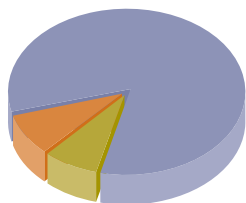


Financial Statements



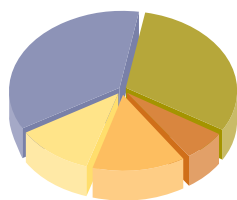
ANALYSIS OF MONEY IN AND OUT

Income
Every £1 came from...



- Rent and Service charges - 83p
- Services to third parties - 8p
- Property Sales and Investments - 9p

Every £1 was spent on...



- Property repairs and improvements - 36p
- Services to tenants - 31p
- Services to third parties - 7p
- Estate maintenance - 14p
- Interest on loans - 12p
- Bad debts - 0p

INCOME AND EXPENDITURE

| | Bournville Village Trust £000's | Bournville Almshouse Trust £000's |
|--|------------------------------------|--------------------------------------|
| INCOME | | |
| Housing Rents | 12,582 | 295 |
| Property Sales | 1,442 | 0 |
| Other Rents | 1,156 | 0 |
| Trading Income | 1,245 | 0 |
| Investment Income | 47 | 18 |
| Total Income | 16,472 | 313 |
| EXPENDITURE | | |
| Housing Property Maintenance | 4,295 | 88 |
| Housing Management | 1,971 | 56 |
| Care & Support Costs | 2,335 | 44 |
| Service Costs | 277 | 0 |
| Estate Maintenance | 2,030 | 16 |
| Interest Charges | 1,753 | 1 |
| Trading Expenses | 1,106 | 0 |
| Depreciation | 842 | 6 |
| Development Costs Written Off | 16 | 0 |
| Bad Debts Written Off | (19) | 2 |
| Cost of Shenley Properties | 750 | 0 |
| Total Expenditure | 15,356 | 213 |
| Net Revenue Surplus/(Deficit) | 1,116 | 100 |
| Capital Improvements Funded from Revenue | 1,093 | 79 |
| Net Surplus (Deficit) | 23 | 21 |

| | Bournville Village Trust £000's | Bournville Almshouse Trust £000's |
|---------------------------------------|------------------------------------|--------------------------------------|
| BALANCE SHEET | | |
| WHAT WE OWN | | |
| Cost of Houses | 75,590 | 1,735 |
| Cost of Land and Other Buildings | 9,156 | 0 |
| Cost of Computers and Other Equipment | 620 | 0 |
| Money Owed To Us | 3,421 | 34 |
| Total Assets | 88,787 | 1,769 |
| HOW WE HAVE FUNDED THIS | | |
| Money Owed By Us | 5,170 | 66 |
| Long Term Loans | 33,521 | 7 |
| Endowments | 605 | 91 |
| Grants Received to Build Houses | 19,229 | 923 |
| Revenue Surpluses | 31,747 | 920 |
| Total Funding | 90,272 | 2,007 |



FINANCIAL STATEMENTS SUMMARY

The summary financial statements are not the statutory accounts and the full accounts, from which the summary is derived, have been independently audited with an unqualified audit report. The full accounts are obtainable on request from the Estate Office.

Bournville Village Trust

BVT produced a revenue surplus of £1.1 million in 2004, which is £100,000 less than in 2003. The principal reason for a reduced surplus is a big increase in housing maintenance costs. This arises from increasing charges by contractors resulting from high demand for

maintenance work within the housing sector generally. Housing associations across the country are required to make sure their properties meet the Government's Decent Homes Standard which is inevitably leading to a high demand for contractors.

These extra costs cannot simply be passed on in the form of higher rents. The Government also constrain the level of rents that housing associations can levy which is making it very difficult to maintain revenue surpluses at their historical levels.

This trend is likely to be sustained as the Trust continues to redevelop the Shenley area of the Estate. This is a multi-million pound programme which BVT is undertaking without any financial

contribution to date from the Housing Corporation or other Government department.

Nevertheless, BVT maintains a very sound financial position. Indeed, the Trust has recently concluded a very attractive financing agreement with Yorkshire Bank, part of which will be used to re-finance some older, more expensive loans and thus save interest costs whilst the balance will fund future business plan objectives. Such deals are only possible because of our strong financial position and our excellent reputation within the housing association sector.

Bournville Almshouse Trust

The major factor affecting BAT's accounts for 2004, was the Trustees' decision to

dispose of the investment portfolio. These investments were not really increasing in value and have been sold to help finance BAT's expenditure in terms of meeting the Decent Homes Standard.

This helped to boost the cash reserves despite further increases in maintenance costs, in the same way as experienced by BVT. BAT continues to have a healthy financial position at the end of 2004.

Paul Haywood,
Director of Financial Services

