review each year.
- Regular reporting to the Board on key business objectives, targets and outcomes.
- Board approved whistle-blowing and anti theft and corruption policies.

The Board has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

The Board confirms that Co-op Homes has ongoing processes for identifying, evaluating and managing significant risks faced by the company. This process has been in place throughout the year under review and up to the date that these accounts have been approved.

The Board has approved an annual management plan for 2015/16, covering internal controls, service delivery and financial performance. The plan sets out key targets in each area and performance is monitored regularly by the Board.

The Board and executive officers

The Board and executive officers of Co-op Homes are listed on page 1.

Going concern

After making enquiries, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason the Board continues to adopt the going concern basis in the financial statements.

External auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Brian Rose
Chair
25 June 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CO-OP HOMES (SOUTH) LIMITED

We have audited the financial statements of Co-op Homes (South) Limited for the year ended 31 March 2015, which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the organisation's members, as a body, in accordance with regulations made under sections 87 and 98(7) 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 auditors' 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.

Respective responsibilities of the board and auditors

As explained more fully in the Statement of Responsibilities of the Board (set out on pages 3 & 4), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly 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 2012.

Matters on which we are required to report by exception

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

- a satisfactory system of 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.

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
London
June 2015

INCOME & EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2014

	Note	2015 (£)	2014 (£)
Turnover	3	2,531,688	2,435,600
Operating costs	3	(1,723,760)	(1,615,406)
Operating surplus	3 & 8	807,928	820,194
Bank interest receivable		2,650	5,366
Interest payable and similar charges	7	(76,903)	(81,036)
Surplus on ordinary activities before taxation		733,675	744,524
Taxation	9	-	-
Surplus for the year after taxation	18	733,675	744,524

The notes on pages 12 to 27 form part of these financial statements.

All amounts relate to continuing activities.

There were no recognised gains or losses for 2015 or 2014 other than those included in the Income and Expenditure Account

Brian Rose
Chair & Board Member

Pat Rushton
Treasurer & Board Member

Sue Philpott
Company Secretary

Date of approval: 25 June 2015

BALANCE SHEET

YEAR ENDED 31 MARCH 2014

	Note	2015(£)	2014 (£)
Tangible fixed assets			
Housing properties		20,976,630	20,730,136
Social housing grant		(12,171,740)	(12,171,740)
	10	8,804,890	8,558,396
Other tangible fixed assets	11	23,053	36,485
		8,827,943	8,594,881
Current assets			
Debtors	12	172,643	146,528
Current asset investments	13	-	277,478
Cash at bank and in hand		363,015	115,674
		535,658	539,680
Creditors: amounts falling due within one year	14	(894,500)	(920,936)
Net current (liabilities) / assets		(358,842)	(381,256)
Total assets less current liabilities		8,469,101	8,213,625
Creditors: amounts falling due after more than one year	15	4,338,180	4,771,292
Provision for liabilities	16	178,559	223,646
Capital and reserves			
Non equity share capital	17	185	185
Revenue reserves	18	3,952,177	3,218,502
		3,952,362	3,218,676
		8,469,101	8,213,625

The notes on pages 12 to 27 form part of these financial statements.

In view of the constitution of the company all shareholdings relate to non-equity interests, as disclosed in note 17.

These financial statements were authorised and approved by the Board and signed on its behalf by:

Brian Rose
Chair & Board Member

Pat Rushton
Treasurer & Board Member

Sue Philpott
Company Secretary

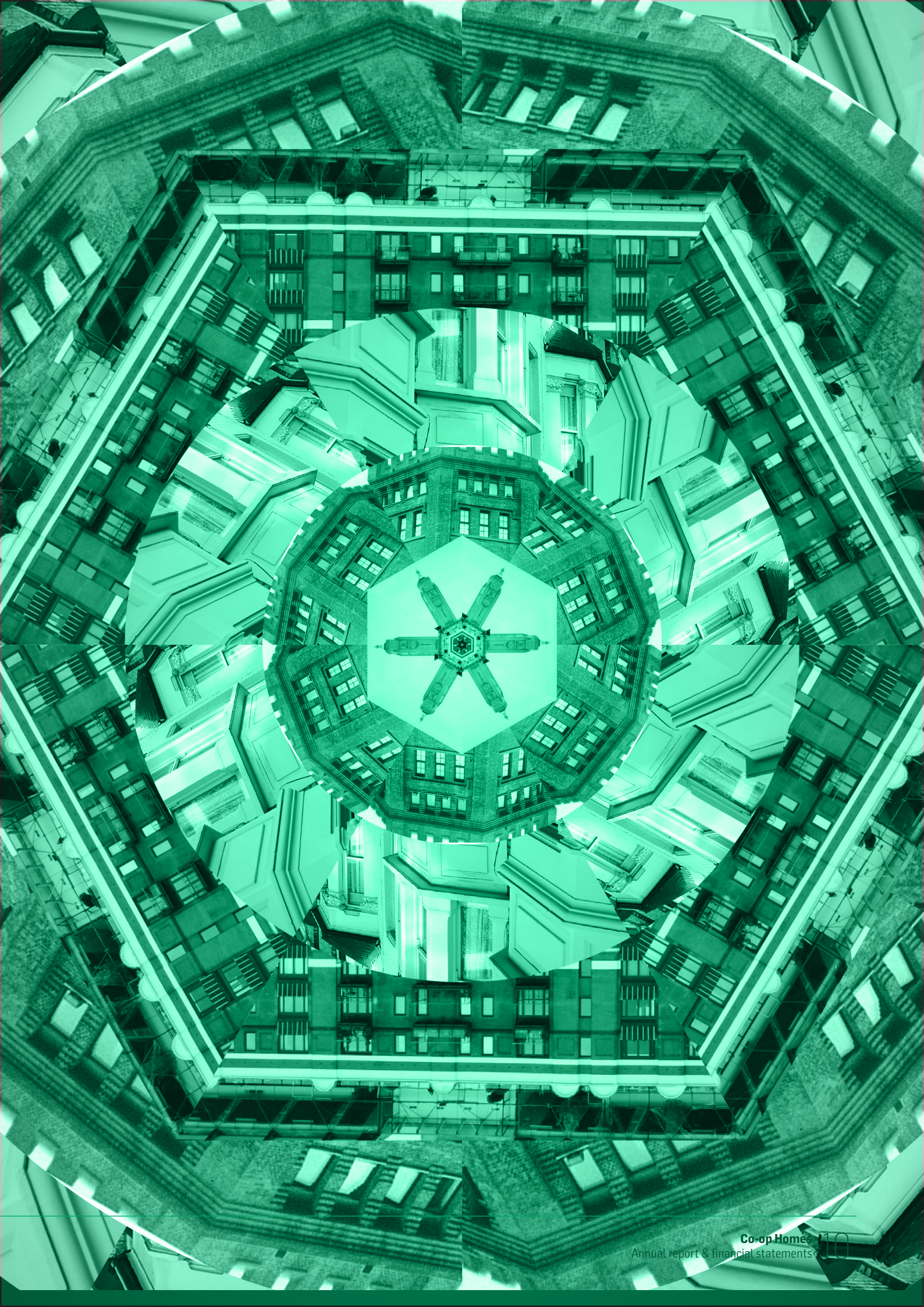
Date of approval: 25 June 2015

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2014

	Note	2015 (£)	2014 (£)
Net cash inflow from operating activities	20(a)	1,089,651	1,134,679
Returns on investments and servicing of finance			
Interest received		2,650	5,366
Interest paid		(76,903)	(81,036)
Net cash outflow from returns on investments and servicing of finance		(74,253)	(75,670)
Capital expenditure and financial investment			
Acquisition and construction of housing properties		(631,158)	(543,469)
Purchase of other tangible fixed assets		(2,837)	(4,007)
Net cash outflow from capital expenditure and financial investment		(633,995)	(547,476)
Net cash inflow before financing		381,403	511,533
Management of liquid resources			
Cash drawn from term deposits	20(b)	277,478	402,327
Bank Overdraft		18,495	-
Financing			
Housing loans repaid		(430,040)	(1,035,770)
Shares issued		5	15
Net cash outflow from financing		(411,540)	(1,035,755)
Increase in cash	20(b)	(247,341)	(121,895)

The notes on pages 9 to 27 form part of these financial statements.



NOTES ON THE FINANCIAL STATEMENTS

1. LEGAL STATUS

Co-op Homes is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered housing provider.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2012.

Going Concern

Co-op Homes has in place long term debt facilities which, along with its strong operational cash flow provide adequate resources to finance the committed re-investment programmes as well as its day to day operations. Co-op Homes also has a long term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the board has a reasonable expectation that Co-op Homes has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason it continues to adopt the going concern basis in the financial statements.

Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Social Housing Grant

Social Housing Grant (SHG) is receivable from the Homes and Communities Agency (the HCA) and is utilised to reduce the capital cost of housing properties, including land costs. It is allocated to the land and structure components of the associated asset in proportion to their cost. Grant receivable in respect of identifiable components is allocated to those components.

SHG due from the HCA or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the HCA. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a recycled Capital Grant Fund and included in the balance sheet in creditors.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, Co-op Homes is required to recycle these proceeds; as such a contingent liability is disclosed to reflect this.

Depreciation of housing properties

Co-op Homes separately identifies the major components which comprise its housing properties and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

Depreciation of housing properties

Where SHG has been allocated to a component the depreciable amount is arrived at on the basis of original cost, less the proportion of SHG and other grant attributable to the component, less residual value. Co-op Homes depreciates the major components of its housing properties over the following estimated useful economic lives:

Structure	100 years
Roofs	50 years
Kitchens	20 years
Bathrooms	30 years
Windows	30 years
Doors	30 years
Boilers	20 years

Impairment

Housing Properties, including those with individual components which are depreciated over a period in excess of 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of net realisable value or value in use to Co-op Homes. Any such write down is charged to operating surplus.

Temporary social housing improvements

Co-op Homes renovates leased properties using temporary social housing grant, which comprises works and lease elements. On receipt the grant is deferred and then taken to development income over the course of the renovation works.

For schemes in progress the excess of grant received over works cost plus attributable direct cost and surplus recognised is shown as a current liability. If scheme costs exceed grant received the excess is shown as development in progress within current assets. Surplus is only recognised where the outcome of the scheme is reasonably certain.

On completion of the renovation works the excess of grant received over costs is deferred and amortised to the income and expenditure account over the period of the lease.

For schemes where costs exceed grant received the investment is capitalised as temporary social housing improvements provided that there is expected to be sufficient rental income over the period of the lease to meet the cost of depreciation. If there is expected to be any shortfall in rental income the excess costs are written off immediately.

Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. Estimated useful lives are as follows:

- Temporary social housing improvements - period of lease.
- Office furniture and equipment - 4 years.

Capitalisation of finance costs

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings specifically financing the development programme after deduction of interest on SHG in advance; or
- interest on borrowings of the association as a whole after deduction of interest on SHG in advance to the extent that it can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year incurred.

Cyclical maintenance and internal decorations

The costs of repairs, cyclical maintenance and internal decorations are recognised when work is performed.

Turnover

Turnover comprises rental income, income from service charges, revenue grant, and management fees and other services at invoiced amount excluding VAT. All income is recognised when earned.

Pensions

The Company participates in the Social Housing Pension Scheme (SHPS) which offers two schemes: a final salary scheme for employees who joined before 31 March 2007; and a Career Average Related Earnings (CARE) scheme for employees joining after 31 March 2007, a defined contribution scheme which is used for the purpose of auto enrolment. Co-op Homes has contributed to the schemes in accordance with the levels set by the actuaries. Employer contributions to the two SHPS schemes are between 2% and 9.5%.

The SHPS has indicated that it has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

Operating leases

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the lease.

Current asset investments

Investments are stated at market value.

Liquid resources

Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Dilapidation costs

Co-op Homes' leases for temporary social housing properties contain repair covenants relating to the upkeep of the properties. These lease covenants can give rise to dilapidation works or claims during or at the end of the related lease. Co-op Homes accounts for these costs in accordance with FRS 12 (provisions, contingent liabilities and assets) which usually requires the costs to be recognised when the work is undertaken. At the end of leases, or otherwise in accordance with FRS 12, Co-op Homes makes provision for the expected cost of dilapidation work or claims. Co-op Homes does not make transfers to a designated reserve in relation to these costs.

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/ (DEFICIT) BEFORE TAX & INTEREST

	2015 (£)			2014 (£)		
	Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
Social Housing Lettings (note 4)						
Permanent accommodation	2,000,866	(1,122,422)	878,444	1,932,887	(990,874)	942,013
Temporary social housing	45,977	(29,492)	16,485	53,223	(67,871)	(14,648)
	2,046,843	(1,151,914)	894,929	1,986,110	(1,058,745)	927,365
Other social housing activities						
New business development	-	(38,500)	(38,500)	-	(37,500)	(37,500)
Management fees	484,845	(533,346)	(48,501)	438,534	(510,364)	(71,830)
Other activities	-	-	-	10,956	(8,797)	2,159
	2,531,688	(1,723,760)	807,928	2,435,600	(1,615,406)	820,194

As Co-op Homes has no development for sale or property trading activities it has no cost of sales.

4. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Permanent accommodation (£)	Temporary social housing (£)	Total 2015 (£)	Total 2014 (£)
Rents receivable net of identifiable service charges	1,902,135	44,687	1,946,822	1,882,375
Service charges receivable	98,731	1,290	100,021	103,735
Turnover from social housing lettings	2,000,866	45,977	2,046,843	1,986,110
Expenditure on lettings				
Rents payable	-	16,592	16,592	17,322
Services	100,974	1,230	102,204	81,815
Management	307,149	30,421	337,570	311,874
Routine maintenance	236,812	9,649	246,461	267,253
Planned maintenance	61,941	-	61,941	51,161
Dilapidation costs (credit)	-	(29,209)	(29,209)	(17,842)
Depreciation of housing properties	384,664	-	384,664	309,111
Rent losses from bad debts	6,745	(2,033)	4,712	12,300
Other	24,137	2,842	26,797	25,751
Operating costs on social housing lettings	1,122,422	29,492	1,151,914	1,058,745
Operating surplus / (deficit) on lettings	878,444	16,485	894,929	927,635
Service charges receivable eligible for housing benefit	98,731	1,290	100,021	95,991
Service charges receivable not eligible for housing benefit	-	-	-	-
Void losses	6,075	7,802	13,877	17,774
Average assured tenancy weekly rent in respect of housing accommodation including service charges eligible for housing benefit	£105.67	£102.74	£105.59	£102.52

5 DIRECTORS' EMOLUMENTS

The directors are defined as the board members, the Managing Director and the senior management team. None of the board members received any remuneration during the year.

	2015 (£)	2014 (£)
Aggregate emoluments of directors (including pension contributions and benefits in kind)	182,009	178,088
Emoluments of the highest paid director (including pension contributions and including benefits in kind)	91,124	85,586

6 EMPLOYMENT INFORMATION

	2015 (Number)	2014 (Number)
The average monthly number of persons employed during the year was:		
Office staff - actual	17.3	15.8
- full time equivalent	15.2	14.0
Staff costs (for the above persons):	2015 (£)	2014 (£)
Wages and salaries	529,498	481,387
Social security costs	42,331	43,548
Pension costs (see note 19)	79,684	72,237
	651,513	597,172

Other than the Managing Director, who is the highest paid director referred to in Note 5, no employee received emoluments in excess of £60,000.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2015 (£)	2014 (£)
On other loans repayable in one to five years	-	-
On housing loans repayable in more than five years	76,903	81,036
	76,903	81,036

No interest has been capitalised in the year (2014 : £Nil). Included in the above is £50,094 (2014 : £53,611) in interest charges from the parent company, Richmond Housing Partnership.

8 OPERATING SURPLUS

	2015 (£)	2014 (£)
Is stated after charging, (crediting)		
Depreciation - other fixed assets	16,269	14,074
- social housing properties	384,664	309,111
Auditor's remuneration (excluding VAT):		
-in their capacity as auditors	13,250	13,270
Amounts payable under operating leases	52,292	54,636

9 TAXATION

	2015 (£)	2014 (£)
Analysis of charge for the year		
Current tax		
UK corporation tax on surplus for the year	-	-
Factors affecting tax charge for the year		
Surplus on ordinary activities before tax	733,675	744,524
Surplus on ordinary activities multiplied by the effective rate of Corporation tax in the UK of 20.0 % (2014 : 20.0%)	146,735	148,905
Saving from adoption of charitable status (Note 27)	(146,735)	(148,905)
Current tax charge for the year	-	-

10 TANGIBLE FIXED ASSETS - SOCIAL HOUSING PROPERTIES

Cost	Social housing properties for letting (£)
At 1 April 2014	22,280,318
Additions	631,158
Disposals	(274,123)
At 31 March 2015	22,637,353
Depreciation	(1,420,367)
At 1 April 2014	(1,550,182)
Charge for the year	(384,664)
Disposals	274,123
At 31 March 2015	(1,660,723)
Depreciated cost	20,495,778
At 31 March 2015	20,976,630
At 31 March 2014	20,730,136
Social Housing Grant	(12,171,740)
At 1 April 2014	(12,171,740)
At 31 March 2015	(12,171,740)
Net book value	
At 31 March 2015	8,804,890
At 31 March 2014	8,558,396

The above relates to 296, (2014 : 296) units owned by Co-op Homes. The total number of units managed is given in note 24.

10 TANGIBLE FIXED ASSETS - SOCIAL HOUSING PROPERTIES (CONTINUED)

	2015 (£)	2014 (£)
Expenditure on work on existing properties		
Improvement works capitalised	-	-
Components capitalised	631,158	543,469
Amounts charged to the Income and Expenditure account	61,941	51,161
	693,099	594,630
Housing properties book value, net of depreciation and grants		
Freehold land and buildings	7,712,225	7,388,706
Long leasehold land and buildings	1,092,665	1,169,690
	8,804,890	8,558,396

The long leasehold properties have remaining lease terms in excess of 100 years.

11 OTHER TANGIBLE FIXED ASSETS

	Temporary social housing improvements (£)	Office furniture and equipment (£)	Total (£)
Cost			
At April 2014	86,495	89,337	175,832
Additions	-	2,837	2,837
At 31st March 2015	86,495	92,174	178,669
Depreciation			
At 1 April 2014	80,328	59,019	139,347
Charge for the year	3,005	13,264	16,269
At 31 March 2015	83,333	72,283	155,616
Net book value			
At 31 March 2015	3,162	19,891	23,053
At 31 March 2014	6,167	30,318	36,485

12 DEBTORS

	2015 (£)	2014 (£)
Amounts receivable within one year:		
Rental and service charges receivable	153,878	155,614
Less: provision for bad and doubtful debts	(90,858)	(92,737)
	63,020	62,877
Other debtors	88,848	67,475
Prepayments	20,775	16,176
	172,643	146,528

13 CURRENT ASSET INVESTMENTS

	2015 (£)	2014 (£)
Term Deposits	-	277,478

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 (£)	2014 (£)
Bank overdraft	18,495	-
Housing loans (instalment debt)	30,364	28,246
Trade creditors	236,035	305,096
Other tax and social security	20,257	15,436
Amount due to parent company	95,155	121,285
Other creditors	264,635	217,136
Accruals and deferred income	229,559	233,737
	894,500	920,936

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 (£)	2014 (£)
Deferred temporary social housing grant	7,066	8,020
Housing loans	4,331,114	4,763,272
	4,338,180	4,771,292
The housing loans are repayable as follows:		
Within one year (Note 14)	30,364	28,246
One year or more but less than two years	32,482	29,746
Two years or more but less than five years	110,154	98,238
Five years or more	4,188,478	4,635,288
	4,361,478	4,791,518
The 2014 disclosure has been restated to be comparable to 2015		
Sources of finance of housing loans:		
National Westminster Bank plc	517,791	547,831
Richmond Housing Partnership	3,843,687	4,243,687
	4,361,478	4,791,518

Housing loans are secured by fixed and floating charges on the company's housing properties. Interest is charged at rates ranging from 1.16% to 10.5%.

Deferred low start loan interest of £79,118 (2014: £79,118) has been included in the loan principal shown above.

16 PROVISION FOR LIABILITIES

	2015 (£)	201 (£)
Provision for end of lease dilapidation and other costs		
At 1 April 2014	223,646	325,474
Paid in the year	(15,878)	(83,986)
Credited to the Income & Expenditure Account (Notes 3 & 8)	(29,209)	(17,842)
At 31 March 2015	178,559	223,646

17 NON EQUITY SHARE CAPITAL

	2015 (£)	201 (£)
Shares at £5 each issued and fully paid:		
At 1 April 2014	185	170
Issued during the year	5	15
Cancelled during the year	(5)	-
At 31 March 2015	185	185

17 NON EQUITY SHARE CAPITAL

The shares have limited rights:

- no entitlement to divide;
- not repayable;
- no participation in a winding up.

Although shareholders have a right to vote at general meetings.

When a shareholder ceases to be a member, that person's share is cancelled and the amount paid up thereon becomes the property of the company. Therefore, all shareholdings relate to non-equity interests. There are no equity interests in the company.

18 REVENUE RESERVES

	2014 (£)	2013 (£)
At 1 April 2014	3,218,502	2,473,978
Surplus for the year	733,675	744,524
At 31 March 2015	3,952,177	3,218,502

19 PENSION COSTS/ARRANGEMENTS

Co-op Homes participates in the Social Housing Pension Scheme (The Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the schemes assets was £3,123 million. There was a shortfall of assets compared to liabilities of £1,323 million, equivalent to a past service funding level of 70%.

20(A) NOTES ON THE CASH FLOW STATEMENT

	2015 (£)	2014 (£)
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	807,928	820,194
Depreciation charge	400,933	323,185
Release of temporary social housing deferred grant	(954)	(1,906)
Release of dilapidation provisions (Note 16)	(29,209)	(17,842)
Payment of dilapidation costs	(15,878)	(83,986)
Change in debtors	(26,114)	(11,091)
Change in creditors	(47,050)	106,125
Shares cancelled (Note 17)	(5)	-
Net cash inflow from operating activities	1,089,651	1,134,679

20(B) NOTES ON THE CASH FLOW STATEMENT

	2015 (£)	2014 (£)
Reconciliation of net cash inflow to movement in net funds		
Decrease in cash in the year	(18,495)	-
Cash outflow from decrease in debt	247,341	(121,895)
Cash outflow from term deposits	430,040	1,035,770
Movement in net debt in the period	(277,478)	(402,326)
Net debt at 1 April 2014	381,408	511,549
Net debt at 31 March 2015	(4,398,366)	(4,909,915)
	(4,016,958)	(4,398,366)

20(C) NOTES ON THE CASH FLOW STATEMENT

Analysis of changes in fund	At 1 April 2014 (£)	Cash flow (£)	Other changes (£)	At 31 March 2015 (£)
Cash at bank and in hand	115,674	247,341	-	363,015
Current asset investments	277,478	(277,478)	-	-
	393,152	(30,137)	-	363,015
Bank overdraft	-	(18,495)	-	(18,495)
Debt due within one year	(28,246)	28,246	(30,364)	(30,364)
Debt due after one year	(4,763,272)	401,794	30,364	(4,331,114)
Total	(4,398,366)	381,408	-	(4,016,958)

21 FINANCIAL COMMITMENTS

Committed, but not contracted expenditure, relating to the acquisition of Housing properties £Nil (2014 : £Nil).

22 RELATED PARTY TRANSACTIONS

Co-op Homes (South) Limited provides management services to a number of primary housing co-operatives. These housing co-ops are members of Co-op Homes and up to four board places are available for tenants of managed co-ops as well as up to four Co-op Homes' tenant members. In relation to these housing co-ops the company received £484,845 (2014: £438,534) for management services during the year.

At 31 March 2015 there was one Co-op Homes tenant member on the Board, Karen Marlow. Her tenancy is on normal social housing terms and she has not used her position to her advantage.

As disclosed in Note 15 Co-op Homes has loans from its parent company, Richmond Housing Partnership, amounting to £3,843,687 (2014 : £4,243,687). The interest charge for the year was £50,094 (2014: £53,611).

In addition Co-op Homes shares office premises, ICT services, HR services and other cost with its parent. Charges for these services during the year amounted to £136,876 (2014 : £132,003).

23 COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2015 the company had annual commitments under operating leases in respect of housing land and buildings as follows:

	2015 (£)	2014 (£)
Operating leases which expire:		
Within one year	-	292
After five years	14,086	10,394

These commitments relate to 6 (2014: 10) accommodation units.

24 UNITS IN MANAGEMENT

	2015 (No.)	2014 (No.)
Permanent accommodation	296	296
Short-life accommodation	6	10
Managed accommodation for affiliated co-ops	706	485
Total	1,008	791

These units in management are all general needs housing.

25 LEGISLATIVE PROVISIONS

The company is registered with the Homes and Communities Agency (HCA) as a registered housing provider under the Housing Act 1996 and prepares its financial statements in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010 and complies with the Accounting Direction for Private Registered Providers of Social Housing 2012.

26 SOCIAL HOUSING GRANT

The total amount of social housing grant received to date amounted to £12,260,949 (2014: £12,292,921). The grant is received on

both permanent properties and temporary social housing properties under lease. This balance excludes grants received in respect of properties no longer owned or leased by Co-op Homes.

27 CHARITABLE STATUS AND PARENT COMPANY

On 13 December 2005 Co-op Homes registered new Rules to:

- Become a subsidiary of Richmond Housing Partnership Limited, its parent.
- Adopt charitable status, allowing a substantial saving in corporation tax.