

Ongo Partnership Limited

Report and Financial Statements

Year Ended

31 March 2018

Company Number 08048224 (England and Wales)

Ongo Partnership Limited

Report and financial statements for the year ended 31 March 2018

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Ongo Partnership Limited

Report and financial statements for the year ended 31 March 2018

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		B Walder	
D Stewart	(Resigned 29 th August 2018)	D Klemm	
M Spittles		A Colls	(resigned 15 th February 2018)
A Pate		E Patchet	(resigned 15 th September 2017)
J Main		N Cresswell	(appointed 13 th July 2018)
K Yorath	(Appointed 29 th August 2018)		

Executive Management Team

Chief Executive	A Orrey	(resigned 06 th April 2018)
Chief Executive	S Hepworth	(appointed 07 th April 2018)
Director of Operations	S Hepworth	(resigned 06 th April 2018)
Communities Director	E Stoddart	(appointed 07 th April 2018)
Director of Resources	E Stoddart	(resigned 06 th April 2018)
Property Director	P Stones	(appointed 07 th April 2018)
Director of Regeneration and Investment	P Stones	(resigned 06 th April 2018)
Resource and Commercial Director	A Harrison	(appointed 07 th April 2018)
Corporate & Compliance Services Director	J Sugden	(appointed 07 th April 2018)

Secretary and registered office

E Stoddart	(resigned 12 th July 2018)
J Sugden	(appointed 12 th July 2018)

Ongo House, 26-30 High Street, Scunthorpe, North Lincolnshire DN15 6NL

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:

Womble 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
Cartergate House
Chantry Lane
Grimsby
DN31 2LJ

Trowers and Hamblins
55 Princess Street
Manchester
M2 4EW

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2018

Nature of Business

The Ongo Partnership Group is constituted of the following:

- Ongo Homes Limited is a charitable Community Benefit Society, a registered charity and a Registered Provider of social housing regulated by Homes England (formerly the Homes and Communities Agency (HCA)).
- Ongo Commercial Limited 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 Heating & Plumbing Limited (trading as Hales & Coultas Heating and Plumbing) is a company limited by shares and owned by Ongo Commercial Limited, concerned with delivering heating and plumbing services.
- Ongo Sales and Lettings Limited (trading as Mi living) is a company limited by shares and owned by Ongo Commercial Limited, provides housing sales and lettings services. On 6th April 2018 Ongo Commercial Limited sold 75% of its shareholding in this company.
- Ongo Recruitment Limited 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.

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

- Ongo Home Sales Limited is a company limited by shares and owned by Ongo Homes. Its role is to develop properties for the commercial market to enable Ongo Homes to achieve its build programme aspirations in the most efficient and economic manner.
- Ongo Developments Limited is a company limited by shares which are wholly owned by Ongo Homes. Its role is to develop properties for sale to Ongo Homes and to the commercial market.

The Company is not a Registered Provider with Homes England.

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").

Ongo Partnership Limited

Report of the Board of Management for the year ended 31 March 2018 (continued)

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.

The Executive Directors are all members of either the East Riding Pension Fund, a final salary pension scheme, or the defined contribution scheme provided for the Employees, currently through Aviva. They contribute on the same terms as all other eligible staff and the Company contributes to the schemes 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 2018.

Results

The Company made an operating profit on ordinary activities of £176k before taxation for the year (2017: £157k). The Board of Management consider this to be an acceptable standard of performance.

The Group made a surplus before taxation of £10.6m for the year (2017: £11.4m) 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 £289k (2017:£110k).

Total reserves for the Group are £75.6m at the year-end (2017:£61.7m) 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 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

Ongo Homes Limited ("Ongo Homes" the "Association") holds the highest ratings available for both Governance (G1) and financial viability (V1).

Ongo Partnership Limited
Report of the Board of Management
for the year ended 31 March 2018 (continued)

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.

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. The institutions comply with the approved treasury policy as overseen by the treasury committee.

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

	Balance at 31 March 2018 £,000	Balance at 31 March 2017 £'000
Goldman Sachs Investment Bank	5,000	5,000
Sumitomo Mitsui Banking Corp	5,000	5,000
Standard Chartered Bank	-	5,000
	=====	=====

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 is provided with information around cash position and cash flow projections within the Management Accounting information. 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 facilities in the coming financial year. 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).

Ongo Partnership Limited
Report of the Board of Management
for the year ended 31 March 2018 (continued)

Financial instruments (continued)

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.

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.

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.

Ongo Partnership Limited
Report of the Board of Management
for the year ended 31 March 2018 (continued)

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.

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 themselves 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.

Auditors

BDO LLP are in the final year of their three year appointment to serve as auditors for the company.

Approval

This Report was approved by the Board on 13th September 2018 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 2018

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 is currently revising the Corporate Plan and Objectives and has reiterated its commitment to build more homes.

Nature of business

The Company was formed on 27 April 2012. The nature of the business is that of a holding company and provision of management services to the group.

The largest component of the Group's business is the provision of social housing and related services via Ongo Homes. The housing stock at 31 March 2018, which is centred in and around the Scunthorpe area, consisted of 9,428 units for General Needs, Affordable Rent 340 units, 10 units for Supported Housing/housing for older people and 2 units for shared ownership.

Ongo Communities Limited's role within the Group is to deliver that company's wider social objectives by co-ordinating community development activity and developing social enterprises. At the end of the financial year Ongo Communities had two wholly owned subsidiaries – Ongo Recruitment Limited and Crosby Brokerage Limited.

Ongo Commercial Limited develops commercial business opportunities to generate income on a profit basis to enhance the business of the group. At the end of the financial year Ongo Commercial had three wholly owned subsidiaries – Ongo Roofing Limited (t/a Ashbridge Roofing), Ongo Heating & Plumbing Limited (t/a Hales & Coultas Heating and Plumbing) and Ongo Sales & Lettings Limited (t/a Mi living). Subsequent to the financial year-end 75% of the shareholding in Ongo Sales & Lettings has been disposed of.

Corporate Governance

Compliance with Governance and Financial Viability Standard

The Board carried out an assessment against the standard for 2017/18 and are pleased to certify that Ongo Homes 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 2018

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 2017/18.

	£
Daniel Klemm	5,000
Robert Walder	4,000
David Hilditch	10,000
Andrew Pate	6,000
Edgar Patchett	2,000
Andrew Colls	5,250

The following non executives received remuneration for their services on Ongo Commercial Limited Board in 2017/18

	£
Kevin Yorath	2,500
David Stewart	6,000
Neville Thompson	2,500
Richard Gravestock	2,937
Carol Bratton	2,500

The following non executives received remuneration for their services on the Ongo Homes Board in 2017/18

	£
Gemma Dixon	2,000
Jeanette Norris	2,000
Thomas Clark	2,000
Sarah Turner	2,000
Helen Lennon	2,000
Elizabeth Cook	2,000
Melvin Kenyon	2,250
Rupert Pometsey	2,250
Matthew Spittles	4,500

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

Ongo Partnership Limited

Strategic report (continued)
for the year ended 31 March 2018

social media sites. It also participates in a Joint Consultative Committee with elected employee representatives and meets regularly to discuss issues relevant to them.

The Company retains 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.

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 2017/18 were:

- Our response to Grenfell disaster, including the installation of sprinkler systems to our high rise blocks.
- The introduction of 'My Home', our brand new tenant app
- The Westcliffe regeneration project, including the delivery of the new community hub; The Arc
- Preparation for full GDPR compliance
- Delivery of our new head office building, Ongo House, in partnership with the local authority for occupation May 2018
- Delivery of our refugee support service

New Business

Through working in partnership with Homes England and North Lincolnshire Council, 103 new properties were completed during 2017/18.

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.

2017/18 saw the hard work of staff at Ongo being recognised locally and nationally at a number of different award ceremonies. Here's a selection –

- LABC (Local Authority Building Control) – 'Best Social / Affordable New Housing Project' for our Parkwood Avenue development
- Customer Services Team: National Housing Heroes Frontline Team of the Year Award
- Customer Service Excellence accreditation
- Achieved TPAS (tenant participation) accreditation
- National Centre for Diversity (NCFD) awards - won 'Equality, Diversity and Inclusion lead of the year, won 'UK steering group of the year' and Shortlisted for Most Inspiring Individual of the year.

Ongo Partnership Limited

Strategic report (continued) for the year ended 31 March 2018

FINANCIAL REVIEW

The principal aim of this section is to explain the Group'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.

Financial Performance

The Group's turnover increased slightly to £48.2m (2017:£47.8m) despite an annual rent decrease of 1% as required by changes in legislation announced in 2016.

Rent losses from voids and bad debt (expressed as void and bad debt as a percentage of income from lettings) was 2.9% (2017: 1.4%). The Board considers void management to be a key performance measurement and, in addition to bad debt and void losses, the Board of Ongo Homes regularly reviews the percentage of void stock in management and void turnaround (re-let) time.

The percentage of income lost from voids (expressed as income lost from voids in management divided by gross rent) was targeted to be 1.1% in the last financial year. Actual performance in the period to 31 March 2018 was above target at 1.6%, achieved in a difficult operating environment (2017: 1.0%).

Overall rent arrears at the end of the year (expressed as arrears divided by gross rent) were 3.4% (2017: 5.8%). 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 an increase to 9,770 (2017:9,700). During the year 33 tenants exercised their right to buy their home (RTB). The surplus on the sale of properties was £0.80m (2017:£1.35m).

The operating surplus before interest and right to buy has decreased by 0.5% to £12.8m (2017: £12.9m), with operating margin changing from 26.7% (2017) to 26.6% (2018).

The Group borrowed no new funds during the year, but continued to refurbish and improve its housing stock.

Borrowings at the period end were £60m, a £11m reduction on the prior year, and unused available facilities total an additional £30.0m. This debt is borrowed wholly from a UK bank using a mixture of fixed interest and variable rate loans. The first repayment in on a fixed term loan becomes due in 2022/23.

The treasury strategy is set annually and approved by Ongo Partnership Board. Normal policy is to maintain between 60% and 80% of borrowings at fixed rates of interest. At the end of the financial year 100% of the Group's borrowings were at fixed rates of interest. This ratio has occurred due to the restructuring of the loan agreements during the year; previous fixed term debt remains in place, now supplemented by a currently undrawn revolving credit facility. These restructurings of debt were appropriately approved by both the Treasury Committee and the Board.

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 3.4% to 6.55% at the year end, with margins on these fixed debts scheduled to increase by 1.25% over the next 6 years. The currently undrawn revolving credit facility incurs a commitment fee of 0.48% on undrawn facilities, and when drawn a margin of 1.2% above LIBOR.

The Bank's lending agreement requires compliance with a number of covenants. Ongo Homes' position is monitored on an on-going basis and reported to the Board. Recent reports confirmed that the Group was in

Ongo Partnership Limited

Strategic report (continued) for the year ended 31 March 2018

compliance with all its loan covenants throughout the year under review and the Board expects to remain compliant in the foreseeable future.

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

The Group'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.

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 primarily 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 £19m (2017: £29m). Group net current assets were £14m (2017: £25m). Ongo Homes has facilities and security in place to borrow a further £30.0m.

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 Homes England 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
- Developing Partnerships and working relationships to enable us to build more homes.
- Developing our commercial businesses to provide additional revenue streams to the Group

Ongo Partnership Limited

**Strategic report (continued)
for the year ended 31 March 2018**

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

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 13th September 2018 and signed on its behalf:

D Hilditch
Director

Ongo Partnership Limited

Audit and Risk Committee report for the year ended 31 March 2018

From 1 April 2017 to 31 March 2018 there were four meetings held on

- 17 May 2017
- 10 August 2017
- 12 October 2017
- 15 February 2018

These meetings were attended by:

Name	Number of meetings eligible to attend	Number of meetings attended
Edgar Patchett	2	2
Andrew Colls	4	4
Avril Bairstow	4	4
Melvin Kenyon	4	4
Gemma Dixon	4	3
Sarah Turner	3	-
Thomas Clark	3	-

In February 2018 Andrew Colls resigned as Chair of the committee and was replaced, on an interim basis, by Richard Gravestock.

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 Auditors annual audit plan
- Agreeing the scope of the External Auditors 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.

The Committee has asked that the Chief Executive and the Resource & Commercial Director 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 of reference.

Ongo Partnership Limited

Audit and Risk Committee report for the year ended 31 March 2018 (continued)

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 all direct award procurement actions to ensure that the committee was comfortable with the reasons behind these.
- Monitored fraud attempts.
- Monitored Health and Safety as regards to compliance , particularly in relation to fire safety.

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 the award of the Internal Audit contract for the following three years; a tender process was undertaken resulting in the appointment of TIAA

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 2018.

AUDIT AND RISK COMMITTEE CHAIR

DATE:

R Gravestock

Ongo Partnership Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ONGO PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Ongo Partnership Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the consolidated and company statements of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows 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 Group's and of the Parent Company's affairs as at 31 March 2018 and of the Group's profit and the 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.

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 Group and the Parent 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 Group or the Parent 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.

Ongo Partnership Limited

Independent auditor's report (*continued*)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report 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 and Director's report.

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 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; or

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ongo Partnership Limited

Ongo Partnership Limited
Independent auditor's report (*continued*)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Linda Cooper (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds, UK

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 2018

	Note	Continuing operations 2018 £'000	Continuing operations 2017 £'000
Turnover	3	48,196	47,971
Operating costs		(35,287)	(35,067)
Surplus on sale of properties not developed for outright sale		798	1,354
Operating surplus		13,707	14,258
Other interest receivable and similar income		81	73
Interest payable and similar charges	8	(2,898)	(2,808)
Other finance costs	9	(257)	(98)
Surplus on ordinary activities before taxation		10,633	11,425
Taxation on surplus on ordinary activities	10	(26)	(100)
Surplus for the financial year		10,607	11,325
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme	20	3,296	(7,010)
Total comprehensive income for the year		13,903	4,315

The notes on pages 29 to 51 form part of these financial statements.

Ongo Partnership Limited
Consolidated balance sheet
at 31 March 2018

Company Number 08048224	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Intangible assets	11		76		87
Tangible fixed assets:					
Housing properties	12		170,669		160,260
Other			113		141
Investments	13		20		-
			<hr/>		<hr/>
			170,878		160,488
Current assets					
Stocks	14	86		36	
Debtors	15	1,342		3,698	
Cash at bank and in hand		18,761		28,543	
			<hr/>	<hr/>	
		20,189		32,277	
Creditors: amounts falling due within one year	16	(5,782)		(7,216)	
			<hr/>	<hr/>	
Net current assets			14,407		25,061
Total assets less current liabilities			<hr/> 185,285		<hr/> 185,549
Creditors: amounts falling due after more than one year	17		(102,752)		(113,492)
Provisions for liabilities	19		-		(595)
			<hr/>		<hr/>
Net assets excluding pension liability			82,533		71,462
Pension liability	20		(6,961)		(9,793)
			<hr/>		<hr/>
Net assets			75,572		61,669
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Profit and loss account			75,572		61,669
			<hr/>		<hr/>
Total Members' funds			75,572		61,669
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Board of Management and authorised for issue on 13th September 2018.

D Hilditch
Director

S Hepworth
Chief Executive

The notes on pages 29 to 51 form part of these financial statements.

Ongo Partnership Limited
Consolidated statement of changes in equity
For the year ended 31 March 2018

	Profit and loss account £'000	Total equity £'000
1 April 2017	61,669	61,669
Comprehensive income for the year		
Surplus for the year	10,607	10,607
Actuarial gains on pension scheme	3,296	3,296
Other comprehensive income for the year	3,296	3,296
Total other comprehensive income for the year	13,903	13,903
31 March 2018	75,572	75,572
	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

The notes on pages 29 to 51 form part of these financial statements.

Ongo Partnership Limited

Consolidated statement of cash flows for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Surplus for the financial year		10,607	11,325
Adjustments for:			
Depreciation of fixed assets – housing properties		9,253	9,429
Depreciation and amortisation of other assets	12	36	46
Amortisation of grants		(2,502)	(2,343)
Surplus on sale of fixed assets – housing properties	4	(798)	(1,354)
Net interest payable/(receivable)		2,817	2,735
Taxation expense	10	26	100
Difference between net pension expense and cash contribution		50	(121)
(Increase)/decrease in trade and other debtors		2,356	(1,484)
(Increase)/decrease in stocks		(50)	(26)
(Increase)/decrease in trade and other creditors		(1,358)	2,959
Cash from operations		20,437	21,266
Interest paid		(3,155)	(2,905)
Taxation paid		(111)	33
Net cash generated from operating activities		17,171	18,394
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		1,703	1,867
Purchases of tangible fixed assets		(21,421)	(13,707)
Purchases of intangible assets	11	-	-
Receipt of government grant		3,704	2,718
Interest received		81	73
Investment loan repayment		(11,000)	-
Investment in associated undertaking	13	(20)	-
Net cash from investing activities		(26,953)	(9,049)
Cash flows from financing activities			
		-	-
Net increase/(decrease) in cash and cash equivalents		(9,782)	9,345
Cash and cash equivalents at beginning of year		28,543	19,198
Cash and cash equivalents at end of year		18,761	28,543
Cash and cash equivalents comprise:			
Cash at bank and in hand		18,772	28,543
Bank overdrafts	16	(11)	-
		18,761	28,543

The notes on page 29 to 51 form part of these financial statements.

Ongo Partnership Limited

Company statement of comprehensive income for the year ended 31 March 2018

	Note	Continuing operations 2018 £'000	Continuing operations 2017 £'000
Turnover	3	5,250	5,654
Administration expenses		(5,074)	(5,497)
Profit on ordinary activities before taxation		176	157
Taxation on profit on ordinary activities	10	3	(74)
Profit on ordinary activities after taxation		179	83
Gift Aid		-	(50)
Profit for the financial year		179	33
Other comprehensive income for the year		-	-
Total comprehensive income for the year		179	33

The notes on pages 29 to 51 form part of these financial statements.

Ongo Partnership Limited

Company balance sheet at 31 March 2018

<i>Company Number 08048224</i>	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Current assets					
Debtors	15	1,392		1,012	
Cash at bank and in hand		168		209	
		<u>1,560</u>		<u>1,221</u>	
Creditors: amounts falling due within one year	16	(1,271)		(586)	
Net current assets			289		635
Total assets less current liabilities			289		635
Provisions for liabilities	19		-		(525)
Net assets			289		110
Capital and reserves					
Profit and loss account			289		110
Total Members' funds			289		110

The financial statements were approved by the Board of Management and authorised for issue on 13th September 2018

D Hilditch
Director

S Hepworth
Chief Executive

The notes on pages 29 to 51 form part of these financial statements.

Ongo Partnership Limited
Company statement of changes in equity
For the year ended 31 March 2018

	Profit and loss account £'000	Total equity £'000
1 April 2017	110	110
Comprehensive income for the year		
Profit for the year	179	179
Other comprehensive income	-	-
Total comprehensive income for the year	179	179
31 March 2018	289	289

	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

The notes on pages 29 to 51 form part of these financial statements.

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018

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Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018

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.

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (*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 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 the group 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.

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

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 *(continued)*

1 Significant accounting policies *(continued)*

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 2018 (*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 2018 (*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 credited to profit or loss on a straight-line basis over the term of the lease.

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*)

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

	2018	2017
	£'000	£'000
Management charge to subsidiaries	5,250	5,632
Other income	1	22
	—————	—————
Total	5,251	5,654
	—————	—————

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

3 Turnover, operating costs and operating surplus - Group

	2017/18		
	Turnover £'000	Operating Costs £'000	Operating Surplus £'000
Social Housing Activities			
Rents	40,030	(23,269)	16,761
Service Charges	708	(1,582)	(874)
Support Charges	1	(3)	(2)
Amortised Grant	2,502	-	2,502
Tenant Recharges	18	(18)	-
Total Social Housing Lettings	43,259	(24,872)	18,387
Non-Social Housing Activities:			
Lettings	625	(207)	418
VAT partial exemption claim	-	-	-
Ongo Communities	56	(1,175)	(1,119)
Ongo Commercial	18	(49)	(31)
Ongo Partnership	-	(5,063)	(5,063)
Ongo Recruitment	795	(996)	(201)
Ongo Roofing	1,801	(1,918)	(117)
Ongo Heating & Plumbing	502	(809)	(307)
Ongo Sales & Lettings	6	(136)	(130)
Ongo Developments	-	(3)	(3)
Other	1,134	(59)	1,075
Total Non-Social Housing Activities	4,937	(10,415)	(5,478)
Total	48,196	(35,287)	12,909

Operating costs are analysed as follows:

Expenditure	2017/18		
	Social Housing Lettings £'000	Non- Social Housing £'000	Total Operating Costs £'000
Services	1,582	-	1,582
Support	3	-	3
Management	5,595	10,306	15,901
Routine maintenance	4,766	-	4,766
Planned maintenance	1,401	-	1,401
Major repairs expenditure	1,740	-	1,740
Bad debts	509	107	616
Depreciation of Housing Properties	9,276	2	9,278
Total Operating Costs	24,872	10,415	35,287

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

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

	2016/17		
	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000
Social Housing Activities			
Rents	40,206	(22,319)	17,887
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	(25,508)	18,511
Non-Social Housing Activities:			
Lettings	179	(43)	136
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	(42)	794
Total Non-Social Housing Activities	3,952	(9,560)	(5,607)
Total	47,971	(35,067)	12,904

Operating costs are analysed as follows:

Expenditure	2016/17		
	Social Housing Lettings	Non-Social Housing	Total Operating Costs
	£'000	£'000	£'000
Services	1,740	-	1,740
Support	854	-	854
Management	4,198	9,536	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	25,508	9,560	35,067

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

4 Disposals of fixed assets (housing stock) - Group

	RTB Sales	Cost of Sales	Total
	£'000	£'000	£'000
2017/18			
Proceeds of Sales	1,703	(903)	800
Disposal costs	(2)	-	(2)
	<hr/>	<hr/>	<hr/>
Surplus	1,701	(903)	798
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2016/17			
Proceeds of Sales	1,869	(513)	1,356
Disposal costs		(2)	(2)
	<hr/>	<hr/>	<hr/>
Surplus	1,869	(515)	1,354
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 Operating profit

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
This is arrived at after charging/(crediting)				
Depreciation of tangible fixed assets	9,277	9,464	-	-
Management fee to subsidiaries	-	-	(5,250)	(5,633)
Amortisation of intangible assets, including goodwill	11	11	-	-
Operating lease expense	820	644	314	218
Fees payable to the company's auditor for the audit of the company's annual accounts	57	36	57	-
Fees payable to the company's auditor and its associates for other services to the group	92	28	80	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (continued)

6 Employees	Group 2018 £'000	Group 2017 £'000
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	10,397	10,244
Social security costs	995	929
Cost of defined benefit scheme (see note 20)	2,639	1,729
Cost of defined contribution scheme	209	100
	<hr/> 14,240 <hr/>	<hr/> 13,002 <hr/>

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

	2018 Number	2017 Number
Wardens, caretakers and cleaners	24	26
Craft	43	75
Executive Management Team	4	4
Administration	217	229
	<hr/> 288 <hr/>	<hr/> 334 <hr/>

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 £209k (2017 - £100k). Contributions amounting to £15k (2017 - £11k) were payable to the fund at year end and are included in creditors.

7 Directors' remuneration	2018 £	2017 £
Directors' emoluments	513,066	599,483
Company contributions to money purchase pension schemes	105,595	122,426
	<hr/> 618,661 <hr/>	<hr/> 721,909 <hr/>

There were no directors in the group's defined contribution pension scheme (2017 - 0). All of the directors accrued benefits under the group's defined benefit pension scheme during the year (2017 - 4).

Emoluments of the former Chief Executive, who was also the highest paid director, were £183,754 (2017 - £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:

	2018	2017
	FTE	FTE
Full time equivalents of staff paid from £60,000.		
Banding		
£60,000-£69,999	2.00	1.00
£70,000-£79,999	-	1.00
£80,000-£89,999	1.00	-
£90,000-£99,999	-	1.00
£100,000-£109,999	1.00	-
£110,000-£119,999	2.00	2.00
£120,000-£129,999	-	-
£130,000-£139,999	-	-
£140,000-£149,999	-	1.00
£150,000-£159,999	-	-
£160,000-£169,999	-	-
£170,000-£179,999	-	-
£180,000-£189,999	1.00	-
8 Interest payable and similar charges	Group	Group
	2018	2017
	£'000	£'000
Bank loans and overdrafts	2,898	2,808
	<hr/>	<hr/>
9 Other finance costs	Group	Group
	2018	2017
	£'000	£'000
Net interest on net defined benefit liability	257	98
	<hr/>	<hr/>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

10 Taxation on profit on ordinary activities

Deferred tax balances are not recognised.

<i>UK corporation tax</i>	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Current tax on profits of the year	33	103	-	77
Adjustments in respect of previous periods	(7)	(3)	(3)	(3)
Total current tax	26	100	(3)	74
Taxation on profit on ordinary activities	26	100	(3)	74

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Profit on ordinary activities before tax	10,633	11,425	176	156
Profit on ordinary activities at the standard rate of tax corporation tax in the UK of 19 % (2017 - 20%)	2,115	2,428	33	31
Effects of:				
Expenses not deductible for tax purposes	72	11	2	7
Adjustment to charge in respect of previous period	(8)	(3)	(3)	(3)
Tax adjustments, reliefs and transfers-net	(17)	(23)	(16)	(14)
Deferred tax not recognised	(11)	63	(19)	63
Income not taxable	(2,125)	(2,376)	-	(10)
Taxation on profit on ordinary activities	26	100	(3)	74

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

11 Intangible assets

Group	Goodwill on consolidation £'000
<i>Cost or valuation</i>	
At 1 April 2017	112
Additions	-
	<hr/>
At 31 March 2018	112
	<hr/>
<i>Amortisation</i>	
At 1 April 2017	25
Charge for the year	11
	<hr/>
At 31 March 2018	36
	<hr/>
<i>Net book value</i>	
At 31 March 2018	76
	<hr/> <hr/>
At 31 March 2017	87
	<hr/> <hr/>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*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 2017	218,904	1,936	495	221,335
Additions	20,565	-	-	20,565
Disposals	(1,318)	-	(13)	(1,331)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	238,151	1,936	482	240,569
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2017	(58,644)	(1,935)	(354)	(60,933)
Provision for year	(9,253)	(1)	(24)	(9,277)
Disposals	415	-	9	424
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	(67,482)	(1,936)	(369)	(69,787)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2018	170,669	-	113	170,783
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	160,260	1	141	160,402
	<hr/>	<hr/>	<hr/>	<hr/>

The impairment loss recognised on tangible fixed assets in the period was £0 (2017 - £0).

Housing land and buildings may be further analysed as follows:

Cost	Complete Housing for letting £'000	Property under construction £'000	Total £'000
At start of the period	213,368	5,536	218,904
Additions	5,729	14,836	20,565
Disposals	(1,318)		(1,318)
Transfer between categories	8,791	(8,791)	-
	<hr/>	<hr/>	<hr/>
	226,569	11,582	238,151
	<hr/>	<hr/>	<hr/>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

12 Tangible fixed assets (*continued*)

Depreciation	Complete Housing for letting £'000	Property under construction £'000	Total £'000
At start of the period	(58,644)	-	(58,644)
Additions	(9,253)	-	(9,253)
Disposals	415	-	415
Transfer between categories	-	-	-
	<u>(67,482)</u>	<u>-</u>	<u>(67,482)</u>
Net Book Value at end of period	<u>159,087</u>	<u>11,582</u>	<u>170,669</u>
Net Book Value at start of period	<u>154,724</u>	<u>5,536</u>	<u>160,260</u>

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

	Group 2018 £'000	Group 2017 £'000
Freehold	<u>170,669</u>	<u>160,260</u>

And the mix of housing properties is as follows:

Accommodation in Management

	2018	2017
	Units	Units
General needs	9,416	9,436
Supported Housing / Housing for older people	23	10
Affordable rent	330	241
Intermediate Rent	2	2
Empty (awaiting demolition or redevelopment)	12	11
	<u>9,783</u>	<u>9,700</u>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

13 Fixed asset investments

	£'000	£'000
Cost		
At start of the year	-	-
Additions	20	20
At end of the year	20	20

During the year the group acquired 54 shares in MorHomes plc for a total consideration of £20,000, representing a 1.85% holding in the company.

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
<i>Subsidiary undertakings</i>			
Ongo Homes Limited	England and Wales	100%	Registered Social Housing provider and a charitable CBS
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
Ongo Developments Limited	England and Wales	100%	Property Development
Ongo Home Sales Limited	England and Wales	100%	Property Sales

The registered address of all subsidiaries is Ongo House 26-30 High Street, Scunthorpe, DN15 6NL.

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (continued)

14 Stocks

	Group 2018 £'000	Group 2017 £'000
Raw materials and consumables	86	36
	<u>86</u>	<u>36</u>

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 2018 was equivalent to the amount at which they are included in the accounts.

15 Debtors

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade debtors	2,574	4,890	-	53
Less bad debts provision	(2,446)	(2,287)	-	-
Amounts owed by group undertakings	-	-	852	-
Other debtors	475	38	342	689
Prepayments and accrued income	739	1,057	195	270
	<u>1,342</u>	<u>3,698</u>	<u>1,389</u>	<u>1,012</u>

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 £549,533 (2017 - £0).

16 Creditors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Amounts owed to group undertakings	-	-	598	-
Payments received on account	-	758	-	-
Trade creditors	550	584	142	116
Corporation tax	26	100	-	74
Taxation and social security	273	315	46	34
Accruals and deferred income	4,578	5,459	467	362
Other creditors	355	-	15	-
	<u>5,782</u>	<u>7,216</u>	<u>1,268</u>	<u>586</u>

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 2018 (*continued*)

17 Creditors: amounts falling due after more than one year

	Group 2018 £'000	Group 2017 £'000
Bank Loans	60,000	71,000
Less: Loan Issue Costs	(831)	(875)
	<hr/>	<hr/>
Bank loans	59,169	70,125
Deferred Capital Grants	43,583	43,367
	<hr/>	<hr/>
	102,752	113,492
	<hr/> <hr/>	<hr/> <hr/>

The maturity of sources of debt finance is as follows:

Group loans and overdrafts	Group 2018 £'000	Group 2017 £'000
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	59,169	70,125
	<hr/>	<hr/>
	59,169	70,125
	<hr/> <hr/>	<hr/> <hr/>

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.

Deferred Capital grants	Group 2018 £'000	Group 2017 £'000
At start of the year	43,367	42,992
Grants received during the year	2,718	2,718
Released to income during the year	(2,502)	(2,343)
	<hr/>	<hr/>
	43,583	43,367
	<hr/> <hr/>	<hr/> <hr/>

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (continued)

18 Financial instruments

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

	Group 2018 £'000	Group 2017 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	22,024	34,131
Financial liabilities		
Financial liabilities measured at amortised cost	64,930	76,875

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	Group Dilapidations £'000	Company Dilapidations £'000
At 1 April 2017	595	525
Charged to profit or loss	(595)	(525)
At 31 March 2018	-	-

Dilapidations provisions relating to re-instating office premises to their original condition at the end of the operating lease have been released during the year following the purchase and/or vacation of the property.

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (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 £209,375. Of this amount, £173,352 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 2018 there were 187 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.

An actuarial valuation of the defined benefit scheme is carried out annually, most latterly at 31 March 2018, 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.

	2018	2017
	£'000	£'000
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	53,780	38,856
Current service cost	2,349	1,606
Interest cost	1,426	1,382
Benefits paid	(862)	(848)
Participant contributions	422	451
Changes in financial assumptions	(745)	11,146
Other experience	-	1,812
Past service costs	290	123
Changes in demographic assumptions	(2,342)	(748)
	<hr/>	<hr/>
At the end of the year	54,318	53,780
	<hr/>	<hr/>

Ongo Partnership Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (continued)

20 Pensions (continued)	2018 £'000	2017 £'000
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	43,987	35,952
Interest income on plan assets	1,169	1,284
Contributions by group	2,854	2,399
Return on assets (excluding amounts included in net interest)	209	5,200
Benefits paid	(862)	(848)
	<hr/>	<hr/>
At the end of the year	47,357	43,987
	<hr/>	<hr/>
Net pension scheme liability	(6,961)	(9,793)
	<hr/>	<hr/>
<i>Amounts recognised in the profit and loss account are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost	2,349	1,606
Past service cost	290	123
	<hr/>	<hr/>
	2,639	1,729
	<hr/>	<hr/>
<i>Amounts included in other finance costs</i>		
Net interest cost	(257)	98
	<hr/>	<hr/>
<i>Analysis of actuarial(gain)/ loss recognised in other comprehensive income</i>		
Actual return less interest income included in net interest income	(209)	(5,200)
Experience gains and losses arising on the scheme liabilities	-	1,812
Changes in assumptions underlying the present value of the scheme liabilities	(745)	11,146
	<hr/>	<hr/>
Changes in demographic assumptions	(2,342)	(748)
	<hr/>	<hr/>
	(3,296)	7,010
	<hr/>	<hr/>

Ongo Partnership Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

20 Pensions (<i>continued</i>)	2018 £'000	2017 £'000
<i>Composition of plan assets</i>		
European equities	33,623	33,430
European bonds	6,630	4,399
Property	5,683	4,839
Cash	1,421	1,320
	<hr/>	<hr/>
Total plan assets	47,357	43,988
	<hr/>	<hr/>
<i>Actual return on plan assets</i>	1,378	2,338
	<hr/>	<hr/>
	2018 %	2017 %
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates	2.7	2.6
Future salary increases	2.2	2.0
Future pension increases	-	-
Inflation assumption	2.4	2.4
Mortality rates		
- for a male aged 65 now	21yrs	22yrs
- at 65 for a male member aged 45 now	22yrs	22yrs
- for a female aged 65 now	24yrs	24yrs
- at 65 for a female member aged 45 now	25yrs	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 2018 (continued)

22 Commitments under operating leases

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

	2018 £'000	2017 £'000
Not later than 1 year	473	314
Later than 1 year and not later than 5 years	1,121	462
Later than 5 years	8,575	127
	<hr/>	<hr/>
Total	10,169	903
	<hr/> <hr/>	<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 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 2018 £'000	Group 2017 £'000
Contracted but not provided for	19,528	25,402
Authorised but not contracted for	22,313	10,927
	<hr/>	<hr/>
	41,841	36,329
	<hr/> <hr/>	<hr/> <hr/>

The Company expects these commitments to be financed with:

Grants	10,477	5,484
Internal Funding	31,364	30,845
	<hr/>	<hr/>
	41,841	36,329
	<hr/> <hr/>	<hr/> <hr/>