

Barnsbury Housing Association Limited

Annual Report and Financial Statements

Year ended 31 March 2021

Cooperative and Community Benefit Society Reg No. 18135R

Homes & Communities Agency Reg No. L2518

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Company Information

Chairman	Sean McLaughlin
Secretary	Susan French
Board Members	Nancy Korman Charles Culling Barbara Sidnell Aaron Elliot Stephane Croce Jonathan Bunt Chyrel Brown Janice Walsh (Appointed 24 September 2020) Chris Bell (Appointed 24 September 2020)
Chief Executive	Susan French
Registered address	16b Cloudesley Street London N1 0HU Tel: 020 7704 2324 Fax: 020 7607 8710 E-mail: susan@barnsbury.org
Auditor	Mazars LLP Chartered Accountants and Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Principal Solicitors	Lewis Silkin LLP 5 Chancery Lane London EC4A 1BL
Bankers	Royal Bank of Scotland Plc 60-62 Threadneedle Street London EC2R 8LA
Co-operative and Community Benefit Society Reg No.	18135R
Homes & Communities Agency Reg No.	L2518

Chair's Report

The financial year 2020/21 began with the emergence of the Covid-19 pandemic and drew to a close as the second major lockdown in England was incrementally lifted. Barnsbury Housing Association (BHA)'s response demonstrated its many strengths: focus, agility, adaptability and seamless coordination between those who work for us, those we house and local support services, including those of our partner local authority. I would like to thank all of those members of the team - particularly our Estate Services Team – who kept things going on the ground.

It will take some time to adjust to new ways of working. Our focus is on getting our service back to normality. We are already known locally as an able, efficient and caring neighbour, and widely known for our strong community spirit. We will build on these strengths, and on our creativity and ambition.

Looking more widely, the social housing sector has entered a period of significant change. We have adopted the National Housing Federation new Code of Governance, as well as preparing for the sea changes flagged in the Government's Social Housing White Paper. The focus of these changes is two-fold: the safety of residents and ensuring that the resident voice is heard.

In the coming year, we will continue with our programs of fire safety improvements. We will also build upon the solid foundations we have put in place ensure that tenants' voices are put centre-stage at Board and in our operations.

We have developed our approach to asset management and ended the year with a considered strategy that will safeguard our assets for the next 30 years. This includes a new BHA Home Standard, setting the bar high for the quality and livability of our homes, agreed by our Resident Panel.

Having put a spotlight on our response to the climate emergency in the previous year, BHA has developed its expertise in this area and become a credible voice for smaller housing associations in this important debate. We are keen to work with our peers and with our partner local authority to develop approaches to retrofitting our homes that are practical and replicable. We want to see our tenants enjoying homes which are more comfortable and more affordable to run.

We have an impeccable record of building homes that stand the test of time and respect Islington's architectural heritage.

The challenges of building new homes in our area mean that it is important that we make the best possible use of our existing assets. We started the year securing planning permission for six new homes converted from garages and ended the year looking at how we can make our Highbury View sheltered scheme fit for the future.


It has been a year of change in the team. I'm pleased to welcome Vivienne Astall as our Housing & Communities Director and Michael Bunker, our Asset Manager to the Leadership Team, as well as several other new team members.

Review of the year

Over the last 12 months BHA had another busy and productive year. The highlights were:

- we made a surplus of £141,861
- keeping in touch with over half of our residents during the first lockdown and linking them into vital local services
- developing a strategic approach to asset management, with an ambitious carbon reduction plan at its heart
- letting three of our bedsits to key workers who would otherwise be priced out of the area
- improving 50 homes, including installing 5 new kitchens, 2 new boilers and 6 new bathrooms
- restructured our staffing team to better serve our residents
- updating all of our HR and governance policies

These successes in very difficult circumstances makes us optimistic about the future. We are set to connect better with our residents and partners, build new homes and relationships, and anticipate major challenges like inequality and climate change over the coming years.



Sean McLaughlin
Chair

23 September 2021

Report of the Board

The Board of Management present their report and audited financial statements for the year ended 31 March 2021.

Legal Status

The Association is registered under the Co-operative and Community Benefit Society Act 2014 and is a registered social landlord.

Principal Activities

The Association's principal activities are the development and management of social housing.

Corporate Governance

The Association ensures full compliance with the Homes and Communities Agency Regulatory Framework as it relates to small social housing providers with fewer than 1,000 homes. The Board has adopted the National Housing Federation Code of Governance (2015 edition) and the National Housing Federation Model Rules 2015 to ensure full compliance. This includes Board self-assessment and independent assessment. The Board has adopted the National Housing Federation Code of Conduct and Board members confirm their compliance with the Code on an annual basis.

We review our compliance with the Code on an annual basis and confirm that we have complied with the Code and the HCA's Governance and Financial Viability Standard in all areas.

Board

BHA's Board comprised of ten members during 2020-21, all of whom are non-executive and, for legal purposes, are regarded as directors. Members are recruited externally by a formal interview process and are drawn from a variety of backgrounds. Two tenants formally joined the Board during the year, Janice Walsh and Chris Bell.

The Board is responsible for the overall direction of the Association's affairs which are set out in the Board Terms of Reference. The day-to-day management of the organisation is delegated to the Chief Executive and the team. The Board meets five or six times each year. The average attendance at Board meetings during the year was 83%.

Under our committee structure the Board is supported by two committees with responsibilities for Audit & Risk and Governance & Remuneration respectively. The committees report back to the Board after each meeting where their recommendations are considered and approved as appropriate.

We also conduct Board appraisals each year.

Principal Risks and Uncertainties

The Association identifies risks which will impact the delivery of its corporate objectives, which are:

- We Connect
- We Build
- We Anticipate

The process for identifying, evaluating and managing risk is embedded throughout the organisation through a strong risk management culture, where staff are empowered to raise risks as they emerge. Significant risks which require involvement of the Leadership Team are monitored via the Association's risk register and the top ten risks are reported to the Audit & Risk Committee and Board. Each risk is evaluated for the probability of its materialising and for its potential impact, which could be financial, reputational, operational or legal. The Association also conducts stress testing on its business plans to meet the Regulator's Governance and Financial Viability Standard, using the scenarios identified in the risk register.

Report of the Board

The key risks presenting the greatest threat to the Association are outlined in the table below:

Key Risks	Controls in place to mitigate the risk
<p>Health & Safety risks Failure to manage health & safety requirements leading to a major incident or injuries.</p>	<p>Health & Safety requirements are monitored by the Leadership Team with performance indicators reported to the Audit & Risk Committee and Board.</p> <p>X-tag used to monitor gas compliance.</p> <p>Training provided to relevant staff.</p> <p>Highbury View fire risk assessment remedial works has progressed during the year and is near completion. New FRAs carried out during the year and new remedial action plan to be put in place.</p>
<p>Impact of Covid-19 The UK is currently rolling out its vaccine program and hopes to lift all restriction by end of June 2021. The full impact is still uncertain, however, we envisage that it will have the following impact:</p> <ul style="list-style-type: none"> Increased arrears due to the likely downturn of the economy, especially when the government furlough scheme winds down. Increased costs for components Increased IT security risks due to prolonged remote working. 	<p>The Association has been pro-active in communicating with tenants via newsletters, phone calls and e-mails, and providing assistance with Universal Credit. A new tenant wellbeing service has also been launched in April 2021 where all tenants can access free advice.</p> <p>If rise in component costs is adverse, budget re-allocation prioritises spending.</p> <p>IT training has been provided to all staff and security test has been carried out to ensure staff are vigilant.</p>
<p>Morland Mews garage conversion project Delays to the project could negatively impact relationship between the tenants and the Association.</p>	<p>Project in progress and aims to be on-site in early 2022.</p> <p>Steering group with Morland Mews tenants established.</p> <p>Development includes community benefits such as a community room.</p> <p>BHA has started a resident engagement project to drive the new vision – <i>“Building a successful community – a place to belong and a place to grow”</i></p>
<p>Asset management risks Poor asset management decisions made leading to deterioration of assets. BHA started to assess requirements to meet net-carbon zero, initial costings suggest that it will use up our financial capacity leaving no room for development projects.</p>	<p>New asset management system implemented during the year which will help will works program planning.</p> <p>Surveys are carried prior to major works to ensure appropriate works are carried out.</p> <p>Asset Management Strategy developed with net-carbon zero program to be completed by December 2021.</p>

As a local housing Association with a small geographical footprint, the impact and risk of Brexit has been assessed and deemed to be immaterial in the context of the overall risk profile.

Report of the Board

Value For Money

Our approach

Value for Money (VFM) is about achieving an optimal balance of economy, efficiency and effectiveness, in order to achieve the optimal benefit from available resources, while managing risks and ensuring long term viability. We are not aiming to achieve the lowest costs for our operations, but rather to deliver quality services and homes, that meet our residents' needs and deliver satisfaction, while protecting affordability to our residents and viability for the Association.

BHA's approach is to have policies, procedures and performance targets which provide an accountable, day to day framework for the economic, effective and efficient delivery of its services and which also enable the achievement of future on-going value for money improvements where appropriate and identified as an area of focus.

BHA's governance structure supports how it ensures the achievement of value for money across the organisation. The Board approves the value for money report as set out in these Financial Statements. Every board report considers the value for money implications of its topic and the Audit & Risk Committee acts on behalf of the Board to ensure that the Association obtains appropriate assurance through the external audit function. BHA has also appointed internal auditors in February 2021 to provide further assurance on its activities.

To help achieve value for money, the Association is focused on having the right people to provide the right level of service at the right cost. Staff need to be properly trained to do their work and have the right resources to enable them to carry out their roles effectively.

Our mission is to build successful communities: a place to belong, a place to grow. The new Vision of We Connect, We Build, We Anticipate has been established to form our operational plan. Our mission reflects our social purpose and they reflect the value we are seeking to maximise VFM. To measure our performance, we have set targets against our objectives.

As a small housing association with limited non-social housing income, resources must be directed towards activities that provides greatest outcomes. We seek development opportunities in our area to support our mission, for example, by taking on a challenging development project of redeveloping garages at Morland Mews and reconfiguration of Highbury View. We have also started our journey to meet the Net-Zero Carbon target by 2050.

Below are the updated VFM targets aligned to our new Vision.

Barnsbury Housing Association Value for Money Strategy			
Statement	How/What/Where/Why	Measure	2021/22 Targets
We Connect	<ul style="list-style-type: none"> we have a sector-leading approach to hearing the 'tenant voice' 	Resident satisfaction with overall service	Above 85%
		Number of customer ideas implemented	4
		Resident satisfaction with ASB case handling	70%
	<ul style="list-style-type: none"> we are seen, known and trusted: a community asset other 'walk towards' to try out new ideas and approaches 	Number of compliments received	10
		Formal complaints responded within agreed timeframe	100%
		Staff training incorporated in staff member's development plan	By Q2
	<ul style="list-style-type: none"> we are a great team, working as one 	Staff sickness	Below 2%
		Average re-let times	Reduction in void costs against 20/21

Report of the Board

		Staff would recommend BHA as a great place to work	80%
We Build	<ul style="list-style-type: none"> we play our part in tackling homelessness by building affordable new homes our service evolves, shaped by the changing needs of tenants and a desire to reduce inequalities we build a strong bond of trust with our tenants - a sense of belonging and community 	On-going pipeline of development opportunities Investment in communities Rent arrears Number of changes implemented following estate walkabout	1 per year £20K 4% 4
We Anticipate	<ul style="list-style-type: none"> our homes are fit for the future we have a sector-leading carbon reduction strategy we understand our current and future tenants' needs and aspirations and design our services to meet them 	Quality of work Works started and completed on time Work completed within budget/quote Asset Management Strategy in place Barnsbury street pilot project to provide cost effective carbon savings % of homes with EPC C or better IT Strategy with tenants needs at its centre	Average rating of 4 out of 5 75% of jobs 75% of jobs Q2 Q4 50% Q2

Performance against our targets and our peer groups

The following table shows a summary of our performance for the current and previous years and against our immediate peer group (the BM320) for the current year. The peer group comprises of 9 comparable small London based associations.

A summary of the benchmarking results are outline below:

1	Barnsbury is in the first (top) quartile
2	Barnsbury is in the second quartile
3	Barnsbury is in the third quartile
4	Barnsbury is in the fourth (bottom) quartile

No colour coding means that either the data is not available, or the ranking was not produced by the BM320. Targets in ***bold and italics*** represent the Regulator's metrics.

Report of the Board

	Barnsbury			BM320 Peer group median		
Measure	2018/19	2019/20	2020/21	2020/21	VFM Target 2020/21	Performance against target 2020/21
Investment						
<i>New supply delivered (Social housing units)</i>	1.34%	0%	0%	0%	Six new homes in the pipeline	Development delayed
<i>New supply delivered (Non-Social housing units)</i>	0.00%	0%	0%	0	0	BHA does not intend to develop non-social housing units
<i>Reinvestment %</i>	9.32%	1.69%	1.68%	1.68%	Peer group median	Target met
<i>Return on Capital Employed (ROCE) %</i>	2.73%	3.13%	1.36%	2.40%	Peer group median	Target not met
Investment in communities	£21,563	£25,864	£5,101	£4,159	£30,000	Target not met
Customer Service						
Satisfaction - overall service	88%	88%	88%	88%	Peer group median	Target met
Average re-let time (days) - GN	25.5	45.6	19.5	51.9	Peer group median	Target met
Current tenant arrears % - GN & HfOP	4.00%	5.21%	4.73%	3.92%	4%	Target not met
% rent collected - GN & HfOP	101.00%	100.13%	100.58%	101.15%	Peer group top quartile	Target not met
Number of responsive repairs per property	3.7	2.51	1.93	2.23	Peer group third quartile	Target met
% dwellings with a valid gas safety cert	99.70%	98.32%	99.33%	100.00%	100%	Target not met
Financial						
<i>Headline social housing cost per unit</i>	£5,122	£5,020	£5,244	£4,451	Peer group third quartile	Target not met
<i>Operating margin (overall)</i>	22.80%	24.09%	10.63%	22.30%	Peer group top quartile	Target not met
<i>Operating margin (social housing lettings)</i>	22.80%	23.09%	9.35%	23.08%	Peer group lower quartile due to planned investment in staffing and systems in the year	Target met
<i>EBITDA MRI (as a percentage of interest)¹</i>	729%	526%	535%	777.97%	Peer group median	Not applicable
<i>Gearing (RSH and Scorecard measure)</i>	23.00%	20.54%	18.86%	9.57%	Peer group median	Not applicable
Management cost per unit	£1,598	£908	£1,252	£1,199	Peer group third quartile	Target met
Maintenance cost per unit	£849	£2,071	£1,540	£977	Peer group third quartile	Target not met
Major repairs cost per unit	£552	£1,597	£612	£786	Under £1,000	Target met

Note 1: EBITDA MRI = Earnings before interest, tax, depreciation and amortisation (major repairs included).

Review of BHA's performance

The VFM Standard requires BHA to:

1. assess its performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers.
2. outline measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

Our development program is on track to deliver 6 new homes from the redevelopment of garages at our Morland Mews scheme and we are also assessing whether we can re-configure our scheme at Highbury View and to provide additional homes as part of the program.

Report of the Board

We have continued to invest in our existing stock, however, significant capital programs have been impeded by the Covid-19 lockdowns hence the reduction in the reinvestment metric. We did not meet our £30K target of investment in communities which was largely affected by the lockdowns. We have since invested in a Tenant Wellbeing & Support Service in April 2021 which is service available to all BHA residents. With the end of lockdown restrictions in sight, we also hope to resume our annual resident activities which has not taken place in the last year.

We have focussed our resources on reducing re-let times and we are pleased that this has come down for general needs properties. The current arrears although has reduced, however, it is still above our target of 4%. This was due to low-level arrears not being actively managed and we have since restructured our housing management team to address the issue. Our arrears management focus has shifted to a proactive approach with those who may be triggered onto Universal Credit and have carried out profiling to ascertain those more likely at risk so that we can carry out a targeted approach.

We have not achieved 100% gas compliance due to shielding and refusal of access which had been addressed since. With the use of X-tag, an on-line tool to manage gas compliance, we have been able to continue with gas compliance works throughout the lockdowns and as we now have more data on the system to anticipate issues such as no access, and we are able to plan our program more effectively.

The financial metrics has been impacted by the increased overheads, which were mainly expenditure on temporary staff. This in part was due to long-term cover for staff sickness. We have also carried out an organisational restructure and we are aiming to have full staffing in place by the end of summer 2021. Compared to our peers, our costs are higher and this reflects where we operate is one of the most expensive boroughs in London. Due to the anticipated increased costs of material for the sector as well as catching-up with postponed works in the forthcoming year, we expect we will remain a cost outlier amongst our peer group.

With a new asset management team in place, our asset management strategy has been updated and we aim to better define our planned program and changed the procurement process so that work is more effective and preventative rather than reactive and overall enhances the quality of our stock.

The updated VFM Strategy and targets increases the focus on our tenant's voice and empowers our staff to deliver high quality service rather than purely to cut costs. As a local community Housing Association, we have a strong track record of community engagement which we want to maintain as well as leading the way on net-zero carbon for small housing associations.

Report of the Board

Internal Controls

The Board acknowledges its responsibility for ensuring we have in place a system of controls appropriate to the environment in which we operate. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Association or for publication;
- The maintenance of proper accounting records;
- The safeguarding of assets against unauthorised use or disposition;
- Bribery and money laundering legislation.

It is the Board's responsibility to establish and maintain systems of internal financial accountability. Such systems can only give reasonable and not absolute assurance against material misstatement or loss. Key elements include ensuring that:

- Formal financial regulations are in place, including rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Forecasts and budgets are prepared which allow the Board to monitor the key business risks and financial objectives and progress towards financial plans set for the year;
- Quarterly accounts are prepared promptly, providing relevant up to date financial and other information. Significant variances from budget are investigated as appropriate;
- All significant new initiatives, major investment commitments and investment projects are subject to formal authorisation procedures through the Board;
- A thirty-year financial plan is prepared to ensure that the Association's finances remain viable in view of planned and potential development and expected future asset management costs. This plan is stress tested using various significant risk scenarios;
- The Risk Management strategy and identification of key risks is reviewed by the Audit and Risk Committee on a quarterly basis;

No weaknesses in financial control were found by the Board, which resulted in material losses, contingencies, or uncertainties, which would require disclosure in the financial statements or in the external auditors' report.

The Board is kept apprised of developments in the Internal Control environment, and reviews the viability and efficacy of these controls at least annually. Furthermore, internal auditors have been appointed in February 2021 and will carry out a program of reviews during 2021/22.

Statement of the responsibilities of the Board

The Board is responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under the Co-operative and Community Benefit Societies Act 2014 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

Report of the Board

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and other applicable legislation and standards. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the Board members at the time when this Report of the Board is approved has confirmed that:

- so far as that Board member is aware, there is no relevant audit information of which the Association's auditor is unaware, and
- that Board member has taken all the steps that ought to have been taken as a Board member in order to be aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Statement of Viability and Going Concern

The Board is confident that the future prospects for the Association are sound. In view of the uncertainties around Covid-19, the Association has assessed and has taken appropriate measures to protect the business operations and finances against the potential impact of Covid-19. The Association's operating budget has been stress-tested for anticipated changes in its key assumptions which might arise as a result of the pandemic, including increases in arrears and void periods, and an increase in works costs and capital cost. This has shown that the Association currently has sufficient capacity to endure the current situation and comply with its current loan covenants.

As at 31 March 2021, the Association had a cash balance of £734,579. By 31 August this had increased to over £856,000. We also have £4,100,000 undrawn funds on our loan facility with Virgin (formerly Clydesdale) Bank.

As such, the Board has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these financial statements. The Association therefore continues to adopt the going concern basis in preparing the Financial Statements.

This report of the Board was approved on 23 September 2021 and signed by order of the Board.



S French
Secretary

Independent Auditors' Report to the Members of Barnsbury Housing Association Limited

Opinion

We have audited the financial statements of Barnsbury Housing Association Limited (the 'Association') for the year ended 31 March 2021 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the 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 FRS 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 Association's affairs as at 31 March 2021 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Association 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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Board and Financial Statements, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the Report of the Board. 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 course of 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

Independent Auditors' Report to the Members of Barnsbury Housing Association Limited

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Association has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 11, the Board is 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 Board determines 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 Board is responsible for assessing the Association'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 Association 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Association, and its sector, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, pension legislation, health and safety regulations, anti-bribery, corruption, fraud, money laundering, Homes England requirements and Regulator of Social Housing requirements and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019.

We evaluated the Board's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to capitalisation of development expenditure and works to existing properties, and significant one-off or unusual transactions.

Independent Auditors' Report to the Members of Barnsbury Housing Association Limited

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Board and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the Association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.



Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date:

28.09.2021

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	2,389,595	2,356,642
Operating costs	3	(2,148,042)	(1,790,809)
Surplus on revaluation of investment property	12	-	-
		<hr/>	<hr/>
Operating surplus	5	241,553	565,833
Finance income	6	-	106
Interest and financing costs	7	(99,692)	(129,018)
		<hr/>	<hr/>
Surplus and total comprehensive income for the financial year		<u>141,861</u>	<u>436,921</u>

The results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

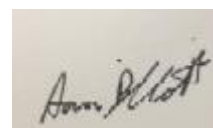
These financial statements were approved by the Board on 23 September 2021.



S McLaughlin
Chair of the Board



S French
Secretary



A Elliot
Chair – Audit and Risk Committee

Statement of Changes in Reserves

	Income and expenditure reserve
	£
Balance at 1 April 2019	9,063,217
Total comprehensive income for the year ended 31 March 2020	436,921
	<hr/>
Balance at 31 March 2020	9,500,138
Total comprehensive income for the year ended 31 March 2021	141,861
	<hr/>
Balance at 31 March 2021	9,641,999
	<hr/> <hr/>

The income and expenditure reserve represents the cumulative surpluses and deficits of the Association.

Statement of Financial Position

At 31 March 2021

	Note	2021 £	2020 £
Tangible fixed assets			
Housing properties	11	16,780,414	17,190,938
Investment property	12	550,000	550,000
Other tangible fixed assets	13	89,793	27,825
		<u>17,420,207</u>	<u>17,768,763</u>
Current assets			
Debtors	14	210,095	126,335
Short term deposits	15	155,455	155,455
Cash and cash equivalents		579,124	463,297
		<u>944,674</u>	<u>745,087</u>
Creditors: Amounts falling due within one year	16	(570,693)	(426,839)
		<u>373,981</u>	<u>318,248</u>
Net current assets		<u>373,981</u>	<u>318,248</u>
Total assets less current liabilities		<u>17,794,188</u>	<u>18,087,011</u>
Creditors: Amounts falling due after more than one year	17	8,152,172	8,586,858
		<u>9,642,016</u>	<u>9,500,153</u>
Total net assets		<u>9,642,016</u>	<u>9,500,153</u>
Capital and reserves			
Non-equity share capital	20	17	15
Reserves		9,641,999	9,500,138
		<u>9,642,016</u>	<u>9,500,153</u>
Total capital and reserves		<u>9,642,016</u>	<u>9,500,153</u>

These financial statements were approved by the Board on 23 September 2021 and signed on its behalf by:

S McLaughlin
Chair

S French
Secretary

A Elliot
Chair – Audit and Risk Committee

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash generated from operating activities	21	635,045	800,097
Cash flow from investing activities			
Purchase of tangible fixed assets		(169,528)	(214,914)
Grants received		-	-
Interest received			106
Net cash flow from investing activities		(169,528)	(214,808)
Cash flow from financing activities			
Repayment of borrowings		(250,000)	(800,000)
New loans		-	-
Interest paid		(99,692)	(129,018)
Share capital received		2	-
Net cash flow from financing activities		(349,690)	(929,018)
Net change in cash and cash equivalents		115,827	(343,729)
Cash and cash equivalents at the beginning of the year		618,752	962,482
Cash and cash equivalents at the end of the year		734,579	618,752

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Legal status and principal activity

The Association is registered under the Co-operative and Community Benefit Society Act 2014 and is registered with the Homes and Communities Agency as a Registered Provider of social housing in England. The registered address is shown on page 3.

The Association's principal activity is the provision of social housing.

2 Accounting policies

Basis of accounting

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and in the preceding year.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Statement of Recommended Practice for registered social housing providers 2018 (SORP), and comply with the Accounting Direction for private registered providers of social housing 2019. Barnsbury Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

These financial statements are presented in sterling (£).

Statement of Compliance

Barnsbury Housing Association Limited has prepared its financial statements in accordance with FRS 102 for both the current and preceding financial years.

Going concern

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Report of the Board. The Association has in place long-term debt facilities, which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association also has a long-term business plan, which shows that it is able to service these debt facilities whilst continuing to comply with the lender's covenants.

On this basis, the Board has a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant management judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The following are the significant judgements made in applying the accounting policies of the Association that have the most significant effect on the financial statements.

Impairment

The Covid-19 pandemic is considered to be a potential impairment indicator and therefore a review for impairment has been carried out. We estimated the recoverable amount of our housing properties as follows:

- (i) We determined the level (the cash generating unit) at which the recoverable amount is to be assessed. The CGU was determined to be an individual scheme or block of properties.
- (ii) We assessed the recoverable amount of the CGU.
- (iii) We calculated the carrying amount of the CGU.
- (iv) We compared the carrying amount to the recoverable amount to determine if impairment has occurred.

The recoverable amount was determined by calculating a discounted cash flow. Based on this assessment, no impairment charge was deemed necessary.

Barnsbury Housing Association Limited

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Investment property

During 2018-19 our former office property at 303B Upper Street was let at market rent. Accordingly, it has been shown as an investment property at fair value. The initial valuation was carried out by a local estate agent based on the recent selling prices of similar properties in the same area. In valuing the property as at 31 March 2021 management has conducted a discounted cash flow analysis. See Note 12 for further information.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to Decent Homes Standards, which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2021 was £7,350,169. The carrying amount of housing properties at 31 March 2021 was £16,780,415.

Turnover

Turnover comprises:

- a) rental income from tenants receivable in the period;
- b) amortisation of capital grants received over the useful life of the asset funded by the grant;
- c) revenue grants (if received);
- d) service charge income, and
- e) commercial rents.

Rental income is recognised from the point where properties become available for letting. Revenue grants are receivable when the conditions for the receipt of agreed grant funding have been met.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model.

Debtors

Short term debtors are measured at transaction price, less any impairment. Where deferral of payment terms have been agreed, and where material, the balance is shown at the present value, discounted at a market rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the

Barnsbury Housing Association Limited

effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pensions

The Association operates a defined contribution pension scheme. The pension costs for that scheme represent contributions payable by the Association in the year.

Housing Properties

Housing properties are properties held for the provision of social housing. They are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension in the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised. Land donated by local authorities and others is added to cost at the market value of the land at the time of the donation.

Depreciation of Housing Properties

Freehold land and properties held for development are not depreciated. Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Refurbishment or replacement of the major components is capitalised and depreciated over the estimated useful economic life of the component. The depreciable amount is arrived at on the basis of original cost less residual value.

For the acquisition of 40 units at Highbury View, we have allocated 46% of the total cost to land, which is not depreciated. This amount is based on the NHF depreciation matrix. We accounted for components other than structure at the cost and net book value at which those components were carried in the books of the transferor housing association, and the balance of the purchase price we have allocated to structure.

The Association depreciates the major components at the following annual rates.

Structure	2%
Kitchens and bathrooms	5%
Boilers	7%
Lifts	4%
Windows	4%

Impairment

Annually housing properties are assessed for impairment indicators. Where indicators are identified, and assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. Any such write down would be charged to income and expenditure.

Investment property

The investment property is shown at fair value, based on an independent valuation. This is re-assessed each year and any difference is taken to the Statement of Comprehensive Income.

Government Grants

Government grants include grants receivable from the Homes and Communities Agency, local authorities, and other government organisations. Such grants are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model. Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate, as long as all conditions for receiving the grant have been fulfilled.

Government grants are subordinated to the repayment of loans by agreement with the HCA. Grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Other grants

These include grants from other organisations. Grants in respect of revenue expenditure are credited to income and expenditure account in the same period as the expenditure to which they relate.

Other tangible fixed assets and depreciation

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold offices	10%
Furniture, fixtures and fittings	10%
Computers and office equipment	25%
Plant and equipment	20%

Cyclical repairs and maintenance

The Association's cyclical repairs and maintenance costs are charged to the income and expenditure account, as incurred.

Provisions for liabilities

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable the settlement of that obligation will be required, and a reliable estimate of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period.

The Association recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

3 Particulars of turnover, operating costs and operating surplus

2021	Turnover	Operating costs	Operating surplus
	£	£	£
Social housing lettings	2,362,340	(2,146,554)	215,786
Non-social housing activities	27,255	(1,488)	25,767
	<u>2,389,595</u>	<u>(2,148,042)</u>	<u>241,553</u>
	<u><u>2,389,595</u></u>	<u><u>(2,148,042)</u></u>	<u><u>241,553</u></u>
2020			
Social housing lettings	2,323,092	(1,788,750)	534,342
Non-social housing activities	33,550	(2,059)	31,491
	<u>2,356,642</u>	<u>(1,790,809)</u>	<u>565,833</u>
	<u><u>2,356,642</u></u>	<u><u>(1,790,809)</u></u>	<u><u>565,833</u></u>

Income and expenditure from social housing lettings

	General needs housing	
	2021	2020
	£	£
Rent receivable net of identifiable service charge	2,010,463	1,981,359
Service charge income	167,191	157,047
Amortisation of government and other grants	184,686	184,686
	<u>2,362,340</u>	<u>2,323,092</u>
	<u><u>2,362,340</u></u>	<u><u>2,323,092</u></u>
Management	372,832	271,523
Service charge costs	322,576	334,247
Routine maintenance	389,195	370,661
Cyclical maintenance	132,130	-
Major repairs	374,677	295,937
Housing property depreciation	490,102	469,520
Development	65,042	46,862
Other costs	-	-
	<u>2,146,554</u>	<u>1,788,750</u>
	<u><u>2,146,554</u></u>	<u><u>1,788,750</u></u>
Operating surplus on social housing lettings	215,786	534,342
	<u><u>215,786</u></u>	<u><u>534,342</u></u>
Void losses	35,163	33,420
	<u><u>35,163</u></u>	<u><u>33,420</u></u>

4 Accommodation in management and development

	2021	2020
General housing		
Social rent	299	299
Investment property	1	1
	<u>300</u>	<u>300</u>
Accommodation in development at the year-end	<u>6</u>	<u>6</u>

5 Operating surplus

	2021 £	2020 £
Operating surplus is arrived at after charging/(crediting):		
Amortisation of government and other grants	(184,686)	(184,686)
Depreciation of housing properties	477,719	467,385
Deficit on disposal of tangible fixed assets	12,382	1,947
Depreciation of other tangible fixed assets	27,982	7,936
Operating lease payments	40,000	40,000
Auditors' remuneration (excluding VAT):		
- for audit services	9,730	9,450
	<u>9,730</u>	<u>9,450</u>

6 Interest receivable and similar income

	2021 £	2020 £
Interest receivable from cash deposits	-	106
	<u>-</u>	<u>106</u>

7 Interest and finance costs

	2021 £	2020 £
Interest on loans	66,684	99,566
Costs of obtaining new loan and other charges	33,008	29,451
	<u>99,692</u>	<u>129,018</u>

8 Employees

Average monthly number of employees expressed in full-time equivalents (calculated based on a standard working week of 35 hrs):

	2021	2020
	No.	No.
Administration	2	2
Development	1	1
Housing, support and care	7	7
	<hr/>	<hr/>
	10	10
	<hr/> <hr/>	<hr/> <hr/>
Employee costs:	£	£
Wages and salaries	406,493	350,311
Social security costs	39,277	31,430
Other pension costs	28,812	29,494
	<hr/>	<hr/>
	474,582	411,235
	<hr/> <hr/>	<hr/> <hr/>

There was one employee (2020: one), with remuneration in excess of £60,000 during the year.

9 Key management personnel

Key management personnel are those people having authority and responsibility for planning, directing, and controlling the Association's activities, either directly or indirectly. This includes the Board of Directors and the Chief Executive. The Chief Executive works part time.

The Chief Executive's emoluments (highest paid employee) include:

	2021	2020
	£	£
Basic salary	66,446	63,493
	<hr/> <hr/>	<hr/> <hr/>
Pension contributions	5,094	4,994
	<hr/> <hr/>	<hr/> <hr/>

No emoluments were paid to Board directors during the year (2020: £nil).

No expense allowances were paid during the year to members of the Board (2020: £nil)

There are no special pension arrangements for the Chief Executive, who is an ordinary member of the defined contribution pension scheme.

10 Taxation

The association has charitable status and benefits from various exemptions from taxation afforded by the tax legislation and is not therefore liable to corporation tax on income or gains falling within these exemptions. The association is not registered for Value Added Tax.

11 Tangible fixed assets – housing properties

	Freehold properties held for development £	Freehold housing properties held for letting £	Total £
Cost			
At 1 April 2010	22,841	24,049,349	24,072,189
Works to existing properties	-	42,058	42,058
Disposal of components	-	(21,183)	(21,183)
Additions	37,520	-	37,520
	<hr/>	<hr/>	<hr/>
At 31 March 2021	60,361	24,070,223	24,130,584
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2020	-	6,881,251	6,881,251
Charge for the year	-	477,719	477,719
On disposals	-	(8,801)	(8,801)
	<hr/>	<hr/>	<hr/>
At 31 March 2021	-	7,350,169	7,350,169
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2021	60,361	16,720,054	16,780,415
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2020	22,841	17,168,098	17,190,938
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Expenditure on works to existing properties

	2021	2020
	£	£
Improvement works capitalised	-	78,141
Components capitalised	42,058	103,506
	<hr/>	<hr/>
Total works on existing properties capitalised	42,058	181,647
Amounts charged to the statement of comprehensive income	201,698	85,763
	<hr/>	<hr/>
	243,756	267,409
	<hr/>	<hr/>

Social housing assistance

	2021	2020
	£	£
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	5,623,374	5,438,688
Held as deferred income	4,436,858	4,621,544
	<hr/>	<hr/>
	10,060,232	10,060,232
	<hr/> <hr/>	<hr/> <hr/>
Capital grant received	9,234,285	9,234,285
Revenue grant received	825,947	825,947
	<hr/>	<hr/>
	10,060,232	10,060,232
	<hr/> <hr/>	<hr/> <hr/>

No finance costs have been capitalised.

Impairment

We consider individual schemes to be separate Cash Generating Units when assessing for impairment, in accordance with the requirements of FRS 102 and SORP 2018.

No impairment is considered necessary as at 31 March 2021.

12 Investment properties non-social housing properties held for letting

	2021 £	2020 £
Net book value		
At 1 April	550,000	550,000
Gain on revaluation	-	-
	<hr/>	<hr/>
At 31 March	550,000	550,000
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 March 2019, the former office at 303B Upper Street was let at a market rent. The valuation of £550,000 was undertaken by a local firm of valuers, and was based on the then recent selling price of similar properties in the same area. The Board's assessment, based on the net present value of future cash flows, is that the value at 31 March 2021 is at least equal to the initial valuation. Management intends to conduct another formal valuation as at 31 March 2022.

In valuing the investment property, a discounted cash flow methodology was adopted with the following key assumptions.

Discount rate	2%
Annual rent increases	1%
Annual inflation rate	1%

13 Tangible Fixed Assets - Other

	Freehold offices £	Furniture, fixtures & fittings £	Computers & office equipment £	Plant & Equipment £	Total £
Cost					
At 1 April 2020	63,270	31,031	129,922	-	224,223
Additions	-	-	41,117	48,834	89,951
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	63,270	31,031	171,039	48,834	314,174
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2020	62,460	15,541	118,399	-	196,399
Charge for the year	162	2,331	15,722	9,766	27,981
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	62,622	17,872	134,121	9,766	224,380
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2021	648	13,159	36,918	39,068	89,793
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2020	810	15,491	11,524	-	27,825
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14 Debtors

	2021 £	2020 £
Arrears of rent and service charges	173,607	138,178
Less: provision for bad and doubtful debts	(61,116)	(53,942)
	<hr/>	<hr/>
	112,441	84,236
Prepayments and accrued income	97,654	42,099
	<hr/>	<hr/>
	210,095	126,335
	<hr/> <hr/>	<hr/> <hr/>

The difference between the net present value of arrears balances with a payment plan is not materially different from the actual balances. Therefore, no adjustment has been made in these financial statements.

15 Short term deposits

	2021	2020
	£	£
Money market deposits	155,455	155,455
	<u> </u>	<u> </u>

16 Creditors: amounts falling due within one year

	2021	2020
	£	£
Rent and service charges received in advance	78,842	68,908
Trade creditors	171,526	50,907
Deferred grant income (note 18)	184,686	184,686
Other taxation and social security	14,246	8,584
Accruals and deferred income	112,212	108,678
Other creditors	9,181	5,076
	<u> </u>	<u> </u>
	570,693	426,839
	<u> </u>	<u> </u>

The balance above includes an accrual for holiday leave pay of £6,097 (2020: £5,683), which represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The accrual is measured as the salary cost payable for the period of absence.

17 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Debt (note 19)	3,900,000	4,150,000
Deferred grant income (note 18)	4,252,172	4,436,858
	<u> </u>	<u> </u>
	8,152,172	8,586,858
	<u> </u>	<u> </u>

18 Deferred grant income

	2021 £	2020 £
At 1 April	4,621,544	4,806,229
Released to income in the year	(184,686)	(184,686)
Grant received	-	-
	<hr/>	<hr/>
At 31 March	4,436,858	4,621,544
	<hr/> <hr/>	<hr/> <hr/>

	2021 £	2020 £
Amounts to be released within one year	184,686	184,686
Amounts to be released in more than one year	4,252,172	4,436,858
	<hr/>	<hr/>
	4,436,858	4,621,544
	<hr/> <hr/>	<hr/> <hr/>

19 Debt analysis

	2021 £	2020 £
Due within one year	-	-
	<hr/> <hr/>	<hr/> <hr/>
Due after more than one year		
Clydesdale Bank plc	3,900,000	4,150,000
	<hr/> <hr/>	<hr/> <hr/>
Within one year	-	-
Between one and two years	-	-
Between two and five years	-	-
After five years	3,900,000	4,150,000
	<hr/>	<hr/>
	3,900,000	4,150,000
	<hr/> <hr/>	<hr/> <hr/>

The loan from Clydesdale Bank plc is secured by fixed and floating charges on individual properties.

This loan is a ten year £8m facility, fully revolving for the first five years, with capital repayments thereafter. The loan is interest only for the first five years. Interest is paid quarterly at 1.45% over three-month LIBOR, plus non-utilisation fees of 0.725% on the undrawn balance of the facility.

No adjustments have been made to the carrying value of this loan.

20 Non-equity share capital

	2021 £	2020 £
Number of members		
At 1 April	15	15
Joining during the year	2	1
Cancelled during the year	-	(1)
	<hr/>	<hr/>
At 31 March	17	15
	<hr/> <hr/>	<hr/> <hr/>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up. Each member agrees to contribute £nil in the event of winding up.

21 Cash flow from operating activities

	2021 £	2020 £
Surplus for the year	141,861	436,921
Depreciation of tangible fixed assets	505,701	475,321
Amortisation of government grants	(184,686)	(184,686)
(Increase)/decrease in debtors	(83,760)	(55,883)
Increase/(decrease) in trade and other creditors	143,854	(2,436)
Interest payable	99,692	129,018
Interest receivable	-	(106)
Loss on asset disposals	12,383	-
	<hr/>	<hr/>
Cash generated from operations	635,045	800,096
	<hr/> <hr/>	<hr/> <hr/>

22 Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash	618,752	115,827	734,579
Bank loans over one year	(4,150,000)	250,000	(3,900,000)
	<hr/>	<hr/>	<hr/>
Total	(3,531,248)	365,827	(3,165,421)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

23 Financial commitments

Capital commitments are as follows.

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	-	-
Expenditure approved by the Board but not contracted	1,600,000	3,800,000
	<u>1,600,000</u>	<u>3,800,000</u>
	<u><u>1,600,000</u></u>	<u><u>3,800,000</u></u>

The expenditure approved by the Board but not contracted for at 31 March 2021 represents the approved cost of the proposals to develop some of the garages at Morland Mews into six new units for £1,600,000. At 31 March 2020, it included an offer the Association has made for a section 106 development for £2,200,000, which did not materialise and was abandoned in 2020-21.

Operating lease commitments.

	2021 £	2020 £
Payments due		
Within one year	40,000	40,000
Between two and five years	160,000	160,000
After five years	78,034	118,034
	<u>278,034</u>	<u>318,034</u>
	<u><u>278,034</u></u>	<u><u>318,034</u></u>

In February 2018 the Association entered a ten-year lease of office premises. The annual rent is £40,000. The rent recognised as expense in the year was £40,000.

24 Related parties

The Association appointed two new tenant Board members in September 2020. The rent and terms of their tenancies are on normal commercial terms. Rents received from the tenant Board members are £14,568 of which £nil is included in amounts owing at the year end.