



**i4B Holdings Limited**

**Annual report and financial statements for the year ended 31<sup>st</sup> March 2019**

**Company Registration No. 10529802**



## Company Information

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**Directors:** George Crane  
Akintoye Durowoju (appointed 1<sup>st</sup> May 2018)  
Peter Gadsdon  
Martin Smith (Chair)  
Gail Tolley

**Company number:** 10529802

**Registered office:** Civic Centre  
9 Engineers Way  
Wembley  
London  
HA9 0FJ

**Auditors:** Grant Thornton UK LLP  
Chartered Accountants, Statutory Auditor  
30 Finsbury Square  
London EC2A 1AG

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## Strategic Report

### Business Overview

I4B Holdings limited (the company or I4B) has been established to reduce homelessness, provide affordable good quality homes, and invest to deliver regeneration and financial benefits for its sole shareholder Brent Council.

The company commenced trading on 16<sup>th</sup> December 2016 and the original business plan assumed 200 residential properties would be purchased by 31<sup>st</sup> March 2018 and 300 in total by 31<sup>st</sup> March 2019. The rate of property acquisition however has been slower than originally anticipated primarily due to the slow-down in the London housing market. As of 31<sup>st</sup> March 2019, the company had acquired 214 residential dwellings of which 179 had tenants.

The company remains committed to the original target of acquiring 300 properties, albeit at a slower rate than originally envisaged. The board however is confident that the growth plans in place for I4B will enable it to achieve this target and the board aims to return a profit from year three onwards to the shareholder.

	2017/ 18 (restated) £000s	2018/ 19 £000s	2019/ 20 £000s	2020/ 21 £000s
Original business plan forecast net profit/(loss) before tax	(863)	91	517	536
Current actual/forecast net profit/(loss) before tax	(1,561)	(102)	843	719

### Risks

A principal risk facing the company is the uncertainty in the housing market. There has been some evidence of a slow-down in the London residential property market in recent months and that has had an impact on the rate at which the company has acquired properties. The company has however sought independent advice from a specialist property consultancy (GVA) and is confident that there continues to be sufficient availability of properties in the market to meet the company's demands.

Another risk facing the company is that rent default rates exceed expected levels and negatively impact revenues. The board receives regular updates on rent collection performance and reviews the top 10 rent arrears cases at each board meeting to ensure that the company has the correct measures in place to prevent significant arrears accumulating and is taking appropriate steps to support and deal with tenants in arrears.

### Opportunities

A major opportunity for the company to grow is to look at changing its buying strategy. The board is currently reviewing the options for multiple purchases within newly built blocks, and also investigating the options for a whole block purchase. If these options appraisals are successful this would give a new option to purchase properties alongside our current street side buying strategy, giving I4B a platform for real growth over the next 18 – 24 months.

Whilst looking at the above, the company will always be making sure that its rents are aligned with local LHA rates, and may benefit from any increases this brings in the future. Last year's raise of 3%

provided some revenue growth however, there is no guarantee this will be a regular occurrence in the geographic areas our stock resides in.

#### **Governance**

The board currently comprise five members. The Board meets on a monthly basis and takes collective responsibility for the long-term success of the company.

#### **System of Internal control**

The Board of i4B is committed to the highest standards of business ethics and conduct, and seeks to maintain these standards across all of its operations.

The Board is responsible for ensuring that sound systems of internal control exist within i4B, which focus on the significant risks that threaten our ability to meet our objectives, and provide reasonable assurance for the safeguarding of assets. The key means of identifying, evaluating and managing the systems of internal control are:

- Corporate governance arrangements as set out above;
- Policies and procedures for all key areas of the business, which are reviewed periodically to ensure their continued appropriateness;
- An Internal Audit function provides management assurance on controls and key risks. i4B uses the services of a professional firm of auditors (through the Council) and other specialists as necessary. All audit reports are reviewed by the Board, which also receives updates on the implementation of agreed external and internal audit recommendations;
- i4B's Board regularly monitor performance against budgets and other indicators.

No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in the annual report, from 1<sup>st</sup> April 2018 up to the date of the approval of the annual report.

#### **By order of the board**

The strategic report was approved by the Board and signed on its behalf by:



Martin Smith

Chair of the board of directors

Date: 24 October 2019

## **Directors Report**

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### **Reporting period**

The directors present their report for the year ended 31 March 2019.

### **Financial instruments**

As at 31st March 2019, i4B had loan facilities with the London Borough of Brent totalling £79.3m secured against the residential properties owned by i4B. Of the £79.3 total, £32.3m was drawn down for the financial year 2018/19. All loan facilities are extended with fixed interest rates for the full term of the loan, which mitigates any interest rate risk.

### **Directors**

The directors during any part of the financial year 2018/19 are listed on page 1. There have been no changes in directors since the end of the financial year although an additional independent (non-LBB) board member joined in May 2018.

### **Employees**

i4B does not directly employ staff instead the company 'buys-in' services from the London Borough of Brent under a Service Level Agreement (SLA).

### **Going concern**

The company (a company limited by shares) is a wholly owned subsidiary of The London Borough of Brent (LBB).

The Directors have reviewed the company's forecasts to fund the company's activities. Based on this analysis, at the date of approval of the financial statements, the Directors have a reasonable expectation that the company will continue to be operate for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements.

In addition, a letter of support has been issued by London Borough of Brent from the section 151 officer. This states that LBB will provide continuing financial support as the sole guarantor of the Company to enable i4B Holdings Limited, to fund its liabilities as they fall due and to allow its financial statements to be prepared on a going concern basis.

### **Statement of Directors' responsibilities**

The directors are responsible for preparing the Strategic report and Directors report in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

The directors 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.

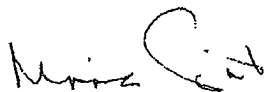
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each director in office at the date the Directors' Report is approved:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

For the financial year ended 31 March 2019, the Company was entitled to exemption from providing requirements for the narrative report under the Companies Act 2006 (s.414 relating to small companies). The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The directors' report was approved by the Board and signed on its behalf by:



Martin Smith

Chair of the board of directors

Date: 24 October 2019

## **Independent auditors report**

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### **Opinion**

We have audited the financial statements of I4B Holdings Limited (the 'company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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

We have nothing to report in this regard.

#### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matter on which we are required to report under the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on pages 6-7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Use of our report**

This report is made solely to the 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.



Joanne Love

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date: 31 October 2019


# **Statement of comprehensive income for year ended 31<sup>st</sup> March 2019**

	<i>Note</i>	2018/19 £000	2017/18 (restated) £000
Turnover	6	2,106	152
Costs of sales		( 186 )	( 183 )
Gross profit / (loss)		1,920	(31)
Administrative expenses	7	(1,115)	(512)
Surplus on revaluation of investment properties		1,362	-
Operating Profit	8	2,167	(543)
Interest payable and similar expenses	16	(2,269)	(1,008)
Loss before taxation		(102)	(1,551)
Tax on loss		-	-
Loss after taxation		(102)	(1,551)

The notes on pages 15 to 22 form part of these financial statements

# Statement of financial position at 31<sup>st</sup> March 2019

	Notes	2018/19 £000	2017/18 (restated) £000
<b>Fixed assets</b>			
Investment properties	10	77,298	45,689
<b>Total fixed assets</b>		<b>77,298</b>	<b>45,689</b>
<b>Current assets</b>			
Debtors	11	1,254	1,367
Cash at bank and in hand	12	76	62
<b>Total current assets</b>		<b>1,330</b>	<b>1,429</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>( 934)</b>	<b>(1,700)</b>
<b>Net current assets</b>		<b>396</b>	<b>(271)</b>
<b>Total assets less current liabilities</b>		<b>77,694</b>	<b>45,418</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>(56,272)</b>	<b>(33,463)</b>
<b>Net assets</b>		<b>21,422</b>	<b>11,955</b>
<b>Capital and reserves</b>			
Retained earnings		(1,653)	(1,551)
Equity		23,075	13,506
<b>Total shareholder's surplus</b>		<b>21,422</b>	<b>11,955</b>

 24 October 2019

Martin Smith

Chair of the board of directors I4B Ltd

Company no: 10529802

The notes on pages 15 to 22 form part of these financial statements

# Statement of changes in equity for the year ended 31<sup>st</sup> March 2019

	Notes	Retained earnings £000	Equity £000	Total shareholders' equity £000
Balance at 16 <sup>th</sup> December 2016		0	0	0
Loss for the period (restated)	SOCI	(1,551)	13,056	11,955
Balance at 1 April 2018 (restated)		(1,551)	13,506	11,955
Loss for the year	SOCI	(102)	9,569	9,467
Balance at 31 March 2019		(1,653)	23,075	21,422

The notes on pages 15 to 22 form part of these financial statements

# Statement of cash flows for the year ended 31<sup>st</sup> March 2019

	Notes	2018/19 £000	2017/18 (restated) £000
<b>Cash flows from operating activities</b>			
Deficit for the period		(102)	(1,551)
Adjustments for:			
Adjustment for surplus on investment properties		(1,362)	-
Interest expense	16	2,269	1,008
Decrease/ (increase) in debtors	11	(953)	(87)
Increase/ (decrease) in creditors	13	(767)	1,700
<b>Net cash from operating activities</b>		<b>(915)</b>	<b>1,070</b>
<b>Cash flows from investment activities</b>			
Acquisition of investment of properties	10	(30,247)	(45,689)
Acquisition of non-housing fixed assets		-	-
<b>Net cash from investment activities</b>		<b>(30,247)</b>	<b>(45,689)</b>
<b>Cash flows from financing activities</b>			
Interest paid	16	(2,269)	(1,008)
Capital loan borrowing for acquisition of properties	15	30,247	45,689
Net borrowing of working capital loan	15	3,198	-
<b>Net cash generated from financing activities</b>		<b>31,176</b>	<b>44,681</b>
<b>Net increase in cash and cash equivalents</b>		<b>14</b>	<b>62</b>
Cash and cash equivalents at beginning of year	12	62	-
<b>Cash and cash equivalents at end of year</b>	12	<b>76</b>	<b>62</b>

The notes on pages 15 to 22 form part of these financial statements

## Notes to the accounts

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### 1. General Information

I4B Holdings limited manages and maintains private sector residential rental properties on behalf of its parent local authority, the London Borough of Brent (the 'Council' or 'LBB'). The Company is a private company limited by shares and is incorporated in England (registered number 10529802). The address of the parent undertaking's registered office is Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ.

### 2. Statement of compliance

The financial statements of I4B have been prepared in compliance with the Generally Accepted Accounting Practice in the UK; including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The company is a public benefit entity.

### 3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost basis, as modified by the revaluation of certain assets annually tested for revaluation gains and impairment.

The financial statements have been prepared on an accruals basis. Assets and liabilities are recognised on the Company's statement of financial position when it is probable that future economic benefits or costs will flow and the amounts of the assets and liabilities can be reliably measured. Turnover and expenditure is recognised in the statement of comprehensive income where it can be reliably measured that income has become due to the Company or expenditure has been incurred by the Company.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements.

#### (b) Going concern

The Directors have reviewed the company's forecasts for the foreseeable future along with the availability of financing to fund both the company's development activities and its working capital requirements. Based on this analysis, at the date of approval of the financial statements, the Directors have a reasonable expectation that the company will be profitable within 2 years and has adequate access to financing in the interim to meet working capital requirements and continue in operational existence for the foreseeable future. A letter of support has been issued by London Borough of Brent from the section 151 officer, covering the period up to 31 March 2020. This states that LBB will provide continuing financial support as the sole shareholder of the Company to enable I4B to fund its liabilities as they fall due and to allow its financial statements to be prepared on a going concern basis.

(c) Turnover

Turnover represents services supplied in the year ended 31 March 2019 such as rents, included at gross cost (all supply is VAT exempt). All income is recognised on a receivable basis.

(d) Taxation - Value added tax (VAT)

The Company is not VAT registered. All services supplied by the Company are VAT exempt.

(e) Tangible assets

(i) Tangible assets are stated at historic cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, and refurbishment costs. Tangible fixed assets of a value exceeding £1,500 will be capitalised and depreciated.

(ii) Investment properties consist of commercial properties not held for the social benefit or for use in the business. They are measured at cost on initial recognition and subsequently at fair value (or open market value), in accordance with FRS102 and are not depreciated. At the year end the changes in fair value are recognised in Income and expenditure.

(f) Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(g) Cash and cash equivalents

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

(h) Provisions and contingencies

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(ii) Doubtful debts are estimated at 10% of gross rental income.

(k) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(l) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.



At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### (m) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from the Council classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### (o) Related party transactions

The Company discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

#### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (a) Key accounting estimates and assumptions

###### *(i) Provisions for doubtful debts (note 10)*

Provision is made for bad debts on rental income from the Company's owned stock. This provision requires management's best estimate, doubtful debts are estimated at 10% of gross rental income and are included in net rental debtors' calculation.

###### *Valuation of properties (note 9)*

The valuation was carried out by Wilks, Head and Eve (WHE), Chartered Surveyors. The Valuer prepared the valuations based on the existing use value on the 1st January 2019. Further confirmation from the Valuer was obtained to confirm no material change in the valuation at the 31st March 2019.

#### 5. Prior Year Adjustment

An adjustment to the accounts has been made to the prior year due to the reclassification of fixed assets from property plant and equipment to investment properties. Due to the classification change, depreciation has been reversed in the 2017-18 accounts which has impacted the main statements and tangible fixed assets note.

The impact on the closing balances of the 2017-18 accounts is:

##### **Retained Earnings**

Retained earnings closing balance 2017/18 accounts	(2,205)
Reversal of depreciation	654
Adjusted Retained Earnings in restated accounts	(1,551)

##### **Total Tangible Fixed Assets**

Total Fixed Assets closing balance 2017/18 accounts	45,035
Reversal of depreciation on reclassification	654
Adjusted NBV of Total Fixed Assets in restated accounts	45,689

## 6. Particulars of turnover

Turnover in the current and prior year is derived completely from the principal activities of the Company and arises solely within the United Kingdom.

	2018/19 £000	2017/18 £000
Rental Income	2,106	152
Total	2,106	152

## 7. Administrative expenses

	Operating costs 2018/19 £'000	Operating costs (restated) 2017/18 £'000
Supplies and services	(165)	-
Fees payable to the Company's auditor for provision of audit services	(30)	(29)
Professional fees including legal costs	(123)	-
Service Level Agreements	(751)	(480)
Other administration costs	(45)	(3)
Total	(1,115)	(512)

## 8. Operating Profit

Operating profit is stated after charging/(crediting):

	2018/19 £'000	2017/18 (restated) £'000
Administrative Expenses	1,115	512
Surplus on Revaluation of Investment Properties	(1,362)	-
Total	(247)	512

## 9. Employees and directors

### Employees

The Company had no employees during the current financial year and the prior financial period.

### Directors

Board remuneration:

	2018/19 £000	2017/18 £000
Chairperson	9	18
Other board members	6	-
Total	15	18

## 10. Tangible fixed assets

	Investment Properties £'000	Total £'000
<b>Cost or valuation</b>		
As at 1 April 2018 (restated)	45,689	45,689
Additions	30,247	30,247
Adjustment on revaluation	1,362	1,362
As at 31 March 2019	77,298	77,298
<b>Accumulated depreciation and impairment</b>		
As at 1 April 2018 (restated)	-	-
Charge for the year	-	-
As at 31 March 2019	-	-
<b>Net book value</b>		
As at 31 March 2019	77,298	77,298
As at 31 March 2018 (restated)	45,689	45,689

## Valuation

	No of properties	£'000
Assets measured at cost as per 2017-18 accounts (restated)	128	45,689
Assets measured at fair value as per 2018-19 accounts	128	47,051

The valuation was carried out by Wilks, Head and Eve (WHE), Chartered Surveyors. The Valuer prepared the valuations based on the existing use value on the 1<sup>st</sup> January 2019. Further confirmation from the Valuer was obtained to confirm no material change in the valuation at the 31<sup>st</sup> March 2019.

## 11. Debtors

	2018/19 £000	2017/18 £000
<i>Amounts falling due within one year</i>		
Rental debtors	276	57
Rent collected not yet paid to I4B*	266	33
Prepayment of loan interest	929	1,280
Provision for doubtful debts	(217)	(3)
<b>Total debtors falling due within one year</b>	<b>1,254</b>	<b>1,367</b>

\*Rents are paid to 3<sup>rd</sup> party managing agents managed by the Council on behalf of I4B under the SLA arrangement and aggregate payments are made periodically to I4B.

### Provision for doubtful debts

Doubtful debts are estimated at 10% of gross rental income and are included in net rental debtors' calculation.

## 12. Cash at bank and in hand

	2018/19	2017/18
	£000	£000
Cash at bank	76	62
Total cash at bank and in hand	76	62

## 13. Creditors: amounts falling due within one year

	2018/19	2017/18
	£000	£000
Debt financing costs owed to London Borough of Brent	74	1,008
Payments owed to London Borough of Brent	749	648
Accruals (audit fees)	30	29
Other creditors	81	15
Total creditors falling due within one year	934	1,700

## 14. Creditors: amounts falling due after more than one year

	2018/19	2017/18
	£000	£000
Loans owed to the London Borough of Brent*	56,272	33,463
Total creditors falling due after more than five years	56,272	33,463

\*Long term loans owed to the Council are secured against all properties, the purchase of which was financed with the respective loans.

## 15. Loans and other borrowings

As at 31 March 2019, public benefit entity concessionary loans with the London Borough of Brent for the acquisition of properties totalled £79.3m. All of the loans are secured against housing properties. Loan drawings are subject to a one-off 1% set-up fee and interest is charged on the unutilised facility at 0.75% per annum. Loans are repaid on an interest only basis with the capital amount repaid after 30 years.

## 16. Interest payable and similar expenses

	2018/19	2017/18
	£000	£000
Interest payable on loans from the Council	1,734	274
Facility non-utilisation fee	211	264
Facility arrangement fee	324	470
Interest payable and similar charges	2,269	1,008

## 17. Related party transactions

During the period the Company had the following related party transactions with the Council.

### Transactions

Amounts payable to the London Borough of Brent in the period were £3.2m inclusive of loan interest payments of £2.27m.

#### Amount of outstanding balances

Trade receivables with the London Borough of Brent for the period were £1.2m (the rental debtors and collected rent yet to be paid to i4B via the Council) and trade payables were £0.82m. Loans due to the Council were £79.3m secured on housing properties.

#### 18. Controlling party

The immediate and ultimate parent undertaking and controlling party is the London Borough of Brent, whose financial statements can be obtained from The Chief Financial Officer, London Borough of Brent, Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ.

#### 19. Equity shares and equity contribution

Ordinary shares are at par value of £1

Allotted and fully paid

As at 1 April 2018

Issued during the year

As at 31<sup>st</sup> March 2019

Number	£
1	1
-	-
1	1

#### 20. Auditors' remuneration

For financial year 2018/19, the Company had payables of £25k excluding VAT for Grant Thornton UK LLP for audit services in respect of the financial statements for the period.

	2018/19 £	2017/18 £
Fees payable for the audit of the financial statements including VAT	30,000	28,800