

## For General Release

<b>REPORT TO:</b>	<b>GENERAL PURPOSES &amp; AUDIT COMMITTEE</b>  18 JULY 2018
<b>SUBJECT:</b>	<b>AUDIT REPORT FOR BRICK BY BRICK CROYDON LTD 2017 ACCOUNTS</b>
<b>LEAD OFFICER:</b>	<b>SHIFA MUSTAFA</b> <b>EXECUTIVE DIRECTOR OF PLACE</b>
<b>CABINET MEMBER:</b>	<b>COUNCILLOR ALISON BUTLER CABINET MEMBER FOR HOMES AND GATEWAY SERVICES AND DEPUTY LEADER (STATUTORY)</b> <b>COUNCILLOR SIMON HALL CABINET MEMBER FOR FINANCE AND RESOURCES</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:</b> <p>The preparation and publication of the Brick by Brick Croydon Ltd (BxB) final accounts provides assurance that the company's overall financial position is sound. This underpins the delivery of the company's business plan and the achievement of its key corporate objectives.</p> <p>Strong financial governance and stewardship ensures that the company's resources are allocated in an effective and responsible way that enables it to deliver multi-tenure housing across the borough in a manner that is commercially efficient, and thereby maximizes the return to the company's sole shareholder, the London Borough of Croydon.</p>	
<b>FINANCIAL IMPACT:</b> <p>There are no direct financial implications arising from this report.</p>	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> <p>Not a key decision</p>	

<b>1</b>	<b>RECOMMENDATIONS</b>  The Committee is asked to:  1.1 Note the independent auditors report on the BxB final accounts issued by the company's external auditors, Grant Thornton (Appendix 1).
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## 2 EXECUTIVE SUMMARY

- 2.1 The Auditors have issued their report on the 2017 financial statements for Brick by Brick, which includes their opinion on the final accounts. It is the view of the auditors that the company's final accounts:
- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2017;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
  - have been prepared in accordance with the requirements of the Companies Act 2006.

### **3 INDEPENDENT AUDITOR'S REPORT**

- 3.1 This independent auditor's report is made solely to the company's members, as a body, and provides assurance that the financial statements are free from material misstatement.
- 3.2 Grant Thornton completed their audit of the 2017 accounts for BxB on 3<sup>rd</sup> May 2018 and signed off their independent report to the members of Brick by Brick Croydon Ltd on the same date.

The principal responsibilities of the auditor are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error;
- execute their responsibilities in accordance with the International Standards on Auditing (UK) and applicable law in providing their opinion on the company's financial statements.

The Brick by Brick Director's Report and Financial Statements 2017 are attached at Appendix 1 (which include the independent auditors report).

- 3.3 Grant Thornton issued an unqualified opinion on the 2017 Financial Statements for Brick by Brick.

- 3.4 In addition, no significant risks were identified in relation to the company's system of internal control and no recommendations were issued in relation to this.

### **4 CONSULTATION**

- 4.1 The company's accounts have been filed at Companies House in accordance with requirements. The director's report and financial statements are therefore publicly available.

### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 There are no direct financial considerations arising from this report.

- 5.2 There are no implications arising from this report of new policy or

spending decisions.

Approved by Lisa Taylor –Director of Finance, Investment and Risk and  
Deputy S151 Officer

## **6 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The Solicitor to the Council comments that there are no direct legal implications arising from the recommendations within this report.

Approved by Sandra Herbert, Head of Litigation and Corporate Law for and on behalf of Jacqueline Harris-Baker Director of Law and Monitoring Officer

## **7 HUMAN RESOURCES IMPACT**

- 7.1 There are no immediate Human Resources considerations that arise from the recommendations of this report for London Borough of Croydon staff.

Approved by Sue Moorman – Director of Human Resources

## **8 EQUALITIES IMPACT**

- 8.1 An Equalities Impact Assessment has not been carried out as this report does not require a new policy or spending decision. The contents of this report do not have any equalities implications.

## **9 ENVIRONMENTAL IMPACT**

- 9.1 There are no implications arising from this report.

## **10 CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no implications arising from this report.

## **11 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 None.

## **12 OPTIONS CONSIDERED AND REJECTED**

- 12.1 None.

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<b>CONTACT OFFICER:</b>	Shifa Mustafa, Executive Director of Place
<b>BACKGROUND PAPERS:</b>	None
<b>APPENDICES:</b>	Appendix 1 Brick by Brick Accounts 2017