

Barnsbury Housing Association Limited

Annual Report and Financial Statements

Year ended 31 March 2022

Cooperative and Community Benefit Society Reg No. 18135R

Regulator of Social Housing Reg No. L2518

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Company Information

Chairman	Sean McLaughlin
Secretary	Susan French
Board Members	Nancy Korman (Retired 23 September 2021) Charles Culling Barbara Sidnell Aaron Elliot Stephane Croce (Resigned 9 December 2021) Jonathan Bunt Chyrel Brown Janice Walsh Chris Bell Annabel Gray (Appointed 22 September 2022) Micah Gold (Appointed 22 September 2022) Fenan Emmanuel (Appointed 22 September 2022)
Chief Executive	Susan French
Registered address	60 Morland Mews London N1 1HN
Main office and correspondent address	16b Cloudesley Street London N1 0HU Tel: 020 7704 2324 Fax: 020 7607 8710 E-mail: susan@barnsbury.org
Auditor	Price Bailey LLP Chartered Accountants and Statutory Auditor 8 th Floor Dashwood House 69 Old Broad Street London EC2M 1QS
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
Regulator of Social Housing Reg No.	L2518

Chair's Report

The financial year 2021/22 saw Barnsbury Housing Association gradually getting back to normal service, as Covid-19 restrictions lifted.

Like many organisations, we are thinking about new hybrid and agile ways of working, building on the positive changes coming out of the pandemic so that we deliver more efficient and effective services and support to our residents. We aim to do this in ways that build on our reputation as an able, efficient and caring landlord and neighbour, with a strong community spirit. This is rooted in having a strong and visible presence on our estates, with our new Estate Services Team and a much-improved telephone system, so residents find it easier to contact us.

Throughout the year, we became increasingly aware of the growing impact of the cost-of-living crisis on our residents. We know that many face stark 'heating or eating' choices and even more are anxious about how they can afford to heat their homes as costs continue to rise. We ended the year restructuring our services, with a more targeted income collection and financial inclusion offer and an increase in our Hardship Fund for 2022/23. We are also pleased to have introduced a Tenant Wellbeing Service that offers free, confidential advice and support on a range of issues from bereavement counselling to welfare advice.

We know however that, for many, the biggest difference we could make is by improving homes so that heating bills are reduced. BHA has, for some time, had a strong focus on sustainability. We have, over the course of the year, become a strong voice for smaller housing associations on this issue, sitting on several National Housing Federation groups. We have also become a passionate advocate for the changes that are needed to planning and conservation guidelines so that heritage homes – of which there are many in Islington – will be able to adapt to meet net zero targets. We ended the year publishing our Sustainability Strategy 2022-2025, which sets ambitious targets to decarbonise our homes. We are also very pleased to have adopted the Sustainability Reporting Standard.

Despite the pandemic restrictions, our work on customer engagement led to improvements. The appointment of our Customer Engagement & Communications Manager early in the year has seen us launch a programme of customer involvement and community-building events. These included a popular Ice Cream Day consultation event (attended by over 60 residents), community events such as our panto trips, and affordable access to arts and cultural events such as our partnership with Sadler's Wells and London Zoo. We are proud of how residents engage with us and can have their say at all levels from giving us occasional feedback to sitting on our Residents Panel, Board and Committees.

The challenges of building new homes in our area means it is vital to make the best possible use of our existing assets. We are well on the way to starting work on the ground to build six new homes converted from garages on our Morland Mews estate, and we are looking at how to make our Highbury View sheltered scheme fit for the future.

Looking more widely, the social housing sector has entered a period of turbulence, with some landlords coming under intense scrutiny for service and quality issues. While we would like to think that our closeness to our tenants and our neighbourhood-based service means that we would pick up issues, we are certainly not complacent. During the year we introduced a new approach to managing damp and mould so that issues are dealt with quickly and proactively.

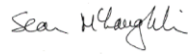
We started the year with a new, considered Asset Management strategy which aims to safeguard our assets for the next 30 years. This included a new BHA Home Standard, setting the bar high for the quality and liveability of our homes, agreed by our Resident Panel. We end the year putting this into practice, along with a flexible Procurement Strategy which builds on the excellent long-term relationships we have with our key contractors.

Review of the year

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

- we made a surplus of £273,572 (2021: £141,861)
- implementing our Asset Management Strategy so that over a third of our homes benefitted from major repairs such as roof repairs and external decorations
- improving 40 homes internally, including 15 new kitchens, 13 new boilers and 21 new bathrooms
- strengthening our estate services team, holding monthly walkabouts with residents across our estates and building an effective 'you said, we did' response
- restructuring our staff team to better prepare us for the cost-of-living crisis
- introducing a Tenant Wellbeing service for all residents
- publishing an ambitious Sustainability Strategy
- letting two of our homes to refugee families
- letting our bedsits to key workers who would otherwise be priced out of the area

Chair's Report



Sean McLaughlin
Chair

22 September 2022

Report of the Board

The Board of Management present their report and audited financial statements for the year ended 31 March 2022.

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 Regulator of Social Housing's 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 (2020 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 at the start of 2021-22, Nancy Korman retired after serving her full term in September 2021 and Stephane Croce resigned in December 2021 as he had left the UK. Three new Board members were appointed at the September 2022 AGM, Micah Gold, Annabel Gray and Fenan Emmanuel. Micah will provide expertise in community engagement, Annabel with sustainability and Fenan has been a tenant for 17 years and has served as a co-optee for the Audit & Risk Committee since 2018. All members 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 are also on the Board.

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 74%.

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>Zero carbon agenda Costs of implementation, complexity around retrofitting, skills and resource requirement. The agenda will require significant resident involvement, particularly if intrusive works are required</p>	<p>High-level costings have been incorporated into BHA's plan and funding requirements are established. BHA CEO is highly involved in policy discussions with the NHF and G320 groups.</p> <p>Retrofit plans currently being prepared. Pilot retrofit of a property in progress. New Board member with sustainability expertise to be appointed.</p> <p>Hard to treat properties involving planning restrictions identified and discussion started with relevant authorities.</p>
<p>Impact from Russia's invasion of Ukraine and Brexit. Inflation expected to increase at the later half of 2022, Bank of England interest rises, energy prices rises, supply chain issues for building materials, high levels of political uncertainty.</p>	<p>BHA monitors financial performance against budget and is able to control discretionary expenditures in the event of cost inflations. The Audit and Risk Committee and Board also monitors the quarterly accounts.</p> <p>Financial golden rules in place and if they appear to be heading towards a breach, a series of actions will be taken to ensure financial robustness.</p>
<p>Health and Safety Breach BHA is landlord and employer responsible for all aspects of health and safety ensuring our homes are safe to live in and BHA is a safe place for our staff.</p>	<p>Key health & safety monitors in place and is tracked on a monthly basis by the Asset Manager. These are reported quarterly to the Audit & Risk Committee and Board.</p> <p>Internal audit reviews design and operating of controls around health and safety annually. No significant issues were found during the 2022 review.</p> <p>Staff receive health & safety training appropriate for their role.</p>
<p>Rent arrears Increasing rent arrears exacerbated by cost of living crisis.</p>	<p>Income management team to be restructured in 2022-23, ensuring appropriate skills-mix to provide the increasingly complex income management service.</p> <p>Tenant wellbeing service launched in 2021-22, providing free advice on wide range of issues from health, benefits, work issues and so forth.</p> <p>BHA hardship fund in place to assist with utilities costs.</p>

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.

Report of the Board

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 Vision.

Barnsbury Housing Association Value for Money Strategy			
Statement	How/What/Where/Why	Measure	2022/23 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	5
	<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 	Resident satisfaction with ASB case handling	75%
		Number of compliments received	15
		Formal complaints responded within agreed timeframe	100%
		Staff sickness	Below 2%
<ul style="list-style-type: none"> we are a great team, working as one 	Average re-let times	Re-lets times of 14 days for minor voids and 28 days for major voids	
We Build	<ul style="list-style-type: none"> we play our part in tackling homelessness by building affordable new homes 	On-going pipeline of development opportunities	1 on site
		Investment in communities	£23K
	<ul style="list-style-type: none"> our service evolves, shaped by the changing needs of tenants and a desire to reduce inequalities 	Rent arrears	4.5%
		Number of changes implemented following estate walkabout	6
<ul style="list-style-type: none"> we build a strong bond of trust with our tenants - a sense of belonging and community 			

Report of the Board

<p>We Anticipate</p>	<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 	<p>Works started and completed on time</p> <p>On progress to produce a fully costed plan to get our homes to net carbon zero.</p> <p>Number of customer ideas implemented</p>	<p>90%</p> <p>By Q4 2022/23</p> <p>5</p>
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Value for Money Performance against 2021/22 targets			
Measure	2021/22 Targets	2021/22 Results	Commentary
Resident satisfaction with overall service	Above 85%	88%	From last STAR survey, new survey to be commission in 2022/23
Number of customer ideas implemented	4	7	
Resident satisfaction with ASB case handling	70%	81%	
Number of compliments received	10 compliments	22 compliments	BHA is pleased that the compliments are received for all areas of the front-line services.
Formal complaints responded within agreed timeframe	100%	95%	1 complaint did not capture reporting date; however, response was provided and it was not upheld.
Staff training incorporated in staff member's development plan	By Q2	Achieved	New performance management framework implemented in 2021/22
Staff sickness	Below 2%	4.96%	Adversely impacted by long-term staff sickness, with these removed, staff sickness is 0.51%
Average re-let times	Reduction in void costs per property against 20/21 spend	Void spend per property had increased.	Conditions of void properties required significant amounts of remedial works including replacement of kitchen and bathrooms.
Staff would recommend BHA as a great place to work	80%	Not measured for 2021/22	BHA had a staff away day in Oct 2021 which had 100% attendance and a follow-up in July 2022 which had positive feedback from attendees.

Report of the Board

On-going pipeline of development opportunities	1 per year	1 potential opportunity	BHA progressing on Highbury View opportunity.
Investment in communities	£20K	£23K	BHA launched Tenant Support & Wellbeing services, a free support service available for all our residents.
Rent arrears	4%	6.7%	Adversely impacted by resourcing and a temporary income office in post since January 2022 to address the issue. The Housing Management team will be restructured in 2022/23 to reflect the increase complexity of cases and time required for individual case management.
Number of changes implemented following estate walkabout	4	7	Estate walkabout scheduled and advertised to all our residents, issues picked up are logged and followed-up by our Estates team and reported to BHA Board.
Works started and completed on time	75% of jobs	98%	BHA has a in-house handy man that can provide timely response to small repair jobs.
Asset Management Strategy in place	By 2021/22 Q2	Achieved	Strategy Board approved in July 2021
Barnsbury street pilot project to provide cost effective carbon savings	By 2021/22 Q4	In progress	Pilot project delayed due to Covid and planning.
% of homes with EPC C or better	50%	53%	This is the baseline percentage, plan to be produced for getting more properties to EPC C.
IT Strategy with tenants needs at its centre	By 2021/22 Q2	Achieved	7 customer ideas implemented

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 South East England 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

Measure	Barnsbury			BM320 Peer group median	VFM Target 2020/21 & 2021/22	VFM Target 2022/23
	2019/20	2020/21	2021/22	2021/22		
Investment						
<i>New supply delivered (Social housing units)</i>	0%	0%	0%	0%	Six new homes in the pipeline	On-site for Morland Mews
<i>New supply delivered (Non-Social housing units)</i>	0%	0%	0%	0%	0	0
<i>Reinvestment %</i>	1.69%	1.68%	4.22%	1.00%	Peer group median	Peer group median
<i>Return on Capital Employed (ROCE) %</i>	3.13%	1.36%	2.09%	2.30%	Peer group median	Peer group lower quartile
Investment in communities	£25,864	£5,101	£23,126	£25,718	£20,000	£23,000
Customer Service						
Satisfaction - overall service	88%	88%	88%	86%	Peer group median	Above 85%
Average re-let time (days) - GN	45.6	19.5	38.6	37.13	Peer group median	Peer group median
Current tenant arrears % - GN & HfOP	5.21%	4.73%	6.68%	4.50%	4%	4%
Number of responsive repairs per property	2.51	1.93	2.79	2.3	Peer group third quartile	Peer group third quartile
% dwellings with a valid gas safety cert	98.32%	99.33%	100%	100%	100%	100%
Financial						
<i>Headline social housing cost per unit</i>	£5,020	£5,244	£6,355	£5,114	Peer group third quartile	Peer group lower quartile
<i>Operating margin (overall)</i>	24.09%	10.63%	15.29%	15.5%	Peer group top quartile	Peer group lower quartile
<i>Operating margin (social housing lettings)</i>	23.09%	9.35%	6.29%	15.05%	Peer group lower quartile due to planned investment in staffing and systems in the year	Peer group lower quartile
<i>EBITDA MRI (as a percentage of interest)¹</i>	526%	535%	444%	605.57%	Peer group median	Peer group third quartile
<i>Gearing (RSH and Scorecard measure)</i>	20.54%	18.86%	17.95%	10.88%	Peer group median	Peer group third quartile
Management cost per unit	£908	£1,252	£1,200	£1,629	Peer group third quartile	Peer group median
Maintenance cost per unit	£2,071	£1,540	£1,126	£1,333	Peer group third quartile	Peer group third quartile
Major repairs cost per unit	£1,597	£612	£1,353	£1,012	Under £1,000	Peer group third quartile

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

Report of the Board

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.

In terms of BHA's performance against its own VFM targets, 63% of those aligned to "We Connect" has been achieved. The main area not meeting target were staff sickness, which was 4.96% against a target of 2%. This was driven by a small number of long-term staff sicknesses, excluding these, the result would have been 0.51%. Due to the small number of staff, any long-term sickness will have an adverse impact to the staff sickness percentage. The other measure not meeting target is the void spend per property, which had increased compared to 2020/21. This was driven by the condition of properties handed back, where significant amount of remedial works including replacing kitchen and bathroom was required. During 2021/22, BHA implemented a new Asset Management Strategy, outlining the program to maintain our homes for the next 30 years. This includes an active program of kitchen and bathroom replacements, which has started in early 2022. BHA has also launched a Home's Standard, outlining the standard of components and decorations in our homes, where it also provides choice to residents. We hope that the benefit of the updated Asset Management Strategy will include improvement of the conditions of void property handed back, and therefore reducing void costs in the near future.

For measures aligned to "We Build", 75% of the targets was achieved. Rent arrears stood at 6.7% against target of 4%. This in part has been impacted by the resourcing issues in the Income Management Team and BHA has put in place a temporary member of staff since January 2022 to address the issue. Furthermore, BHA will restructure the Housing Management Team in 2022/23 to ensure resources are focussed in the right areas for income management.

80% of targets aligned to "We Anticipate" were achieved. One target not achieved is the Barnsbury Street pilot project which was selected to determine works required to reach Net Carbon Zero. This project has been delayed by planning as the property is a grade II listed property and in Islington's Barnsbury Conservation Area. This has added complexity to the planning phase of the project, once this hurdle has been passed, BHA anticipates that the works would be able to commence in 2023.

Targets are skewed towards the lower quartile for financial VFM metrics including those set by the Regulator where BHA is benchmarked against its peers. This is partly due to the amount of investment into our homes we have made in 2021/22 and we had anticipated that our surplus would decrease compared to prior years in our annual budget and 30-year business plan. Our approach is also not to use the lowest cost services and contractors and quality is a significant factor during procurement and we hope that these would be reflected in higher customer satisfaction, low number of complaints relative to the number of compliments. This is the reason for setting targets aimed at the lower quartiles for our 2022/23 results as we also have ambitious asset management plans and our anticipated surplus is expected to further reduce as our property related expenses are expected to increase.

BHA encourages residents to submit ideas and there is a tenant improvement budget available to fund these ideas where required. This is aligned to our "We Connect" strategy as we want residents to actively contribute ideas that will benefit their community. This is also reflected in the increase in investment in communities' target.

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.

Internal auditors carried out a review across seven areas during 2021-22 and their opinion based on the work undertaken was that there is an effective framework of governance, risk management and controls at BHA. They also did not find any actual or suspected instances of fraud.

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

Report of the Board

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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 cost-of-living crisis, the Association has assessed and has taken appropriate measures to protect the business operations and finances against the potential impacts. The Association's operating budget has been stress-tested for anticipated changes in its key assumptions which might arise as a result of the cost inflations, 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 2022, the Association had a cash balance of £913,909 (2021: £734,579). By 31 August the balance was over £557,000. 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 22 September 2022 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 2022 which comprise the 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 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 Association's affairs as at 31 March 2022, and of its income and expenditure 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 in England 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 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, 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 13, 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 it 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 board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: 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.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified these included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed the accounting policies for evidence of management bias.
- We reviewed minutes of Board meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the Association regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place.
- We have reviewed any correspondence with the Association regulators and reviewed the procedures in place for the reporting of incidents to the Board including reporting to regulators if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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

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

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.

A handwritten signature in black ink that reads "Price Bailey LLP". The signature is written in a cursive, flowing style.

PRICE BAILEY LLP

Chartered Accountants & Statutory Auditors
8th Floor Dashwood House
69 Old Broad Street
London
EC2M 1QS

Date: 28 September 2022

Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	2,428,596	2,389,595
Operating costs	3	(2,257,151)	(2,148,042)
Surplus on revaluation of investment property	12	200,000	-
		—————	—————
Operating surplus	5	371,445	241,553
Finance income	6	212	-
Interest and financing costs	7	(98,085)	(99,692)
		—————	—————
Surplus and total comprehensive income for the year		273,572	141,861
		=====	=====

The results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

Statement of Changes in Reserves

	Income and expenditure reserve
	£
Balance at 1 April 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
Total comprehensive income for the year ended 31 March 2022	273,572
	<hr/>
Balance at 31 March 2022	9,915,571
	<hr/> <hr/>

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

Statement of Financial Position

At 31 March 2022

	Note	2022 £	Restated 2021 £
Tangible fixed assets			
Housing properties	11	16,636,817	16,780,414
Investment property	12	750,000	550,000
Other tangible fixed assets	13	84,749	89,793
		<u>17,471,566</u>	<u>17,420,207</u>
Current assets			
Debtors	14	218,596	210,095
Cash and cash equivalents		913,909	734,579
		<u>1,132,505</u>	<u>944,674</u>
Creditors: Amounts falling due within one year	15	(867,247)	(570,693)
		<u>265,258</u>	<u>373,981</u>
Net current assets			
		<u>17,736,824</u>	<u>17,794,188</u>
Creditors: Amounts falling due after more than one year	16	(7,821,236)	(8,152,172)
		<u>9,915,588</u>	<u>9,642,016</u>
Total net assets			
		<u>9,915,588</u>	<u>9,642,016</u>
Capital and reserves			
Non-equity share capital	19	17	17
Reserves		9,915,571	9,641,999
		<u>9,915,588</u>	<u>9,642,016</u>
Total capital and reserves			
		<u>9,915,588</u>	<u>9,642,016</u>

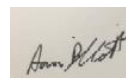
Short term deposits has been reclassified as cash and cash equivalent, further details are provided in accounting policies. These financial statements were approved by the Board on 22 September 2022 and signed on its behalf by:



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 2022

	Note	2022 £	2021 £
Net cash generated from operating activities	20	705,391	635,045
Cash flow from investing activities			
Purchase of tangible fixed assets		(428,188)	(169,528)
Interest received		212	-
Net cash flow from investing activities		(427,976)	(169,528)
Cash flow from financing activities			
Repayment of borrowings		-	(250,000)
Interest paid		(98,085)	(99,692)
Share capital received		-	2
Net cash flow from financing activities		(98,085)	(349,690)
Net change in cash and cash equivalents		179,330	115,827
Cash and cash equivalents at the beginning of the year		734,579	618,752
Cash and cash equivalents at the end of the year		913,909	734,579

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. In view of the uncertainties around cost-of-living crisis, the Association has assessed and has taken appropriate measures to protect the business operations and finances against the potential impacts. The Association's operating budget has been stress-tested for anticipated changes in its key assumptions which might arise as a result of the cost inflations, 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.

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.

Barnsbury Housing Association Limited

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

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 2022, we have used a local estate agency who provided a valuation based on the property location, size and recent selling prices of similar properties in the area. 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 2022 was £7,774,153. The carrying amount of housing properties at 31 March 2022 was £16,636,817.

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 has 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. In the prior year, £155,455 was included as short-term deposits therefore this has been restated and is now shown as cash and cash equivalents.

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 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 & doors	4%
Electrics	2.5%

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

2022	Turnover	Operating costs	Operating surplus
	£	£	£
Social housing lettings	2,405,611	(2,254,321)	151,290
Non-social housing activities	222,985	(2,830)	220,155
	<u>2,428,596</u>	<u>(2,257,151)</u>	<u>371,455</u>
	<u><u>2,428,596</u></u>	<u><u>(2,257,151)</u></u>	<u><u>371,455</u></u>
2021			
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>

Income and expenditure from social housing lettings

	General needs housing	
	2022	2021
	£	£
Rent receivable net of identifiable service charge	2,034,695	2,010,463
Service charge income	186,230	167,191
Amortisation of government and other grants	184,686	184,686
	<u>2,405,611</u>	<u>2,362,340</u>
	<u><u>2,405,611</u></u>	<u><u>2,362,340</u></u>
Management	358,396	372,832
Service charge costs	368,890	322,576
Routine maintenance	309,912	389,195
Cyclical maintenance	137,774	132,130
Major repairs	408,201	374,677
Housing property depreciation	544,785	490,102
Development	126,363	65,042
	<u>2,254,321</u>	<u>2,146,554</u>
	<u><u>2,254,321</u></u>	<u><u>2,146,554</u></u>
Operating cost on social housing lettings	2,254,321	2,146,554
	<u>2,254,321</u>	<u>2,146,554</u>
	<u><u>2,254,321</u></u>	<u><u>2,146,554</u></u>
Operating surplus on social housing lettings	151,290	215,786
	<u>151,290</u>	<u>215,786</u>
	<u><u>151,290</u></u>	<u><u>215,786</u></u>
Void losses	37,719	35,163
	<u>37,719</u>	<u>35,163</u>
	<u><u>37,719</u></u>	<u><u>35,163</u></u>

4 Accommodation in management and development

	2022	2021
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

	2022 £	2021 £
Operating surplus is arrived at after charging/(crediting):		
Amortisation of government and other grants	(184,686)	(184,686)
Depreciation of housing properties	482,440	477,719
Deficit on disposal of tangible fixed assets	62,345	12,382
Depreciation of other tangible fixed assets	32,045	27,982
Operating lease payments	40,000	40,000
Auditors' remuneration (excluding VAT):		
- for audit services	11,775	9,730
	<u>11,775</u>	<u>9,730</u>

6 Interest receivable and similar income

	2022 £	2021 £
Interest receivable from cash deposits	212	-
	<u>212</u>	<u>-</u>

7 Interest and finance costs

	2022 £	2021 £
Interest on loans	63,145	66,684
Costs of obtaining new loan and other charges	34,940	33,008
	<u>98,085</u>	<u>99,692</u>

8 Employees

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

	2022	2021
	No.	No.
Administration	2	2
Development	1	1
Housing, support and care	8	7
	<hr/>	<hr/>
	11	10
	<hr/> <hr/>	<hr/> <hr/>
Employee costs:	£	£
Wages and salaries	473,200	406,493
Social security costs	40,080	39,277
Other pension costs	29,359	28,812
	<hr/>	<hr/>
	542,639	474,582
	<hr/> <hr/>	<hr/> <hr/>

Employees who received remuneration in excess of £60,000 during the year were as follow:

	2022	2021
	No.	No.
£60,001 - £70,000	2	1

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension costs charge represents contributions payable by the Association to the fund and amount to £29,359 (2021: £28,812). Contributions of £3,670 were due to the fund at the year end (2021: £9,181).

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:

	2022	2021
	£	£
Basic salary	67,830	66,446
	<hr/>	<hr/>
Pension contributions	5,294	5,094
	<hr/> <hr/>	<hr/> <hr/>

No emoluments were paid to Board directors during the year (2021: £nil).

No expense allowances were paid during the year to members of the Board (2021: £nil). BHA provided Chartered Institute of Housing (CIH) subscriptions for five Board members during 2021-22 (note 24).

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 2021	60,361	24,070,223	24,130,584
Works to existing properties	-	328,498	328,498
Disposal of components	-	(120,801)	(120,801)
Additions	72,689	-	72,689
	<hr/>	<hr/>	<hr/>
At 31 March 2022	133,050	24,277,920	24,410,970
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2021	-	7,350,169	7,350,169
Charge for the year	-	482,440	482,440
On disposals	-	(58,456)	(58,456)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	-	7,774,153	7,774,153
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2022	133,050	16,503,767	16,636,817
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	60,361	16,720,054	16,780,415
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Expenditure on works to existing properties

	2022 £	2021 £
Components capitalised	328,498	42,058
	<hr/>	<hr/>
Total works on existing properties capitalised	328,498	42,058
Amounts charged to the statement of comprehensive income	294,605	201,698
	<hr/>	<hr/>
	623,103	243,756
	<hr/>	<hr/>

Social housing assistance

	2022	2021
	£	£
Total accumulated social housing grant received or receivable at 31 March:		
Recognised in the Statement of Comprehensive Income	5,808,060	5,623,374
Held as deferred income	4,252,172	4,436,858
	<u> </u>	<u> </u>
	10,060,232	10,060,232
	<u> </u>	<u> </u>
Capital grant received	9,234,285	9,234,285
Revenue grant received	825,947	825,947
	<u> </u>	<u> </u>
	10,060,232	10,060,232
	<u> </u>	<u> </u>

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 2022.

12 Investment properties non-social housing properties held for letting

	2022	2021
	£	£
Net book value		
At 1 April	550,000	550,000
Gain on revaluation	200,000	-
	<u> </u>	<u> </u>
At 31 March	750,000	550,000
	<u> </u>	<u> </u>

The former office at 303B Upper Street is currently let at a market rent. The valuation of £750,000 at 31 March 2022 was undertaken by a local real estate firm, Savills, and is based on market conditions with an active market, the price per square foot and selling price of similar properties in the same area.

13 Tangible Fixed Assets - Other

	Freehold offices £	Furniture, fixtures & fittings £	Computers & office equipment £	Plant & Equipment £	Total £
Cost					
At 1 April 2021	63,270	31,031	171,039	48,834	314,174
Additions	-	-	8,013	18,988	27,001
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	63,270	31,031	179,052	67,822	341,175
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2021	62,622	17,872	134,121	9,766	224,381
Charge for the year	162	2,298	16,020	13,565	32,045
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	62,784	20,170	150,141	23,331	256,426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2022	486	10,861	28,911	44,491	84,749
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	648	13,159	36,918	39,068	89,793
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

14 Debtors

	2022 £	2021 £
Arrears of rent and service charges	176,744	173,607
Less: provision for bad and doubtful debts	(89,075)	(61,116)
	<hr/>	<hr/>
	87,669	112,441
Prepayments and accrued income	130,927	97,654
	<hr/>	<hr/>
	218,596	210,095
	<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 Creditors: amounts falling due within one year

	2022	2021
	£	£
Rent and service charges received in advance	60,216	78,842
Trade creditors	336,293	171,526
Deferred grant income (note 18)	184,686	184,686
Other taxation and social security	12,338	14,246
Accruals and deferred income	123,784	112,212
Other creditors	3,680	9,181
Loan capital repayment	146,250	-
	<hr/>	<hr/>
	867,247	570,693
	<hr/> <hr/>	<hr/> <hr/>

The balance above includes an accrual for holiday leave pay of £7,093 (2021: £6,097), 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.

16 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Debt (note 19)	3,753,750	3,900,000
Deferred grant income (note 18)	4,067,486	4,252,172
	<hr/>	<hr/>
	7,821,236	8,152,172
	<hr/> <hr/>	<hr/> <hr/>

17 Deferred grant income

	2022 £	2021 £
At 1 April	4,436,858	4,621,544
Released to income in the year	(184,686)	(184,686)
	<hr/>	<hr/>
At 31 March	4,252,172	4,436,858
	<hr/> <hr/>	<hr/> <hr/>
	2022 £	2021 £
Amounts to be released within one year	184,686	184,686
Amounts to be released in more than one year	4,067,486	4,252,172
	<hr/>	<hr/>
	4,252,172	4,436,858
	<hr/> <hr/>	<hr/> <hr/>

18 Debt analysis

	2022 £	2021 £
Due within one year	146,250	-
Due after more than one year	3,753,750	3,900,000
	<hr/>	<hr/>
Clydesdale Bank plc	3,900,000	3,900,000
	<hr/> <hr/>	<hr/> <hr/>
Within one year	146,250	-
Between one and two years	195,000	146,250
Between two and five years	585,000	585,000
After five years	2,973,750	3,168,750
	<hr/>	<hr/>
	3,900,000	3,900,000
	<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.

19 Non-equity share capital

	2022 £	2021 £
Number of members		
At 1 April	17	15
Joining during the year	-	2
	<hr/>	<hr/>
At 31 March	17	17
	<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.

20 Cash flow from operating activities

	2022 £	2021 £
Surplus for the year	273,572	141,861
Depreciation of tangible fixed assets	514,484	505,701
Amortisation of government grants	(184,686)	(184,686)
(Increase)/decrease in debtors	(8,501)	(83,760)
Increase/(decrease) in trade and other creditors	150,304	143,854
Interest payable	98,085	99,692
Interest receivable	(212)	-
Loss on asset disposals	62,345	12,383
(Gain)/loss on revaluation of investment properties	(200,000)	-
	<hr/>	<hr/>
Cash generated from operations	705,391	635,045
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash	734,579	179,330	913,909
Bank loans due within one year	(146,250)	-	(146,250)
Bank loans due over one year	(3,753,750)	-	(3,753,750)
	<hr/>	<hr/>	<hr/>
Total	(3,165,421)	179,330	(2,986,091)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

22 Financial commitments

Capital commitments are as follows.

	2022 £	2021 £
Expenditure approved by the Board but not contracted	1,600,000	1,600,000
	<u>1,600,000</u>	<u>1,600,000</u>

The expenditure approved by the Board but not contracted for at 31 March 2022 represents the approved cost of the proposals to develop some of the garages at Morland Mews into six new units for £1,600,000.

Operating lease commitments.

	2022 £	2021 £
Payments due		
Within one year	40,000	40,000
Between two and five years	160,000	160,000
After five years	38,034	78,034
	<u>238,034</u>	<u>278,034</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.

23 Related parties

The Association has two tenant Board members. The rent and terms of their tenancies are on normal commercial terms. Rents received from the tenant Board members are £15,288 (2021: 14,568) of which £nil (2021: £nil) is included in amounts owing at the year end.

The Association paid for Chartered Institute of Housing (CIH) subscription valued at £68 (2021: £nil) for the below Board members as part of CIH's G320 member offer.

Sean McLaughlin
Aaron Elliott
Chris Bell
Barbara Sidnell
Stephane Croce