

Company registration number IP28490R (England and Wales)

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

COMPANY INFORMATION

Committee members	K Spilsbury (Chair) A James (Vice Chair) R Hurd (Treasurer) D Lewis (Vice Treasurer) M Brookes S Day K Spilsbury D Newton
Secretary	D Newton
Company number	IP28490R
Registered office	14 Kempthorne Avenue Low Hill Wolverhampton WV10 9JG
Auditor	Jerroms GCN Limited West Point, Second Floor Mucklow Office Park Mucklow Hill Halesowen B62 8DY
Bankers	HSBC UK Bank plc PO Box 33 9 Queen Square Wolverhampton West Midlands WV1 1TE

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

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BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

MANAGEMENT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The association's principal activity during the year was the provision and associated management services of dwelling let exclusively to members of the association, through allowances received from Wolverhampton City Council and is registered under the Co-operative and Community Benefit Societies Act 2014.

Other grants have been received to fund specific projects as detailed in the income and expenditure account. Certain cost saving procedures have been implemented during the year that although mean an increased deficit this year, will ultimately result in future cost savings.

Committee of management

The committee of management are detailed on the Organisation's information page, being elected by the shareholders annually.

K Spilsbury (Chair)

A James (Vice Chair)

R Hurd (Treasurer)

D Lewis (Vice Treasurer)

M Brookes

R Moore

(Resigned 2 November 2022)

S Day

K Spilsbury

D Newton

Auditor

In accordance with the company's articles, a resolution proposing that Jerroms GCN Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

The members of the committee of management who held office at the date of approval of this annual report confirm that:

- So far as they are aware, there is no relevant audit information needed by the organisation's auditors in connection with preparing their report, that they have not been made aware of.
- They have taken all the steps that they ought to have taken as committee members in order to make themselves aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

MANAGEMENT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2023

By order of the board

D Newton
Secretary

29 August 2023

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

MANAGEMENT COMMITTEE'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The committee of management are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the committee to prepare financial statements for each financial year. Under that law the committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the committee must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The committee are responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the rules set out in the Co-operative and Community Benefit Societies Act 2014. The committee are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

Opinion

We have audited the financial statements of Bushbury Hill Estate Management Board Limited (the 'organisation') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the committee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the committee's report has been prepared in accordance with applicable legal requirements.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the organisation and its environment obtained in the course of the audit, we have not identified material misstatements in the committee's report. We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of committee' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing committee's report and from the requirement to prepare a strategic report.

Responsibilities of the committee

As explained more fully in committee's responsibilities statement, the committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the committee are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and
- Assessment of identified fraud risk factors; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash and payroll; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Co-operative's members, as a body, in accordance with Section 87 of the Cooperative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Co-operative'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 Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Martin John Bradley FCCA
Senior Statutory Auditor
For and on behalf of Jerroms GCN Limited

Date:

Chartered Certified Accountants
Statutory Auditor

West Point, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
B62 8DY

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover		1,881,473	1,830,353
Repairs and maintenance		(1,280,208)	(1,351,218)
Gross profit		601,265	479,135
Management and supervision		(470,856)	(479,769)
Administrative expenses		(243,382)	(143,770)
Rental income		12,569	13,733
Fraudulent transactions		85,721	(70,450)
Operating loss		(14,683)	(201,121)
Finance costs re pension scheme		(25,000)	78,000
Net grant income - restricted		(40,245)	(12,851)
Loss before taxation		(79,928)	(135,972)
Tax on loss	5	(4,918)	(9,212)
Loss for the financial year		(84,846)	(145,184)
Other comprehensive income			
Actuarial gain on defined benefit pension schemes		967,000	277,654
Tax relating to other comprehensive income		(33,345)	-
Total comprehensive income for the year		848,809	132,470

The income statement has been prepared on the basis that all operations are continuing operations.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		175,383		197,633
Investment property	7		295,000		274,000
			<u>470,383</u>		<u>471,633</u>
Current assets					
Debtors	8	65,201		56,900	
Cash at bank and in hand		3,109,903		3,029,698	
		<u>3,175,104</u>		<u>3,086,598</u>	
Creditors: amounts falling due within one year	9	(916,276)		(842,005)	
Net current assets			<u>2,258,828</u>		<u>2,244,593</u>
Total assets less current liabilities			<u>2,729,211</u>		<u>2,716,226</u>
Provisions for liabilities			<u>(33,345)</u>		<u>(21,352)</u>
Net assets excluding pension surplus/(deficit)			<u>2,695,866</u>		<u>2,694,874</u>
Defined benefit pension surplus/(deficit)	10		<u>29,000</u>		<u>(860,000)</u>
Net assets			<u><u>2,724,866</u></u>		<u><u>1,834,874</u></u>
Capital and reserves					
Called up share capital	11		88		88
Fair value reserve	12		100,036		112,381
Pension fund reserve			29,000		-
Other reserves			142,064		138,326
Profit and loss reserves			<u>2,453,678</u>		<u>1,584,079</u>
Total equity			<u><u>2,724,866</u></u>		<u><u>1,834,874</u></u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within the Co-operative and Community Benefit Societies Act 2014 and the FRS 102 Section 1A - smaller entities.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved by the board of directors and authorised for issue on 29 August 2023 and are signed on its behalf by:

K Spilsbury (Chair)
Director

R Hurd (Treasurer)
Director

D Newton
Director

Company Registration No. IP28490R

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Fair value reserve	Pension reserve	Restricted fund	Reserve fund	Cyclical maint. reserve	Profit and loss reserves	Total
	£	£	£	£	£	£	£	£
Balance at 1 April 2021	88	80,381	-	47,716	50,000	21,670	1,470,549	1,670,404
Year ended 31 March 2022:								
Surplus/(deficit) for the year	-	-	-	-	-	-	(145,184)	(145,184)
Other comprehensive income:								
Actuarial gains on defined benefit plans	-	-	-	-	-	-	277,654	277,654
Total comprehensive income for the year	-	-	-	-	-	-	132,470	132,470
Transfers	-	-	-	-	-	31,792	(31,792)	-
Revaluation in the period	-	32,000	-	-	-	-	-	32,000
Other movements	-	-	-	(12,852)	-	-	12,852	-
Balance at 31 March 2022	88	112,381	-	34,864	50,000	53,462	1,584,079	1,834,874

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Fair value reserve	Pension reserve	Restricted fund	Reserve fund	Cyclical maint. reserve	Profit and loss reserves	Total
	£	£	£	£	£	£	£	£
Year ended 31 March 2023:								
Surplus/(deficit) for the year	-	-	-	-	-	-	(84,846)	(84,846)
Other comprehensive income:								
Actuarial gains on defined benefit plans	-	-	-	-	-	-	967,000	967,000
Tax relating to other comprehensive income	-	(33,345)	-	-	-	-	-	(33,345)
Total comprehensive income for the year	-	(33,345)	-	-	-	-	882,154	848,809
Pension fund movements			29,000				-	29,000
Transfers	11	-	-	-	-	43,983	(52,800)	(8,817)
Revaluation in the period	-	21,000	-	-	-	-	-	21,000
Other movements	-	-	-	(40,245)	-	-	40,245	-
Balance at 31 March 2023	88	100,036	29,000	(5,381)	50,000	97,445	2,453,678	2,724,866

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Bushbury Hill Estate Management Board Limited is a private company limited by shares incorporated in England and Wales. The registered office is 14 Kempthorne Avenue, Low Hill, Wolverhampton, WV10 9JG.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Management allowances are received on a quarterly basis from Wolverhampton City Council in respect of repairs and management. These are recognised net of VAT and on an accruals basis, ie when they fall due.

Income from Big Local Administration Fees represents 5% charge for administration of the Big Local Funding, net of VAT and recognised as it falls due.

Income from Headstart Management fees represent a set fee for administration of Headstart funding, net of VAT and recognised as it falls due.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	15% reducing balance method
Estate fixtures	10% straight line method
Office refurbishment	10% straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Employee benefits

Short-term employee benefits are recognised as an expense as they are incurred.

Post-employment defined contribution plans

Amounts in respect of defined contributions are recognised as an expense as they are incurred.

Termination benefits

Provision for determination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee or of a group of employees before their normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

1.12 Retirement benefits

Certain employees are members of the West Midlands Pension Fund (WMPF), a multi-employer defined benefit scheme.

FRS 102 requires an employer in such a scheme to identify its share of the pension scheme's assets and liabilities and account for these in the financial statements.

Bushbury Hill Estate Management Limited manages contributions to its pension fund in line with the WMPF valuation recommendations. Pension costs for all of the projects are fully budgeted for and Bushbury Hill Estate Management Limited receives an actuarial valuation on the WMPF scheme on a yearly basis. Issues around risk management of the pension fund are continually assessed through work with staff at WMPF and at Committee of Management's Meetings.

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.13 Funds

Reserve fund

The management agreement with Wolverhampton City Council requires that a reserve fund be set up to provide for future potential shortfalls of income from allowances when measured against the costs of fulfilling the organisation's responsibilities under the management agreement.

Fair value fund

The funds represents the uplift of the Investment Properties from their cost to estimated fair value.

Cyclical maintenance

The management agreement with Wolverhampton City Council requires that a cyclical maintenance fund be established to meet the costs of recurring maintenance work. It also places a financial obligation on the Co-operative to carry out certain cyclical maintenance work and includes an element, based on the likely cost of this work, within the annual allowances paid to the Co-operative.

Accordingly the Co-operative sets aside an amount, by way of reserve, each year which equates to the likely current value of the financial obligation it has to the Council at the year end.

The cyclical maintenance fund can only be utilised for cyclical maintenance as defined in the management agreement.

1.14 Holiday pay accrual

Provision is made at each balance sheet date for holidays accrued but not taken, to the extent that they may be carried forward, calculated at the salary of the relevant employee at that date.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Exceptional item

	2023	2022
	£	£
Expenditure		
Fraudulent transactions	(85,721)	70,450

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
	16	16
	<u>16</u>	<u>16</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	467,533	452,405
Social security costs	46,353	42,565
Pension costs	118,749	126,891
	<u>632,635</u>	<u>621,861</u>

5 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	4,918	3,132
	<u>4,918</u>	<u>3,132</u>
Deferred tax		
Origination and reversal of timing differences	-	6,080
	<u>-</u>	<u>6,080</u>
Total tax charge	<u>4,918</u>	<u>9,212</u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023	2022
	£	£
Deferred tax arising on:		
Revaluation of property	33,345	-
	<u>33,345</u>	<u>-</u>

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Tangible fixed assets

	Office equipment £	Estate fixtures £	Office refurbishment £	Total £
Cost				
At 1 April 2022	121,869	18,143	226,693	366,705
Additions	4,770	-	-	4,770
At 31 March 2023	<u>126,639</u>	<u>18,143</u>	<u>226,693</u>	<u>371,475</u>
Depreciation and impairment				
At 1 April 2022	94,700	18,143	56,229	169,072
Depreciation charged in the year	4,351	-	22,669	27,020
At 31 March 2023	<u>99,051</u>	<u>18,143</u>	<u>78,898</u>	<u>196,092</u>
Carrying amount				
At 31 March 2023	<u>27,588</u>	<u>-</u>	<u>147,795</u>	<u>175,383</u>
At 31 March 2022	<u>27,169</u>	<u>-</u>	<u>170,464</u>	<u>197,633</u>

7 Investment property

	2023 £
Fair value	
At 1 April 2022	274,000
Revaluations	21,000
At 31 March 2023	<u>295,000</u>

8 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	591	5
Other debtors	43,734	35,075
Prepayments and accrued income	20,876	21,820
	<u>65,201</u>	<u>56,900</u>

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	655,931	680,785
Corporation tax	4,918	3,133
Other taxation and social security	63,204	45,691
Other creditors	163,437	88,989
Accruals and deferred income	28,786	23,407
	<u>916,276</u>	<u>842,005</u>

10 Retirement benefit schemes

Defined benefit schemes

West Midlands Pension Fund (WMPF) (Group and Co-operative)

WMPF is a multi-employer defined benefit scheme and is administered by Wolverhampton City Council under the regulations governing the Local Government Pension Scheme (LGPS). The charge to the income and expenditure account for the period under FRS 102 represents the employer's contributions payable.

The figures are based on calculations used to determine the employer contribution rates and allow for estimated cashflows (e.g. contribution income, pension payments etc) and the Fund's return for the year ended 31 March 2022 (using relevant indices where necessary).

In line with the calculations undertaken to determine the employer contributions rates, an allowance was made for the notional transfer of assets to be equal to the liabilities as at the admission date, taking into account market yields at that time and using a basis of calculation similar to the 2021 actuarial valuation of the WMPF. The liabilities were then adjusted in line with FRS 102.

Other information

Contributions

The employer expects to make payments of £61,000 in the year 31 March 2024.

Note: Deferred taxation has been ignored.

	2023	2022
	%	%
<i>Key assumptions</i>		
Discount rate	4.75	2.75
Expected rate of increase of pensions in payment	2.95	3.15
Expected rate of salary increases	3.95	4.15
Inflation assumption (CPI 2023, CPI 2022)	2.95	3.15

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Retirement benefit schemes

(Continued)

<i>Mortality assumptions</i>	2023	2022
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.3	21.2
- Females	24.3	23.6
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	22.5	22.9
- Females	24.7	25.4
	<u> </u>	<u> </u>

Demographic assumptions

Life expectancy is based on the Fund's Vitacurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Life expectancies for the prior period end are based on the S3PA heavy tables (with a multiplier of 85% for males and 95% for females).

A commutation allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

<i>Amounts recognised in the income statement</i>	2023	2022
	£	£
Current service cost	116,000	123,000
Net interest on net defined benefit liability/(asset)	25,000	24,000
Other costs and income	60,000	(102,000)
	<u> </u>	<u> </u>
Total costs	201,000	45,000
	<u> </u>	<u> </u>

<i>Amounts taken to other comprehensive income</i>	2023	2022
	£	£
Actual return on scheme assets	(50,000)	(33,000)
Less: calculated interest element	50,000	33,000
	<u> </u>	<u> </u>
Return on scheme assets excluding interest income	-	-
Actuarial changes related to obligations	(996,000)	(279,000)
	<u> </u>	<u> </u>
Total costs/(income)	(996,000)	(279,000)
	<u> </u>	<u> </u>

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Retirement benefit schemes

(Continued)

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2023 £	2022 £
Present value of defined benefit obligations	1,860,000	2,660,000
Fair value of plan assets	(1,889,000)	(1,800,000)
(Surplus)/deficit in scheme	(29,000)	860,000

	2023 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2022	2,660,000
Current service cost	116,000
Benefits paid	(13,000)
Actuarial gains and losses	(996,000)
Interest cost	75,000
Other	18,000
At 31 March 2023	1,860,000

	2023 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2022	1,800,000
Interest income	50,000
Benefits paid	(13,000)
Contributions by the employer	63,000
Other	(11,000)
At 31 March 2023	1,889,000

	2023 £	2022 £
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	1,285,000	1,206,000
Property	132,000	126,000
Other bonds	416,000	396,000
Cash/liquidity	56,000	72,000
	1,889,000	1,800,000

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Called up share capital

	2023	2022	2023	2022
Ordinary share capital Issued and fully paid	Number	Number	£	£
Members shares of 10p each	886	886	88	88

The society had 886 members at 31 March 2022 and at 31 March 2023.

Each member shall hold one share only in the association and, as a consequence, be entitled to a single vote. The shares are neither withdrawable or transferable, carry no rights of interest, dividend nor bonus, and are forfeited and cancelled on cessation of membership.

12 Reserves

General surplus	Relates to surpluses made since the organisation became independent
Reserve fund	The EMB set up a reserve fund to meet the following potential liabilities: a) Anticipated costs in future years resulting from under spending on repairs and services b) Known commitments to future work c) A contingency against costs arising from unforeseen circumstances
Cyclical maintenance reserve	Amounts set aside which equate to the likely current value of the financial obligation it has to the Council in respect of cyclical maintenance work
Restricted fund	This represents funds not yet spent from grants received on behalf of the Big Local and Headstart as the locally trusted organisation Following a change in accounting policy any unspent grant is shown as deferred income in creditors as any unspent grant is repayable
Fair value reserve	Represents the uplift of the Investment Properties from their cost to estimated fair value

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Income				
Allowance from Wolverhampton City Council		1,780,001		1,720,000
The Wrekin Housing Trust		35,366		45,737
Big Local administration fee		4,013		4,354
Headstart management fee		4,231		12,667
Smart Meter project income		-		13,049
Community centre income		1,200		-
Fencing income received - (ring-fenced)		43,983		31,792
Bank interest		12,679		2,649
Interest received on loans		-		105
		<u>1,881,473</u>		<u>1,830,353</u>
Repairs and maintenance				
General repairs and maintenance	413,951		374,569	
Planned maintenance	121,180		150,752	
Planned fencing program	380,000		488,000	
Void management expenses	138,751		136,194	
Redecoration grants	11,104		4,668	
Estate security	4,149		14,980	
Property management salaries	168,724		151,904	
Social security costs	19,404		15,601	
Property management pensions	22,945		14,550	
		<u>(1,280,208)</u>		<u>(1,351,218)</u>
Gross profit		601,265		479,135
Other operating income				
Rent received	14,280		13,743	
General repairs	(1,711)		(10)	
		<u>12,569</u>		<u>13,733</u>
Management and supervision costs				
Wages and salaries	283,732		284,401	
Social security costs	26,949		26,964	
Temporary staff	8,520		3,870	
Health and safety	2,464		1,446	
Trivial benefits	658		711	
Staff pension costs defined benefit (allocation)	95,804		112,341	
Reward and recognition	5,734		10,076	
Recruitment	823		2,154	
Rent	4,500		4,500	
Water rates	892		684	
Power, light and heat	4,399		5,103	
Insurance	14,042		10,692	
Repairs	8,753		3,093	
Building security	3,066		3,971	
Cleaning	10,520		9,763	
		<u>(470,856)</u>		<u>(479,769)</u>

BUSHBURY HILL ESTATE MANAGEMENT BOARD LIMITED

DETAILED INCOME STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
General expenses				
Training	17,855		16,629	
Coronavirus hardship fund	-		703	
Community events and outreach	34,659		20,858	
Community centre costs	90,887		141	
Information house utilities	536		6,176	
IT Costs	6,047		3,707	
Staff travel costs	3,077		422	
Downsizing and homeswapper costs	1,000		3,195	
Secure cash in transit	1,262		763	
Tenancy sustainment	1,093		-	
Legal and professional fees	3,413		7,794	
Consultancy fees	9,335		5,218	
Non audit remuneration paid to auditors	10,567		7,925	
Audit fees	6,500		5,625	
Bank charges	294		345	
Printing, postage and stationery	13,618		12,148	
Printing and publicity	6,440		4,926	
Telecommunications	3,779		3,775	
Sundry expenses	6,000		3,499	
Smart meter project expenditure	-		13,049	
Depreciation	27,020		26,872	
		(243,382)		(143,770)
Exceptional items				
Fraudulent transactions		85,721		(70,450)
Operating loss		(14,683)		(201,121)
Interest payable and similar expenses				
Finance costs re pension scheme		(25,000)		78,000
Other gains and losses				
Big Local income	92,056		101,365	
Big Local expenses	(111,089)		(101,778)	
Headstart income	290,507		328,674	
Headstart expenses	(311,719)		(341,112)	
		(40,245)		(12,851)
Loss before taxation		(79,928)		(135,972)