

BROMSGROVE DISTRICT COUNCIL

Shareholders Committee

31 JULY 2025

Spadesbourne Homes Limited **Finance Report 205/26 – April 2025 to June 2025**

Relevant Portfolio Holder	Councillor Karen May, Leader and Cabinet Member for Strategic Partnerships, Economic Development and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Assistant Director of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Council Priorities	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Shareholder's Committee is asked to RESOLVE that:

- 1) The position on the Spadesbourne Homes accounts as at 30th June 2025 be noted.**
- 2) The balance sheet for Spadesbourne Homes as at 30th June 2025 be noted.**
- 3) The revised draft budget for 2025/26 for Spadesbourne Homes be noted.**
- 4) The Financial Regulations, an appendix to the Spadesbourne Homes Limited Business Plan, be approved.**
- 5) The Procurement Regulations, an appendix to the Spadesbourne Homes Limited Business Plan, be approved.**

2. BACKGROUND

2.1 The purpose of this report is to set out Spadesbourne Homes Limited's financial position for the financial year to date (30th June 2025). This report presents:

- Spadesbourne Homes Limited's management accounts as at 30th June 2025. This reflects net income of £57,601 and expenditure of £13,380.
- The balance sheet position as at 30th June 2025 which reflects a bank balance of £143,299, debtors of £4,174 and creditors of £63,326.
- The revised draft budget for 2025/26 for Spadesbourne Homes which shows a loss of £5,936.

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- 2.2 Spadesbourne Homes Limited was incorporated on 18th September 2023 with a year end of 30th September. On 14th May 2025, a Change of Accounting Reference Date form was filed with Companies House to amend the year end to 31st March to align it with the Council year end. Dormant accounts were filed for Spadesbourne Homes for the year ending 30th September 2024. The year end is on 31st March 2026.
- 2.3 The company was set up with a loan of £50,000 from Bromsgrove District Council. The Council did not put in place arrangements for interest payments on the loan.
- 2.4 It was agreed at the Shareholders Committee meeting of the 14th April 2025 that the Financial and Procurement regulations would be brought to a future meeting.

3. DETAILED PERFORMANCE

Financial Performance

- 3.1 The company has received tenancy income of £57,601 between April and June, with management agency costs of £13,328 and other expenditure of £52.
- 3.2 The overall position for the period April to June was net income of £44,221 and is shown in Appendix A to this report.

Balance Sheet

- 3.3 The balance sheet position is shown as Appendix B to this report.
- 3.4 The closing balance on the bank account as at 31st March 2025 was £85,751. The position as at 30th June 2025 is £143,299.
- 3.5 The balance sheet does not reflect any fixed assets. The land and buildings are leased from Bromsgrove District Council and therefore will be reflected on the Council's balance sheet.
- 3.6 The company has made payments on account to HMRC of £4,174 for VAT during January / February 2025 while the process of setting up the relevant software to enable the VAT returns was taking place. As tenancy income to date has been treated as exempt, the latest VAT return submitted has been a nil return resulting in an anticipated refund of £4,174. This is reflected as a debtor on the balance sheet.
- 3.7 There is also expenditure of £13,328 for Service Charge for the period April – June 2025 which has been made in advance.
- 3.9 The loan of £50,000 provided by Bromsgrove District Council to Spadesbourne Homes is reflected within creditors: amounts falling due after one year.

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Revised Budget 2025/26

- 3.10 As part of the Business Plan presented to the Shareholders meeting in April, it was agreed that a revised budget for 2025/26 would be presented to this meeting. This is attached as Appendix C for consideration.
- 3.11 The revised budget reflects Spadesbourne Homes making a loss of £5,936 in 2025/26.
- 3.12 The Financial Regulations and the Procurement Regulations for Spadesbourne Homes Ltd have been approved by the Spadesbourne Homes Board on the 30 April 2025 and are attached at Appendix D & E.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Council Priority Implications

Relevant Council Priority

- 5.1 Spadesbourne Homes ensures we focus on our key strategic issues and what are most important for the District and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

- 5.2 None as a direct result of this report.

6. Other Implications

Local Government Reorganisation Implications

- 6.1 There are no implications for Local Government Reorganisation.

Customer / Equalities and Diversity Implications

- 6.2 None as a direct result of this report.

Operational Implications

- 6.3 None as a direct result of this report.

7. RISK MANAGEMENT

- 7.1 None as a direct result of this report.

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8. APPENDENCES

- 8.1 Appendix A – Management Accounts April – June 2025
 Appendix B – Balance Sheet as at 30 June 2025
 Appendix C – Revised draft budget 2025/56
 Appendix D – Financial Regulations 2025
 Appendix E – Procurement Regulations 2025

AUTHOR OF REPORT

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BROMSGROVE SHAREHOLDERS COMMITTEE

APPENDIX A

31 JULY 2025

MANAGEMENT ACCOUNTS April - June 2025		
		£
Income		
Tenancy Income		(57,601)
Total Income		(57,601)
Expenditure		
Service Charge		13,328
Maintenance costs		
Other expenses		52
Total Expenditure		13,380
NET INCOME/ (EXPENDITURE)		(44,221)

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APPENDIX B

31 JULY 2025

Balance Sheet		30-Mar-25		30-Jun-25
		£		£
<i>Fixed Assets</i>				
Intangible Assets				
Tangible Assets				
Heritage Assets				
Investments				
<i>Current Assets</i>				
Stocks				
Debtors		30,826		17,500
Investments				
Cash in bank and in hand		85,751		143,299
Creditors: amounts falling due within one year				
Net current assets / (liabilities)				
Creditors: amounts falling due after one year:		(50,000)		(50,000)
Provisions for liabilities				
TOTAL NET ASSETS/ LIABILITIES		66,577		110,799

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APPENDIX C

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Spadesbourne Homes Ltd

Budget 2025/26

Income

Dwelling Rents	(400,200)
Service Charges	(17,197)
Total Income	(417,397)

Expenditure

<u>Salary costs</u>	
Directors' salaries (Note 1)	104,758
Other salary secondments (Note 2)	86,429
Finance recharges (Note 3)	37,821
Principle Tenancy (6% rental income)	24,012
Service Charges	60,839
Bad debt (2.5%)	10,004
Void Loss (2%)	8,004
Repairs (10%)	40,020
Audit fees	12,000
Valuation fees	5,000
Insurance costs	19,145
Premises overheads	15,000
Bank Charges	300
Total Expenditure	423,333
Net (Profit) / Loss	5,936

Note 1

Includes costs of Director time

Note 2

Includes costs of support services staff

Note 3

Includes Treasury Management, costs of Tech One system and support, exchequer services, management accounting and VAT