

Ongo Partnership Limited

Report and Financial Statements

Year Ended

31 March 2017

Company Number 08048224 (England and Wales)

Ongo Partnership Limited

Report and financial statements
for the year ended 31 March 2017

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Ongo Partnership Limited

Report and financial statements for the year ended 31 March 2017

Board of Management Members

The following members have held office during the year and to the date of this report unless otherwise stated:

D Hilditch		A Pate
D Stewart		E Patchett
G Shaw	(Resigned 15 th Sept 2016)	A Colls
M Harland	(Resigned 17 th Sept 2016)	D Klemm
M Spittles		
B Walder	(Appointed 15 th Sept 2016)	
E Redfern	(Resigned 17 th Sept 2016)	J Main (Appointed 12 th Jan 2017)

Executive Management Team

Chief Executive	A Orrey
Director of Operations	S Hepworth
Director of Resources	E Stoddart
Director of Regeneration and Investment	P Stones

Secretary and registered office

E Stoddart

Meridian House, Normanby Road, Scunthorpe, North Lincolnshire DN15 8QZ

Company Number 08048224

Auditors

BDO LLP
Central Square
29 Wellington Street
Leeds LS1 4DL

Bankers:

Barclays Bank plc
One Snowhill
Snowhill Queensway
Birmingham B4 6GB

Solicitors:

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

Forbes Solicitors
Rutherford House
4 Wellington Street (St John)
Blackburn, Lancashire
BB1 8DD

Wilkin Chapman LLP
New Oxford House
Town Hall Square
Grimsby
DN31 1HE

Trowers and Hamblins
Heron House
Albert Square
Manchester
M2 5HD

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2017

Nature of Business

The Group went through a rebranding exercise in 2013 and the Ongo Partnership Limited was renamed from the original parent company NL Enterprises Limited. The original subsidiary companies in the group underwent either a name change or were replaced with a new subsidiary.

- Ongo Homes Limited (formerly North Lincolnshire Homes Limited) is a company limited by guarantee, a registered charity and a Registered Provider of social housing regulated by the Homes and Communities Agency (HCA).
- Ongo Commercial Limited (formerly NL Business Services) is a company limited by shares generating trading income by delivering commercial services.
- Ongo Communities Limited is a not-for-profit company limited by guarantee, a registered charity that delivers community development activities.
- Ongo Roofing Limited (trading as Ashbridge Roofing) is a company limited by shares and owned by Ongo Commercial Limited delivering roofing services.
- Ongo Recruitment Limited underwent a name change in the year (formerly Crosby Employment Limited) and is a wholly owned subsidiary of Ongo Communities Limited providing training and employment opportunities.
- Crosby Brokerage Limited is a company limited by shares and a wholly owned subsidiary of Ongo Recruitment Limited offering business services.
- NL Communities Limited is a not-for-profit company limited by shares and has remained dormant since 31 March 2014.

The Group added two new start up companies during the year both of which are companies limited by shares and owned by Ongo Commercial Limited.

- Ongo Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing) is a new company formed by purchasing the assets of two existing business and is concerned with delivering heating and plumbing services.
- Ongo Sales and Lettings Limited (trading as Mi living) is a completely new start up and only commenced trading at the very end of the financial year. It provides housing sales and lettings services.

The Company is not a Registered Provider with the HCA.

The role of the Company is to oversee strategic direction and provide corporate services, allowing each subsidiary to focus on delivery and enhancement of its core services.

The corporate structure is clearly defined and the relationship between the Company and the subsidiaries is set out in Intra-Group agreements which were considered and approved by the each of their Boards.

Board of Management and Executive Management Team

The Board of Management Members and Executive Management Team serving during the year and up to the date of signing the Financial Statements are listed in page 3. None of the Board of Management Members and Executive Management Team holds any interests in the capital of Ongo Partnership Limited ("the Company").

Executive Management Team members act as executives within the authority delegated by the Board. The Company's insurance policies indemnify Board of Management Members and Executive Management Team against liability when acting on its behalf.

The Chief Executive is appointed on a permanent contract with a six month notice period. The other Executive Team Members are employed on the same terms as the other staff, except that their notice periods are three months.

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2017 (continued)

The Executive Team Members are all members of the East Riding Pension Fund, a final salary pension scheme. They contribute on the same terms as all other eligible staff and the Company contributes to the scheme on behalf of its employees.

Financial Statements

The Board of Management present their report and audited Financial Statements of the Group for the year ended 31 March 2017.

Results

The Company made an operating profit on ordinary activities of £156k before taxation for the year (2016:£142k). The Board of Management consider this to be an acceptable standard of performance.

The Group made a surplus before taxation of £11.4m for the year (2016:11.3m) and the Board of Management consider this to be an acceptable standard of performance.

Reserves

The revenue reserves for the Company at the year-end are £110k (2016:£77k) after gift aiding £50k to Ongo Homes (2016:£47k).

Total reserves for the Group are £61.7m at the year-end (2016:£57.4m) and the Business Plan dictates that this will be retained for investment in the future development of the Group.

External Factors

The Company undertakes comprehensive stress testing of its business plan and has developed with the Board an approved recovery plan should a doomsday scenario arise. Therefore we are in a good position to address the impact of external factors impacting on the organisation. Financial forecasts demonstrate that we remain in a financially strong position and continue to operate well within our loan covenants.

Going Concern

The Financial Statements are prepared on a going concern basis, as the Board is satisfied that the Company has sufficient resources to continue its activities for the foreseeable future. In making this assessment the Board has considered a wide range of information relating to present and future conditions, including future business plan projections allied to expected income and currently available banking facilities.

Governance

After a comprehensive review process by the HCA in the early part of the year Ongo Homes Limited ("Ongo Homes" the "Association") governance rating was upgraded from G2 to G1 in July 16. This gives us the highest rating for governance and financial viability (V1).

Financial Instruments

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from rental income. Bearing in mind that rents are payable in advance, it is Group policy, implemented locally, to assess the credit risk of new tenants before entering contracts. Enquiry is made into previous history with the Group and each new tenant is appraised on their ability to meet rental payments from their income.

At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically in order to recover any outstanding amounts or commence recovery proceedings.

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2017 (continued)

Financial instruments (continued)

Credit risk (continued)

Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future lettings are made only with approval of the local management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

A significant amount of cash was held with the following institutions:

	Rating at 31 March 2017	Balance at 31 March 2017 £,000	Rating at 31 March 2016	Balance at 31 March 2016 £'000
Barclays Bank PLC S&P	A-2	8,543	A-2	19,204
Moody's	P-1		P-1	
Goldman Sachs Investment Bank S&P	A-1	5,000		-
Moody's	P-2			
Sumitomo Mitsui Banking Corp S&P	A-1	5,000		-
Moody's	P-1			
Standard Chartered Bank S&P	A-1	5,000		-
Moody's	P-1			

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances and (as noted above) the value of the Group's investments in corporate bonds. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed £30.9m committed credit facility. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section below.

Market risk

Market risk arises from the Group's use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), or other market factors (other price risk).

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. It is currently group policy that between 60% and 80% of external group borrowings (excluding short-term overdraft facilities and finance lease payables) are fixed rate borrowings. This policy is managed centrally. Local operations are not permitted to borrow long-term from external sources. Where the Group wishes to vary the amount of external fixed rate debt it holds (subject to it being at least 60% and no more than 80% of expected Group borrowings, as noted above), the Group makes use of interest rate swaps to achieve the desired interest rate profile. Although the Board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2017 (continued)

Financial instruments *(continued)*

During the periods under review, the Group's borrowings at variable rate were denominated in Sterling.

Based on the various scenarios the Group then manages its cash-flow interest rate risk by using floating-to-fixed interest rate swaps. Normally the Group raises long-term borrowings at floating rates and swaps them into fixed.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily Pound Sterling) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is predominantly exposed to currency risk on purchases made from a major supplier based in the Euro-zone. Purchases from this supplier are made on a central basis and the risk is hedged using forward exchange contracts. Apart from these particular cash-flows the Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

Likely future developments in the business of the company

Information on likely future developments in the business of the company has been included in the Strategic Report starting on page 10.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Employee involvement

The group maintains an HR intranet site providing employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company. The intranet site includes functionality that enables employees to express views on matters that affect them anonymously and the group also undertakes a biennial staff survey to canvas views on significant matters.

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2017 (continued)

Auditors

All of the current Board of Management members and Executive Management Team have taken all the steps that they ought to have taken to make them-selves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The current Board of Management and Executive Management Team are not aware of any relevant information of which the auditors are unaware.

BDO LLP has a further one year of it's three year engagement to serve as auditor.

Approval

This Report was approved by the Board on 14th September 2017 and signed on its behalf:



D Hilditch
Director

Ongo Partnership Limited

Statement of Board of Management responsibilities

Board of Management' responsibilities

The Board of Management are responsible for preparing the strategic report, the Report of the Board of Management and the financial statements in accordance with applicable law and regulations.

Company law requires the Board of Management to prepare financial statements for each financial year. Under that law the Board of Management have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the Surplus / deficit of the group for that period.

In preparing these financial statements, the directors are required to:

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

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The Board of Management' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Ongo Partnership Limited

Strategic report
for the year ended 31 March 2017

VISION

“To create truly vibrant and sustainable communities.”

CORPORATE OBJECTIVES

To enable the Company to realise this vision its strategy is based on the successful completion of its four key Corporate Objectives:

- Do the basics well.
- Improve lives.
- Be strong financially.
- Grow the business.

The Board has revised the Corporate Plan and Objectives and has reiterated its commitment to build more homes.

Nature of business

The Company was formed on 28 April 2006. It became operational with the transfer of the housing stock of North Lincolnshire Council on 26 February 2007 and is located in the main town of Scunthorpe.

The Group's housing stock at 31 March 2017, which is all owned by Ongo Homes and centred in and around the Scunthorpe area, consisted of 9,436 units for General Needs, 241 Affordable Rent units, 10 units for Supported Housing/housing for older people and 2 units for shared ownership. This stock includes 11 units within General needs put aside for remodelling and/or awaiting demolition. The Group therefore has a high exposure to the risks associated with a large number of General Needs housing in a concentrated area.

The condition of the stock was reviewed as part of the Stock Transfer, and became the platform on which the Company built its refurbishment and improvement programme for the following 5 years. This was designed to exceed Decent Homes Standard and was successfully completed in March 2012 and continues to be attained now.

Corporate Governance

Compliance with Governance and Financial Viability Standard

The Board carried out an assessment against the standard for 2016/17 and are pleased to certify that Ongo Homes Limited fully complied with the Governance and Financial Viability standard throughout the financial year.

NHF Code of Governance

The Board has adopted the NHF Code of Governance. Following an assessment against the Code the Board is pleased to report that the Group fully complies with the NHF Code of Governance 2015.

Ongo Partnership Limited

Strategic report (continued) for the year ended 31 March 2017

The Company is governed by a Board of Management comprised of up to twelve non-executive members. The current list of members is included on page 3 of these financial statements. The Company strives to ensure it is able to recruit members from a diverse background to bring together the necessary skills and expertise required to lead a successful and high performing organisation. All Board Members are subject to individual annual assessment by an independent body, which shares its findings with the Board.

The following non executive directors received remuneration for their services on Ongo Partnership Limited Board 2016/17.

	£
Daniel Klemm	4,000
Robert Walder	2,000
David Hilditch	10,000
Andrew Pate	6,000
Edgar Patchett	5,000
Andrew Colls	5,000
Mark Harland	2,000

The following non executives received remuneration for their services on Ongo Commercial Limited Board in 2016/17

	£
Kevin Yorath	2,500
David Stewart	6,000
Neville Thompson	2,500
Richard Gravestock	2,500
Carol Bratton	2,500

Employees

The Company recognises that fulfilment of its Corporate Objectives is underpinned by the quality and contributions of its Board and all the people it employs across the organisation. The Company is committed to investing in its employees and through its annual performance and development process it is able to identify and build upon each and every employee's development needs to equip them with the necessary skills and experience they require.

The Company shares information on its objectives, progress and activities through a series of meetings involving executive directors, the senior management team and its employees, and by means of the intranet and other social media sites. It also participates in a Joint Consultative Committee with elected employee representatives and meets regularly to discuss issues relevant to them.

On re-evaluation, the Company retained its Gold accreditation from Investors in People, an achievement which demonstrates the Company's commitment to maintaining a workplace which values the professional and personal development of its employees.

As an equal opportunity employer, the Company is committed to the equality and diversity agenda regardless of age, race, gender, religion, belief or ability. As such it invites interests from all of its stakeholders and believes that this commitment is fundamental across its organisation and integral in what it seeks to achieve.

Ongo Partnership Limited

Strategic report (continued)
for the year ended 31 March 2017

Business planning

The business planning process is centred on achieving the Company's key Corporate Objectives. This includes an assessment of strengths and weaknesses, opportunities and threats related to these objectives. These are discussed annually between the Executive Management Team and the Board and appropriate measures are included within the business plan.

OPERATIONAL HIGHLIGHTS

Investment in the future

Our main highlights in 2016/17 were:

- Achieved 92.7% customer satisfaction rate in the Company's overall service to tenants.
- Successfully implemented a new finance system.
- Marketed our first Shared Ownership homes and developed our first 10 homes outside the North Lincolnshire boundary, marking the expansion of our housing offer.
- Invested £700k into community-based projects which, along with a further £855k in external grants and funding, has helped 250 people into employment and brought about improvements to estates.
- Retained the OHSAS 18001 international standard for Occupational Health and Safety Management and the ISO 14001 standard for Environmental Management.

New Business

Through working in partnership with the HCA and North Lincolnshire Council, 55 (2016: 48) new properties were completed during 2016/17.

Improving what we do

External accreditation is used to measure our performance and effectiveness, especially in front-facing services such as resident involvement or customer services.

By putting ourselves through external scrutiny, the company has the opportunity to benchmark not just within the sector but against other industries too.

2016/17 saw the hard work of staff at Ongo being recognised locally and nationally at a number of different award ceremonies. Here's a selection –

- Maintenance Team: National Housing Heroes Team of the Year Award
- Customer Services Team: National Housing Heroes Frontline Team of the Year Award
- Leaders in Diversity accreditation
- Home Ownership and Leasehold Services Housing Quality Network reaccreditation

FINANCIAL REVIEW

The principal aim of this section is to explain the Company's financial performance during the last year and how this is linked and influenced by its:

- capital structure,
- treasury policy,
- sources of liquidity and
- investment plans.

Ongo Partnership Limited

Strategic report (continued) for the year ended 31 March 2017

Financial Performance

The Group's turnover decreased to almost £48m (2016:£49m) largely as a result of the annual rent decrease of 1% as required by changes in legislation announced during the previous financial year.

Rent losses from voids and bad debt (expressed as void and bad debt as a percentage of income from lettings) was 6.8% (2016: 2%). The Board considers void management to be a key performance measurement and, in addition to bad debt and void losses, continually reviews the percentage of void stock in management and void turnaround (re-let) time. This reduction is an excellent result given the economic background we are operating in.

Financial Performance (continued)

The percentage of income lost from voids (expressed as income lost from voids in management divided by gross rent) was targeted to be 3% in the last financial year. It is very pleasing to report that at 31 March 2017 this figure was well below target (2016: 0.6%).

Overall rent arrears at the end of the year (expressed as arrears divided by gross rent) were 5.8% (2016: 3.4%). In a year that has seen continued difficulties in the general economic environment, to be able to report such a low figure is a credit to the efforts of our employees and the work they carry out with our other specialist partners to address tenants' monetary and other financial inclusion issues.

The net movement in housing stock saw a decrease to 9,700 (2016:9,724). During the year 42 tenants exercised their right to buy their home (RTB) and no properties were acquired through mortgage rescue. The surplus on the sale of properties was £1.35m (2016:£1.11m).

The operating surplus before interest and right to buy has decreased by 4% to £12.9m (2016: £13.4m), with operating margin changing from 27.6% (2016) to 26.9% (2017).

The Group continued to refurbish and improve its housing stock, without the need for further borrowing.

Borrowings at the year-end remained at £71m. This debt is borrowed wholly from a UK bank using a mixture of fixed interest and variable rate loans. All loans are repayable after more than 5 years, with the first being due in 2022/23.

The treasury strategy is set annually and approved by Ongo Partnership Board. At the end of the financial year 15% of the Company's borrowings were at variable rates of interest.

The Group does not use hedging instruments other than to fix variable rate debt at the time of drawdown.

The fixed rates of interest range from 4.8 % to 5.1%. This compares to a range of 1% to 1.4% for shorter term variable rate borrowings that are priced with reference to the LIBOR rate at the time.

The Group does not expect its borrowing to change significantly in the next financial year and borrows only in sterling to avoid any currency risk.

The Bank's lending agreement with Ongo Homes Limited requires compliance with a number of financial and non financial covenants. These are monitored on an on-going basis and reported to the Board. Recent reports confirmed that the Company was in compliance with all its loan covenants throughout the year under review and the Board expects it to remain compliant in the foreseeable future.

Surplus funds are invested in approved UK institutions and monitored by the Ongo parent board and the newly formed Treasury Committee.

The Company's principal credit risk relates to tenant arrears. This risk is actively managed by providing support and advice to those tenants who are eligible for housing benefit and to closely monitor the arrears of those tenants who are able to self fund some or all of their rent. Recent and proposed changes to the benefits system have been identified as one of the Company's key risks.

Ongo Partnership Limited

Strategic report (continued)
for the year ended 31 March 2017

Cash flows

Cash inflows and outflows for the period under review are set out in the consolidated statement of cash flows. It details:

- net cash inflows from operating activities which are from the management of housing stock;
- investing activities and financing activities; and
- the net movement on financing.

Current liquidity

Cash and bank balances at the year-end were £29m (2016: £19m). Group net current assets were £25m (2016: £16.5m). Ongo Homes has facilities and security in place to borrow a further £30.9m.

The Board does not consider there to be any seasonal effects on borrowing requirements. The main factors influencing the amount and timing of borrowings are the pace of the improvement and development programmes. Cash flow forecasts are monitored closely to ensure sufficient funds are available to meet liabilities when they fall due, whilst not incurring unnecessary finance costs, by only drawing on loan facilities when required.

PRINCIPAL RISKS

The following lists the principal key risks faced by the Group:

- Operational: effective management of existing housing stock; effective management of new development programmes
- Financial: welfare reform (income loss); housing stock loss through right to buy and replacing stock; future funding availability
- Compliance: having key business skills on the board, compliance with all HCA regulatory standards
- Strategic: changes in housing policy; new developments

FUTURE PLANS

We want to grow by:

- Securing funding to build new homes
- Maintaining the number of homes we manage by making sure we build more homes than we lose through Right to Buy and regeneration or demolition
- Being alert to opportunities to merge with other associations where that merger adds net value to both organisations

We want to diversify to:

- Reduce the overall risk profile & our reliance on localised home rental income
- Increase our income streams through offering new products & services e.g. roofing, training and employment, maintenance externally.
- Increase our local influence by becoming a key provider or enabler of complementary housing related services to our tenants and their communities
- Strengthen the bonds between Ongo and existing customers by increasing the range of services offered to help them sustain their tenancies


Ongo Partnership Limited

Strategic report (continued)
for the year ended 31 March 2017

STATEMENT OF COMPLIANCE

The Board confirms that the Strategic Report has been prepared in accordance with the principles set out in the SORP for Registered Providers and the Companies Act.

This report was approved by the Board on 14th September 2017 and signed on its behalf:



D Hilditch
Director

Ongo Partnership Limited

Audit and Risk Committee report for the year ended 31 March 2017

From 1 April 2016 to 31 March 2017 there were four meetings held on:

- 18 May 2016
- 10 August 2016
- 17 November 2016
- 17 February 2017

There meetings were attended by:

Name	Number of meetings eligible to attend	Number of meetings attended
Edgar Patchett	4	4
Andy Colls	4	4
Avril Bairstow	4	3
Melvin Kenyon	4	4
Richard Wells	2	1
David Stewart	2	2

The key responsibilities of the Group Audit and Risk Committee which enable it to assist the Board in fulfilling its oversight responsibilities are:

- Reviewing the effectiveness of the Company's financial reporting and internal control policies.
- Reviewing procedures for the identification assessment and reporting of risk and the effectiveness of risk management.
- Monitoring the integrity of the Company's Financial Statements.
- Monitoring compliance with applicable legal and regulatory requirements.
- Agreeing the scope of the Internal Auditor's annual audit plan
- Agreeing the scope of the External Auditor's audit plan
- Monitoring the qualifications, expertise, resources, independence, performance and effectiveness of the Internal and External Auditors.
- Making recommendations to the Board on the reappointment or otherwise of both the External and Internal Auditors and keeping their fees, terms of engagement and independence under review.

The minutes of each and every Group Audit & Risk Committee meeting are accepted by the Ongo Partnership Board Meeting that follows it. A verbal update is given at both the Ongo Partnership and the Ongo Homes Board.

Edgar Patchett who has been Chair since October 2009 stepped down in September 2016 and was succeeded by Andy Colls, a Chartered Accountant and member of the Partnership Board.

The Committee has asked that the Chief Executive and the Director of Resources attend its meetings. Other members of the Executive Team attend as and when required.

Members of the Committee have the opportunity to meet alone and/or to meet with both the Internal and External Auditors who have direct access to the Chair of the Committee.

The Chair of the Committee also receives the management accounts monthly.

The Committee, may at Ongo Partnership's expense, obtain independent professional advice on any matters covered by its terms and reference.

Ongo Partnership Limited

Audit and Risk Committee report for the year ended 31 March 2017

The Committee accepts that certain work of a non audit nature is best undertaken by the External Auditors. The Committee reviews the amount of non audit work they perform on an annual basis.

The principal activities undertaken by the Committee in the period under review were as follows:

Internal controls and risks:

- Considered the reports from both the Internal and External Auditors on work undertaken in reviewing and auditing the control environment, to assess the effectiveness of the internal control system.
- Assessing the effectiveness of the internal controls of the company and the group and reviewed related disclosures in the Financial Statement.
- Reviewed the Asset and Liability Register.
- Monitored the Data Protection Action Plan and the Plan for the General Data Protection Regulations due to come into force in May 2018.
- Monitored the progress of the New Finance System that went live in January 2017.
- Monitored all single tender actions to ensure that the committee was comfortable with the reasons behind these.
- Monitored fraud attempts.
- Monitored Health and Safety as regards to compliance with legionella, gas safety, electrical testing, asbestos and fire assessments.

Finance reporting:

- Reviewed the Financial Statements of the Company and as part of this process the significant financial judgements contained therein.
- Reviewed the assumption regarding the preparation of the Financial Statements on a going concern basis, including the supporting information and disclosures contained therein.

Internal audit:

- Agreed the internal audit plan for the period aimed at assessing the effectiveness of policies and processes relating to the key areas of operational and financial risk.
- Received, reviewed and considered the reports from the Internal Auditors with respect to the work they had done with regard to their agreed audit plan.
- Monitored the progress the Company and the Group had made to implement any recommendations made by the Internal Auditors
- Considered, evaluated and agreed the fees of Mazars LLP as the Internal Auditors of the Company and the Group for the year ended 31st March 2017.

External audit:

- Agreed the approach and scope of the audit work to be undertaken by the External Auditors
- Received, reviewed and considered the interim and final management reports of the External Auditors.
- Monitored the progress the Company and the Group has made to implement any recommendations made by the External Auditors.
- Agreed the fees for the External Audit.
- Considered, evaluated and agreed the appointment of BDO LLP as the External Auditors of the Company and the Group to the year ended 31st March 2017.

AUDIT AND RISK COMMITTEE CHAIR
A Colls



DATE: 14th September 2017

Ongo Partnership Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONGO PARTNERSHIP LIMITED

We have audited the financial statements of Ongo Partnership Limited for the year ended 31 March 2017 which comprise the consolidated and company Statements of Comprehensive Income, the consolidated and company Balance Sheets, the consolidated Statement of Cash Flows, the consolidated and company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of Board of Management' responsibilities, the Executive Management Team are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 group's and the parent company's affairs as at 31 March 2017 and of the group's and parent company's profit 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 Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the report of the board of management for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and report of the board of management have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the board of management.

Ongo Partnership Limited

Independent auditor's report (*continued*)

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Linda Cooper (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds

Date *19 September 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ongo Partnership Limited

Consolidated statement of comprehensive income for the year ended 31 March 2017

	Note	Continuing operations 2017 £'000	Continuing operations 2016 £'000
Turnover	3	47,971	48,754
Operating costs		(35,067)	(35,305)
Surplus on sale of properties not developed for outright sale		1,354	1,110
Operating surplus		14,258	14,559
Other interest receivable and similar income		73	54
Interest payable and similar charges	8	(2,808)	(2,879)
Other finance costs	9	(98)	(419)
Surplus on ordinary activities before taxation		11,425	11,315
Taxation on surplus on ordinary activities	10	(100)	(133)
Surplus for the financial year		11,325	11,182
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension scheme	20	(7,010)	10,518
Total comprehensive income for the year		4,315	21,700

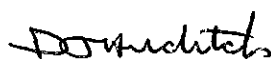
The notes on pages 27 to 50 form part of these financial statements.

Ongo Partnership Limited

Consolidated balance sheet at 31 March 2017

Company Number 08048224	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Intangible assets	11		87		96
Tangible fixed assets:					
Housing properties	12		160,260		156,880
Other			141		177
Investments	13		-		-
			<u>160,488</u>		<u>157,153</u>
Current assets					
Stocks	14	36		10	
Debtors	15	3,698		2,214	
Cash at bank and in hand		28,543		19,204	
			<u>32,277</u>	<u>21,428</u>	
Creditors: amounts falling due within one year	16	(7,216)		(4,965)	
Net current assets			<u>25,061</u>	<u>16,463</u>	
Total assets less current liabilities			<u>185,549</u>	<u>173,616</u>	
Creditors: amounts falling due after more than one year	17		(113,492)		(113,073)
Provisions for liabilities	19		(595)		(285)
Net assets excluding pension liability			<u>71,462</u>	<u>60,258</u>	
Pension liability	20		(9,793)		(2,904)
Net assets			<u>61,669</u>	<u>57,354</u>	
Capital and reserves					
Profit and loss account			61,669		57,354
Total Members' funds			<u>61,669</u>	<u>57,354</u>	

The financial statements were approved by the Board of Management and authorised for issue on 14th September 2017.



D Hilditch
Director



A Orrey
Chief Executive

The notes on pages 27 to 50 form part of these financial statements.

Ongo Partnership Limited

Consolidated statement of changes in equity For the year ended 31 March 2017

	Profit and loss account £'000	Total equity £'000
1 April 2016	57,354	57,354
Comprehensive income for the year		
Surplus for the year	11,325	11,325
	-----	-----
Actuarial loss on pension scheme	(7,010)	(7,010)
	-----	-----
Other comprehensive income for the year	(7,010)	(7,010)
	-----	-----
Total other comprehensive income for the year	4,315	4,315
	-----	-----
31 March 2017	61,669	61,669
	-----	-----
	Profit and loss account £'000	Total equity £'000
	-----	-----
1 April 2015	35,649	35,649
Comprehensive income for the year		
Surplus for the year	11,182	11,182
	-----	-----
Actuarial losses on pension scheme	10,518	10,518
	-----	-----
Other comprehensive income for the year	10,518	10,518
	-----	-----
Total other comprehensive income for the year	21,700	21,700
	-----	-----
Transfer reserves on acquisition of Crosby Employment Limited	5	5
	-----	-----
31 March 2016	57,354	57,354
	-----	-----

The notes on pages 27 to 50 form part of these financial statements.

Ongo Partnership Limited

Consolidated statement of cash flows for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Surplus for the financial year		11,325	11,182
Adjustments for:			
Depreciation of fixed assets – housing properties		9,429	8,903
Depreciation and amortisation of other assets	12	46	332
Amortisation of grants		(2,343)	(2,310)
Surplus on sale of fixed assets – housing properties	4	(1,354)	(1,110)
Net interest payable/(receivable)		2,735	3,244
Taxation expense	10	100	133
Difference between net pension expense and cash contribution		(121)	255
(Increase)/decrease in trade and other debtors		(1,484)	(934)
Decrease in stocks		(26)	17
Decrease in trade and other creditors		2,959	(204)
Cash from operations		21,266	19,508
Interest paid		(2,905)	(3,298)
Taxation paid		33	(15)
Net cash generated from operating activities		18,394	16,195
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		1,867	1,651
Purchases of tangible fixed assets	12	(13,707)	(9,539)
Purchases of intangible assets	11	-	-
Receipt of government grant		2,718	1,240
Interest received		73	54
Purchase of subsidiary undertaking		-	8
Net cash from investing activities		(9,049)	(6,586)
Cash flows from financing activities			
		-	-
Net increase in cash and cash equivalents		9,345	9,609
Cash and cash equivalents at beginning of year		19,198	9,589
Cash and cash equivalents at end of year		28,543	19,198
Cash and cash equivalents comprise:			
Cash at bank and in hand		28,543	19,204
Bank overdrafts	16	-	(6)
		28,543	19,198

The notes on page 27 to 50 form part of these financial statements.

Ongo Partnership Limited

Company statement of comprehensive income for the year ended 31 March 2017

	Note	Continuing operations 2017 £'000	Continuing operations 2016 £'000
Turnover	3	5,654	5,155
Administration expenses		(5,497)	(5,013)
Profit on ordinary activities before taxation		157	142
Taxation on profit on ordinary activities	10	(74)	(51)
Profit on ordinary activities after taxation		83	91
Gift Aid		(50)	(47)
Profit for the financial year		33	44
Other comprehensive income for the year		-	-
Total comprehensive income for the year		33	44

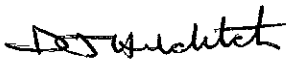
The notes on pages 27 to 50 form part of these financial statements.

Ongo Partnership Limited

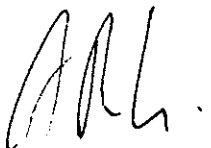
Company balance sheet at 31 March 2017

Company Number 08048224	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Current assets					
Debtors	15	1,012		531	
Cash at bank and in hand		209		174	
		<u>1,221</u>		<u>705</u>	
Creditors: amounts falling due within one year	16	(586)		(403)	
Net current assets			635		302
Total assets less current liabilities			635		302
Provisions for liabilities	19		(525)		(225)
Net assets			110		77
Capital and reserves					
Profit and loss account			110		77
Total Members' funds			110		77

The financial statements were approved by the Board of Management and authorised for issue on 14th September 2017



D Hilditch
Director



A Orrey
Chief Executive

The notes on pages 27 to 50 form part of these financial statements.

Ongo Partnership Limited
Company statement of changes in equity
For the year ended 31 March 2017

	Profit and loss account £'000	Total equity £'000
1 April 2016	77	77
Comprehensive income for the year		
Profit for the year	33	33
Other comprehensive income	-	-
Total comprehensive income for the year	33	33
31 March 2017	110	110

	Profit and loss account £'000	Total equity £'000
1 April 2015	33	33
Comprehensive income for the year		
Profit for the year	44	44
Other comprehensive income	-	-
Total comprehensive income for the year	44	44
31 March 2016	77	77

The notes on pages 27 to 50 form part of these financial statements.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017

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Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017

1 Significant accounting policies

Ongo Partnership Limited is a private company limited by guarantee incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared under the historical cost convention in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies which are set out in note 2.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- As the Company is limited by guarantee, a reconciliation of the number of shares outstanding at the beginning and end of the period is not relevant and has not been presented;
- No cash flow statement has been presented for the parent company;
- The parent company disclosures relating to financial instruments have not been presented on the basis that these are included within the consolidated financial instrument disclosures.
- The parent company does not operate any share-based payment arrangements; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Ongo Partnership Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2014.

After the balance sheet date, the subsidiary company Ongo Homes Limited has obtained approval to convert to a co-operative and community benefit society ("CBS") which it hopes to achieve by 1 October 2017. Legally, the conversion process results in the formation of a new entity (The CBS), the transfer of the existing trade and net assets and the subsequent dissolution of the current Ongo Homes Limited. The CBS will be named Ongo Homes Limited and will be a subsidiary of the parent, Ongo Partnership Limited.

As a consequence of the change in legal status, the continuing business of the current Ongo Homes Limited will cease as at the date of conversion albeit the business of the company is expected to continue as part of the CBS. As a consequence of the cessation of trade, Ongo Homes Limited, as a legal entity, is therefore no longer considered to be a going concern. The financial statements of Ongo Homes Limited have therefore been prepared on a basis other than that of a going concern. This has resulted in no significant change to the presentation, classification or valuation of the related assets and liabilities of either Ongo Homes Limited or Ongo Partnership Limited.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

1 Significant accounting policies (continued)

Turnover

Revenue comprises rents, service charges and support charge income receivable in the year and other income and revenue grants received in the year. Rental Income is recognised from the point where properties are formally let. The group contains a number of subsidiaries concerned with commercial activities and these recognise turnover from such activities such as roofing works, heating & plumbing works and estate agency services.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Land is not depreciated.

Housing properties held by Ongo Homes are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description	Economic useful life (years)
Housing improvements	5 – 60
Structure	125
Kitchen	20
Bathroom	30
Roofs (pitched)	70
Roofs (flat)	20
External doors	30
Boiler	15
Electrics	40
External windows	40
Mechanical systems	20
Communal (including Lifts)	20

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold buildings	- 40 years
Leasehold land and buildings	- The term of the lease
Plant, machinery and vehicles	- 2 – 100 years
Fixtures, fittings, tools and equipment	- 4 – 20 years
Computers	- 2 – 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

1 Significant accounting policies (*continued*)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Computers are included within fixtures, fittings, tools and equipment.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in 'other income' within profit or loss in the same period as the related expenditure.

The group has not directly benefited from any other forms of government assistance.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

1 Significant accounting policies (*continued*)

Intangible assets - Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 3 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Current and deferred taxation

The tax expense for the period comprises only current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are not recognised in respect of any timing differences that have originated but not reversed by the balance sheet date.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

1 Significant accounting policies (*continued*)

Value Added Tax

The Company is registered for VAT and reclaims VAT on most inputs using the standard partial exemption method. The majority of the Group income is derived from rental income which is "exempt output" for VAT purposes and restricts our ability to reclaim VAT input tax in full.

Leases

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Some of the subsidiaries of the group participate in the multi employer Local Government Pension Scheme (LGPS) 'East Riding Pension Fund' a group defined benefit pension plan. There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy.

However, as Ongo Partnership Limited is not itself a party to the scheme, although some of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual company financial statements except to the extent of employer contributions to the scheme.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

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.

Reserves

The Group and Company's Profit and loss account represents cumulative profits or losses, net of Gift Aid adjustments.

Service charge sinking funds

Service charge sinking funds are dealt with as creditors due within one year.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

1 Significant accounting policies (*continued*)

Support income and costs including Supporting People income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as "Support Charges" in the turnover note 3. The related support costs are matched against this income in the same note.

If the charges to individuals are not dealt with as part of rent, the income and related costs are also shown as "Support Charges" within Social Housing Activities.

Support charges included in the rent charge are included in the "Rents" within "Social Housing Activities" in the same note and are matched against the relevant costs.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation, such as standard rates of inflation, mortality, discount rates and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 12)*

Tangible fixed assets, other than investment properties, 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.

For Housing property assets the assets are broken down into components based on the management's assessment of the properties. Individual useful economic lives are assigned to these components.

- Rental and other trade Receivables (see note 15)

The estimate for receivables relates to the recoverability of balances outstanding at year end, with provisions for doubtful debt made in accordance with agreed policy.

3 Turnover, operating costs and operating surplus – Company

	2017 £'000	2016 £'000
Management charge to subsidiaries	5,632	5,141
Other income	22	15
	_____	_____
Total	5,654	5,156
	_____	_____

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

3 Turnover, operating costs and operating surplus - Group

	2016/17		
	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000
Social Housing Activities			
Rents	40,206	(22,404)	17,802
Service Charges	758	(1,740)	(982)
Support Charges	54	(854)	(800)
Amortised Grant	2,343	-	2,343
Non Amortised Grant	63	-	63
Tenant Recharges	595	(595)	-
Total Social Housing Lettings	44,019	(25,593)	18,426
Non-Social Housing Activities:			
Lettings	179	-	179
VAT partial exemption claim	12	-	12
Ongo Communities	144	(842)	(698)
Ongo Commercial	6	(35)	(29)
Ongo Partnership	-	(5,501)	(5,501)
Ongo Recruitment	1,046	(1,125)	(79)
Ongo Roofing	1,605	(1,702)	(97)
Ongo Heating & Plumbing	123	(208)	(85)
Ongo Sales & Lettings	-	(61)	(61)
Other	837	-	837
Total Non-Social Housing Activities	3,952	(9,474)	(5,522)
Total	47,971	(35,067)	12,904

Operating costs are analysed as follows:

	2016/17		
	Social Housing Lettings	Non-Social Housing	Total Operating Costs
	£'000	£'000	£'000
Expenditure			
Services	1,740	-	1,740
Support	854	-	854
Management	4,283	9,451	13,734
Routine maintenance	5,189	-	5,189
Planned maintenance	1,430	-	1,430
Major repairs expenditure	2,499	-	2,499
Bad debts	134	18	152
Depreciation of Housing Properties	9,464	5	9,469
Total Operating Costs	25,593	9,474	35,067

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

3 Turnover, operating costs and operating surplus - Group (continued)

	2015/16		
	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000
Social Housing Activities			
Rents	41,063	(25,275)	15,788
Service Charges	641	(423)	218
Support Charges	363	(921)	(558)
Amortised Grant	2,309	-	2,309
Total Social Housing Lettings	44,376	(26,619)	17,757
Non-Social Housing Activities:			
Lettings	398	-	398
VAT partial exemption claim	74	-	74
Tenant Recharges	153	(153)	-
Ongo Communities	181	(580)	(399)
Ongo Commercial	33	(33)	-
Ongo Partnership	-	(5,013)	(5,013)
Ongo Recruitment	966	(1,271)	(305)
Ongo Roofing	1,610	(1,636)	(26)
Other	963	-	963
Total Non-Social Housing Activities	4,378	(8,686)	(4,308)
Total	48,754	(35,305)	13,449

Operating costs are analysed as follows:

Expenditure	2015/16		
	Social Housing Lettings	Non-Social Housing	Total Operating Costs
	£'000	£'000	£'000
Services	423	-	423
Support	921	-	921
Management	5,060	8,678	13,738
Routine maintenance	6,499	-	6,499
Planned maintenance	1,449	-	1,449
Major repairs expenditure	2,941	-	2,941
Bad debts	423	8	431
Depreciation of Housing Properties	8,903	-	8,903
Total Operating Costs	26,619	8,686	35,305

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

4 Disposals of fixed assets (housing stock) - Group

	RTB Sales	Cost of Sales	Total
2016/17	£'000	£'000	£'000
Proceeds of Sales	1,869	(513)	1,356
Disposal costs	(2)	-	(2)
Surplus	1,867	(513)	1,354
2015/16	RTB Sales	Cost of Sales	Total
	£'000	£'000	£'000
Proceeds of Sales	1,644	(515)	1,129
Disposal costs	(19)	-	(19)
Surplus	1,625	(515)	1,110

5 Operating profit

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
This is arrived at after charging/(crediting)				
Depreciation of tangible fixed assets	9,464	8,945	-	-
Management fee to subsidiaries	-	-	(5,633)	(5,141)
Amortisation of intangible assets, including goodwill	11	13	-	-
Operating lease expense	644	530	218	7
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	36	36	-	-
Fees payable to the company's auditor and its associates for other services to the group	28	18	-	-
	9,543	9,532	218	7

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

6 Employees	Group 2017 £'000	Group 2016 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	10,244	10,104
Social security costs	929	771
Cost of defined benefit scheme (see note 20)	1,729	1,754
Cost of defined contribution scheme	100	100
	13,002	12,729

The average number of employees (including Executive Management Team) during the year was as follows:

	2017 Number	2016 Number
Wardens, caretakers and cleaners	26	37
Craft	75	61
Executive Management Team	4	4
Administration	229	219
	334	321

A defined contribution pension scheme is operated by Ongo Partnership on behalf of the employees of all the Group undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £136k (2016 - £100k). Contributions amounting to £11k (2016 - £0) were payable to the fund at year end and are included in creditors.

7 Directors' remuneration	2017 £	2016 £
Directors' emoluments	599,483	577,496
Company contributions to money purchase pension schemes	122,426	111,938
	721,909	689,434

There were no directors in the group's defined contribution pension scheme (2016 - 0). All of the directors accrued benefits under the group's defined benefit pension scheme during the year (2016 - 4).

Emoluments of the Chief Executive, who was also the highest paid director, were £145,277 (2016 - £144,571).

As a member of the LGPS pension scheme, the pension entitlement of the CEO is calculated in the same way as applies to all other members.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

7 Directors' remuneration (continued)

The remuneration paid to staff (including executive management) earning over £60,000 is as follows:

Full time equivalents of staff paid from £60,000. Banding	2017 FTE	2016 FTE
£60,000-£69,999	1.00	2.00
£70,000-£79,999	1.00	-
£80,000-£89,999	-	-
£90,000-£99,999	1.00	1.00
£100,000-£109,999	-	-
£110,000-£119,999	2.00	2.00
£120,000-£129,999	-	-
£130,000-£139,999	-	-
£139,999-£149,999	1.00	1.00

8 Interest payable and similar charges

	Group 2017 £'000	Group 2016 £'000
Bank loans and overdrafts	2,808	2,879

9 Other finance costs

	Group 2017 £'000	Group 2016 £'000
Net interest on net defined benefit liability	98	419

10 Taxation on profit on ordinary activities

Ongo Homes Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, that company has 'charitable status' and is potentially exempt from taxation in respect of income and capital gains arising from certain categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Deferred tax balances are not recognised.

<i>UK corporation tax</i>	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Current tax on profits of the year	103	31	77	50
Adjustments in respect of previous periods	(3)	102	(3)	1
Total current tax	100	133	74	51
Taxation on profit on ordinary activities	100	133	74	51

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

10 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Profit on ordinary activities before tax	11,425	11,315	156	142
Profit on ordinary activities at the standard rate of tax corporation tax in the UK of 20 % (2016 - 20%)	2,428	2,263	31	29
Effects of:				
Expenses not deductible for tax purposes	11	2	7	2
Adjustment to charge in respect of previous period	(3)	31	(3)	1
Tax adjustments, reliefs and transfers-net	(23)	(10)	(14)	(11)
Accounting adjustments and transfers-net	63	30	-	-
Depreciation in excess of capital allowances	-	2	-	-
Deferred tax not recognised	-	-	63	30
Income not taxable	(2,376)	(2,185)	(10)	-
	100	133	74	51
Taxation on profit on ordinary activities	100	133	74	51

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

11 Intangible assets

Group	Goodwill on consolidation £'000
<i>Cost or valuation</i>	
At 1 April 2016	110
Additions	2
	<hr/>
At 31 March 2017	112
	<hr/>
<i>Amortisation</i>	
At 1 April 2016	14
Charge for the year	11
	<hr/>
At 31 March 2017	25
	<hr/>
<i>Net book value</i>	
At 31 March 2017	87
	<hr/>
At 31 March 2016	96
	<hr/>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

12 Tangible fixed assets

Group	Housing Land and buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>				
At 1 April 2016	206,510	1,936	495	208,941
Additions	13,707	-	-	13,707
Disposals	(1,313)	-	-	(1,313)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	218,904	1,936	495	221,335
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2016	(49,630)	(1,932)	(322)	(51,884)
Provision for year	(9,429)	(3)	(32)	(9,464)
Disposals	415	-	-	415
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	(58,644)	(1,935)	(354)	(60,933)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2017	160,260	1	141	160,402
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	156,880	4	167	157,051
	<hr/>	<hr/>	<hr/>	<hr/>

The impairment loss recognised on tangible fixed assets in the period was £0 (2016 - £0).

Housing land and buildings may be further analysed as follows:

	Original Stock	New Homes	In Development	Total
	£'000	£'000	£'000	£'000
Cost				
At start of the year	200,303	4,099	2,108	206,510
Additions to existing properties	8,713	-	4,994	13,707
Disposals	(1,313)	-	-	(1,313)
Transfers	1,397	-	(1,397)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of the year	209,100	4,099	5,705	218,904
	<hr/>	<hr/>	<hr/>	<hr/>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

12 Tangible fixed assets *(continued)*

Depreciation and Impairment	Original Stock £'000	New Homes £'000	In Development £'000	Total £'000
At start of the year	(49,353)	(277)	-	(49,630)
Charge for year	(9,429)	-	-	(9,429)
Impairment losses				
Disposals	415	-	-	415
At end of the year	<u>(58,367)</u>	<u>(277)</u>	<u>-</u>	<u>(58,644)</u>
Net book value at end of year	<u>150,733</u>	<u>3,822</u>	<u>5,705</u>	<u>160,260</u>
Net book value at start of year	<u>150,950</u>	<u>3,822</u>	<u>2,108</u>	<u>156,880</u>

The net book value of land and buildings may be further analysed as follows:

	Group 2017 £'000	Group 2016 £'000
Freehold	<u>160,260</u>	<u>156,880</u>

And the mix of housing properties is as follows:

Accommodation in Management

	2017	2016
	Units	Units
General needs	9,436	8,977
Supported Housing / Housing for older people	10	488
Affordable rent	241	196
Intermediate Rent	2	6
Empty (awaiting demolition or redevelopment)	11	53
	<u>9,700</u>	<u>9,720</u>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

13 Fixed asset investments

Subsidiary undertakings

The undertakings of the company, all of which are included in the consolidated accounts are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business held
<i>Subsidiary undertakings</i>			
Ongo Homes Limited	England and Wales	100%	Registered Social Housing provider and "exempt charity"
Ongo Communities Limited	England and Wales	100%	Community Investment
Ongo Roofing Limited	England and Wales	100%	Roofing Business
Ongo Commercial Limited	England and Wales	100%	Locksmiths
Crosby Brokerage Limited	England and Wales	100%	Business Services
Ongo Recruitment Limited	England and Wales	100%	Employment Services
Ongo Heating & Plumbing Limited	England and Wales	100%	Heating & Plumbing Business
Ongo Sales & Lettings Limited	England and Wales	100%	Estate Agent

The registered address of all subsidiaries is Meridian House, Normanby Road, Scunthorpe, Lincolnshire, DN15 8QZ.

14 Stocks

	Group 2017 £'000	Group 2016 £'000
Raw materials and consumables	36	10
	36	10

Replacement cost

Included in the amount shown above for stocks of raw materials and consumables are items valued at cost calculated on a first in, first out basis. The replacement cost of these items at 31 March 2017 was equivalent to the amount at which they are included in the accounts.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

15 Debtors

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	4,890	2,316	53	23
Less bad debts provision	(2,287)	(1,491)		
Amounts owed by group undertakings	-	-	-	397
Other debtors	38	160	689	-
Prepayments and accrued income	1,057	1,229	270	111
	3,698	2,214	1,012	531

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the group profit or loss for the period in respect of bad and doubtful trade debtors was £0 (2016 - £430,236).

16 Creditors: amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Bank overdrafts (secured)	-	6	-	-
Payments received on account	758	27	-	-
Trade creditors	584	428	116	10
Corporation tax	100	133	74	51
Taxation and social security	315	211	34	20
Accruals and deferred income	5,459	4,160	362	322
	7,216	4,965	586	403

The bank overdrafts are secured by a floating charge over the assets of Ongo Homes Limited.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

17 Creditors: amounts falling due after more than one year

	Group 2017 £'000	Group 2016 £'000
Bank Loans	71,000	71,000
Less: Loan Issue Costs	(875)	(919)
	70,125	70,081
Bank loans	70,125	70,081
Deferred Capital Grants	43,367	42,992
	113,492	113,073

The maturity of sources of debt finance is as follows:

	Group 2017 £'000	Group 2016 £'000
Group loans and overdrafts		
In one year or less, or on demand	-	6
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
In more than five years	70,125	70,075
	70,125	70,081

The bank loans are secured by specific charges over Ongo Homes Limited's housing properties and floating charges on all of Ongo Homes Limited's assets and are repayable at varying rates of interest.

	Group 2017 £'000	Group 2016 £'000
Deferred Capital grants		
At start of the year	42,992	44,062
Grants received during the year	2,718	1,240
Released to income during the year	(2,343)	(2,310)
	43,367	42,992

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

18 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 2017 £'000	Group 2016 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	34,131	20,189
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised cost	76,875	75,408
	<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise cash, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Report of the Board of Management.

19 Provisions for liabilities

	Group Dilapidations £'000	Company Dilapidations £'000
Group		
At 1 April 2016	285	225
Charged to profit or loss	310	300
	<u> </u>	<u> </u>
At 31 March 2017	595	525
	<u> </u>	<u> </u>

Provisions have been made for the estimated cost of returning office premises to their original condition at the expiry of the leases. Dilapidations provisions of the company are expected to be utilised between two and four years hence, with other group provisions utilised after more than five years

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

20 Pensions

Two pension schemes are operated by the group.

Defined contribution pension scheme (Aviva)

This scheme, which commenced in 2012 is open to all staff employed by the Group. The assets are held independently in a separately administered fund. The pension cost for this scheme, which reflects contributions payable at rates specified in the rules of the plan, was £135,942. Of this amount, £79,844 was rechargeable to other group entities.

Defined benefit pension scheme (LGPS)

The Group participates in the multi employer Local Government Pension Scheme (LGPS), 'East Riding Pension Fund', a final salary scheme, which was established under an irrevocable Deed of Trust. The Deed determines the appointment of trustees to the fund. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

Ongo Partnership Limited is not itself a party to the scheme, although some of its own employees are members of that scheme. On 31 March 2017 there were 209 employees in the LGPS. This scheme is only offered to new employees who are already members of the scheme through previous other employment.

Pension benefits depend upon age, length of service and salary level.

A full actuarial valuation of the defined benefit scheme was carried out at 31 December 2012 and updated to 31 March 2016 and 2015 by a qualified independent actuary. Contributions to the scheme are made by the group based on the advice of the actuary and with the aim of making good any deficit over the remaining working life of the employees.

There were no changes to the scheme during the year and no amounts owing to the scheme at the year end.

	2017	2016
	£'000	£'000
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	38,856	47,128
Current service cost	1,606	1,742
Interest cost	1,382	1,531
Benefits paid	(848)	(737)
Participant contributions	451	416
Changes in financial assumptions	11,146	(10,872)
Other experience	1,812	(364)
Past service cost	123	12
Changes in demographic assumptions	(748)	-
At the end of the year	<u>53,780</u>	<u>38,856</u>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

20 Pensions <i>(continued)</i>	2017 £'000	2016 £'000
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	35,952	33,961
Interest income on plan assets	1,284	1,112
Contributions by group	2,399	2,334
Return on assets (excluding amounts included in net interest)	(848)	(718)
Benefits paid	5,200	(737)
	43,987	35,952
At the end of the year	43,987	35,952
Net pension scheme liability	(9,793)	(2,904)
 <i>Amounts recognised in the profit and loss amount are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost	1,606	1,742
Past service cost	123	12
	1,729	1,754
 <i>Amounts included in other finance costs</i>		
Net interest cost	(98)	419
 <i>Analysis of actuarial(gain)/ loss recognised in other comprehensive income</i>		
Actual return less interest income included in net interest income	(5,200)	718
Experience gains and losses arising on the scheme liabilities	1,812	(364)
Changes in assumptions underlying the present value of the scheme liabilities	11,146	(10,872)
Changes in demographic assumptions	(748)	-
	7,010	(10,518)

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

20 Pensions (<i>continued</i>)	2017 £'000	2016 £'000
<i>Composition of plan assets</i>		
European equities	33,430	26,964
European bonds	4,399	3,595
Property	4,839	4,314
Cash	1,320	1,079
	43,988	35,952
	43,988	35,952
<i>Actual return on plan assets</i>	2,338	2,334
	2,338	2,334
	2,338	2,334
	2017 %	2016 %
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates	3.4	3.5
Future salary increases	1.9	1.9
Future pension increases		
Inflation assumption	2.2	2.2
Mortality rates		
- for a male aged 65 now	22yrs	22yrs
- at 65 for a male member aged 45 now	24yrs	22yrs
- for a female aged 65 now	24yrs	22yrs
- at 65 for a female member aged 45 now	26yrs	24yrs

21 Share capital

The Company is limited by Guarantee and does not have share capital.

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

22 Commitments under operating leases

The group had minimum lease payments under non-cancellable operating leases as set out below:

	2017 £'000	2016 £'000
Not later than 1 year	314	209
Later than 1 year and not later than 5 years	462	382
Later than 5 years	127	137
	<hr/>	<hr/>
Total	903	728
	<hr/>	<hr/>

23 Related party disclosures

There is no ultimate controlling party of Ongo Partnership Limited.

Other than transactions between the Group and subsidiaries themselves, the company does not believe it has any 'Related Parties' and therefore no transactions were made during the year to related parties. One Board member of Ongo Homes Limited is a Council Member of North Lincolnshire Council, a local authority having nomination rights over tenancies of certain properties. All transactions with North Lincolnshire Council are on normal commercial terms and Councillors are unable to use their position to their advantage. Another Board member is a tenant of Ongo Homes Limited. Tenant Board Members have a standard tenancy agreement and they are required to fulfil the same obligations and receive the same benefits as other residents. They cannot use their position to their advantage.

24 Capital commitments

	Group 2017 £'000	Group 2016 £'000
Contracted but not provided for	25,402	4,616
Authorised but not contracted for	10,927	15,578
	<hr/>	<hr/>
	36,329	20,194
	<hr/>	<hr/>

The Company expects these commitments to be financed with:

Grants	5,484	2,719
Internal Funding	30,845	17,475
	<hr/>	<hr/>
	36,329	20,194
	<hr/>	<hr/>