

CHISEL LIMITED

Board Report and Financial Statements

for the year ended

31 March 2014

Homes and Communities Agency registered number: L3642

CHISEL LIMITED

REPORT OF THE BOARD for the year ended 31 March 2014

The Board present their Annual Report and the audited financial statements of Chisel Limited for the year ended 31 March 2014.

Registered Office

188a Brockley Road
London
SE4 2RL

Registration

- a) Under the Industrial and Provident Societies Act 1965 number: 25155R
- b) By the Homes and Communities Agency under the Housing and Regeneration Act 2008 number: L3642

A change of Rules of Chisel was registered on 18 April 2005. These new Rules confer charitable status on Chisel, which was confirmed by H M Revenue and Customs for tax purposes with effect from that date. Corporation tax is not payable on charitable activity. They also changed the name of the governing body from Committee of Management to Board.

Principal activity

The principal activity of Chisel throughout the year was that of providing affordable rented accommodation to people in housing need.

Financial Review

The surplus for the year to 31 March 2014 was £245,524 compared with a surplus of £200,752 in 2013. The association's net current assets increased from £253,987 in 2013 to £312,185 in 2014.

The results for the year are shown in the income and expenditure account on page 6 and the position at the end of the year is shown in the balance sheet on page 7.

CHISEL LIMITED

REPORT OF THE BOARD for the year ended 31 March 2014 (continued)

Board

The Board members who served during the year ended 31 March 2014 were as follows:

W. Newell (Chair)
P. Von Scheibner
A. Watson
P. Coker - tenant member
G. Biggs
J. Gettrup - tenant member
J Leach
A Adams - tenant member
S. McGregor - appointed 21 September 2013
J. Clark - resigned 21 September 2013

Each of the Board members listed above hold or hold as nominee a one pound share in Chisel.

Employment, training and advancement of disabled persons

Chisel's Equal Opportunity Policy sets out Chisel's commitment to providing equality of access to employment for people with disabilities.

Health, safety and welfare at work of employees

The Board recognises the importance of effective health, safety and welfare for employees at work. Appropriate policies are in place for the protection and welfare of employees and tenants of the association.

Other policies

Chisel has formally agreed policies covering all aspects of governance, financial control, housing management, maintenance, tenant participation and consultation, equal opportunities, training, employment and so on. Chisel's fundamental commitment is to providing and maintaining good quality affordable housing and support services to tenants and to involving those tenants in the decision making processes. These aspirations are reflected in Chisel's policies. All policies are subject to constant review and are available on request.

Value for Money

For Chisel, VFM is about achieving the desired outcomes set out in our vision and strategic priorities for the best possible cost and maximum benefit. In 2013 - 14 we: -

- improved procurement processes through our tendering of the planned maintenance and cyclical decorations programme
- produced a revised KPI analysis report with comparative benchmarking data
- purchased the Omniledger Pyramid Housing Management System which will allow us to consolidate our data collection and to enhance our reporting and monitoring functionality
- reviewed our overhead costs in comparison to our managing agents and the G320 Group

CHISEL LIMITED

REPORT OF THE BOARD for the year ended 31 March 2014 (continued)

Our focus on delivering efficiencies and VFM for the next 3 years will be to explore ways in which we can increase the levels of resident involvement in defining the nature of our services and identifying opportunities where we can add value or make savings. The Board is committed to achieving value for money and expects this initial work to develop as an integral part of the culture and decision making in the organisation. Further information on VFM can be found on our website; <http://www.chisel.org.uk/>

Employees

Chisel currently uses the services of seven part time workers, as Director, Housing Manager, Rents Officer, Maintenance Officer, Co-ops and Tenants Officer, Finance Officer and Finance Manager, the equivalent of 4.6 full time workers

Corporate Governance, Internal Controls Assurance and Internal Financial Controls

The Board is responsible for the governance of Chisel and for maintaining systems of Risk Management and Internal Finance Controls. The Board meets at least six times each year and there are also meetings of the Finance Committee.

The Board works to an Annual Plan to ensure that all the risks faced by Chisel are examined, evaluated and reported upon over an annual cycle. Procedures have been established which are designed to provide effective internal financial control. This system is designed to provide reasonable assurance against material misstatement or loss, but it cannot provide absolute assurance.

The Board considers the key risks in the annual process of revising the Operational Plan and 30 year financial forecasts and again when agreeing the Annual Budget for the forthcoming financial year. Every proposal which comes to the Board is evaluated for the risks involved in the proposal and the effect on Chisel's business.

The Board has reviewed the effectiveness of the system of internal financial control during the year and has implemented recommendations made in reviews of systems and their operation by the external auditor and financial adviser.

Statement of the responsibilities of the Board

Relevant legislation requires the Board to prepare Financial Statements for each year which give a true and fair view of the state of the affairs of Chisel at the end of the financial year, together with details of income and expenditure for the year ended on that date.

In preparing the Financial Statements the Board has:-

- * selected suitable accounting policies and applied them consistently
- * made judgments and estimates that are reasonable and prudent
- * followed applicable United Kingdom accounting standards and the 2010 Statement of Recommended Practice for Registered Social Landlords (except as noted on page 10)
- * prepared the financial statements on a going concern basis

CHISEL LIMITED

REPORT OF THE BOARD for the year ended 31 March 2014 (continued)

The Board is responsible for maintaining an adequate system of internal control and keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of Chisel and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts, the Housing and Regeneration Act 2008 and the Accounting Requirements for Private Registered Providers of Social Housing Direction 2012. The Board is also responsible for safeguarding the assets of Chisel and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to appoint Cooper & Co as auditors will be proposed at the next Annual General Meeting

Approved by the Board on 11th September 2014 and signed on its behalf by

P Goodfellow
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHISEL LIMITED

We have audited the financial statements of Chisel Limited for the year ended 31 March 2014 on pages 6 to 21 which have been prepared under the accounting policies set out on pages 10 to 12. These financial statements have been prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Respective Responsibilities of the Board and Auditors

As set out in the Board's Responsibilities Statement on Page 3, the Board are responsible for the preparation of these financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurances that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made the Board; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of its income and expenditure for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, the Housing and Regeneration Act 2008 and the Accounting Requirements for Private Registered Providers of Social Housing Direction 2012.

Further in our opinion:

the information given in the Report of the Board is consistent with the financial statements, adequate accounting records have been kept and the financial statements are in agreement with the accounting records.

We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.

Cooper & Co
Statutory Auditor and Chartered Accountants
18 Magdalen Grove
Orpington, Kent, BR6 9WE

11th September 2014

CHISEL LIMITED**Income and Expenditure Account for the year ended 31 March 2014**

	notes	2014 £	2013 £
Turnover	3a	1,299,841	1,254,746
Less: operating costs	3b	(939,092)	(931,710)
Operating surplus		360,749	323,036
Interest receivable and similar income	4	4,425	2,464
Interest payable and similar charges	5	(119,650)	(124,748)
Surplus on ordinary activities before taxation		245,524	200,752
Corporation tax payable	6	-	-
Less: Transfer to major repairs designated reserves	17	-	-
Net Surplus for the year	10	245,524	200,752

Movements on the income and expenditure account

Income and expenditure account balance brought forward	1,247,607	1,046,855
Surplus for the year	245,524	200,752
Income and expenditure account at end of year	1,493,131	1,247,607

All activities reported above, both in the current and preceding year, relate to continuing activities.

There were no recognised surpluses or deficits during the year except those included in the income and expenditure account above.

CHISEL LIMITED**Balance Sheet as at 31 March 2014**

		2014	2013
	notes	£	£
Fixed assets			
Housing properties	11		
Cost less depreciation		19,343,019	19,373,654
Less: Social Housing Grant		(14,977,920)	(14,977,920)
		<u>4,365,099</u>	<u>4,395,734</u>
Other fixed assets	12	47,566	5,486
		<u>4,412,665</u>	<u>4,401,220</u>
Current assets			
Debtors	13	92,378	101,628
Cash, bank balances and deposits		585,940	532,252
		<u>678,318</u>	<u>633,880</u>
Creditors: amounts falling due within one year	14	(366,133)	(379,893)
Net current assets		<u>312,185</u>	<u>253,987</u>
Total assets less current liabilities		<u>4,724,850</u>	<u>4,655,207</u>
Creditors: amounts falling due after one year			
Housing loans	15	3,175,750	3,351,636
Capital and reserves			
Share capital	16	53	48
Designated reserves	17	55,916	55,916
Income and expenditure account		1,493,131	1,247,607
		<u>4,724,850</u>	<u>4,655,207</u>

The financial statements on pages 6 to 21 were approved by the Board on 11th September 2014 and were signed on its behalf by:-

W Newell

Chair

A Watson

Treasurer

P Goodfellow

Secretary

CHISEL LIMITED**Cash Flow Statement for the year ended 31 March 2014**

	note	2014		2013	
		£	£	£	£
Net cash inflow from Operating Activities (see Page 9)	1		460,007		404,382
Returns on investments and servicing of finance					
Interest received and similar income		4,425		2,464	
Interest paid and similar charges		(179,147)		(124,010)	
Net cash (outflow) from returns on investments and servicing of finance			(174,722)		(121,546)
Capital expenditure					
Acquisition and construction of housing properties		-		-	
Social housing grants received		-		-	
Purchase of other fixed assets		(63,403)		(4,662)	
Net cash (outflow) from capital expenditure			(63,403)		(4,662)
Net cash Inflow before use of liquid resources and financing			221,882		278,174
Financing					
Housing loans received		-		-	
Housing loans capital repaid		(168,199)		(159,536)	
Housing loans repaid		-		-	
	2	(168,199)		(159,536)	
Issue of share capital		5		2	
Net cash (outflow) from financing			(168,194)		(159,534)
Increase in cash	2		<u>53,688</u>		<u>118,640</u>

CHISEL LIMITED**Notes to the Cash Flow Statement for the year ended 31 March 2014**

	2014	2013	
	£	£	
1 Reconciliation of operating surplus to net cash flow from operating activities			
Operating surplus	360,749	323,036	
Depreciation charges	51,958	34,162	
Loss on sale of other fixed assets	-	-	
Decrease in revenue debtors	9,250	20,233	
Increase in revenue creditors	38,050	26,951	
	<u>460,007</u>	<u>404,382</u>	
Net cash inflow from operating activities	<u>460,007</u>	<u>404,382</u>	
2 Reconciliation of net cash flow to movement in net debt			
	Balance at 1 April 2013	Movement in year	Balance at 31 March 2014
	£	£	£
Cash, bank balances and deposits	<u>532,252</u>	<u>53,688</u>	<u>585,940</u>
	532,252	53,688	585,940
Loans repayable within one year	(166,000)	(7,687)	(173,687)
Loans repayable in more than one year	<u>(3,351,636)</u>	<u>175,886</u>	<u>(3,175,750)</u>
	(3,517,636)	168,199	(3,349,437)
Net debt	<u>(2,985,384)</u>	<u>221,887</u>	<u>(2,763,497)</u>

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

1 Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards and the 2010 Statement of Recommended Practice for Registered Social Landlords

a) Basis of Accounting

The financial statements are prepared on the historic cost basis of accounting

b) Turnover

Turnover represents rental income receivable (net of void losses) and management fees receivable

c) Fixed Assets and Depreciation

Housing Properties

Housing Properties are stated at cost less accumulated depreciation and less grants received. No depreciation is provided for on the freehold housing land.

The cost of freehold housing buildings less grants received have been depreciated on a straight line basis over 60 years to its estimated residual value with the cost of replacement components charged as major repairs in the income and expenditure account. The 2010 Statement of Recommended Practice requires replacement components to be capitalised and freehold buildings to be depreciated on a straight line basis over the estimated useful economic lives of the various components of the buildings. This policy has not been adopted as the Board considers its present policy to be prudent and any change in policy to "Component Accounting" would not have any material effect on the Association's accounts.

The Board has estimated the residual value of freehold buildings as 50% of their cost less grants received at the end of 60 years. Leasehold properties are depreciated so as to write off the cost less grants received on a straight line basis over 60 years or the remainder of the term of the lease if shorter.

Other fixed assets

All other fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged on a straight line basis over the expected economic lives of the assets at the following rates:

Office furniture and fittings	33.3% per annum
Office equipment	20% per annum
Office improvements	50% per annum
Shared accommodation furniture etc	33.3% per annum
Motor vehicles	33.3% per annum

A full year's depreciation is charged on these assets in the year of purchase but no charge is made in the year of disposal.

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

1 Accounting Policies (continued)

d) Social Housing Grant

Social Housing Grant (SHG) received towards the cost of housing development is shown as a deduction from the cost of housing properties on the Balance Sheet.

SHG is credited in the period in which it is receivable and is included as a creditor to the extent that it is not required to fund capital costs incurred at the end of the accounting period. If properties funded by SHG are disposed of, the grant is recyclable into new property developments in most circumstances.

e) Grants on property disposals

On disposal of housing properties for which SHG has been received the grant is transferred to a Recycled Capital Grant Fund (RCGF) within creditors. The grant is then to be used within three further financial years, or repaid to the Homes and Communities Agency with accrued interest.

f) Capitalisation of Interest and Development Costs

Interest on borrowing financing a development is capitalised up to the date of practical completion of the scheme. Interest receivable on SHG received in advance is deducted from the amount capitalised.

All costs specifically incurred in the delivery of the Association's development programme are also capitalised.

g) Impairment

Impairment reviews are carried out on fixed assets whenever changes in circumstances indicate that the net book value may not be recoverable.

h) Pension costs

Chisel either makes payments for employees into their personal pension schemes or enrolls employees in the final salary scheme for housing associations run by The Pensions Trust. The amounts each year are charged in the income and expenditure account.

i) Major Repairs Designated Reserve

On 1st April 2010 a major designated reserve was set up to cover exceptional major repair works in future years.

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

1 Accounting Policies (continued)

j) Cyclical Repairs and Maintenance

Chisel maintains its properties in accordance with a planned programme of works. No provision is made in the accounts for future works but actual costs incurred are charged in the income and expenditure account as planned maintenance, or major works.

k) Self Build premiums

Tenants who built their own properties are entitled to receive a premium payment when they end their tenancy. The amount of the premium depends on the costs incurred on the particular scheme which they built

From 1 April 2004 premium payments are met and charged in the income and expenditure account as incurred.

l) Value Added Tax

Chisel is not registered for VAT. The amounts shown in these accounts are inclusive of VAT payable where applicable.

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

2a Particulars of income and expenditure from Social Housing Lettings

	2014 Social Housing £	2014 Agency managed £	2014 Total £	2013 Social Housing £	2013 Agency managed £	2013 Total £
Rent receivable net of service charges	781,242	386,075	1,167,317	775,286	367,201	1,142,487
Service charges receivable	31,101	-	31,101	29,711	-	29,711
Gross rental income	812,343	386,075	1,198,418	804,997	367,201	1,172,198
Rent losses from voids	(9,309)	(11,582)	(20,891)	(11,726)	(11,016)	(22,742)
Net rental income	803,034	374,493	1,177,527	793,271	356,185	1,149,456
Other income	-	-	-	-	-	-
Turnover from social housing lettings	803,034	374,493	1,177,527	793,271	356,185	1,149,456
Housing management	(197,327)	(95,414)	(292,741)	(162,355)	(83,271)	(245,626)
Services	(31,138)	-	(31,138)	(34,375)	-	(34,375)
Self-build premium	-	-	0	(24,582)	-	(24,582)
Routine maintenance	(156,549)	(44,478)	(201,027)	(134,392)	(43,836)	(178,228)
Planned maintenance and major repairs	(179,260)	(19,900)	(199,160)	(213,077)	(38,428)	(251,505)
Planned cyclical maintenance	(60,529)	(11,981)	(72,510)	(51,901)	(10,192)	(62,093)
Bad debts	(7,659)	(3,861)	(11,520)	(1,355)	(3,672)	(5,027)
Depreciation of housing properties	(20,832)	(9,803)	(30,635)	(20,832)	(9,803)	(30,635)
Abortive property costs	-	-	-	-	-	-
Operating costs on social housing lettings	(653,294)	(185,437)	(838,731)	(642,869)	(189,202)	(832,071)
Surplus on social housing lettings/Operating Surplus	149,740	189,056	338,796	150,402	166,983	317,385
Interest on housing loans	(77,054)	(42,596)	(119,650)	(83,264)	(41,484)	(124,748)
Surplus after loan interest	72,686	146,460	219,146	67,138	125,499	192,637
Number of units in management	158	64	222	158	64	222

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

2b Particulars of income and expenditure from Managed Lettings

	2014 Total	2013 Total
	£	£
Rent receivable including service charges	109,379	99,118
Gross rental income	109,379	99,118
Rent losses from voids	-	-
Net rental income	109,379	99,118
Turnover from managed lettings	109,379	99,118
Management fees	(66,719)	(62,826)
Management fees prior year	7,943	(7,943)
Housing management	(25,139)	(20,929)
Routine maintenance	-	-
Bad debts	(6,118)	(3,100)
Operating costs on managed lettings	(90,033)	(94,798)
Surplus on managed lettings	19,346	4,320
Number of units in management	18	18
Average number of units in management (during year)	18	18

2c Management services

Management fees	12,935	6,172
Less Management costs	(7,328)	(4,841)
Less Provision for bad debts	(3,000)	-
Surplus for year	2,607	1,331

3a Turnover

Social Housing lettings	2a	1,177,527	1,149,456
Managed lettings	2b	109,379	99,118
Management services	2c	12,935	6,172
		<u>1,299,841</u>	<u>1,254,746</u>

3b Operating costs

Social Housing lettings	2a	(838,731)	(832,071)
Managed lettings	2b	(90,033)	(94,798)
Management services	2c	(10,328)	(4,841)
		<u>(939,092)</u>	<u>(931,710)</u>

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

	2014	2013
	£	£
4 Interest receivable and similar income		
Bank interest receivable	4,425	2,464
Other interest	-	-
Total	<u>4,425</u>	<u>2,464</u>
5 Interest payable and similar charges		
Interest payable on housing loans repayable wholly or partly in more than 5 years	119,650	124,748
payable within 2 years	-	-
	<u>119,650</u>	<u>124,748</u>

6 Taxation

Following a change of rules Chisel was granted charitable status for Corporation Tax purposes on 18 April 2005. No Corporation Tax is payable from this date.

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

	2014	2013
	£	£

7 Directors' Emoluments

The aggregate emoluments (excluding pension contributions) payable were:-

Previous Director	23,305	11,384
Present Director	<u>7,500</u>	<u>24,479</u>

No emoluments were paid to any members of the Board.

8 Director's Pensions

In the year to 31 March 2005 Chisel joined The Pensions Trust providing final salary pensions for any employees who wished to participate. From 1st April 2010 any employees joining will be offered pensions based on a career average salary.

Employer's pension contributions paid for the previous director in 2014 was £2,587 (2013 was £905) and nil for the current director.

9 Employees

The average number of persons (including part time staff) employed during the year was:-

Number	<u>7.10</u>	<u>7.00</u>
Full time equivalents	<u>4.60</u>	<u>3.50</u>

Staff costs for the employees amounted to:-

Wages and salaries	151,274	135,983
Social security costs	11,389	10,836
Other pension costs	15,953	10,221
	<u>178,616</u>	<u>157,040</u>

10 Surplus for the year

The surplus for the year is stated after charging:-

Depreciation	<u>51,958</u>	<u>34,162</u>
Auditors' fees		
As auditor	5,800	5,660
For other services	600	1,080
For special report	-	-
	<u>6,400</u>	<u>6,740</u>
Accounting and tenant liaison fees	<u>13,178</u>	<u>13,716</u>

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

	2014	2013
	£	£
11 Fixed assets - housing properties		
Cost		
At 1 April 2013	19,574,261	19,574,261
Additions	-	-
Disposals	-	-
At 31 March 2014	<u>19,574,261</u>	<u>19,574,261</u>
Depreciation		
At 1 April 2013	200,607	169,972
Charge for year	30,635	30,635
At 31 March 2014	<u>231,242</u>	<u>200,607</u>
Cost less depreciation	<u>19,343,019</u>	<u>19,373,654</u>
Social Housing Grant		
At 1 April 2013	14,977,920	14,977,920
Grants received	-	-
At 31 March 2014	<u>14,977,920</u>	<u>14,977,920</u>
Net book value		
At 31 March 2014	<u>4,365,099</u>	<u>4,395,734</u>
At 31 March 2013	<u>4,395,734</u>	<u>4,426,369</u>
Net book value of housing properties comprises:-		
Freehold	4,000,856	4,024,840
Long leasehold	364,243	370,894
	<u>4,365,099</u>	<u>4,395,734</u>

All schemes at 31 March 2014 were completed

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

	Housing property furniture & fittings £	Office equipment £	Office improvements £	Motor vehicle £	Computer Software £	2014 Total £
12 Other fixed assets						
Cost						
At 1 April 2013	34,228	18,292	21,544	12,750	-	86,814
Additions	1,329	19,930	-	-	42,144	63,403
Disposals	-	-	(21,544)	-	-	(21,544)
At 31 March 2014	<u>35,557</u>	<u>38,222</u>	<u>-</u>	<u>12,750</u>	<u>42,144</u>	<u>128,673</u>
Depreciation						
At 1 April 2013	31,552	15,483	21,544	12,749	-	81,328
Charge for year	2,151	5,124	-	-	14,048	21,323
On disposals	-	-	(21,544)	-	-	(21,544)
At 31 March 2014	<u>33,703</u>	<u>20,607</u>	<u>-</u>	<u>12,749</u>	<u>14,048</u>	<u>81,107</u>
Net book value						
At 31 March 2014	<u>1,854</u>	<u>17,615</u>	<u>-</u>	<u>1</u>	<u>28,096</u>	<u>47,566</u>
At 31 March 2013	<u>2,676</u>	<u>2,809</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>5,486</u>
					2014	2013
					£	£
13 Debtors						
Amounts falling due within one year						
Rental debtors					85,954	82,863
Less: provision for bad debts					(49,063)	(50,595)
					<u>36,891</u>	<u>32,268</u>
Rental debtors - managed lettings				20,577		
Less: Provision for bad debts				(12,118)		
				<u>8,459</u>	8,459	5,543
Prepayments and accrued income					24,001	15,755
Other Housing Associations					9,281	28,534
Other debtors					<u>13,746</u>	<u>19,528</u>
					<u>92,378</u>	<u>101,628</u>

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

	2014	2013
	£	£
14 Creditors: amounts falling due within one year		
Housing loans repayable within one year (note 15)	173,687	166,000
Housing loans mortgages due	-	59,497
Other taxation and social security	6,199	3,332
Managed lettings rents prepaid	3,027	10,240
Trade creditors - rents prepaid	22,216	13,310
Other creditors and accruals	161,004	127,514
	<u>366,133</u>	<u>379,893</u>

15 Creditors: amounts falling due after more than one year

Housing loans	<u>3,175,750</u>	<u>3,351,636</u>
The loans are repayable as follows:-		
Within one year (note 14)	<u>173,687</u>	<u>166,000</u>
Between one and two years	179,000	176,000
Between two and five years	572,000	572,000
After more than five years	2,424,750	2,603,636
	<u>3,175,750</u>	<u>3,351,636</u>

Housing loans from Orchardbrook Limited and banks are secured by specific charges on some of Chisel's properties. Loans are repayable by instalments at various rates of interest.

CHISEL LIMITED

Notes to the Financial Statements for the year ended 31 March 2014

	2014	2013
	£	£
16 Share capital		
At 1 April 2013	48	46
Issued during the year	5	2
Surrendered during the year	-	-
	<u>53</u>	<u>48</u>
At 31 March 2014	<u>53</u>	<u>48</u>

Each of the Board Members holds or holds as nominee a one pound share. The shares issued to members do not qualify for dividend payments, are not repayable, and do not entitle the holder to anything on a winding up. All shares have equal voting rights.

17 Major Repairs Designated Reserves

At 1 April 2013	55,916	55,916
Transferred from Income and Expenditure Account	-	-
	<u>55,916</u>	<u>55,916</u>
At 31 March 2014	<u>55,916</u>	<u>55,916</u>

18 Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>NIL</u>	<u>NIL</u>
Capital expenditure that has been authorised by the Board but has not yet been contracted for	<u>NIL</u>	<u>NIL</u>

19 Contingent Liability

There were no contingent liabilities at the Balance Sheet date.

20 Pension Liability

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

- a) It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under Financial Reporting Standard (FRS)17 represents the employer contribution payable.
- b) The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.
- c) As a result of the pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. As at 30 September 2013, the Scheme actuary has estimated that the employer debt for Chisel was £247,400 (2013 = £241,593). No provision has been made in the financial statements for this potential debt as there is no intention to withdraw from the Scheme.

21 Self Build Premiums

Tenants who build their own properties are entitled to receive a premium when they end their tenancy. At 31 March 2014 there were 23 such tenancies and the potential liability at that date was £115,715. Premium payments are charged in the Income and Expenditure Account as incurred in accordance with accounting policy 1(k).

22 Related party transactions

Chisel supports co-operatives and one third of the Board are required to be tenants of Chisel. Through the self build programme Chisel has issued tenancies that have premiums payable on surrender of the tenancy with vacant possession. The amounts of the premiums vary and can be several thousand pounds. During the year to 31 March 2014 one Board member, P. Coker, and the husband of the Board member J Gettrup held self-build tenancies but no premium payments were made to any Board member in 2014 or 2013. The tenancies of the tenant Board members are on normal terms and these Board members cannot use their positions to their advantage.

23 Legislative Provisions

Chisel is incorporated under the Industrial and Provident Societies Act 1965.