

**STEVE BIKO
HOUSING ASSOCIATION LIMITED**

FINANCIAL STATEMENTS

For the year ended 31 March 2018

STEVE BIKO HOUSING ASSOCIATION LIMITED

Financial Statements For the year ended 31 March 2018

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STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

1. The Board of Management of Steve Biko Housing Association Limited present their report and audited financial statements for the year ended 31 March 2018.

2. **Principal activities**

The Association's principal activities are the development and management of social housing.

We will provide housing and related services that are responsive to the needs of Black and Racial Minority communities and we will enable tenants and local communities to influence decisions that affect their lives. We will do this in a way that influences and challenges social and economic structures that contribute to or entrench discrimination and disadvantage by putting racial equality at the heart of our work.

3. **Financial result**

The Association generated a surplus for the year of £49,973 (2017: £45,427) which was added to general reserves.

4. **Developments**

The Board have agreed to undertake a limited level of development, as appropriate opportunities arise. During the previous year the Association undertook a stock transfer of nine units and is in the process of completing improvement works.

5. **Board Members**

The Board is elected annually at the Annual General Meeting. Board members who held office during the year were:

M Cox - Chair	J El Ghady (resigned 12 October 2017)
R Williams - Vice Chair	Y Davies
H Cover - Secretary	P Walker
M Whitehead - Treasurer	

The Executive Director throughout the year end was T Gore (Director).

6. **Environmental, Health and Safety**

The Association seeks to comply with all Health and Safety Regulations and regularly liaises with the Development and Environment Services Directorate.

7. **Financial risk management objectives and policies**

The Association uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the financial statements reflect the absolute value of amounts recoverable and payable. The Board of Management receive regular reports on these figures in order to manage the Association's requirements.

The Board of Management regularly receives forecasts which consider the key financial risks within the environment that the Association operates. This takes the form of long term forecasts, which include sensitivity analysis and stress testing to consider key financial risks. Examples include assessing the potential financial impact of Welfare Reform and Universal Credit. The Association insures against appropriate risk.

8. **Reserves policy**

The Board of Management has reviewed its reserves policy. This states that reserves not committed or invested in tangible fixed assets should initially be the equivalent of three month's rental income, which equates to £300,000. However, the Board is mindful of the need to maintain reserves through planned operating surpluses within its long term business planning.

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

9. Value for money

Our context and purpose

Steve Biko Housing Association (SBHA) was formed by Liverpool's Black and Ethnic Minority (BME) community as a direct result of race discrimination in Liverpool's social housing allocations policy. Registered under the regulators BME strategy to provide quality homes for those in need.

Our Vision "Homes and Communities without Racism" and Mission "We will provide housing and related services that are responsive to the needs of BRM Communities and few will enable tenants and local communities to influences and challenge social and economic structures that contribute to or entrench discrimination and disadvantage by putting racial equality at the heart of our work" sets out clearly the focus of our work.

Our work then is very much centred around providing good quality homes which represent value for money, empowering tenants and local communities and advocating on their behalf all directly through the equalities lens, our tenant and community regeneration service is recognised as a vital anchor organisation in a very challenging area. We help support and work with numerous community organisations within our neighbourhood. We work in partnership with individuals and a wide variety of community, and statutory organisations to identify issues, develop and deliver tenant engagement and empowerment activities as well as cohesion activities that bring our tenants and wider sections of our diverse communities, young and old, from all backgrounds and sections of the community together sharing experiences, learning and developing people and solutions.

In this aim we have:

- delivered a digital inclusion project with young people and elders to be social media safe and to learn to use mobile technology
- delivered our Young Persons Annual Achievers Celebration
- delivered a Multi-Generational Big Lunch
- organised community meetings and marches to promote dangers of guns and knives and community responsibility

Our strategic influencing work:

- Chair Liverpool City Region Equalities in Housing Group - Sub group of LCR Housing Group
- Chair Liverpool's multi agency Strategic Hate Crime Group
- Member of CitySafe Board - Liverpool's Strategic Crime and Community Safety Group
- Member of Liverpool's Community Cohesion Forum
- Member of Liverpool's Inclusive Cities Panel
- Member of LCR Fairness and Social Justice Board

Our approach to value for money and our strategic approach

The Associations Value for Money Strategy was approved in June 2014, the review and renewal of this strategy was extended from 2017 until after the social housing regulators own review of the Value for Money Standard. The Associations Value for Money Strategy will be renewed November 2018.

As a small BME Housing Association achieving Value for Money has been central to the way we work. The Board and staff team believe that being efficient and effective is crucial to our success in delivering quality services to our tenants. We are committed to ensuring that we are making the best use of our resources and that our business planning and performance monitoring systems and efficiency mind set aid us in our desire for continuous improvement and to ensure we maximise the efficiency and quality of our services and asset base.

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

9. Value for money [Continued]

We are in the process of working with our Repairs & Maintenance Managing Agent, South Liverpool Homes (SLH) in delivering our Asset Management Strategy. We are in the process of reviewing the way we appraise the return on assets so that it is done in a consistent way to ensure that we are making the most effective investments in the right properties at the right time.

In 2017 our Value for Money Statement set out how the Board had decided in 2016 to carry out a review of our repairs and maintenance service. This culminated in us changing the way we procure our repairs and maintenance service. In April 2017 we appointed Housing Maintenance Solutions (HMS) as our main contractor for repairs and maintenance and estate management services. In August 2017 we appointed (SLH) to act as our Repairs & Maintenance Managing Agent, to provide contract management and consultancy services to ensure delivery of the HMS Contract. SBHA engaged RAND Associates to manage the procurement process and their report identified that SBHA will make efficiency savings. These efficiency savings were achieved and £40k was saved of which £32k was reinvested in additional works. The HMS contract has provided improved customer experience and improved key performance systems. For example we have moved to a fully computerised Gas Servicing System eliminating paper records and therefore, reducing likelihood of administrative errors. Our routine repairs target of 21 days is now being met within 7 days.

Following the local authority decision not to fund support cost through housing benefit, we carried out a review of our sheltered housing service. Following the review, the Board agreed that we would implement the change of service at our sheltered scheme Hector Peterson Court following consultation with tenants. The Board also took the decision to purchase 3 Yanwath Street our office, reducing revenue costs, this decision that would lead to long term savings over the life of the business plan.

We also set out to build on our youth employability programme to develop and deliver employment and training programme for our customers to enable them to improve their skills and capacity therefore, increasing their employability.

We have:

- invested £149k into our properties by delivering the second year on our five-year planned window replacement programme.
- Converted two very small hard to let flats into one desirable flat.
- Completed a full year of the new repairs and maintenance service delivered by both HMS and SLH.
- Appointed RAND Associates to carry out a full evaluation of both services. The review is due to be completed end September 2018.
- Commenced a 5-year electrical test programme for all properties.
- Implemented the change of service at Hector Peterson Court Sheltered Scheme.
- Agreed terms and purchase price of Office 3 Yanwath Street Liverpool 8 and awaiting completion.
- Held a drop-in job-club in partnership with Riverside Housing Association at SBHA offices.

Value for Money

In April 2018 the Regulator for Social Housing launched a new Value for Money Standard, which includes a set of metrics. Registered Providers are now required to report their performance against the metrics annually in their financial statements.

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

9. Value for money [Continued]

Business health

The Associations operating margin currently stands at 16.20%. SBHA has 265 units and forecast 276 units by year end 2019. Our Business Plan shows a period of growth at 10 units per year to enable us to gain critical mass to reduce our costs per unit.

Operating Efficiencies

The Associations headline social housing costs per unit are currently just over £4,000 per unit. The Association provides an intensive housing management service delivering services in very challenging neighbourhoods. Our size exacerbates the high cost per unit. The Associations growth strategy together with efficiencies will see a reduction in our headline social housing costs per unit.

One of the results of our intensive housing management service is achieving circa 100% rent collection rates at a time when welfare reform is having a major impact upon our tenants and the communities in which we work. Princes Park Ward where the majority of our homes are situated has 23% of its wards within the 1% most deprived of the country; 69% of Ward in 10% most deprived wards nationally.

Effective Asset Management

Return on capital employed is currently low we anticipate that this figure will increase as the associations growth strategy of developing 10 units per year is realised.

Occupancy levels at Steve Biko Housing Association achieved 98% occupancy rates which is very high levels of occupancy, reflecting our intensive and housing management service.

Ratio of responsive repairs expenditure to planned spend is 68% which is comparable to our NW housing association peers.

Development Capacity & Supply

Whilst the Association has not completed any 'new supply' developments, SBHA is undertaking the significant refurbishment of two large villas, 5 units and are on site, a further 4 units are due to be completed in November 2018. Both properties are a result of stock transfer, and had been vacant for many years. SBHA therefore have brought these properties back in to use, helped with solving blight in a neighbourhood and kept 9 units in the social housing sector whilst meeting our own growth strategy.

Our gearing levels have increased from 19% to 21%. This reflects the use of our existing resources to fund the refurbishment of empty properties as they have become available.

Outcomes Delivered

Our last full STAR Survey was undertaken in 2015. Customer Satisfaction by tenants that their rent provided value for money was at 84%. We are currently conducting a full star survey summer 2018.

The Association currently spends 2.7p in each £ on tenant participation and community regeneration activities this expenditure enables the association to deliver against its vision and mission.

The association has a target of achieving 45% of our lettings to BME people. This target is set to reflect the 45% BME population in Princes Park and Picton wards, the main wards in which we operate.

Our successful performance against these new metrics is highlighted in the table below.

Benchmarking

SBHA is part of the Acuity NW Benchmarking Group that oversees the collection of data. This report uses the data taken from NW Acuity Benchmarking Group It is our intention for 2018/19 to explore benchmark against Housing Associations in inner city areas in the north of the country that have between 250-500 units. This will enable a more realistic comparison against associations that are nearer to our own size.

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

9. Value for money [Continued]

Business Health & Efficiency & Regulator for Social Housing Metrics

Performance	Indicator	Metrics No.	SBHA GN / Support 2016/17	SBHA GN / Support 2017/18	NW Peer Group Median 2017/18	SBHA GN / Support Forecast 2018/19
No. of Units			267	265		275
Business Health	Total Operating Margin	6	15.60%	16.20%	22.4%	16.14%
	Social Housing Operating Margin	6	15.47%	15.36%	26.55%	14.97%
	EBITDA MRI (as a % of interest)	4	126.40%	99.38%	307%	151.00%
<i>Efficiency</i>	Gearing	3	18.96%	21.03%	18.68%	23.02%
<i>Efficiency</i>	Reinvestment % investment in properties (existing stock and new supply as % of the value of total properties.	1	1.24%	3.34%	4.14%	4.73%
Operating efficiencies	Headline Social housing costs per unit.	5	£4,105	£4,235	£4,195	£4,018
	Rent Collected as % of rent owed (excluding arrears b/f)		100.70%	100.10%	100.00%	100.00%
<i>Efficiency</i>	Overheads as a % of adjusted turnover		11.86%	11.99%	14.33%	12.40%
Effective Asset Management	Return on Capital employed % compares the overall operating surplus to total assets less current liabilities	7	1.60%	1.63%	3.40%	1.67%
	General Needs Occupancy		98.49%	98.74%	99.64%	98.25%
<i>Efficiency</i>	Ratio of responsive repairs to planned spend		0.69	0.70	0.60	0.84
Development Capacity & Supply	Units Developed		0	0	0	
	Units Developed as a % of units owned	2	0	0	0	
<i>Effectiveness</i>						
Outcomes Delivered	Customers satisfied their rent provides value for money *2011 survey results *2015 survey results		84%*	86%**	87.84%	84%
	£ invested for every £ generated in new housing units		£0.00	£1.07		£1.22
	£ invested for every £ generated in communities		£0.013	£0.027		£0.018
	BME Lettings Target set at 45% based on demographics of area.		81.1%	61.1%		

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

9. Value for money [Continued]

The peer group median includes:

Alpha Homes HA
Arawak Walton HA
Arcon HA
Ashton Pioneer HA
Crosby Homes HA
Eldonian Community Based HA
Family HA
Forum HA
People First HA
Pioneer NW HA
Prima Group HA
LCH HA
Warrington HA
Wirral Methodist HA

10. Employment policies

The Association is an equal opportunities employer.

11. Corporate information

Steve Biko Housing Association Limited is a Social Housing Provider registered as a Registered Society with the Financial Conduct Authority (Registration Number 24187R).

The Association is registered with the Regulator of Social Housing under the Housing & Regeneration Act 2008 (Registration Number L3711).

The Association's registered office is at 19 Devonshire Road, Liverpool, L8 3TX.

12. Internal controls

The Board of Management has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness. These controls are designed to give reasonable assurance on:

- the reliability of financial information used within the Association or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

12. Internal controls [Continued]

Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified agents take responsibility for important business functions;
- forecasts and budgets are prepared which allow the Board of Management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures;
- the Board of Management receives reports from its agent providing accountancy services and from external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association; and
- appropriate action is taken to correct weaknesses identified from the above reports.

The Board of Management has reviewed the effectiveness of the system of internal financial controls in existence in the Association for the year ended 31 March 2018. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

13. Governance and financial viability

The Board of Management has reviewed its compliance with the Governance and Financial Viability Standard and confirm that it complies with the requirements of the standard for the year.

14. Statement of the Board of Management's responsibilities in relation to the Association's financial statements

The Board of Management is legally required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Association in accordance with UK Generally Accepted Accounting Practice and of the surplus or deficit of the Association for the period then ended.

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

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

The Board of Management is also responsible for:

- keeping proper accounting records;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

STEVE BIKO HOUSING ASSOCIATION LIMITED

Report of the Board of Management For the year ended 31 March 2018

15. Corporate governance

The Association complies with the National Housing Federation's Code of Governance 2015 and has adopted the recommendations contained in the Code.

16. Auditors

In the ensuing year the Association will undertake a value for money exercise resulting in the appointment of auditors.

17. Statement of disclosure of information to auditors


In so far as the Board of Management is aware:

- there is no relevant audit information of which the Association's auditor is unaware; and
- the Board of Management has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

18. Statement of compliance

The Board of Management confirm that this report has been prepared in accordance with the principles set out in Paragraph 4.7 of the 2014 SORP for Registered Social Housing Providers.

BY ORDER OF THE BOARD OF MANAGEMENT



SECRETARY

17-09-2018

DATE

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditors' Report to the Members of

STEVE BIKO HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Steve Biko Housing Association Limited (the 'Association') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position 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).

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

- The Board of Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Mitchell Charlesworth LLP

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditors' Report to the Members of

STEVE BIKO HOUSING ASSOCIATION LIMITED

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's responsibilities statement set out on page 8, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

MITCHELL CHARLESWORTH LLP
Statutory Auditor

18-09-2018

STEVE BIKO HOUSING ASSOCIATION LIMITED

Statement of Comprehensive Income For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	1,421,941	1,445,380
Operating expenditure	2	(1,203,544)	(1,221,805)
Other income		11,953	1,927
Operating surplus		230,350	225,502
Interest receivable	5	1,318	4,103
Interest and financing costs	6	(181,695)	(184,178)
Surplus before tax	7	49,973	45,427
Taxation	8	-	-
Surplus for the year		49,973	45,427

The financial statements on pages 12 to 26 were approved and authorised for issue by the Board of Management on 17.09.2018 and were signed on its behalf by:

SECRETARY

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BOARD MEMBER

 BOARD MEMBER

The notes on pages 16 to 26 form part of these financial statements

STEVE BIKO HOUSING ASSOCIATION LIMITED

Statement of Changes in Reserves For the year ended 31 March 2018

	Income & Expenditure Reserve £	Total £
Balance at 1 April 2017	917,969	917,969
Surplus from statement of comprehensive income	<u>49,973</u>	<u>49,973</u>
Balance at 31 March 2018	<u><u>967,942</u></u>	<u><u>967,942</u></u>

The notes on pages 16 to 26 form part of these financial statements

STEVE BIKO HOUSING ASSOCIATION LIMITED

Statement of Financial Position For the year ended 31 March 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9		13,981,083		13,564,413
Investments	10		5		5
			<u>13,981,088</u>		<u>13,564,418</u>
Current assets					
Trade and other debtors	11	155,995		127,719	
Investments		-		-	
Cash and cash equivalents		653,141		1,053,789	
		<u>809,136</u>		<u>1,181,508</u>	
<u>Less:</u>					
Creditors: amounts falling due within one year	12	613,113		635,302	
			<u>196,023</u>		<u>546,206</u>
Net current assets					
			<u>14,177,111</u>		<u>14,110,624</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	13		13,022,699		13,034,144
Provision for liabilities					
Services provision	14		186,454		158,495
Total net assets			<u>967,958</u>		<u>917,985</u>
Reserves					
Share capital	15		16		16
Income and expenditure reserve			967,942		917,969
Total reserves			<u>967,958</u>		<u>917,985</u>

The financial statements on pages 12 to 26 were approved and authorised for issue by the Board of Management on 17.09.2018 and were signed on its behalf by:

SECRETARY

BOARD MEMBER

The notes on pages 16 to 26 form part of these financial statements

STEVE BIKO HOUSING ASSOCIATION LIMITED

Statement of Cash Flows For the year ended 31 March 2018

	2018		2017	
	£	£	£	£
Net cash generated from operating activities (see Note 1)		237,366		563,038
Cash flow from investing activities				
Purchase of tangible fixed assets	(464,287)		(168,236)	
Proceeds from sale of tangible fixed assets	-		-	
Interest received	1,318		4,103	
		(462,969)		(164,133)
Cash flow from financing activities				
Shares issued	-		1	
Interest paid	(181,695)		(184,178)	
Repayments of borrowings	(49,600)		(49,530)	
Withdrawal from deposits	-		234,005	
Grants received	56,250		-	
		(175,045)		298
Net change in cash and cash equivalents		(400,648)		399,203
Cash and cash equivalents at beginning of year		1,053,789		654,586
Cash and cash equivalents at end of the year		653,141		1,053,789
Note 1				
Surplus for the year		49,973		45,427
Adjustments for non-cash items:				
Depreciation of tangible fixed assets and impairment		286,872		301,313
(Increase)/decrease in trade and other debtors		(28,276)		6,460
(Decrease)/increase in trade and other creditors		(149,480)		141,058
Increase in provisions		27,959		18,764
Profit on sale of property		-		-
Adjustments for investing or financing activities:				
Government grants utilised in the year		(130,059)		(130,059)
Interest payable		181,695		184,178
Interest received		(1,318)		(4,103)
		237,366		563,038