Byker Community Trust Limited
(A Co-operative and Community Benefit Society)
Financial Statements
For the Year Ended 31 March 2017

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TRUST DETAILS

Legal status of Byker Community Trust (BCT)

BCT is incorporated under the Co-operative and Community Benefit Societies Act 2014, it has charitable status and is registered with the Homes and Communities Agency as a Registered Provider of Social Housing as defined by the Housing Act 1996.

Board of Management (Non-Executive Directors)

Jim Coulter	Chair
Annette Patten	Vice Chair – Resigned 8 March 2017
Gordon Bell	
Paul Callaghan	
Nigel Emmerson	
Claire Green	Resigned 14 September 2016
Nick Kemp	
Amanda Senior	
Alison Smith	
Herby Warren	Resigned 19 December 2016
Martin Greenfield	Appointed 20 July 2016
Christine Stobbs	Appointed 20 July 2016
Catherine Walsh	Appointed 14 September 2016
Janice Logan	Appointed 8 March 2017

Executive Officers (Executive Directors)

Jill Haley	Chief Executive
Philip Pollard	Director of Operations
Michelle Bell	Head of Property Investment, Development and Asset Management
David Jones	Head of Engagement and Community Development
Philip Ambrose	Financial Controller and Company Secretary

Bankers

Lloyds Bank
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Funders

Yorkshire Building Society
Yorkshire House
Yorkshire Drive
Bradford
BD5 8LJ

Auditors	Beever and Struthers Chartered Accountants St. George's House 215-219 Chester Road Manchester M15 4JE
Registered office	17 Raby Cross Byker Newcastle upon Tyne NE6 2FF
Registration Numbers	4714 - Homes and Communities Agency. Registered Provider of Social Housing 31376R – Financial Conduct Authority. Registered Co-operative and Community Benefit Society under the Cooperative and Community Benefit Societies Act 2014

Principal activities

BCT was formed due to a large scale voluntary transfer, where 1,803 homes were transferred from Newcastle City Council on 5 July 2012. BCT exists for the benefit of the community. BCT's principal activity is to provide social housing.

Director's share interests

All Board members are non-executive directors of BCT. Each non-executive director has a shareholding in BCT of 1 share. The executive directors hold no interest in BCT's shares and act as executives within the authority delegated by the Board. Insurance policies indemnify directors and officers against liability when acting for BCT.

Political and charitable gifts

None.

Governance and regulatory compliance

BCT governance arrangements comply with governance good practice and regulatory standards. BCT comply with the National Housing Federation (NHF) 2015 Code of Governance and the Homes and Communities Agency (HCA) Governance and Financial Viability Code of Practice. BCT complies with the HCAs Regulatory Framework and Standards. This is evidenced by the annual self-assessment of compliance against the NHF 2015 Code of Governance.

Responsibilities of the Board

The Board is responsible for directing the affairs of BCT in accordance with its objects and rules and ensure that its functions are properly performed. Its main responsibilities are:

- Set and ensure compliance with the values, vision, mission and strategic objectives of BCT, ensuring its long term success.
- Appoint, and if necessary, dismiss the chief executive and approve his or her salary, benefits and terms of employment.
- Satisfy itself as to the integrity of financial information, approving each year's budget and business plan and annual accounts prior to publication.
- Establish, oversee and review annually a framework of delegation and systems of internal control.
- Establish and oversee a risk management framework in order to safeguard the assets of BCT.
- Take appropriate advice.
- Ensure at all times that BCT takes account of any obligation imposed upon it by the regulator in exercise of its powers.
- Satisfy itself that BCT's affairs are conducted in accordance with generally accepted standards of performance and propriety.
- Establish and operate a performance appraisal system for the Board, the Chair and individual Board Members.

OBJECTIVES AND STRATEGIES

Our vision, mission, values and key objectives

Vision

BCT's vision for 2015 to 2020 is an independent BCT where:

- We have delivered on the major stock transfer promises.
- We ensure tenants have a key voice and role in decision making.
- We maximise access for local people into employment, training, health and educational opportunities.

Mission

- We work for people who have a voice and influence in our business.
- We celebrate our diverse neighbourhood.
- We provide quality homes, environment and services.

Values

We will do our best for Byker by being:

- Ambitious for people and the community.
- Energetic in our work with and for our diverse neighbourhoods.
- Innovative in providing excellent services.
- Open and transparent in the conduct of our business.
- Unrelenting in our focus on positive change.

Key objectives

1. Fulfilling the stock transfer promises:
   - Completing and developing the Investment Plan.
   - Engaging, empowering and supporting residents.
   - Contributing to economic health of the neighbourhood.

2. Completing the journey to independence:
   - Being a first class strategic partner.
   - Growing our commissioning skills.

3. Underpinning Value for Money and the financial security of the BCT:
   - Securing outcomes which balance efficiency, economy and effectiveness in all we do.
   - Maintaining a clear approach to risk identification and management.
   - Ensuring we continue to have a sustainable business plan.

4. Delivering excellence:
   - Focusing on excellent customer service.
   - Continuing to aim for first class governance.
   - Ensuring staff are proud of their work for Byker through support for training, development and remuneration policies.

The Corporate Plan 2015-2020 sets out the key actions that BCT are carrying out during that 5 year period to ensure that services continue to improve. To implement the Corporate Plan a SMART Action Plan exists to manage and control the time scaled delivery of all the specific actions.

Some key activities and achievements against the Corporate Plan Action Plan during 2016/17 are:

Fulfilling the stock transfer promises:

- Completed a stock condition and SAP energy rating survey of all BCT assets.
- Producing traffic light viability status and net present value (NPV) assessment of all BCT assets to inform investment plans.
- Development and implementation of a 10 year investment programme and asset management strategy – to complete by June 2017.
- Taken ownership and direct management of BCT stock condition data.
- Established 3 additional hard to reach groups as part of community engagement strategy (African Womens Group, Sheltered Housing Residents Group, Eastern European Group).
- Tenant and Community Safety Conference held in October 2016.
- 2 family summer activities held in July & August 2016.
- 2 tenant digital support volunteers appointed to support tenants in developing IT skills. This initiative has been supported by a capital works contractor as part of their social investment contribution.
- Communications Group developed the Annual report to tenants and supporting video.
- BCT Tenant Scrutiny Panel established and first meeting held March 2017.
- External recognition of BCT customer communications activity:
  - BCT Newsletter awarded best publication by Chartered Institute of Public Relations North East and won the Chartered Institute of Public Relations National Award for Best External Publication.

- Shortlisted at the National Chartered Institute of Housing awards for Communications Team of the Year.
- Developed pre-tenancy training for all new tenants covering benefits maximisation and digital inclusion. This to be delivered from April 2017.
- Mediproof Health project implemented.
- Developing community energy champions as part of district heating upgrade scheme to help educate tenants around energy efficiency.
- Welfare and Employability Support Worker continues to engage BCT tenants around benefits maximisation and budgeting advice.
- Partnership working has secured a Public Health England funded pilot project to run in Byker focussed on addressing adult mental health issues.

Completing the journey to independence:

- Implemented a 'Cleaner, Greener' Byker charter in partnership with Newcastle City Council (NCC) focussed on refuse collection and bulky waste removal.
- Developing a business case for a 4 megawatt biomass boiler installation. This is in partnership with NCC and energy providers to maximise ECO funding of the installation cost.
- Close partnership working with Newcastle City Council Fairer Housing Unit for mutual benefit around options for BCT land development sites.
- BCT joined Spirit Partnership in order to access grant funding for a small scale conversion of non-residential units into 10 residential units and the scheme commenced on site in February 2017.
- Partnership working with Foundation Futures and NCC developed a teaching proposal for Byker children who are excluded from secondary school.
- Partnership working to complete the 'Pavement to Property' project.
- Social investment gains from capital works procurement include:
  - Improvements to multi use games areas and play areas.
  - Planters and planting materials supplied to tenants.
  - Donation of tablet devices for the work of tenant digital support volunteers.
- 8 projects supported by BCT community activities funding achieving a combined 1,375 participants (adults and children).
- Welfare and Employability Support Worker working in partnership with JobCentre Plus and is based in local JobCentre a half day per week supporting BCT tenants with their Universal Credit claims.
- Partnership working with Newcastle University to engage their marketing and communications expertise to develop and deliver a communications and marketing strategy for Byker.
- Developed and introduced a staff competency framework specifying requirements for each BCT position.
- Reviewed and updated all HR policies and procedures in line with new service delivery arrangements.
- Implemented new service delivery arrangements commencing from July and October 2016.
- Ongoing improvement of procurement skills through specific procurement exercises (District Heating improvements, Modern Homes Omits catch up, Estate Environmental Upgrade, Hobby Rooms Conversion, Link Bridges refurbishment, new service delivery arrangements).
- Tender evaluation covers objectives within the BCT Capital Investment Strategic Brief to maximise social investment, employment and training opportunities.

Underpinning value for money (VfM) and the financial security of BCT:

- New performance framework developed and in place covering operational and financial performance against Key Performance Indicators (KPIs).
- STAR survey completed and results, alongside Housemark peer group benchmarking results, considered at Board Development day in February 2017.

- Performance & Services Committee established and formally constituted with terms of reference covering oversight and scrutiny of operational performance and future service improvement.
- VfM improvement action plan developed from 2015/16 annual VfM self-assessment with all actions completed.
- New service delivery arrangements implemented with the aims of greater efficiencies, cost effectiveness and improved customer experience/satisfaction.
- Contract covering new service delivery arrangements provide improved basis for monitoring service delivery quality, performance and cost, and specify arrangements for addressing any adverse performance.
- Quarterly updating of strategic risk register and implementing action plans to mitigate against current and emerging high risk issues, including business plan stress testing to assess potential impacts.

Delivering excellence:

- Tenant Grounds Maintenance Inspectors recruited and trained.
- Annual self-assessments against the Excellence in Governance, HCA economic and consumer standards, and the Tenant Participation and Advisory Service (TPAS) National Engagement Standards with action plans in place to guide implementing improvements.
- New staff performance appraisal arrangements developed based on behavioural and technical competencies.
- Scheme of mandatory staff training developed and implemented.

OPERATING AND FINANCIAL REVIEW

Policy and Regulatory Environment

A key change impacting on BCT is the Government requirement, announced in the July 2015 budget, to implement rent reductions of 1% per annum for a 4 year period commencing from 1 April 2016. This was a major departure from the Government's policy of annual rent increases based on consumer price index (CPI) plus 1% for a period of 10 years from 1 April 2015. Stress testing of the BCT Business Plan revealed a significant adverse impact on income levels for BCT. BCT has mitigated against this by implementing a Service Transformation Project with the twin aims of improving service quality and reducing cost. This is detailed further in the Value for Money Summary section of this strategic report.

During 2016/17 BCT has been carrying out further stress testing of the Business Plan to understand the impact of potential future Government policy change. This has included assessing the impact of changes to the levels of Local Housing Allowance (LHA) and quantifying the effect of potential mitigating actions.

Summary Financial Performance

In 2016/17 BCT delivered a strong financial performance, achieving an operating surplus of £1.368m.

BCT has continued to deliver the investment programme in line with stock transfer promises. By March 2017 more than half of the early years investment programme has been delivered and the remainder is planned for delivery over the next 2 years. Alongside that BCT is developing its next wave of investment in line with its developing asset management strategy.

BCT Service Transformation

In 2016/17 BCT implemented its improvement strategy for delivery of services to customers. Key to this is to achieve greater control over the standards of service delivery in order to improve quality and cost efficiency. More details of this are included within the Value for Money Summary below.

BCT Risk Management Framework

The Board has in place a risk management framework and policy to assess risks and implement mitigation strategies. The risk profile for the sector is increasing in the current economic climate and, in particular, through the impact of welfare reform. The Board undertakes a quarterly review of strategic risks to direct any changes in mitigation and management.

VALUE FOR MONEY SUMMARY

Introduction

This is a summary of the overall Value for Money (VfM) Self-Assessment. The full self-assessment for 2016-17 can be viewed on the BCT website, using the following link:
http://bykercommunitytrust.org/resource-category/bct-reports/

BCT is committed to delivering VfM in the interests of its tenants and the wider community because we want to minimise the financial pressures on households adversely affected by the economic pressures which they face, and to improve service quality in addition to customer satisfaction. We believe it is important to establish a culture of continuous improvement and in order to do so, engage with our tenants and residents to determine their views and priorities. A new 'Byker Approach' to service delivery is based around a 'bottom up', customer relationship and engagement programme. The Byker Approach will continue to evolve and improve service delivery by using information provided by our customers to shape service provision, moving forward. That is the context in which we work to implement the regulatory requirements of the Homes and Communities Agency (HCA).

BCT Efficiency Savings

Since BCT was established in July 2012, significant one-off (£24.405m) and annually recurring (£1.035m) financial gains have been achieved through various actions. These are itemised in the table at the end of this statement on pages 10 to 11. These efficiency gains have been used to reduce BCT's borrowing and running costs, and cashable savings have been invested in additional capital expenditure.

BCT Service Transformation

Following an extensive service review by Board of the contracted services that were put in place at the time of the stock transfer (July 2012) a full options appraisal by Board concluded, in September 2015, to bring housing management and support services in house and to partner with Karbon Homes (formerly Isos Housing) in a cost sharing vehicle (CSV) partnership arrangement commencing from July 2016. BCT own 1 share in the CSV Company and the CSV represents a tax efficient way of delivering services as the services are charged to members at full cost without any VAT being charged, therefore reducing the amount of irrecoverable VAT incurred by BCT. The objectives of service transformation are:

- Control over standards of service delivery with a focus on improvement in quality & cost;
- Value for money including excellence in service to customers; and
- Completing the stock transfer promises to tenants, including those which highlighted service delivery reviews.

Cutting business overhead costs, reducing irrecoverable VAT and providing more customer focused services at the same time, were key mitigations against the 1% rent cut and other income reduction risks resultant from Welfare Reform changes.

A target was set of £500k annual revenue expenditure savings to be achieved from the new service delivery arrangements (this amount was in line with the income lost as a result of the 1% annual rent reduction). Savings from the initial six months of the new service delivery arrangements have exceeded this expectation with a saving of £296k being achieved.

VfM Activity in 2016/17

In 2016/17 BCT activities are continuing to realise VfM gains. 2 key activities to highlight are:

Activity	VfM Gain
Ceasing of the furniture service from end April 2017	£97k annual cost saving through reduced irrecoverable VAT, administration and income collection costs.
Completion of a conversion of non-residential buildings into 10 new housing units	£49k additional annual income from rent and service charges.

BCT's full VfM statement includes further detailed information on the following:

- BCT arrangements to meet the VfM standard
- Return on assets
- Cost comparisons
- VfM gains achieved
- VfM gains to be made
- VfM strategy – VfM development action plan

Byker Community Trust Efficiency Savings Log			
On Stream Year	Description	Estimated One Off Saving £000s	Estimated Annual Saving £000s
2012/13	Savings on years 1 to 15 capital investment programme via VAT Shelter arrangement	6,472	
2012/13	Fixing of interest rates for current loan facility secured savings against original estimate of loan interest	706	
2012/13	Interest earnings in excess of budget	12	
2012/13	Renegotiation of Street Wardens contract		60
2012/13	Securing Community Covenant grant funding for Avondale House Refurbishment	250	
2012/13	Tender saving against budget on Avondale House contract	134	
2012/13	Revenue expenditure outturn under budget	359	
2012/13	VAT savings years 1 to 5 through agreement of partial recovery special method calculation	68	
2012/13	Securing NCC grant funding towards Stilt Block improvement works	33	
2012/13	Access to Newcastle City Council negotiated discount rates for communal electricity supplies		2
2012/13	Access to Newcastle City Council negotiated discount rates for gas supplies		21
2013/14	YHN contract prices frozen at 2012/13 rates		90
2013/14	NCC contract prices frozen at 2012/13 rates		8
2013/14	Tender saving against budget on Modern Homes Omit contract	10	
2013/14	Tender saving against budget on Byker Wall contract	227	
2013/14	Additional revenue income streams through installation of Biomass boiler		199
2013/14	Negotiation of reduction in employers pension contributions (from 27.5% to 16.2%)		27
2013/14	Interest earnings in excess of budget		44
2013/14	Securing YHN funding contribution towards Byker Wall upgrade	65	
2013/14	Securing YHN contribution towards Stilt Block improvement works	25	
2013/14	Securing reduction on investment programme fees against budget	482	
2013/14	Securing 12% reduction on asbestos removal monitoring fees against original price quoted	19	
2013/14	Securing reduction in Concierge Upgrade contract against original price quoted	400	
2013/14	Securing nil fee on Concierge Upgrade contract	32	
2013/14	Securing VAT reduction through transfer of employees from YHN to BCT		60

On Stream Year	Description	Estimated One Off Saving £000s	Estimated Annual Saving £000s
2013/14	Accessing HMRC Small Employers Allowance Scheme		2
2014/15	Securing lower interest rate than budgeted for prudential borrowing for District Heating Upgrade	885	
2014/15	Securing NCC grant funding towards Chirton House redevelopment	480	
2014/15	Securing further reduction in employers pension contributions (from 16.2% to 14.9%)		3
2014/15	Securing free banking services		1
2014/15	Securing HCA grant funding towards Hobby Rooms feasibility study	25	
2014/15	Increasing interest earnings from automatic sweep of current account balance to deposit account		2
2014/15	Negotiated reduction in arrangement fee for extended loan facility	50	
2014/15	Revenue expenditure outturn under budget	808	
2015/16	Effect of lower rent increases than originally planned from 2015/16 as per new rent setting rules	160	2
2015/16	Net saving on Housing Management Contract for final year of current contract	6	
2015/16	Saving on finance charges through securing reduction in margin from 2.75% to 1.9% on extended loan facility	3,561	
2015/16	Fixing of interest rates for current loan facility secured savings against original estimate of loan interest	3,877	
2015/16	No cost of living rise allocated to BCT staff		8
2015/16	Loan interest savings through early repayment of Bolam Coyne prudential borrowing loan	411	
2015/16	Feed in tariff income and own use savings from installation of PV panels on Byker Wall roof		6
2015/16	Revenue expenditure under budget	1,425	
2016/17	Effect of 1% rent reduction requirement for 4 years	2,770	
2016/17	Cost savings from new service delivery arrangements		500
2016/17	No increase of District Heating service charges since BCT commenced in July 2012	197	
2016/17	Securing HCA grant funding towards Hobby Rooms conversion to residential units scheme	250	
2016/17	Savings in new ICT infrastructure setup through partnering arrangement as against stand alone setup	205	
2016/17	Negotiated time limited free subscriptions to 2 advice and support services	1	
	Total	**24,405**	**1,035**

Public Benefit Entity

As a public benefit entity, Byker Community Trust Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

Information for Auditors

The Board Members who held office at the date of approval of this board report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware; and each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Statement of Compliance

The board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2014 SORP for Registered Social Housing Providers.

By Order of the Board:

Signed:

Date: 19 Sep 2017

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the Income and Expenditure for the period of account.

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

By Order of the Board:

Signed: **Date:** 19 July 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BYKER COMMUNITY TRUST LIMITED

We have audited the financial statements of Byker Community Trust Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position Statement of Changes in Reserves, and Statement of Cash Flows 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

As explained more fully in the Statement of Board's Responsibilities set out on page 14, the Board is responsible for the preparation of the financial statements which 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

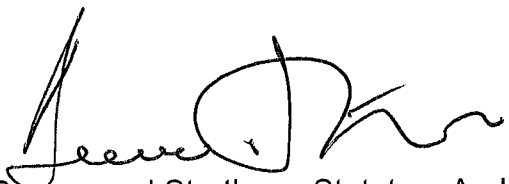
In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2017 and of its income and expenditure for the year then ended; and
- 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.

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 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Society has not kept proper accounting records;
- 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.



Beever and Struthers, Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date.....25 July..... 2017

BYKER COMMUNITY TRUST LIMITED
STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Turnover	2,3	9,801,611	9,971,041
Operating expenditure	2,3	(8,434,082)	(7,398,999)
Operating surplus		**1,367,529**	**2,572,042**
Gain on disposal of property, plant and equipment (fixed assets)	6	82,690	184,070
Interest receivable	7	41,608	87,615
Interest payable and financing costs	7	(286,022)	(223,897)
Surplus for the year	8	**1,205,805**	**2,619,830**
Actuarial (loss)/gain in respect of pension schemes		(196,000)	34,000
Total comprehensive income for the year		**1,009,805**	**2,653,830**

The results relate wholly to continuing activities. The notes on pages 21 to 42 form an integral part of these accounts.

BYKER COMMUNITY TRUST LIMITED
STATEMENT OF FINANCIAL POSITION

	Notes	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Fixed assets			
Tangible fixed assets	12	**14,209,967**	**13,765,926**
Debtors due after more than one year	13	**65,386,391**	**66,377,462**
Current assets			
Trade and other debtors	13	4,628,762	4,541,346
Investments	14	152,466	151,649
Cash and cash equivalents	15	4,135,316	3,006,795
Total current assets		**8,916,544**	**7,699,790**
Less: Creditors: amounts falling due within one year	16	(6,026,715)	(7,729,426)
Net current assets/(liabilities)		**2,889,829**	**(29,636)**
Total assets less current liabilities		**82,486,187**	**80,113,752**
Creditors: amounts falling due after more than one year	17(a)	(71,884,391)	(70,743,764)
Provisions for liabilities			
Pension provision	11 & 19	(364,000)	(142,000)
Total net assets		**10,237,796**	**9,227,988**
Reserves			
Non-equity share capital	20	32	29
Income and expenditure reserve		10,237,764	9,227,959
Total reserves		**10,237,796**	**9,227,988**

The financial statements on pages 17 to 42 were approved and authorised for issue by the Board on 19 July 2017 and were signed on its behalf by:

Board Member: ..... **Board Member:** Carolan D Bell ..... **Secretary:** Philip Anderson .....

The notes on pages 21 to 42 form and integral part of these accounts.

BYKER COMMUNITY TRUST LIMITED
STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve £	Non-equity share capital £	Total £
Balance at 31 March 2015	6,574,129	29	6,574,158
Surplus from Statement of Comprehensive Income	2,653,830	-	2,653,830
Balance at 31 March 2016	**9,227,959**	**29**	**9,227,988**
Surplus from Statement of Comprehensive Income	1,009,805	-	1,009,805
Non-equity share capital issued	-	3	3
Balance at 31 March 2017	**10,237,764**	**32**	**10,237,796**

The notes on pages 21 to 42 form an integral part of these accounts.

BYKER COMMUNITY TRUST LIMITED
STATEMENT OF CASH FLOWS

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Net cash generated from operating activities (see Note i)	(396,399)	(4,173,698)
Cash flow from investing activities		
Purchase of tangible fixed assets	(625,039)	(4,786,087)
Grants received	312,500	-
Proceeds from sale of tangible fixed assets	82,690	184,070
Interest received	41,608	87,615
Investments at valuation	(817)	(1,069)
Cash flow from financing activities		
New secured loans	2,000,000	-
Repayment of borrowings	-	(620,187)
Interest paid	(286,022)	(223,897)
Net change in cash and cash equivalents	**1,128,521**	**(9,533,253)**
Cash and cash equivalents at beginning of the year	3,006,795	12,540,048
Cash and cash equivalents at end of the year	**4,135,316**	**3,006,795**

Note i	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Cash flow from operating activities		
Surplus for the year	1,205,805	2,619,830
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	180,998	157,666
Decrease in trade and other debtors	903,655	3,794,117
Decrease in trade and other creditors	(2,674,584)	(10,720,523)
Pension costs less contributions payable	26,000	23,000
Non-equity shares issued	3	-
Adjustments for investing or financing activities:		
Gain on sale of tangible fixed assets	(82,690)	(184,070)
Government grants utilised in the year	(200,000)	-
Interest and financing costs	286,022	223,897
Interest received	(41,608)	(87,615)
Net cash generated from operating activities	**(396,399)**	**(4,173,698)**

The notes on pages 21 to 42 form an integral part of these accounts.

Legal Status

Byker Community Trust Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Private Registered Provider of Social Housing. The registered office is 17 Raby Cross, Byker, Newcastle upon Tyne NE6 2FF.

1. Principal Accounting Policies

Basis of accounting

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

As a public benefit entity, Byker Community Trust Limited has applied the public benefit entity 'PBE' prefixed paragraphs of Financial Reporting Standard 102 (FRS 102).

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. Government's announcements in July 2015 impacting on the future income of the Trust have led to a reassessment of the Trust's business plan as well as an assessment of imminent or likely future breach in borrowing covenants. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Critical Accounting judgements and key sources of estimation uncertainty

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

Categorisation of housing properties

The Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals. The Trust has determined that all assets are held for social benefit.

1. Principal Accounting Policies (continued)

Other key sources of estimation and assumptions:

Tangible fixed assets

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

Pension benefits

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. The valuations are carried out by the pension fund actuary. Further details are given in note 11.

Impairment of non-financial assets

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties whose cash income can be separately identified.

Following a trigger for impairment, the Trust performs impairment tests based on fair value less costs to sell or a value in use calculation. There has been no impairment trigger during the year ended 31 March 2017, and therefore no impairment review has been undertaken.

1. Principal Accounting Policies (continued)

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grant from local authorities and the Homes and Communities Agency and other income. Turnover is recognised in relation to the period when the goods or services have been supplied.

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

Service charges

Service charge income and costs are recognised on an accruals basis. The Trust operates both fixed and variable service charges in full consultation with residents. The variable service charges are only in respect of leaseholders.

Loan interest costs

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

Loan finance issue costs

Loan finance issue costs are expensed.

Taxation

No corporation tax is payable in the surpluses of charitable activities of the Trust as it has charitable status recognition from Her Majesty's Revenue and Customs (HMRC). The Trust has not carried out any non-charitable activities which may attract taxation charges.

Value Added Tax

The Trust charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Trust and not recoverable.

1. Principal Accounting Policies (continued)

Tangible fixed assets and depreciation

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

Housing property

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

Freehold land is not depreciated.

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

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

UELs for identified components are as follows:

Component	Years	Component	Years
Bathroom	25	Kitchen	20
Central heating & boilers	20	Mechanicals	30
Disabled adaptations: stairlifts & showers	10	Passenger lift & door entry / alarms	20
Electricals	25	Roof	30-40
Fabric	30	Solar panels & environmental	20-25
Fencing – timber	10	Windows & external doors	10-30
Flooring	10		

As part of the Housing Stock transfer, Newcastle City Council (NCC) has made a commitment to BCT to have the properties refurbished and modernised and brought into a good state of repair. Immediately prior to transfer, NCC contracted with BCT to carry out the refurbishment works on its behalf. NCC's obligation to carry out the works is in effect matched by BCT's obligations to bring the properties into a good state of repair. These works are deemed to increase the net rental income stream and are capitalised.

Other fixed assets

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Leasehold improvements	5
IT infrastructure	5

1. Principal Accounting Policies (continued)

Property managed by agents

Where the Trust carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Trust.

In both cases, the assets and associated liabilities are included in the Trust's Statement of Financial Position.

Current asset investments

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

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Long term debtors and creditors

As part of the Housing Stock transfer, NCC has made a commitment to BCT to have the properties refurbished and modernised and brought into a good state of repair. Immediately prior to transfer, NCC contracted with BCT to carry out the refurbishment works on its behalf. NCC's obligation to carry out the works is in effect matched by BCT's obligations to bring the properties into a good state of repair.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

1. Principal Accounting Policies (continued)

Social housing and other government grants

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

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

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

Recycling of Capital Grant

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

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Agreements to improve existing properties

Where the Trust has entered into agreements to purchase property from a third party and subsequently enters into a sub-contracting agreement to carry out improvement works to the properties, the related assets and liabilities are shown at gross values unless the right of net settlement exists.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the Trust has a participating interest.

1. Principal Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Financial instruments held by the Trust are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

2. Turnover, cost of sales, operating expenditure and operating surplus

		2017	
	Turnover £	Operating expenditure £	Operating surplus £
Total (social housing lettings note 3)	9,801,611	(8,434,082)	1,367,529
		2016	
Total (social housing lettings note 3)	9,971,041	(7,398,999)	2,572,042

3. Turnover and operating expenditure

	General Needs 2017 £	Total 2017 £	Total (General needs) 2016 £
Income			
Rent receivable net of identifiable service charges and net of voids	6,934,886	6,934,886	6,924,238
Service charge income	2,656,994	2,656,994	2,862,330
Other grants	200,000	200,000	107,091
Other income from Social Housing Lettings	9,731	9,731	77,382
Total turnover from Social Housing Lettings	**9,801,611**	**9,801,611**	**9,971,041**
Operating expenditure			
Management	(2,208,828)	(2,208,828)	(2,174,171)
Service charge costs	(2,648,127)	(2,648,127)	(2,591,239)
Routine maintenance	(1,483,899)	(1,483,899)	(1,682,487)
Planned maintenance	(99,893)	(99,893)	(38,233)
Major repairs	(787,537)	(787,537)	(313,674)
Bad debts	(540,210)	(540,210)	(196,445)
Depreciation of Housing Properties	(180,998)	(180,998)	(157,666)
Other costs	(81,140)	(81,140)	(245,084)
One off cost of service transition	(247,317)	(247,317)	-
Settlement fee*	(156,133)	(156,133)	-
Total operating expenditure on Social Housing Lettings	**(8,434,082)**	**(8,434,082)**	**(7,398,999)**
Operating Surplus on Social Housing Lettings	**1,367,529**	**1,367,529**	**2,572,042**
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	**(156,187)**	**(156,187)**	**(109,451)**

* The settlement fee is a settlement with the furniture pack provider to terminate provision of this service.

4. Accommodation owned, managed and in development

	2017 No. of properties		Restated* 2016 No. of properties	
	Owned	Managed	Owned	Managed
Social Housing (general needs)				
At start of year	1,818	1,783	1,805	1,770
Properties acquired	-	-	2	2
Properties developed	-	-	16	16
Properties sold	(3)	(3)	(5)	(5)
At end of year	**1,815**	**1,780**	**1,818**	**1,783**

5. Accommodation managed by others

The Trust owns property managed by other bodies.

	2017 No. of properties	Restated* 2016 No. of properties
Supported housing and housing for older people	35	35

* 2016 comparatives restated for an overstatement of eight properties within accommodation managed by others.

6. Gain on disposal of property, plant and equipment (fixed assets)

	Others 2017 £	Total 2017 £	Total 2016 £
Proceeds of sales	82,690	82,690	184,070
Less: cost of sales	-	-	-
Surplus	**82,690**	**82,690**	**184,070**

7. Net interest

	2017 £	2016 £
Interest receivable and similar income		
On financial assets measured at amortised cost:		
Interest receivable from short term deposits	40,791	86,553
Interest on fixed asset investments	817	1,062
	41,608	**87,615**

	2017 £	2016 £
Interest payable and financing costs		
On financial liabilities measured at amortised cost:		
On loans repayable within five years	-	52,198
On loans wholly or partly repayable in more than five years	282,022	167,699
	282,022	219,897
On defined benefit pension scheme		
Expected return on plan assets (note 11)	(28,000)	(21,000)
Interest on scheme liabilities (note 11)	32,000	25,000
	286,022	**223,897**

8. Surplus on ordinary activities

	2017 £	2016 £
The operating surplus is stated after charging/(crediting):-		
Auditors remuneration (excluding VAT) – audit of the financial statements	16,885	11,440
Depreciation of housing properties	180,998	157,666
Operating lease rentals - leasehold buildings	2,000	2,000
Surplus on sale of other fixed assets	(82,690)	(184,070)

9. Key management personnel remuneration

	2017 £	2016 £
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors*	5,000	5,000
The aggregate emoluments paid to or receivable by executive Directors and former executive directors	314,430	212,605
The emoluments paid to the highest paid Director excluding pension contributions	81,248	78,500
The aggregate amount of Directors or past Directors pensions, excluding amounts payable under a properly funded pension scheme	40,726	31,678

	2017 £	2016 £
Total key management personnel remuneration	319,430	217,605

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the PRP of £12,094 (2016: £11,696) was paid in addition to the personal contributions of the Chief Executive.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other executive director.

* The aggregate emoluments paid to or receivable by non-executive Directors were all paid to or receivable by Jim Coulter. In addition, aggregate expenses paid to or receivable by non-executive Directors of £42 (2016: £665) were paid to or receivable by Annette Patten.

10. Employee information

	2017 No.	2016 No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Office staff	15.43	8.44
	£	**£**
Staff costs:		
Wages and salaries	530,191	305,844
Social Security costs	55,168	26,669
Other pension costs	93,111	38,532
Total staff costs	**678,470**	**371,045**

	2017 No.	2016 No.
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:		
£60,000 - £70,000	1	-
£90,000 - £100,000	1	1

11. Pension obligations

Byker Community trust participates in the Tyne & Wear Pension Fund (TWPF), which is part of the Local Government Pension Scheme (LGPS). The TWPF is administered by South Tyneside Metropolitan Council. This is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by South Tyneside Metropolitan Borough Council. The total contributions made for the year ended 31 March 2017 were £71,805 (2016: £59,837), of which employer's contributions totalled £45,439 (2016: £38,532) and employees' contributions totalled £26,366 (2016: £21,305). The agreed contribution rates for future years beginning from 1 April 2017 are 19.6% for employers and range from 6.5% to 9.9% for employees, depending on salary.

11. Pension obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 March 2017 by a qualified independent actuary.

	At 31 March 2017	At 31 March 2016
Rate of increase in salaries	3.5%	3.4%
Rate of increase for pensions in payment / inflation	2.0%	1.9%
Discount rate for scheme liabilities	2.5%	3.5%
Inflation assumption (CPI)	2.0%	1.9%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2017 Years	At 31 March 2016 Years
Retiring today		
Males	22.8	23.2
Females	26.3	24.8
Retiring in 20 years		
Males	25.0	25.3
Females	28.6	27.1

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income for the year ended 31 March 2017

	2017 £	2016 £
Employer service cost (net of employee contributions)	67,000	57,000
Past service cost	-	-
Total operating charge	**67,000**	**57,000**
Analysis of pension finance costs		
Interest on pension liabilities	4,000	4,000
Total amounts charged to financing costs	**4,000**	**4,000**
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gains/(losses) on pension scheme assets	146,000	(10,000)
Actuarial (losses)/gains on scheme liabilities	(342,000)	44,000
Total actuarial (loss)/gain recognised	**(196,000)**	**34,000**

11. Pension obligations (continued)

Movement in deficit during year

	2017	2016
	£	£
Deficit in scheme at 1 April 2016	142,000	153,000
Movement in year:		
Employer service cost (net of employee contributions)	67,000	57,000
Employer contributions	(45,000)	(38,000)
Past service cost	-	-
Net interest/return on assets	4,000	4,000
Remeasurements	196,000	(34,000)
Deficit in scheme at 31 March 2017	**364,000**	**142,000**

Asset and Liability Reconciliation

	2017	2016
	£	£
Reconciliation of liabilities		
Liabilities at start of period	817,000	759,000
Service cost	67,000	57,000
Interest cost	32,000	25,000
Employee contributions	26,000	21,000
Remeasurements	342,000	(44,000)
Benefits paid	196,000	(1,000)
Liabilities at end of period	**1,480,000**	**817,000**
Reconciliation of assets		
Assets at start of period	675,000	606,000
Return on plan assets	28,000	21,000
Remeasurements	146,000	(10,000)
Employer contributions	45,000	38,000
Employee contributions	26,000	21,000
Benefits paid	196,000	(1,000)
Assets at end of period	**1,116,000**	**675,000**
Actual return on plan scheme assets	**174,000**	**11,000**

12. Tangible fixed assets

	Housing Properties			Other fixed assets		
	Social Housing Properties for letting completed £	Social Housing Properties for letting under construction £	Total Housing Properties £	Leasehold improvements £	IT infrastructure £	Total fixed assets £
Cost						
At start of the year	4,135,171	9,984,854	14,120,025	-	-	14,120,025
Additions to existing properties	-	367,083	367,083	98,871	159,085	625,039
Transfer between categories	10,215,975	(10,215,975)	-	-	-	-
At end of the year	**14,351,146**	**135,962**	**14,487,108**	**98,871**	**159,085**	**14,745,064**
Depreciation and impairment						
At start of the year	(354,099)	-	(354,099)	-	-	(354,099)
Charge for the year	(180,998)	-	(180,998)	-	-	(180,998)
At end of the year	**(535,097)**	**-**	**(535,097)**	**-**	**-**	**(535,097)**
Net book value at the end of the year	**13,816,049**	**135,962**	**13,952,011**	**98,871**	**159,085**	**14,209,967**
Net book value at the start of the year	**3,781,072**	**9,984,854**	**13,765,926**	**-**	**-**	**13,765,926**

12. Tangible fixed assets (continued)

Housing Properties comprise:	2017 £	2016 £
Freeholds	**13,952,011**	**13,765,926**

	2017 £	2016 £
Works to existing properties in the year:		
Components capitalised	367,083	4,490,278
Improvement works capitalised	-	231,994
Planned maintenance	99,893	38,233
Major repairs	787,537	313,674
	1,254,513	**5,074,179**

13. Trade and other debtors

	2017 £	2016 £
Rent arrears	952,321	1,255,337
Less: provision for bad debts	(566,183)	(563,014)
Other debtors	183,190	343,862
Prepayment and accrued income	59,253	55,550
Obligation under Development Agreement	4,000,181	3,449,611
Debtors due within one year	**4,628,762**	**4,541,346**

	2017 £	2016 £
Amounts falling due after more than one year		
Other debtors	94,500	94,500
Obligation under Development Agreement	65,291,891	66,282,962
Debtors due after more than one year	**65,386,391**	**66,377,462**

14. Investments

	2017	2016
	£	£
Investments at valuation	152,466	151,649
Investments	**152,466**	**151,649**

Investments at valuation comprise cash and cash equivalents invested for periods of more than 24 hours.

15. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank	4,135,316	3,006,795
Total cash and cash equivalents	**4,135,316**	**3,006,795**

16. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	393,841	4,222,923
Other creditors	28,540	-
Accruals	1,517,308	-
Rents and service charges paid in advance	86,845	56,892
Obligation under Development Agreement	4,000,181	3,449,611
Total creditors: amounts falling due within one year	**6,026,715**	**7,729,426**

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

	2017	2016
	£	£
Loans (note 17b)	6,000,000	3,980,802
Deferred capital grant (note 18)	592,500	480,000
Obligation under Development Agreement	65,291,891	66,282,962
Total creditors: amounts falling due after more than one year	**71,884,391**	**70,743,764**

17(b). Debt analysis

	2017 £	2016 £
Loans not repayable by instalments:		
In five years or more	6,000,000	3,980,802
Total loans	**6,000,000**	**3,980,802**

Loans are secured by specific charges on the Trust's individual housing properties. The interest on the loans is payable quarterly. The interest rate was fixed at an average rate of 3.90% during the year ended 31 March 2017, and is fixed at 3.66% from 1 April 2017 to 9 January 2025 for the first £10m loan drawdown.

The loans are due to be repaid on 9 January 2025.

The interest rate profile of the Trust at 31 March 2017 was:

	Total £	Fixed rate £	Weighted average rate %	Weighted average term Years
Non-instalment loans	6,000,000	6,000,000	3.90	7.78

The interest rate profile of the Trust at 31 March 2016 was:

	Total £	Fixed rate £	Weighted average rate %	Weighted average term Years
Non-instalment loans	3,980,802	3,980,802	3.84	8.78

At 31 March 2017 the Trust has the following borrowing facilities:

	£
Undrawn committed facilities	4,000,000
Undrawn facilities	16,000,000

At 31 March 2016 the Trust has the following borrowing facilities:

	£
Undrawn committed facilities	2,000,000
Undrawn facilities	20,000,000

18. Deferred capital grant

	2017	2016
	£	£
At start of the year	480,000	505,200
Grant received in the year	112,500	-
Cleared to reserves in the year	-	-
Released to income in the year	-	(25,200)
At the end of the year	**592,500**	**480,000**

	£	£
Amount due to be released < 1 year	-	-
Amount due to be released > 1 year	592,500	480,000
Total	**592,500**	**480,000**

19. Provision for liabilities and charges

	Pension
	£
At the start of the year	(142,000)
Re-measurement changes	(196,000)
Difference between contributions payable and pension costs	(26,000)
At the end of the year	**(364,000)**

20. Non-equity share capital

	2017	2016
	No.	No.
Allotted Issued and Fully Paid		
At the start of the year	29	29
Issued during the year	3	1
Redeemed during the year	-	(1)
At the end of the year	**32**	**29**

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

21. Capital commitments

	2017 £	2016 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	1,108,186	1,907,947
Capital expenditure that has been authorised by the Board but has not yet been contracted for	2,225,299	5,650,921
Total	**3,333,485**	**7,558,868**
The Trust expects these commitments to be contracted within the next year and to be financed with:		
Capital grants and contributions	144,513	-
Committed loan facilities	3,188,972	7,558,868
Total	**3,333,485**	**7,558,868**

22. Operating lease commitments

The Trust holds property under a non-cancellable operating lease. At the end of the year the Trust had commitments of future minimum lease payments as follows:

	2017 £	2016 £
Leasehold buildings:		
Within one year	2,000	2,000
In the second to fifth years inclusive	5,000	7,000
	7,000	**9,000**

23. Grant and financial assistance

	Social Housing grant £	Other grants £	2017 £
The total accumulated government grant and financial assistance received or receivable at 31 March 2017:			
Held as deferred capital grant	112,500	480,000	592,500
Recognised as income in statement of Comprehensive Income	25,200	200,000	225,200

	Social Housing grant £	Other grants £	2016 £
The total accumulated government grant and financial assistance received or receivable at 31 March 2016:			
Held as deferred capital grant	-	480,000	480,000
Recognised as income in statement of Comprehensive Income	25,200	-	25,200

24. Related parties

The following are related parties:

- The Board has tenant members who hold tenancy agreements on normal terms and cannot use their position to their advantage. Rent charged to the Tenant Board members was £21,041 (2016: £32,722). There are arrears on Tenant Board member tenancies at the reporting period end of £662 (2016: £616) in respect of one Tenant Board member.
- Transactions with key management personnel and their close family (see note 9).

Related party balances are not secured.

25. Financial instruments

	2017 £	2016 £
Financial assets measured at fair value through profit or loss:		
Financial assets that are debt instruments measure at amortised cost:		
Cash at bank and in hand	4,135,316	3,006,795
Trade debtors	386,138	692,323
Other debtors	277,690	438,362
Prepayments and accrued income	59,253	55,550
Investments	152,466	151,649
	5,010,863	4,344,679
Financial liabilities measured at amortised cost:		
Loans	6,000,000	3,980,802
Trade creditors	480,686	4,279,815
Other creditors	28,540	-
Accruals	1,517,308	-
Deferred capital grant fund	592,500	480,000
	8,619,034	8,740,617