2021

Housing Solutions

Annual Report

Year ended 31 March 2021

Housing Solutions is a registered housing provider with charitable status dedicated to providing affordable and supported homes.

We have a housing stock of 5,931 properties in the South East of England. We offer affordable homes to rent, shared ownership schemes, key worker housing and specialist accommodation for older people and people who need support and care to live within the community. All our homes are supported by a range of housing services, including our own professional team of maintenance staff who provide a comprehensive repair and maintenance service.

There are three subsidiaries and one joint venture within the Group. They are:

Housing Solutions Capital PLC set up to facilitate capital market funding for the Group.

HSG Property Services Limited provides photo voltaic panels on residents' roofs and other energy saving solutions in order to save utility costs for those residents and at the same time produce revenue for the Group through the Feed in Tariff programme.

Housing Solutions Development Limited set up to facilitate the tax efficient design and building of properties for the Group.

Glassford LLP is a joint venture with The Royal County of Berkshire Pension Fund which owns and manages 40 market rent properties.

Core purpose

Our core purpose is to provide rented housing for disadvantaged local people, who cannot afford to buy or rent on the open market.

Our values

Ownership

Innovation

Teamwork

Inclusion

Key partners

Board of Management

Chairman	Elizabeth J Padmore (Independent)
Chief Executive	Orla Gallagher
Senior Independent Director	Hayley Peters (Independent)
Chair of Audit & Risk Committee	Nick Whitaker (Independent)
Chair of Funding Committee	Valerie Kendell (Independent)
Chair of Renumeration Committee	James Measures (Independent)
Chair of Nominations Committee	Elizabeth J Padmore (Independent)
Non-Executive Directors	Angus McCallum (Indpendent) John Taylor (appointed 03.11.2020) Jeremy Stibbe (appointed 03.11.2020) Gerald Valentine Bagnall (retired 21.12.2020)
RBWM Nominee	Ross McWilliams (retired 21.12.2020)

Executive Team

Director of Finance	David Joyce
Director of Development	Jill Caress
Director of Housing and Asset Management	Steven Brookfield
Director of Corporate services	Carol Lovell

Auditors

External Auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick RH6 0PA
Internal Auditors (ended 31 March 2021)	RSM Risk Assurance Services LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP
Internal Auditors (Started 1 April 2021)	Beever & Struthers 15 Bunhill Row London EC1Y 8LP

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Funders

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London
E14 5HP

Lloyds TSB PLC
25 Gresham Street
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M & G Limited
Laurence
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EC4R 0HH

Legal & General
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Management Ltd
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London
EC2R 5AA

Santander UK Plc
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Regents Park
London
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Treasury Advisors

Chatham Financial
Europe Ltd
12 St James's Square,
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Valuers

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Registered with Homes England Reg No. L4073 and Registered as a Mutual Benefit Society under the Co-Operative and Community Benefit Act 2014 Reg No. 27876R

Registered Office, Crown House, Crown Square, Waldeck Road, Maidenhead, Berkshire SL6 8BY

A note from the Chairman

The last year has seen the sector, and Housing Solutions, face extraordinary challenges. This has however demonstrated our strong position as a local housing association that is committed to our residents and communities and to helping them through challenging times. I am proud that the organisation ends the year even stronger than we started and I am delighted to be presenting this report to you.

I am immensely proud of our focus on keeping our staff healthy and supported and our residents safe and secure. We are an organisation dedicated to ensuring the highest quality of services for our residents, whether that be carrying out day to day repairs or providing support and advice to our residents to access their welfare benefits.
Most important of all, is that we connect and listen to our residents, I am delighted that we have built upon our existing engagement activities with dedicated Community Living and Homeowner panels to complement our long-established Service Improvement Team and E panel. To build upon the excellent work already taking place, the Board has also created the new role of Executive Director of Resident Services and Community to join our executive team.

I am very proud of the strength of our governance which forms the foundation for our stable and financially strong organisation and throughout the year we have continued our journey to improve all the things we do. We have extensively tested our business plan to understand the potential impacts of the pandemic, Brexit, economic changes, and other events. As part of this we have ensured we have identified triggers, robust early warning indicators and mitigating actions to be put in place should the need arise.

To enable our business plan, we successfully secured £25m of additional long-term financing from MORhomes and a further revolving credit facility of £25m from Santander. Our Funding Committee were pivotal in reviewing these arrangements prior to Board approval, and at the time, this was the lowest rate achieved by MORhomes in the market. We recognised that historically our security position for future funding has been challenging and, following significant work of our staff and with the cooperation of our funders, we were successful in securing an uplift in our security value, enabling a further £108m of borrowing.

We pride ourselves on always looking for ways to improve and develop both from a governance and risk management perspective. At the start of the year we reviewed our risk appetite statement and continued the evolution of our Board assurance framework, which provides detailed oversight and information, to enable the Board to gain assurance that appropriate measures are in place to manage risks effectively. At the end of the year we welcomed new internal auditors, appointing Beever & Struthers to lead our annual audit programme into 2021/22.

Building upon the excellent work of our IT team throughout the year in ensuring seamless access to digital services for both our residents and staff, the Board were pleased to continue our investment in digital services and in 2020 approved a key IT infrastructure project. This has set the foundations for our plans for improved integration and data integrity across the business, the continued development of digitalisation of processes and the future enhancements of online services and mobile applications for our residents.

The delivery of much needed new homes was impacted by the pandemic, however we successfully completed 89 new homes in the year. We are an organisation committed to providing new homes for local people, homes that our residents are proud to live in, and our business plan, updated strategy and additional resources renew this ambition and commitment.

The Board has seen a number of changes this year, I was delighted to welcome two new non-executive directors to the Board; John Taylor, and Jeremy Stibbe, who both bring a wealth and breadth of experience in asset management and development to the Board. We also said goodbye to three, long-serving, valued Board members, Hayley Peters, Val Bagnall and Ross McWilliams, whom we would like to thank for their dedication and commitment to Housing Solutions.

I would like to thank all the staff and executive team, and my fellow Board members for their hard work, dedication, and support over the past year. Their commitment, particularly through the challenges of the pandemic, demonstrates how importantly we view our services to our residents and communities.

Elizabeth J Padmore

Elizabeth J Padmore - Chairman

Report of the board

The Board of Housing Solutions presents its report together with the audited financial statements of Housing Solutions (the Association) and Housing Solutions Group (the Group) for the year ended 31 March 2021.

The Group comprises of the Association and its subsidiary undertakings Housing Solutions Capital plc, HSG Property Services Limited, Housing Solutions Development Limited, and joint venture Glassford LLP.

Housing Solutions is a Public Benefit Entity. It changed its name with the Financial Conduct Authority from Housing Solutions Limited to Housing Solutions in October 2017.

Principal activities

The Group's principal activities are the development and management of affordable and supported housing and providing repairs services to its own stock as well as that of external partners.

Housing Solutions has charitable status and operates three key business streams:

- Housing for rent, primarily for households who are unable to rent or buy at open market rates;
- Supported housing for people who need additional housing-related support;
- Low-cost home ownership, primarily shared ownership whereby residents purchase a share in the equity of their home;

As well as owning 5,931 properties, the facilitating Group develops new affordable housing and as a member of the Sovereign Development Consortium (SDC) facilitates access to Homes England grant funding.

The Group also provides a small amount of non-social housing, in particular market rent accommodation. However, the Group's focus remains on its social housing activities and these constitute 94% of the Group's activities by turnover.

Board members and executive directors

The present Board members, committee structure and executive directors of the Group are set out on page 6.

All executives work within the authority delegated by the Board. Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Employment contracts

Excluding the Chief Executive, Board members are paid based on a scale reflecting their relative responsibilities to the Group. The total amount paid to Board members during 2020/21 was £67,858.

The executive directors including the Chief Executive were employed on the same terms as other staff, their notice periods are six months. The Chief Executive's salary is set at the market rate.

Pensions

Prior to its closure to new members, the executive directors were entitled to join the Royal County of Berkshire Pension Fund, a defined benefit (Career Average) pension scheme. They participate in the scheme on the same terms as all other eligible staff and the Association contributes to the scheme on behalf of its employees. With effect from 31st March 2020 the Royal County of Berkshire Pension Fund scheme was closed to all employees and all employees have access to a defined contribution Personal Pension Plan. The executive directors may participate in this scheme on the same terms as all other eligible staff and Housing Solutions makes contributions into the Individual Personal Pensions.

5,931

Number of properties owned on 31 March 2021

Accounting policies

The Group's principal accounting policies are set out on pages 40 to 44 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of costs; housing property depreciation; and treatment of shared ownership properties.

The Group has prepared the accounts in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2019.]

Housing properties

At 31 March 2021 the Group owned 5,931 housing properties (2020: 5,894). There were 89 completions and 52 disposals in the year.

The Board approved the adoption of accounting for housing properties at historical cost for the year ending 31 March 2021. Unlike previous years, there is no longer a requirement to annually value the Group's housing properties.

Our investment in new properties totalling £11.5m and our further investment of £2.7m in capitalised maintenance of existing properties this year was funded through a mixture of debt finance and operating surpluses.

Cash flow

We generated £34.4m from operating activities and borrowed a further £25m to develop new properties, with debt servicing totalling £13m. The investment in new properties during the year was £11.5m. Cash inflows and outflows during the year are shown in the consolidated statement of cash flows (page 75).

Group debt

The Group borrowed a total of £25m during the year. At the year-end Group borrowings amounted to a nominal amount of £305.8 million. Gross gearing, calculated as total loans as a percentage of the balance sheet value of completed housing property, was 66% at 31 March 2021 (2019: 64%). Cash held at 31 March 2021 was £29.4 million compared to £14.9 million at 31 March 2020. Net Debt per Unit at 31 March 2021 was £65.3k against the

Maturity		2021	2020
	Within one year	15.7	7.5
	Between one and two years	10.4	7.6
	Between two and five years	31.8	51.2
	After five years	247.9	236.7
		305.8	303.0

The Group is borrowing principally from banks and through private placements, at both fixed and floating rates of interest. Embedded interest rate swaps are in place to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's policy is to keep between 65% and 85% of its borrowings at fixed rates of interest and to maintain an average tenure no less than 10 years.

At the year-end, 85% of the Group's borrowings were at fixed and index linked rates after taking account of interest rate swaps (2020: 79 per cent). The fixed rates of interest range from 3.28% including loan margin to 6.1%. Our all-in average cost of funds was 4.32%.

The Group's lending agreements require compliance with a number of covenants. The Group's position is monitored against those covenants on an on-going basis and reported to the Board at each meeting. The Group Funding Committee regularly reviews the Group's treasury position including requirements for new loan facilities. The Group is compliant with its loan covenants at the year-end date and the Board expects to remain compliant in the foreseeable future. The Group borrows and trades only in sterling and so is not exposed to currency risk.

Overview of the business

The Group's main activities are the development and management of social and affordable housing and residential care homes and providing repairs services to its own stock as well as external partners.

The Group's head office is in Maidenhead and its properties are primarily in Maidenhead and surrounding areas, although increasingly new social housing properties are being developed in Wokingham, Slough and around the county of Berkshire and Buckinghamshire which we fund and manage. The Group's focus remains its social housing activities and these constitute 94% of the Group's activities by turnover.

Financial position and performance

The Group's five-year income and expenditure accounts and balance sheets are summarised on page 9 and the following paragraphs highlight key features of the Group's financial position up to and including 31 March 2021 as well as the position at the year end. The Group's forward business plan, which includes the updated development strategy, has been robustly stress tested based on the key strategic risks reported to Board.

Statement of compliance

In preparing this strategic report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP): Accounting for registered social housing providers 2018.

Corporate governance

Corporate governance statement

The Board has assessed its compliance against its adopted Code of Governance and is satisfied that the organisation's governance is compliant with the material aspects of the code and is supported by its internal controls, policies, and procedures.

All required disclosures have been made, and registers have been maintained regarding gifts and hospitality accepted and given by Board members and employees. The Board monitors the regulatory compliance framework, which allows the organisation to self-assess and provide evidence to demonstrate its compliance with the Regulatory Standards and identifies gaps, which can then be addressed. The self-assessment was presented to Board on 28 July 2021, which demonstrated compliance.

Compliance with RSH Governance and Viability Standards

The Board of Housing Solutions has carefully considered the requirements of the regulatory standards and has robustly assessed and taken assurance of Housing Solutions' compliance with them during the year. On this basis, the Board certifies that Housing Solutions has complied in all material aspects with the Regulator of Social Housing standards during the reporting period ended March 2021.

Regulatory performance

Following the annual stability check in November 2020, the Regulator of Social Housing confirmed that the governance and financial viability grades and straplines for Housing Solutions remained as:

G1: The provider meets our governance requirements
V1: The provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios

Health and safety

The Board and the Audit and Risk Committee receive detailed reports on health and safety compliance at every meeting. In addition, the Association also holds ISO45001 for Health and Safety Management.

Risk management

The Board considers that the risks detailed below are the principal risks facing Housing Solutions. These are the risks of the organisation, including those which would threaten future performance, they have been robustly assessed and processes are in place to continue throughout the year ended 31 March 2021, and ongoing processes are in place to continue this assessment.

The principal and emerging risks and uncertainties relating to the organisation are reviewed by the Board and the Audit & Risk Committee at every meeting along with the internal controls and risk management processes that are used to mitigate these risks. Risks are recorded, assessed, and tracked in terms of their impact and likelihood.

The principal risks and management of those risks are described on the following page:

94%

Percentage of Group's activities focused on social housing

Major risks

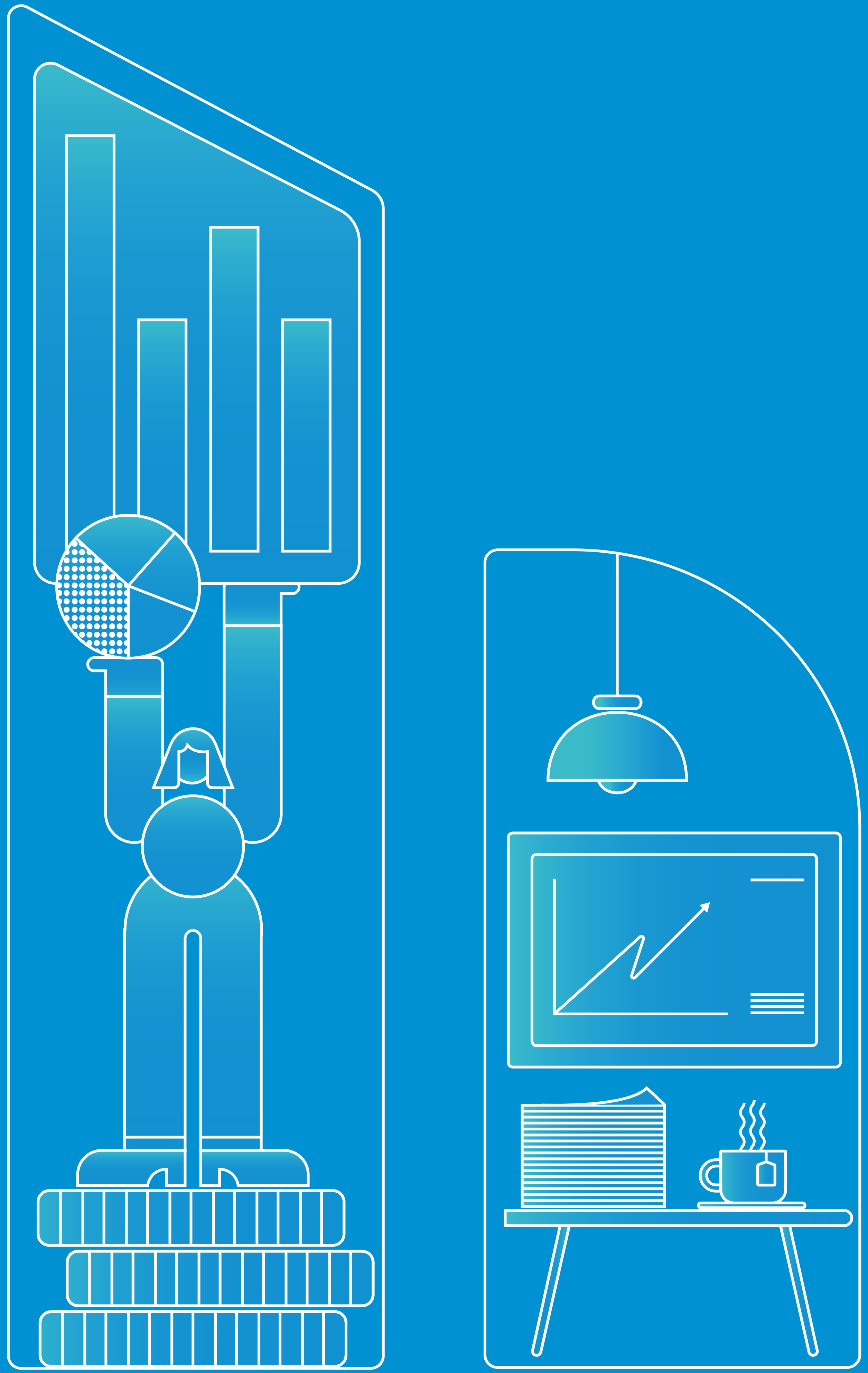
	Impact	Challenges	How it's managed and mitigated
1	Duty of care to residents, staff, and the public in the operation of our business	• Building safety • Fear of a Covid 19 third wave and increased isolation of staff unable to carry out work in residents' homes • Keeping our DLO staff safe and healthy as restrictions reduce	• Comprehensive safety management system covering safety procedures/risk assessments • Programme of quality assurance checks across key compliance areas • Tailored annual health and safety training for all staff • Qualified external specialist advisors on all health and safety and fire matters • HSE and ROSPA best practice followed • Regular oversight at executive and Board level • Introduction of new workstyle, hybrid working model for office staff • Health and well-being programme including mental health awareness training
2	Data management and control	• Over reliance on spreadsheets, disconnected systems, and poor system interface • Issues of inefficiency and accuracy • Dated asset management systems • Data security/GDPR breaches	• Regular data reconciliations and validations • Visual site visits • Processes and monitoring in place for data protection management, including regular training • Automating of processes and reducing reliance on spreadsheets
3	Development risk (new supply)	• Increased competition for section 106 schemes • Lack of development pipeline • Planning reforms and reduced s106 supply • Development delivery timing • Sales slowdown and drop in sales values	• Close monitoring of development projects and forecasting • Stress testing includes impact of shared ownership sales falling, increased sales periods and development slowdown • Risk assessments prepared and monitored for each scheme • Collaboration with key local authority partners on land led and s106 development opportunities • Engagement with potential joint venture partners
4	Not achieving rental income	• Potential for increased unemployment in our area specifically • End of Furlough • Changes to government rent settlement • Major changes in economic conditions	• Recruitment of new Executive Director of Resident Services and Community • Specialist income and welfare benefit teams with focus on income collection and arrears recovery • Regular engagement with residents • Increased visibility on our estates
5	IT systems failure	• Cyber-attack, malware, or virus • Major failure of hosted servers • Software interface failure	• Third line support in place, including back-up and restore • Regular penetration testing • Processes in place for protecting systems in the event of virus or cyber attack • Business continuity and disaster recovery plan in place
6	Material fall in operating performance	• Labour and materials shortages • Procurement delays and high demand for specialist service contractors • Impact of third Covid 19 wave on self-isolating and access for repairs	• Detailed repairs profiling and budget management • Regular communications with residents, staff, and stakeholders • Regular performance monitoring • Covid19 risk assessments and method statements and staffing bubbles
7	Material fall in income due to failure of care providers	• Increased financial pressures on care home sector as a result of Covid19	• Significant joint collaboration with Buckinghamshire Council to safeguard the care service
8	Lack of effective governance	• Transition to NHF Code of Governance 2020 tenure requirements • Attracting skills and diversity identified in the Board skills matrix	• Continued development of a comprehensive Board assurance framework which aligns with both the Corporate and Operational risk register • Transition plan in place to achieve compliance with the 2020 NHF Code of Governance by 31 March 2022. • Recruitment of new Non-Executive Directors

Group highlights, five year summary

			2021	2020	2019	2018	2017
Group Statement of Comprehensive Income	Total turnover – SOCI		48,875	46,123	45,804	43,883	45,965
	Turnover excluding Sales – Note 3		43,361	41,273	39,463	38,925	34,628
	EBITDA (excluding Sales)		25,282	21,330	21,307	22,571	26,827
	Operating surplus – SOCI		20,950	17,617	19,578	21,731	21,686
Group Statement of Financial Position	Housing and investment properties (at cost and valuation)		436,399	429,465	529,530	475,413	441,026
	Other FA and intangible fixed assets		10,341	10,166	10,651	10,665	9,642
	Tangible and intangible fixed assets		446,740	439,631	540,181	486,078	450,668
	Long term investments – BS		2,514	2,519	2,427	2,427	2,427
	Net current assets – BS		11,219	12,120	15,883	48,296	63,854
	Total assets less current liabilities – BS		**460,473**	**454,270**	**558,491**	**536,801**	**516,949**
	Loans (due over one year) – BS		(290,084)	(295,514)	(283,239)	(290,599)	(303,696)
	Capitalised loan costs		(3,080)	–	–	–	–
	Deferred capital grant		(54,434)	(54,082)	–	–	–
	Pensions liability – BS		(26,315)	(18,168)	(20,093)	(20,667)	(20,624)
	Net assets – BS		86,560	86,506	255,159	225,535	192,629
	Reserves:	Revenue – BS	86,560	86,506	133,239	111,736	51,584
		Revaluation – BS	–	–	121,920	113,799	141,045
	Total	–	86,560	86,506	255,159	225,535	192,629
Housing properties owned at year end:	Social Housing – Note 4		5,844	5,806	5,625	5,525	5,337
	Non-social Housing		87	88	80	78	78
	Total		**5,931**	**5,894**	**5,705**	**5,603**	**5,415**
Statistics:	EBITDA as % of turnover – excluding property sales		58.31%	51.68%	53.99%	57.99%	60.19%
	Operating surplus as % of turnover		42.9%	38.2%	42.7%	49.5%	47.2%
	Rent arrears (gross arrears as % of rent and service charges receivable)*		2.73%	2.88%	2.39%	2.27%	1.84%
	Liquidity (current assets divided by current liabilities)		1.4	1.7	1.8	3.9	9.3
	Gearing (total loans as % of value of completed housing properties)		66.8%	68.6%	60.0%	67.0 %	64.4%

* This excludes rent receivable from care homes and leaseholders as these are paid in advance.

Our year in summary



£48.9m
Turnover

97.7%
Resident satisfaction with repairs

A+
Maintained an A+ rating by Standard & Poors

89
New homes

£1.5m
Social value from activities

Strong Corporate Foundation

- Maintained our G1/V1 rating with the Regulator of Social Housing
- Maintained our A+ rating by Standard & Poors

Remain Financially Strong

- Turnover increased to £48.9m (2019/20 £46.1m)
- Operating margin (excluding sales) 42.6 % (2019/20 15.2%)
- Operating surplus 42.9% as % of turnover (2019/20 38.2%)

Development Growth

- Invested £11.4m in building new homes (2019/20 £27m)
- Delivered 89 new homes (2019/20 203 new homes)
- Completed 42 shared ownership sales (2019/20 34 shared ownership sales)

Operational Performance

- 97.7% resident satisfaction with repairs (2019/20 94%)
- Invested £6.8m in maintaining and improving homes (2019/20 £3.4m)
- Generated additional £134k for residents through welfare and benefits support (2019/20 £195k)
- £1.5m of social value from activities (2019/20 £0.83m)
- 60% of residents with an online portal account (2019/20 42%)

For every £1 we spend

	2020/21 (pence)	2019/20 (pence)	2018/19 (pence)
New homes	41	52	53
Interest	23	20	21
Management and other expenses	14	12	10
Planned maintenance	7	5	5
Routine maintenance	5	5	5
Estates	4	3	3
IT	1	1	1
Purchase of other assets	1	1	1
Other expenses	4	1	1

Corporate objectives and value for money

As a leading local housing association, we continue to focus on our core purpose of providing quality homes and services to our local communities. We remain committed to providing sustainable long-term homes for local people and working with our partners to deliver the highest quality of services.

Throughout the year, with the continuation of the pandemic and lockdown restrictions, we remained focused on the wellbeing of our residents and staff whilst quickly adapting to new ways of working and delivering our services. We are delighted that over 97% of residents were satisfied with their repairs and 82% of staff are happy working for a G1 V1.

We are proud of being reaffirmed as being a G1 V1 housing provider by the Regulator of Social Housing, as well as our credit rating agency, S&P, reconfirming our A+ rating. We consistently provide more social and affordable homes than most housing associations our size, while still maintaining a healthy financial position. 78% of our housing portfolio is dedicated to social, affordable, and supported rented accommodation. Including our care homes, this increases to almost 90%.

Housing Solutions' very strong asset quality and operational performance support its enterprise profile

We recognise that as a local provider, we are much more than just a landlord. We're part of the community. Housing Solutions is dedicated to supporting our residents as well as providing more homes locally. That includes helping residents to pursue their aspirations by providing training and work-based opportunities with our partners. During the year, our social activities had a net social value of £1.6m.

Strong corporate foundation

Our mission remains to make our residents proud of where they live and our colleagues proud of where they work.

To help us deliver on our mission, we've created a simple plan that's encapsulated in three themes. These three themes are relevant to our mission, practical to bring to life, and valuable to our community. They are:

Safe
Satisfied
Sustainable

These are the pillars to support our strong future and we are investing significantly in all three. Over the next 30 years we have set aside £111m to make our residents' homes more sustainable, aiming to achieve EPC ratings of D or better, being net carbon neutral by 2050, and a further £2m per annum has been set aside over the next 5 years to invest in our residents' safety.

Our investment in staff and IT systems has ensured that during the Covid19 pandemic we continued to meet both our operational and service provision requirements, with some short-term adjustments to our repair timings. As well as enabling our staff to continue to provide the services required, our ambition is to offer a 100% digital service to our residents. By automating our services we will reduce the labour-intensive manual tasks our teams tackle each day, freeing them up for more complex work, including more time to spend visiting vulnerable residents in the neighbourhood. Our registration to our digital portal, increased from 42% to 60% during 2020/21.

“We are much more than just a landlord. We’re part of the community.”

Remain financially strong

Turnover £48.9m (2019/20 £46.1m) Surplus £8.3m (2019/20 £7.0m)

We continue to report a strong balance sheet with net assets approaching £113m. As at March 2021, fixed assets totalled £448m (2020: £441m), an increase of £7m on the previous year, reflecting our ongoing investment in both new and existing homes.

S&P: We continue to assess Housing Solutions' liquidity as very strong and anticipate that sources of funding will cover uses by more than 2x over the next 12 months.

Housing Solutions remains in a strong financial position with net debt of £277m and available cash and committed liquidity facilities of £354m at the end of March 2021, with a further £25m revolving credit facility completed in April 2021. Thus providing sufficient liquidity to support both our operational cash requirements in response to Covid 19 and our short-term future development plans. Cash and short-term investments have increased to £29m (2020: £14m) as we strengthened our level of cash held in response to Covid 19, providing sufficient cash balances to meet operational cash requirements and our treasury management policy requirements.

The operating cash flow at £34m was up £16m on last year (2020: £18m). This was reflected in delays in our investment programme in our existing assets, which is being picked in the coming year.

Housing Solutions has raised a further £25m in new long-term finance from MORhomes during the year and a further £25m revolving credit facility from Santander in April 2021 to enable us to continue to deliver against our commitment to invest in homes.

These excellent financial results underpin our performance, which means we can continue to invest in building more homes and better places to live and deliver our services for residents.

Over the past year, Housing Solutions has reprofiled its planned maintenance spend to improve the safety and condition of its existing stock, in order to meet the government's EPC D target by 2030 and the 2050 zero carbon objective.

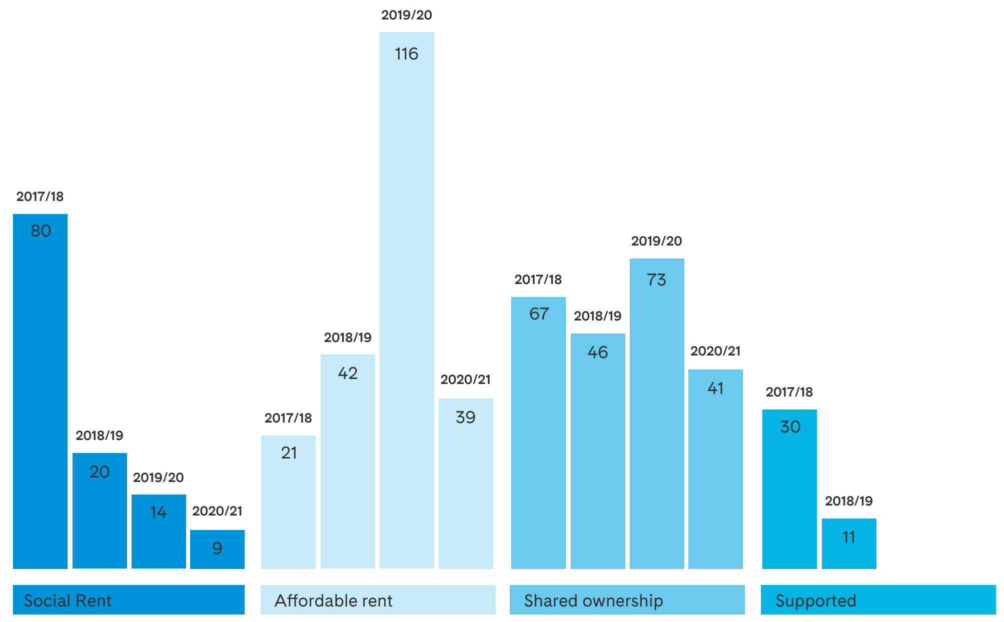
Financial Highlights

	2020/21	2019/20 As restated
New Homes	41	52
Interest	23	20
Management and other expenses	14	12
Planned maintenance	7	5
Routine maintenance	5	5
Estates	4	3
IT	1	1
Purchase of other assets	1	1
Other expenses	4	1

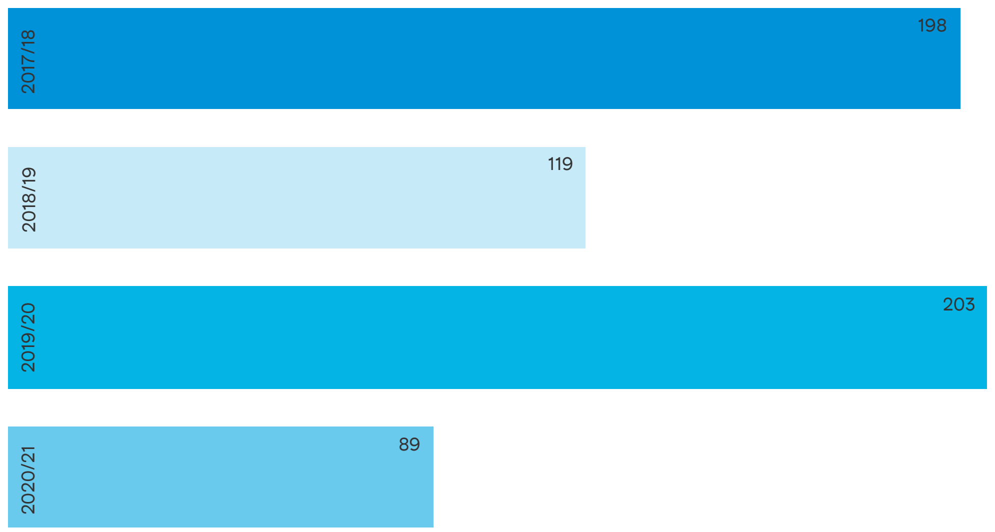
Our turnover increased as a result of both increased shared ownership sales and from the building of new properties for rent to social housing tenants. Both our earnings before interest, tax, depreciation and amortisation (EBITDA), and our operating surplus increased as a result of the higher rental income, with operating surplus being assisted through the £0.6m additional sales, compared to 2019/20, made during the year.

Development growth

New homes by type



Development growth



During the year, we completed the development of 89 new homes. This figure was reduced from the anticipated 120 homes as all of the sites shut down due to the Covid19 pandemic. The breakdown of the 89 units was as follows:

Handovers during the year included the first 26 new homes at our York Road development in partnership with Countryside – the first of four major regeneration sites in Maidenhead. The total number of affordable homes in this development will be 88.

“Our investment in new properties totalled £11.4m”

Development growth

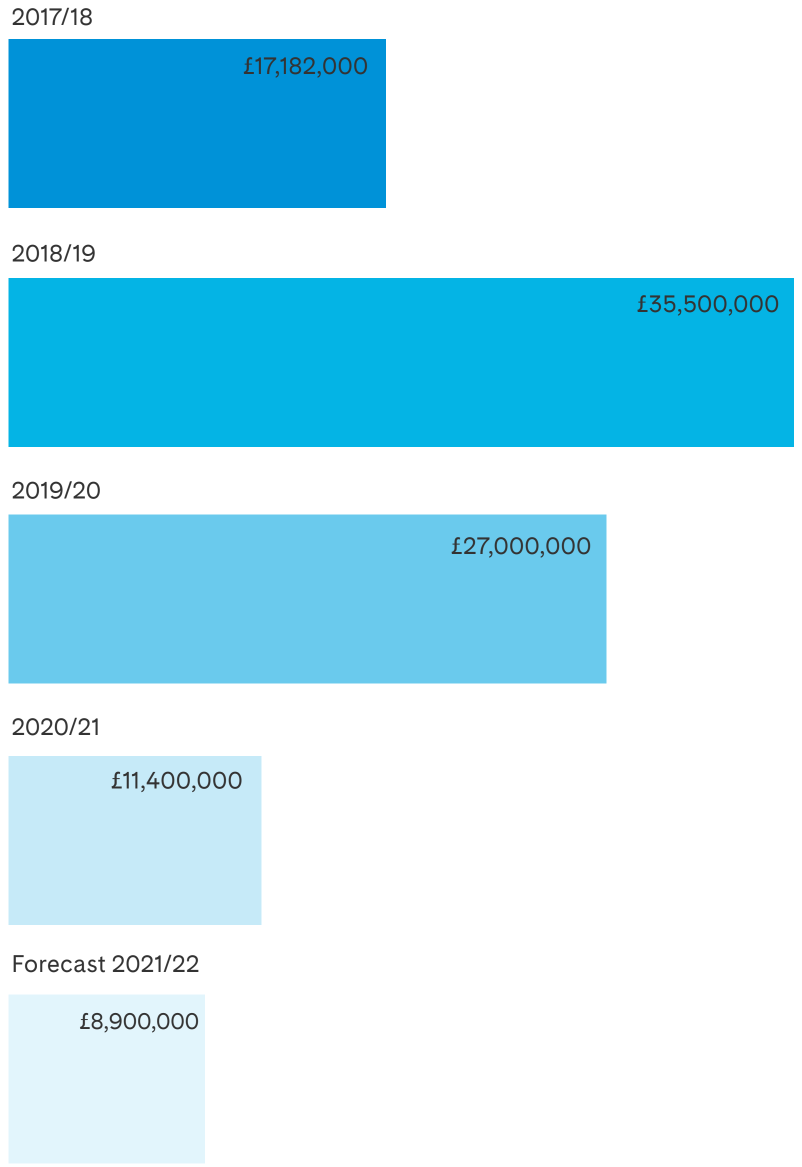
Reflecting the level of new development in the year, our investment in new properties totalled £11.4m.

At the start of the pandemic we reforecast our shared ownership sales for 2020/21, anticipating that a combination of development slowdown and a sluggish market would impact our sales for the rest of the year. The target was reduced to 20 from an initial 40, however despite the uncertainties, shared ownership sales performances exceeded our expectations with end of year sales totalling 42.

We started on site at our Gardner House development – a scheme of 23 x two-bedroom apartments on the site of a former sheltered housing scheme. Assisted by Social Housing Grant, we aim to complete the development in late 2022.

During the year, we continued with our committed development pipeline which was slowed slightly by the shutdown due to Covid 19 at the start of the year and the subsequent enforced social distancing which affected working methods. Due to proposed planning reforms, which could have impacted the supply of new homes under Section 106 agreements and the Net Zero Carbon agenda, we reviewed our strategic ambitions for development to become less reliant on Section 106 agreements. This led us to and to transition to a higher percentage of land led development, both on our own sites and through partnership with others.

Investment in new homes



Exceeding local expectations

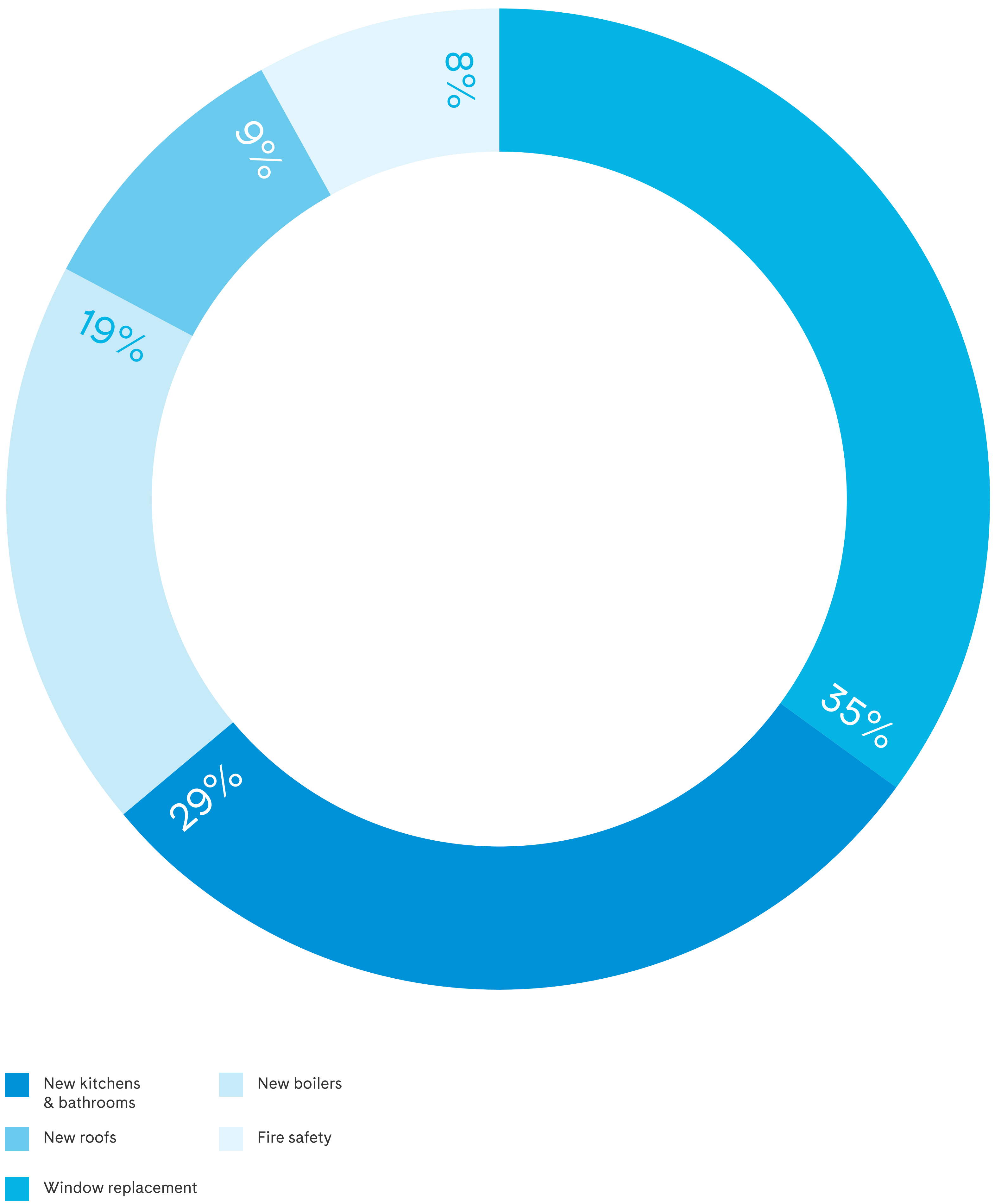
Despite the challenges of the Covid 19 pandemic we were able to continue delivering a range of planned investment works for our residents.

Our rolling 30-year lifecycle asset management programmes ensure the long-term sustainability and enhancement of our homes. Although works were necessarily slowed during the initial lockdown restrictions we re-focused when restrictions eased to deliver improvements to our residents' homes. Maintaining investment in our properties in line with previous years, we were able to undertake a significant amount of upgrades to our residents' homes, this included fitting 227 homes with new windows, installing 112 new boilers, 87 bathrooms and 56 kitchens. 100% of all work required to maintain our decency standards was completed in a year.

Maintaining our properties

- 100% of properties have a current gas certificate (100% 2019/20)
- 100% of properties have a current electrical installation a condition report (100% 2019/20)
- £6.8m investment in repairing, maintaining, and improving our homes (£7.1m 2019/20)
- 97.7% repairs satisfaction (94% 2019/20)
- 100% decent homes (100% 2019/20)
- 853 stock condition surveys completed (1,600 2019/20)

Planned maintenance spend



Exceeding local expectations

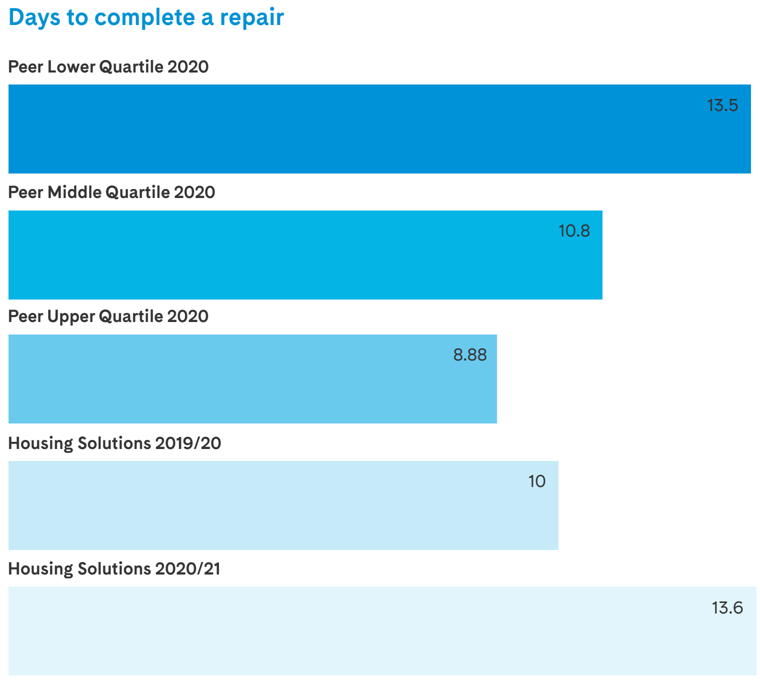
Our commitment to the health and safety and compliance of our properties remains a high priority. Our Teams worked with our residents to ensure 100% compliance across gas, electrical, asbestos and fire risk assessments at the end of the year, matching our performance in 2019/20.

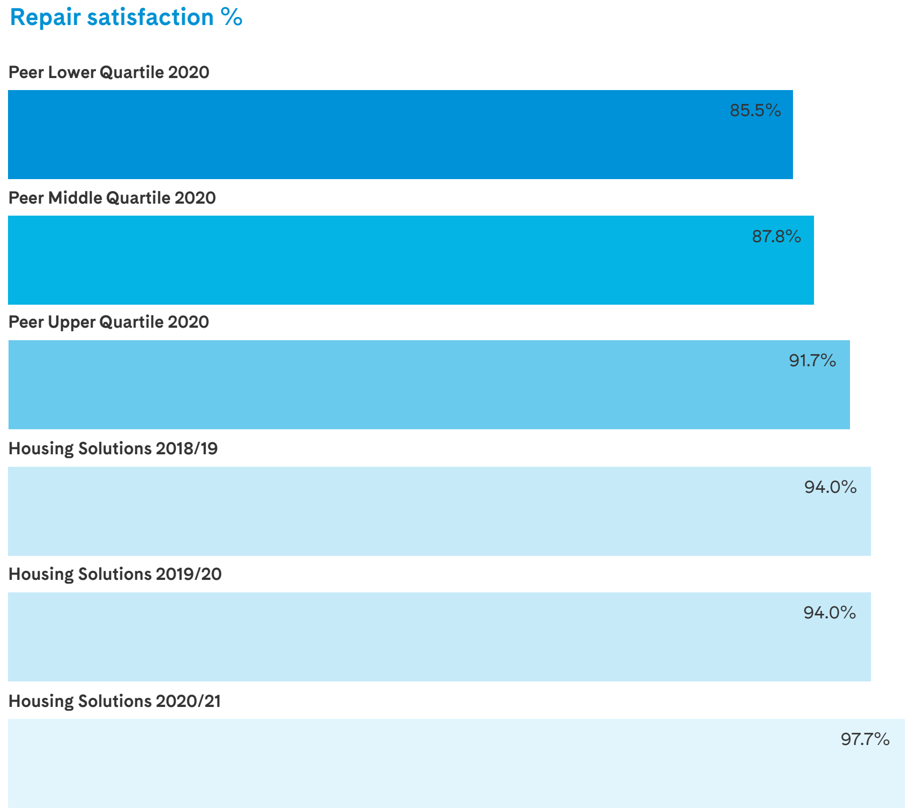
Underpinning this is our continued investment in health and safety training for our staff, with seven colleagues successfully completing SMSTS and NEBOSH qualifications during the year.

We continued to maintain our fire risk assessment programme, meeting our target of delivering 409 fire risk assessments in our multi-occupancy properties. We made significant investment and progress in completing 2,436 remedial actions identified in the year. We have developed a £9.9m, five year investment programme for fire safety works, including sprinkler installation, flat entrance door replacements and improving the fire protection within our buildings. The programme sees Housing Solutions moving towards an “above compliance” position, rather than just carrying out what is legislatively required.

During the year we completed almost 17,000 routine repair jobs. Whilst the average days to complete a repair increased in the year, this was reflective of the additional measures necessary to comply with the health and safety guidance ensuring the safety of our residents and staff.

The high level of resident satisfaction is supported by strong operational performance results with over 99% of emergency repairs completed within 24 hours. More than 94% were completed within four hours, including during the height of the pandemic.





Despite the restrictions, residents continued to be satisfied with our repairs service; satisfaction with the service increased to 97.7% during the year. This is a direct reflection of the dedication and hard work of our in-house maintenance team, working throughout the pandemic to provide high quality services to our residents.

Supporting residents and resident satisfaction

Key Points

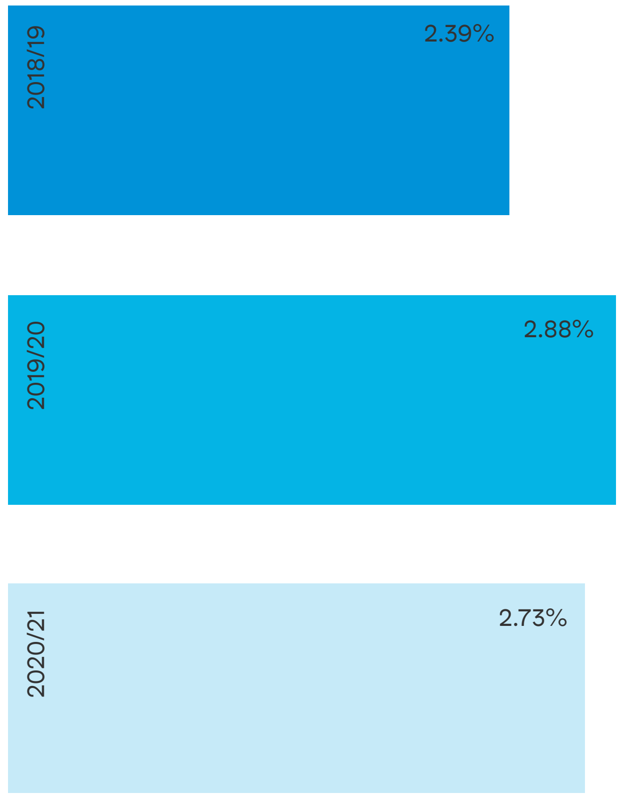
- 60,761 resident contacts received by customer contact team (72,207 2019/20)
- 79.6% of calls handled at point of contact (79% 2019/20)
- 83% overall resident satisfaction (83% 2019/20)
- Over £1.5m of social value (£826,000 2019/20)
- 2.73% gross rent arrears (2.88% 2019/20)

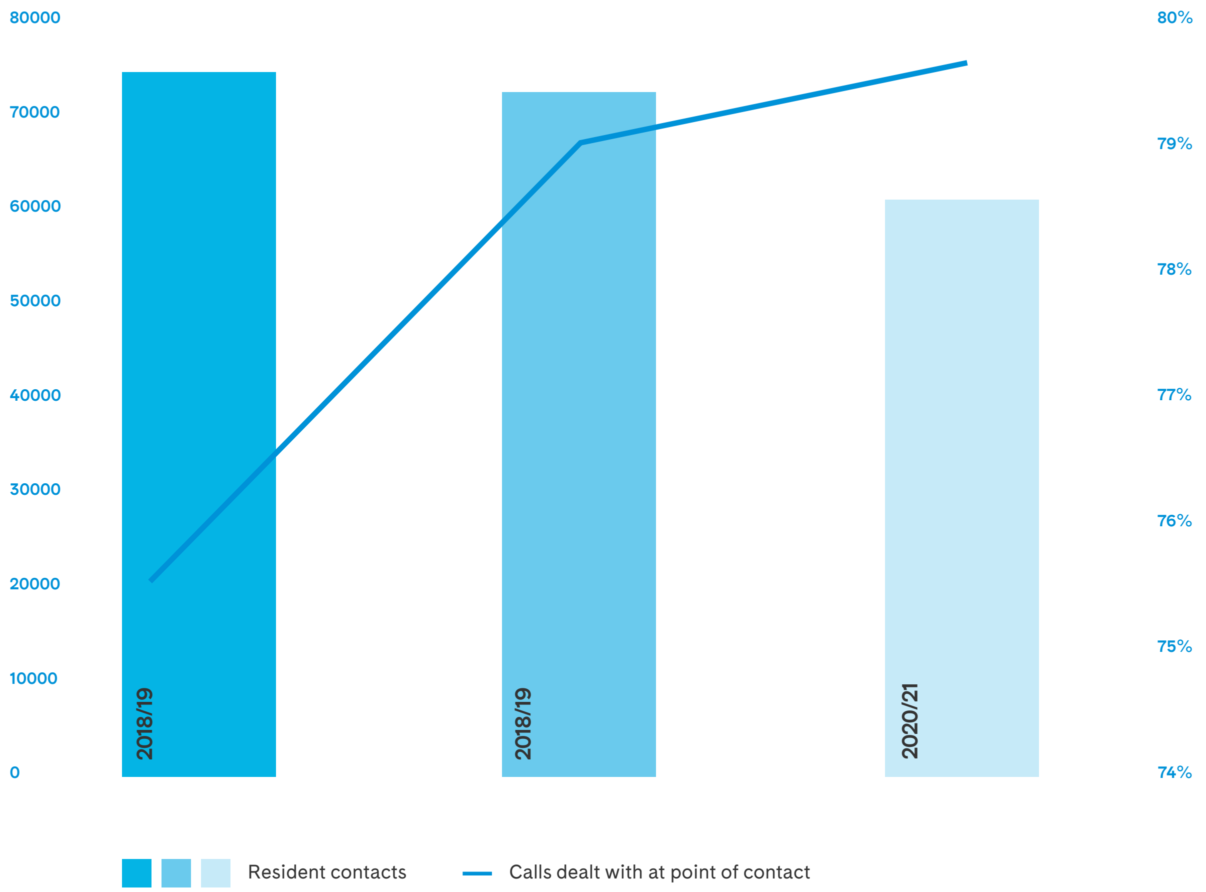
We have listened to feedback from our residents and taken positive action to increase levels of satisfaction with our services. During 2020 we re-structured our housing services to create a new Neighbourhood Team, specifically designed to offer residents the level of support and engagement they need, whether through a mutual exchange application or reporting anti-social behaviour. Our newly created Resident Liaison Officers are our approachable face out and about on our estates, carrying out over 500 estate inspections every quarter. Whilst our specialist Anti Social Behaviour Officers are there to provide dedicated support and advice, closing 365 ASB cases during the year.

During the year we were able to support two of our local authority partners in dealing with housing shortages due to Covid 19 by making available 19 units of temporary accommodation to mitigate the effects of hotel closure. This was much appreciated by our partners and enabled them to quickly relocate people in urgent housing need. Many of our vulnerable residents were particularly impacted by the pandemic and we took great care to adapt our services to keep them safe and look after their wellbeing. This not only included increased cleaning to high-risk areas within our supported and sheltered housing schemes, but also regular contact throughout the year, including our regular monthly newsletter, and adapting our activity programmes to continue to provide engagement opportunities for our residents. Delivering fish and chip suppers directly to our residents doors, crafts and event days held outdoors, and a special 'Hug in a Mug' at Christmas.

At the end of 2019/20 we identified rent arrears as an area for improvement, creating a new specialist Income Team, linking with our Welfare & Benefit Team, to better support residents facing financial challenges. Gross arears at the end of the year were 2.73%, down from 2.88% at the end of 2019/20, demonstrating our commitment to supporting our residents through hard times.

Gross rent arrears





Our contact centre continued to focus on providing an excellent first point of contact for our residents, handling over 60,000 contacts during the year. The increased usage of our website chatbot has meant that the team were able to reach out to more vulnerable residents to offer help and additional support, making over 1,000 calls to our most vulnerable residents.

"Many of our vulnerable residents were particularly impacted by the pandemic and we took great care to adapt our services to keep them safe and look after their wellbeing."

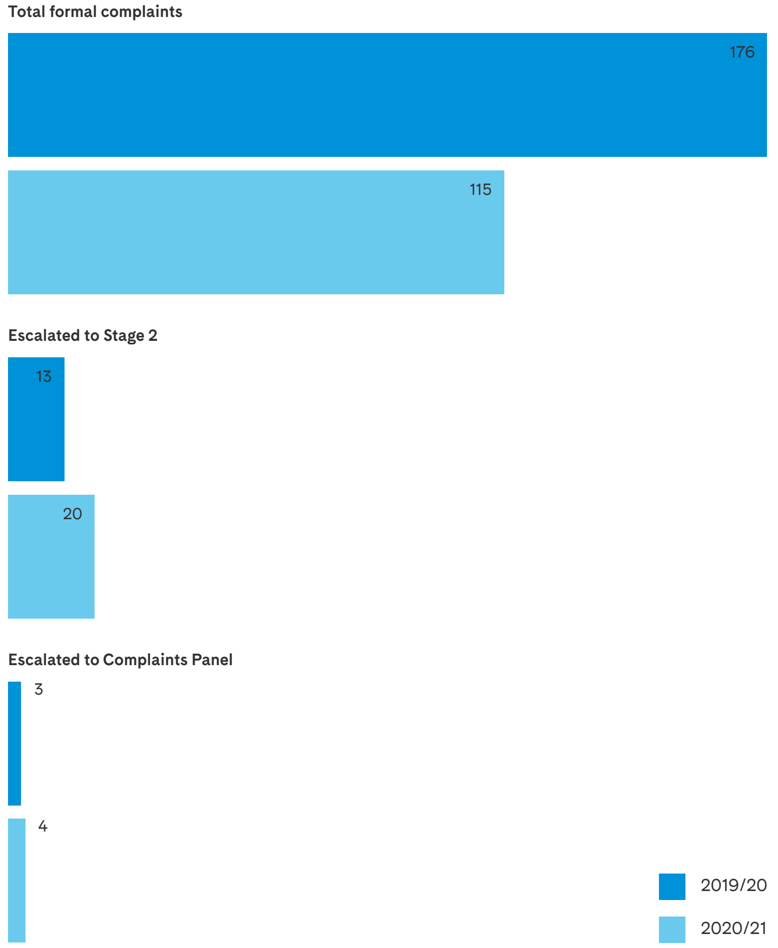
Complaints

Complaints and compliments are key to helping us understand where we need to improve and what we are doing well.

We want our residents to have a great experience with us every time, but we recognise that sometimes things can go wrong. During the year we received 80 informal complaints, 94% of which were resolved without becoming a formal complaint. There were also 115 formal complaints dealt with through our complaints process, 83% of which were resolved at stage one of the complaints process, of the complaints that progressed to stage two, 80% were resolved at that stage. During the year four cases progressed to our complaints panel, of these one complaint was withdrawn, one remains open and two were upheld by the panel. In comparison, in 2019/20 we received 176 formal complaints, 92% of which were resolved at stage one, of those progressing to stage two 77% were resolved at that stage, a total of 3 complaints in 2019/20 progressed to our complaints panel.

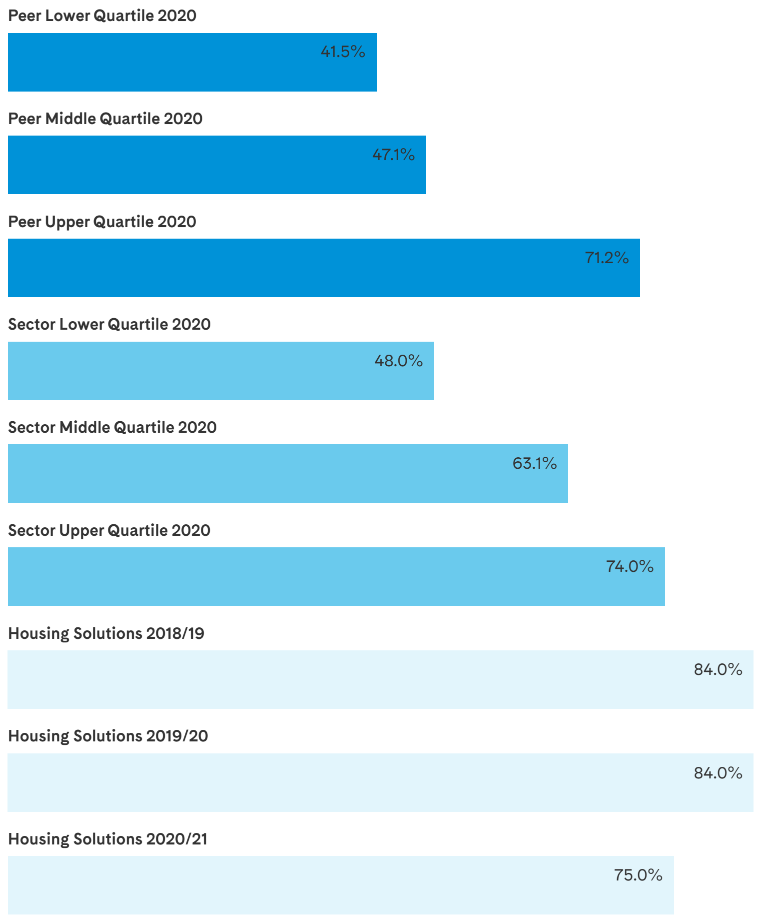
We take all complaints seriously and although the majority of complaints were resolved at early stages, satisfaction with complaint handling and outcomes dipped below our usual levels this year. We know from our residents feedback that high staff turnover, the ability to get hold of the right person and changes in team structures have a direct impact on how their complaints are handled. We have put actions in place to improve complaint handling, including involving our engaged resident panels in reviewing complaints data along with increased training for all colleagues who manage complaints

Complaints

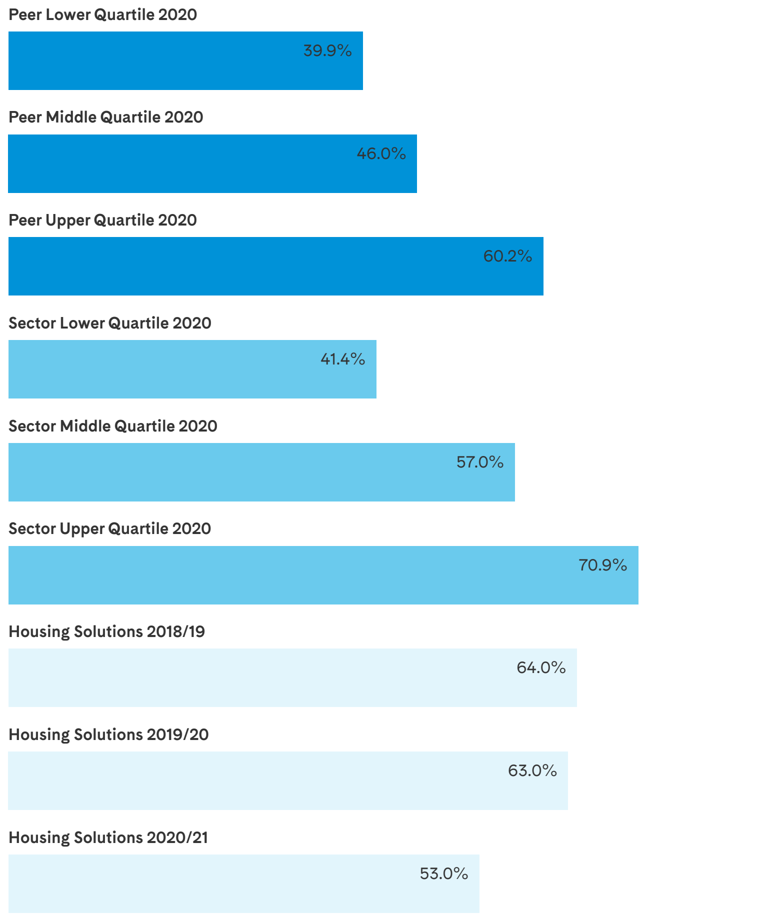


In response to the need to improve overall levels of satisfaction and engagement, the Board approved the appointment of a new dedicated Executive Director of Resident Services and Community.

Complaint handling %



Complaint outcome %



Welfare and benefits team

Our experienced Welfare and Benefits Team work directly with our new Income Team, providing a seamless service to residents who may be experiencing financial difficulties. Over the course of the year, the team provided assistance to 811 residents, gaining access to £134,000 of additional benefits for them. Although this was less than the £195,000 of additional benefits accessed in 2019/20, there was a significant increase in residents seeking assistance with access to food banks and food vouchers, up from 7 families in 2019/20 to 71 in 2020/21. This included working with our local authority partners to target financial help and assistance for residents where most needed. As a result we sourced over £56,000 of Discretionary Housing Payments for our residents.

Welfare and benefits support

	2019/20	2020/21
Food voucher/food bank enquiries	9	71
Additional benefits accessed	£195K	£134K
Residents assisted	840	811

Resident engagement and social value

We know that not all residents are the same and so not all of our services should be the same. In addition to our Resident Service Improvement Team we set up dedicated resident engagement panels for our sheltered and homeownership residents so that we can get targeted feedback about the services we are delivering for them. We also have an active E panel of 51 residents engaging with us digitally.

Our residents' feedback enables us to make continual improvements to our services. As a result of feedback we have launched new style rent and service charge letters, reviewed and improved the communal area cleaning in our sheltered schemes and are trialling digital noticeboards.

Our specialist Community Engagement Team have worked with our resident panels to increase our engagement and involvement opportunities, moving to remote meetings during the pandemic. The various resident panels have provided invaluable feedback in the development of policies, including our Complaints and Compliments Policy, Repairs and Maintenance Policy and Empty Homes Policy. They have also reviewed our rent and service charge information, helped the development of our new resident engagement strategy and given us feedback on our emerging resident app.

Housing Solutions continues to measure the value of our activities through the adoption of the HACT Social Value Bank, providing a straightforward way of attributing cash value to the social activities that we carry out. During 2020/21 our social impact, including providing access to the internet and financial and benefits advice, had a net social benefit of over £1.5m. This is a significant increase on the £826,000 of social value our activities generated in 2019/20.

Promoting Independence
+
Stronger Communities
+
Learning New Skills
=
Social Value
£1.5m

	Housing Solutions Investment £		The net social impact benefit £		Ratio £1 : £x	
	2019/20	2020/21	2020/21	2020/21	2019/20	2020/21
Provision of free Wi-Fi	£24,200	£95,392	£740,872	£437,556	£1 : £30.61	£1 : £4.59
Resident engagement	£6,428	£26,500	£73,606	£457,581	£1 : 11.45	£1 : £17.27
Financial inclusion and Employment support	£7,740	£105,234	£11,576	£691,890	£1 : £1.49	£1 : £6.57
Total	**£38,368**	**£227,126**	**£826,054**	**£1,587,027**	**£1 : £21.52**	**£1 : £26.86**

Innovation and digital services

60%

of our residents with an online portal account (42% 2019/20)

Over 14%

of repairs logged online (3% 2019/20)

£3.16m

of rent paid via online portal (£1.8m 2019/20)

Over 1,100

residents now connected to Housing Solutions Wi-Fi (800 in 2019/20)

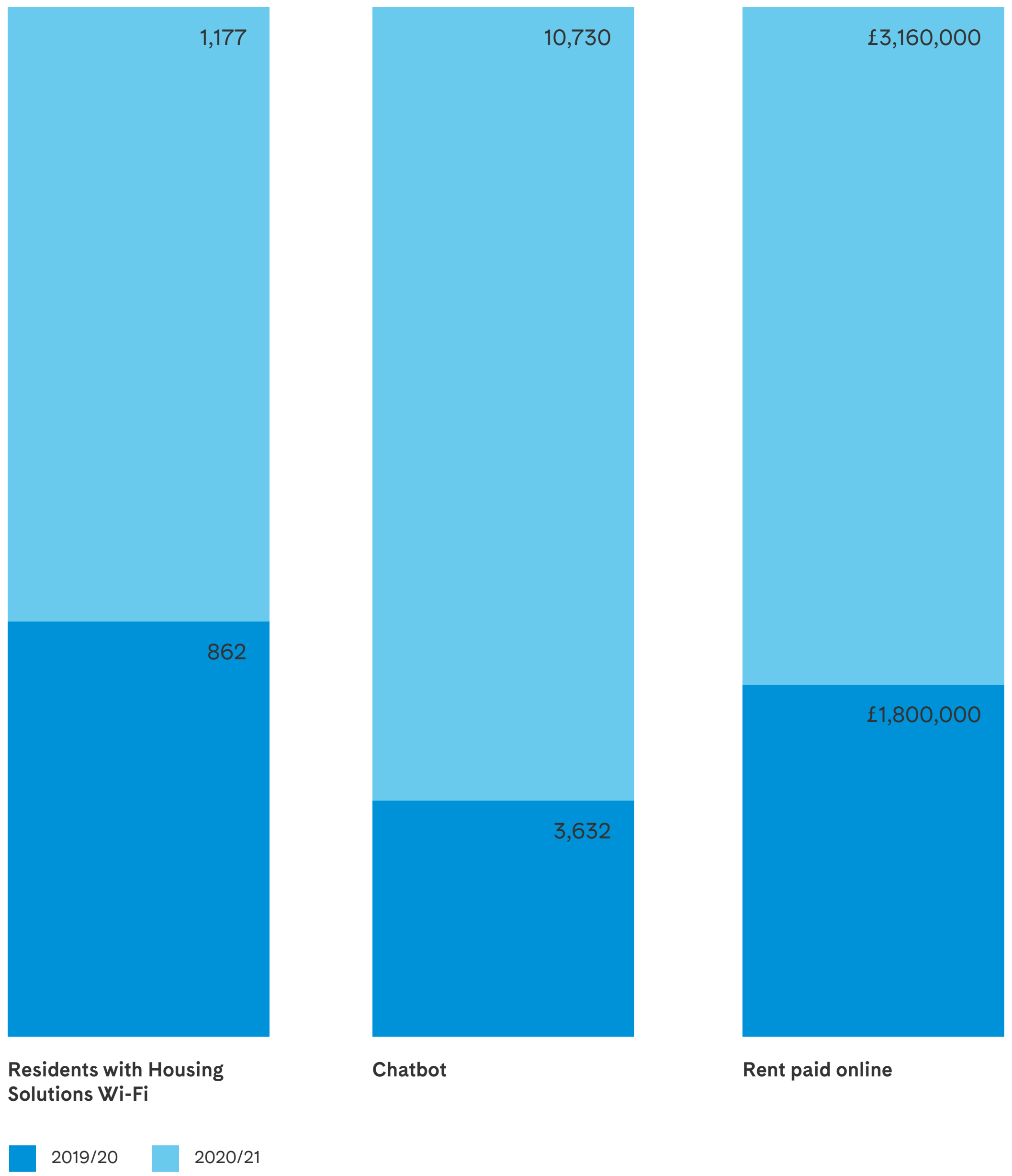
The last year has reinforced just how vital it is that people have access to the internet and online services. We are committed to increasing the number of our residents who can access the internet, accessing not just our digital services but the many other online services available. During the year we continued to increase access to this service so that it now reaches over 1,100 residents.

As a way to start encouraging more digital communication with residents, we have designed and built a bespoke website chatbot as a new communication channel. The website chatbot replaced our previous live chat function, handling the routine enquiries this has meant valuable resource within the contact centre has been freed up to be better utilised elsewhere. We have continued to make improvements to the chat bot during the Covid 19 pandemic with further FAQs. The platform allows residents to triage and solve enquiries online, with the bot designed to find a web-based solution wherever possible before handing over to a live agent. Over 80% of online conversations are now handled by the automated website chatbot with no need for staff intervention. This equates to nearly 750 interactions every month and counting.

Over 3,300

contacts made via our portal

Digital services

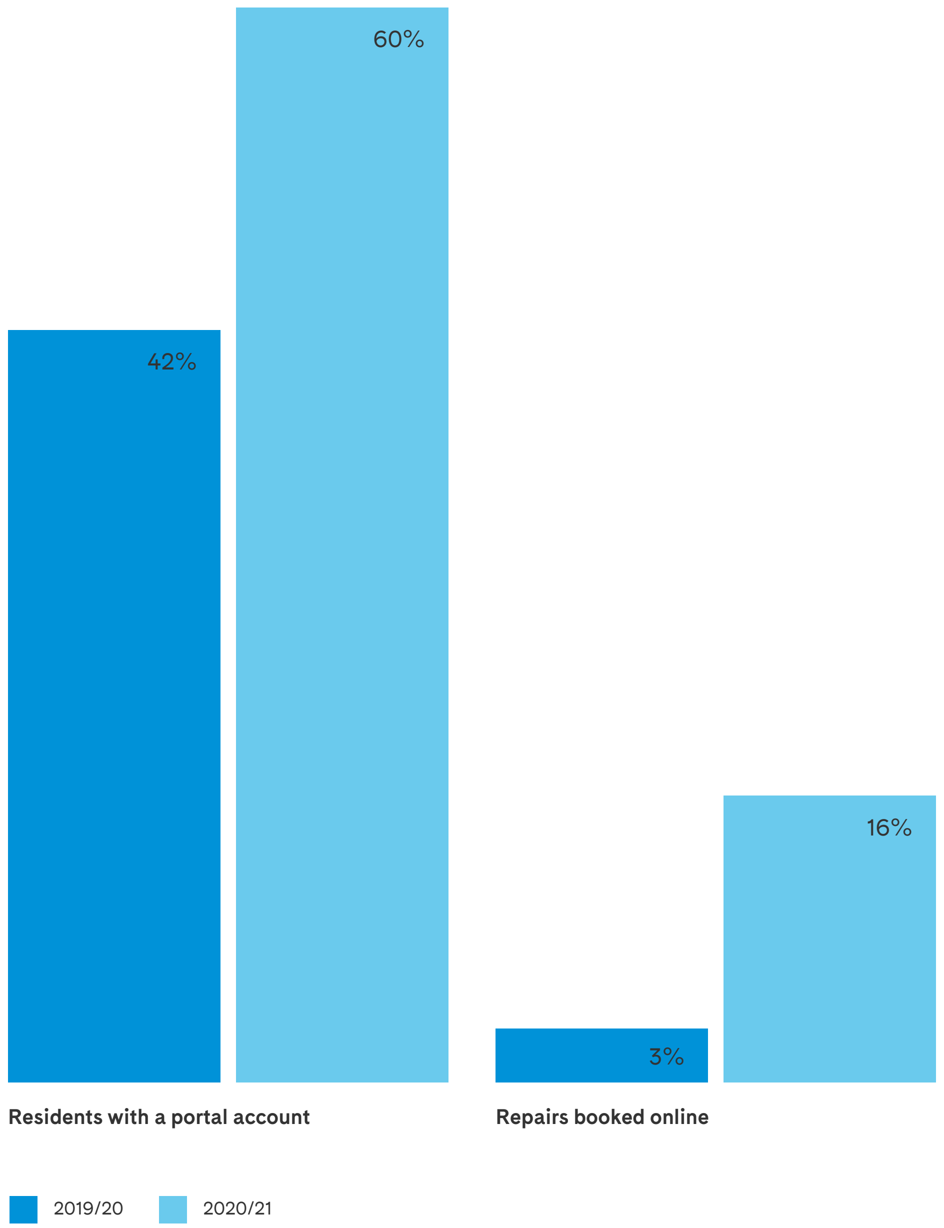


We saw an encouraging shift in call reduction and increase in our portal usage – now averaging £300,000 in online rent collection per month, 300 repairs logged online each month and now 60% of our residents with an active portal account.

We are continuing to push the boundaries in terms of our digital offerings, enabling residents to take advantage of these 24/7. We have seen increased usage with over 3,300 contacts made via our portal. In addition, our mobile friendly version of the resident portal has been enhanced to include a new AI tool allowing residents with a few simple taps to submit details via a single photo. This visual repair diagnostic tool is designed to correctly identify two target issues – gas boilers and damp – with a near 100% degree of accuracy. We have already captured over 300 makes and models of gas boilers. In the future it is our aim that residents can have the option to report their repairs via a photograph. This removes many steps from the repairs process. We are confident this will provide an improved experience for our residents, whilst also reducing the need for staff or residents to self-identify the issue. This process will be infinitely easier with the launch of our new mobile app in early 2022.

This year we have also focused on key business digital technology. We have moved our server hosting to the public cloud enabling our infrastructure to grow with us on a secure, scalable platform. We have also invested in a new multi-channel communication system for our contact centre, capable of handling our 6000+ interactions by voice, email, and webchat each month. In addition we have focused on usability and accessibility for staff, providing new digital devices for our office and trades teams. Whilst the rollout of Microsoft Teams has enabled colleagues to stay connected throughout the pandemic.

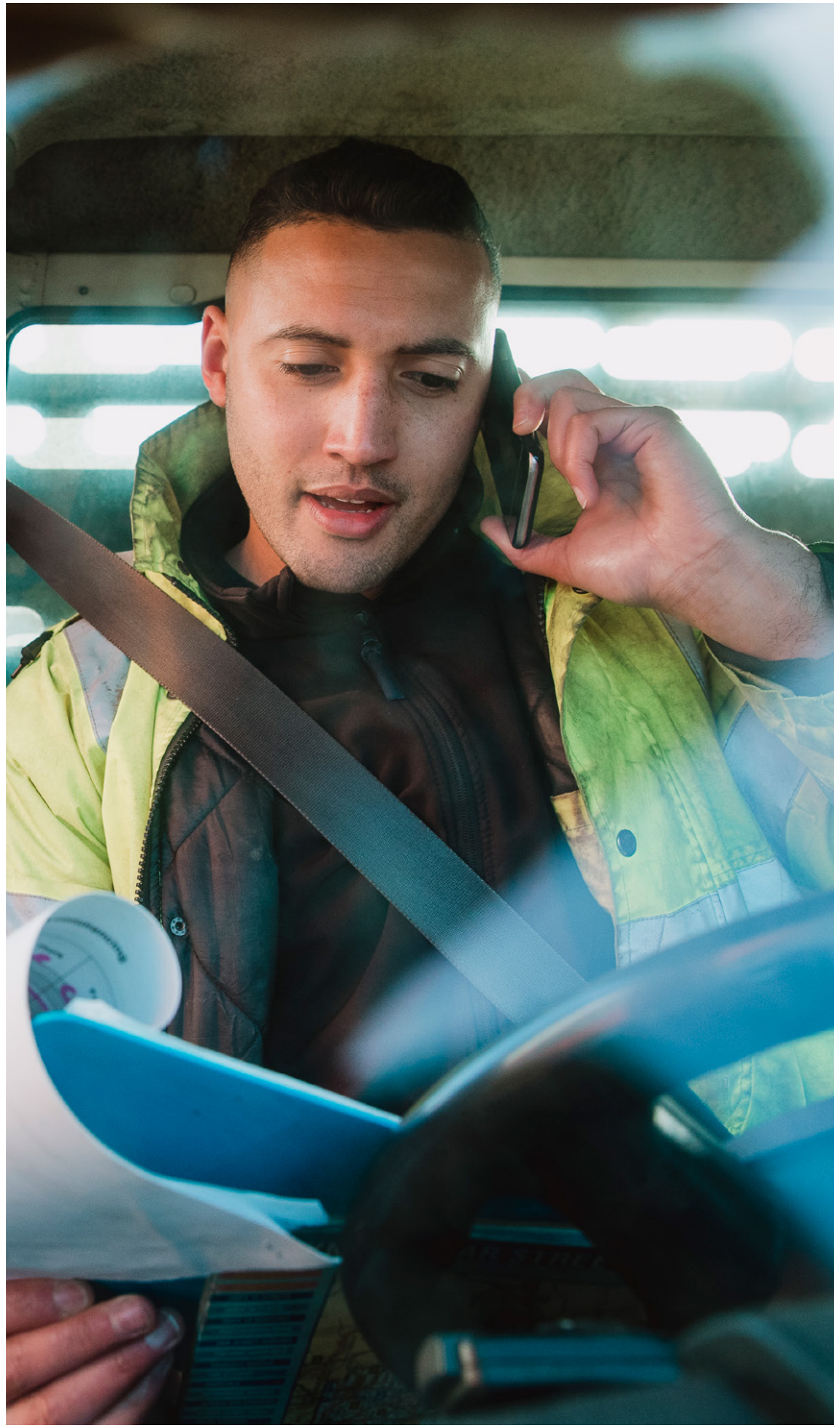
Digital services



Staff retention and attraction

The Covid 19 pandemic meant that the safety, wellbeing, and retention of our staff was a top priority in 2020-2021. We responded quickly to put clear control measures and PPE in place to protect our staff from the risk of infection and established clear guidance and regular communication with our teams. Our supportive approach safeguarded the health and wellbeing of our employees, and we were pleased to report only minimal sickness absence as a result of Covid 19. Our staff surveys on managing the pandemic, completed in June and again in March, reported high levels of satisfaction with communication, working arrangements from home and in homes/on estates, and with PPE provided.

Employee mental health wellbeing has been, and continues to be, a key focus. We relaunched our Pascal Wellbeing Tool, providing employees with personalised recommendations and resources to support their wellbeing. In December we awarded our employees with a 'wellbeing' day off work to have some downtime, and we held a very successful 'Connect and Motivate' week in March. This fun and interactive week included engagement with our key strategic themes as well as promoting wellbeing through various events, including yoga, competitions and even a virtual quiz!



Our employee retention improved considerably during 2020-2021, with an end of year employee turnover figure of 11.8%. We successfully recruited and welcomed 36 new colleagues into the team, which included launching a new structure for our housing services team.

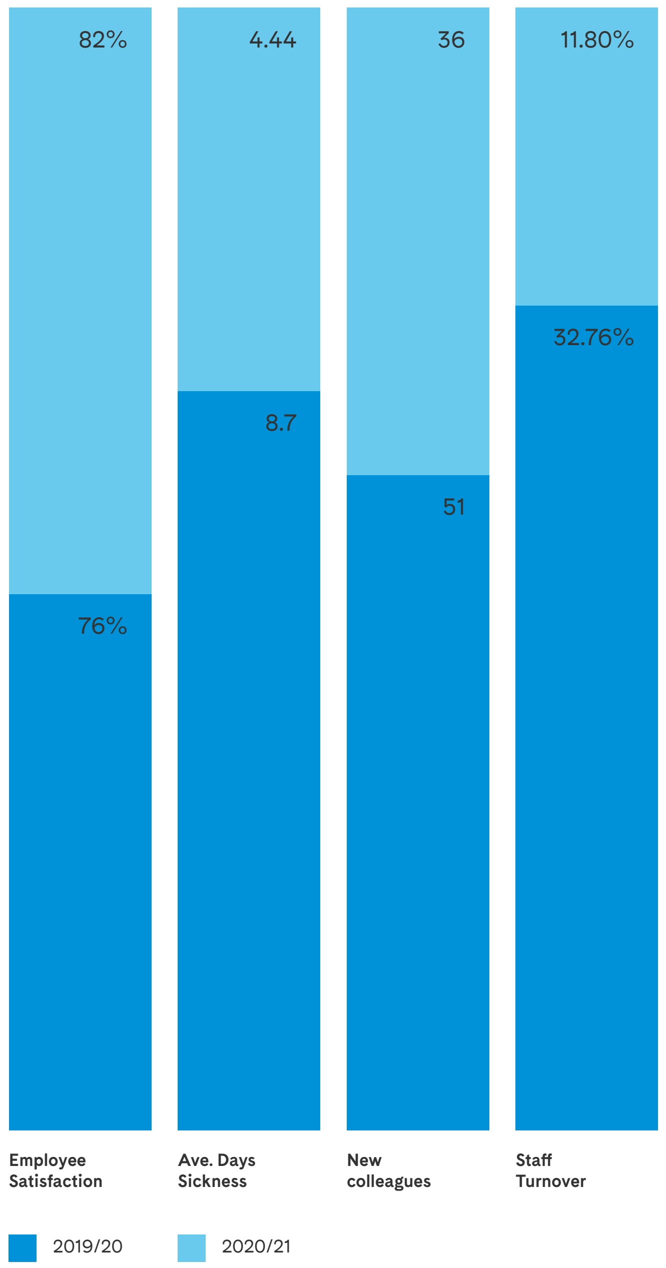
Learning and development activities continued embracing virtual delivery, including 13 colleagues starting a developmental qualification in electrical and commercial gas, and CIH qualification in Housing Practice.

Our latest employee pulse survey in March reported that 82% of our staff are happy working for Housing Solutions and satisfied with Housing Solutions as an employer. Satisfaction with communication increased to a pleasing 80% which is encouraging given the pandemic significantly changed how we were able to work.

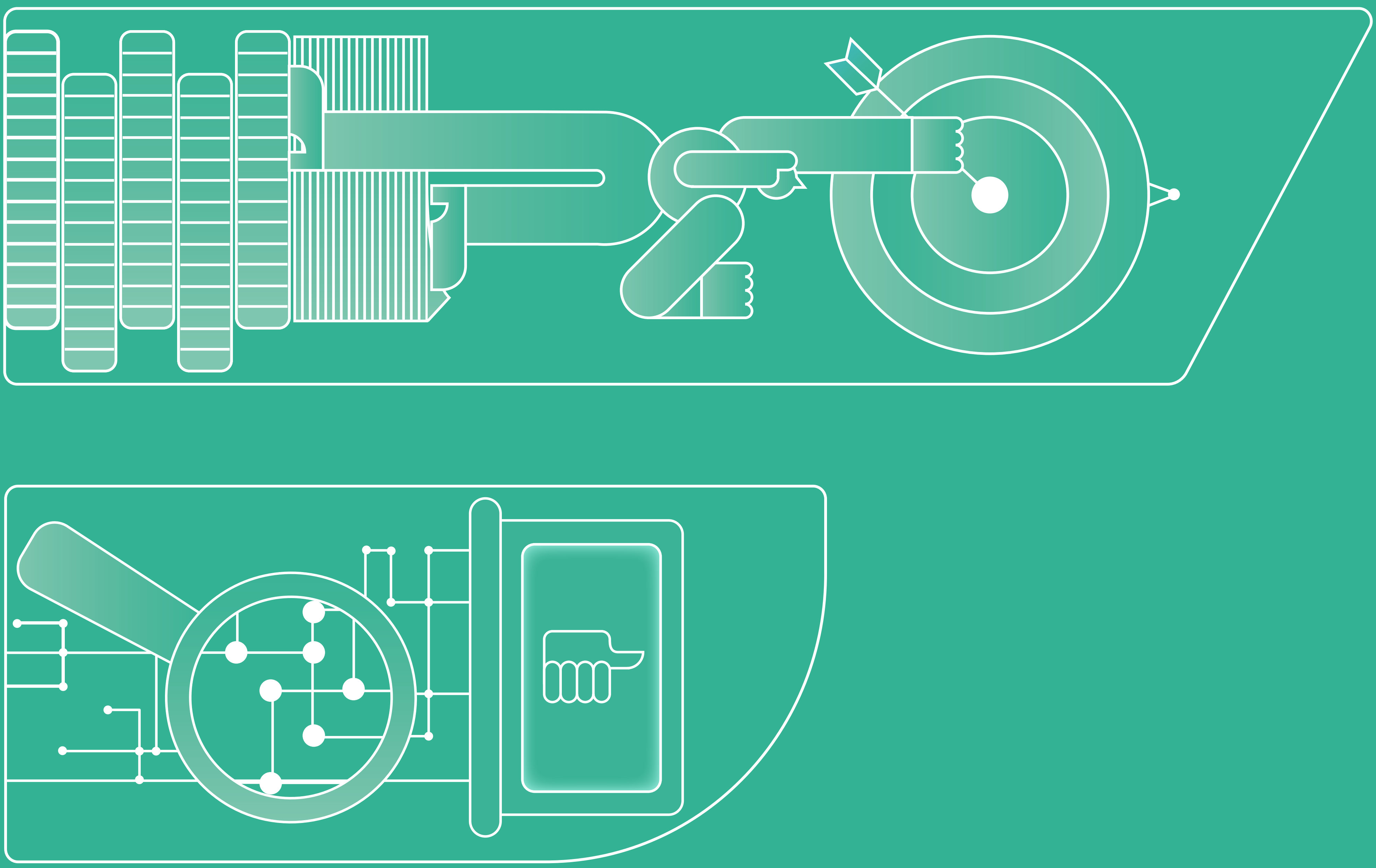
This year we have also focused our attention on equality, diversity, and inclusion. We continue to be an organisation that values diversity and embraces inclusion. During the year we launched our Inclusion Champions Group, providing a forum to celebrate difference and encourage open discussions on diversity and inclusion. Building upon this, in 2021/22 we will be strengthening this with the development of our five-year Equality, Diversity and Inclusion Strategy.

Moving into 2021-2022 our key areas for focus include the launch of a new HR system and digitising many processes to support our managers in leading their teams successfully. Our in-house Management Development Programme will also be taking place. As we move into the 'new normal' we will be developing our workstyle for achieving the best of both worlds, working together, and working from home – driving our passion for delivering visible and local services to our residents. Key retention projects will include a review of our employee benefits and development of our talent management frameworks to support succession planning and stability.

Staff retention and attraction



Targeted areas of improvement



Connected systems and data management

Our aim is to have integrated systems that facilitate the flow of high quality, accurate data across the organisation. We are committed to investing in new and enhanced digital solutions to improve system connectivity and are working through a data management programme to further improve the integrity of the data held within our systems.

We invested £0.6m in our IT infrastructure in 2020/21 and have committed £0.9m for IT projects during 2021/22. We plan to launch a new resident app, further develop our website chatbot and begin the process of implementing a new asset management system. This will provide a single point system, increasing system interfaces, streamlining processes, and driving efficiencies through automating manual processes.

Procurement

We launched new procurement processes and policy in 2020/21 and set a target of achieving £150k savings through effective procurement. Against this target we successfully completed a number of large procurement exercises achieving significant cost efficiencies.

Whilst we achieved much through these major procurement projects in 2020/21, there remains more that we can do to drive efficiencies and value for money through our procurement processes. We will continue with the development of our procurement strategy, and we have set both short (1 year) and medium (5 years) term target procurement savings of £150,000 and £800,000 respectively. The short-term target is made up of key asset management and IT procurement projects during 2021/22.

Savings achieved in procurement area	2019/20 '000	2020/21 '000
Kitchens and bathrooms	£61	£225
Windows and doors	£0	£154
Cyclical decorations	£84	£17
Plumbing and heating	£0	£19
Lifts	£21	£14
Mobile phones and laptops	£7	£12
Legal	£0	£14
Technology enabled care	£44	£0
Others	£0	£3
Total	**£217**	**£458**

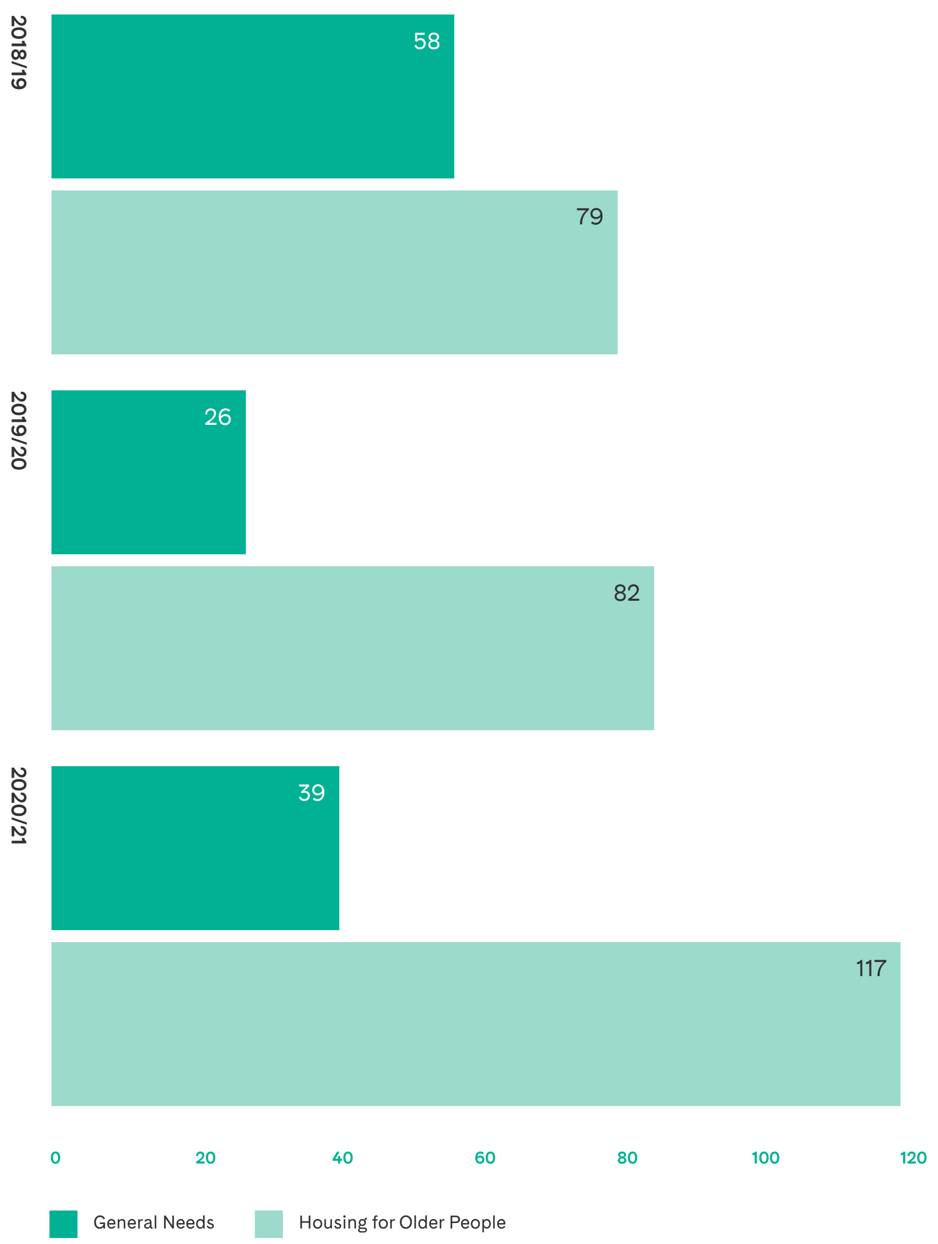
Void property management

During 2020/21 we re-let 206 homes across our general needs and sheltered housing stock. During the first lockdown we stopped letting or doing works on empty properties, when restrictions eased it took time to re-start our lettings process and reconnect effectively with our local authority partners.

Average re-let times were extended compared to previous years and this is an area we have targeted for improvement.

We have initiated a complete wholesale review of our lettings processes, including refreshing all of our residents' information as part of the new tenancy process. We are strengthening our engagement with our local authority partners to ensure we act quickly to match people to the right property and help them move into their new home as soon as possible. We have set relet targets of 29 days for general needs and 60 days for housing for older people properties for 2021/22.

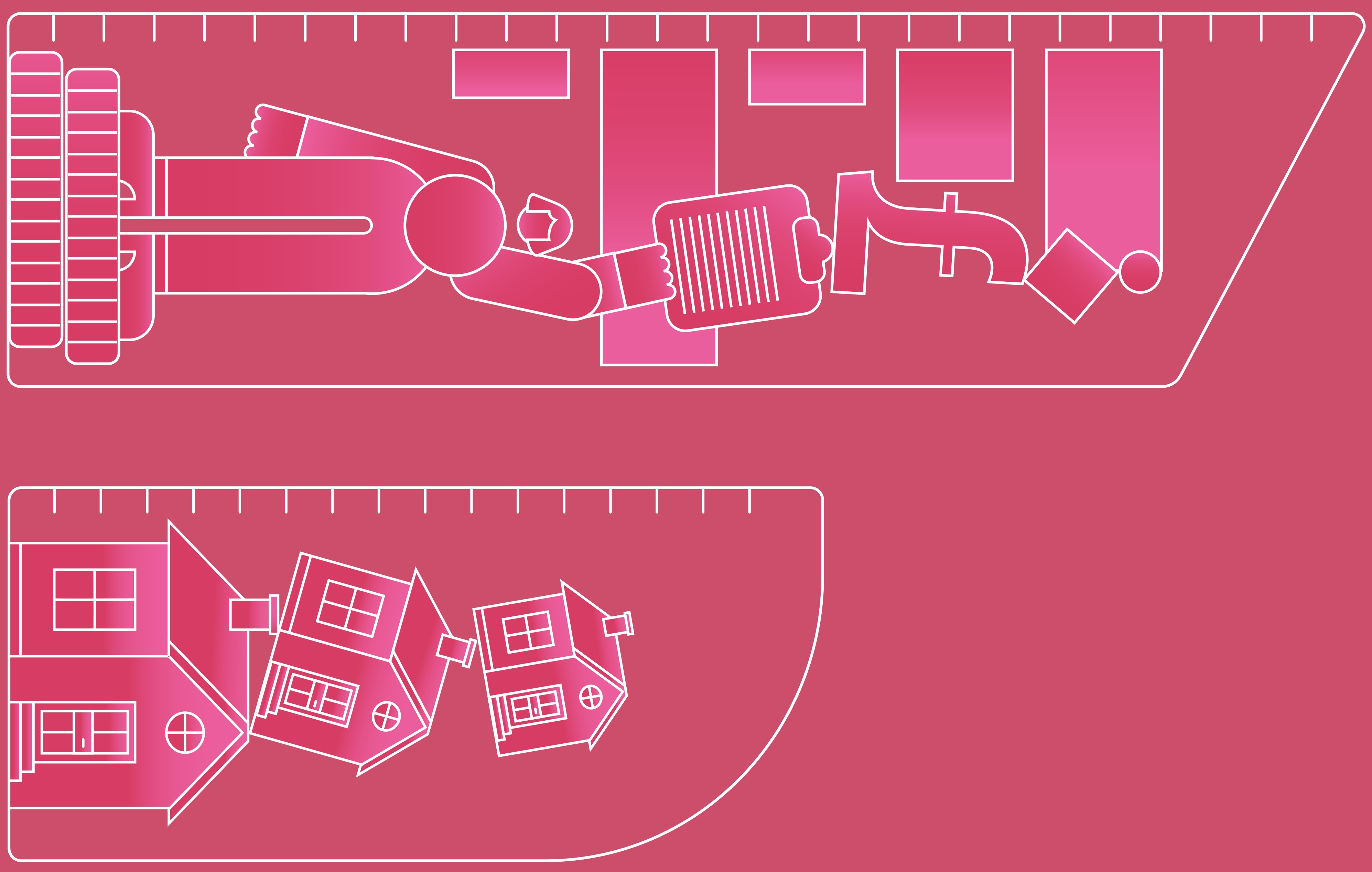
Relet times



Quality assurance inspections

To ensure works are carried out to the highest quality and to monitor value for money, we will follow the National Housing Maintenance Forum specification of workmanship and materials guide. In 2020/21 we carried out inspections on 4.6% of responsive repairs, 89% of planned works and 100% of voids property works. We are conscious that restrictions resulting from the pandemic limited our ability to undertake inspections of responsive repairs, leading to us achieving only 4.6% of inspections against our 5% target. As access restrictions have now been lifted, current rates of inspections are above 9% and we have set the target for 2021/22 of carrying out inspections on 100% of voids property works, 75% of all planned works and 5% of all responsive and compliance preventative repairs

Our value for money metrics



The regulatory framework published by the Regulator of Social Housing includes specific requirements for registered providers to publish evidence in the statutory accounts to enable stakeholders to understand the providers:

1 Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

2 Measurable plans to address any areas of underperformance, including clearly stating areas where improvements would not be appropriate and the rationale for this

Our performance against each of the metrics and our peers:

	Regulator of Social Housing Value for Money Metrics	Housing Solutions 2019/20	Housing Solutions 2020/21	Peer Middle Quartile 2020	Sector Middle Quartile 2020
1	Reinvestment %	5.00%	3.39%	7.36%	7.20%
2a	New Supply Delivered (Social Housing Units)	3.50%	1.52%	2.60%	1.50%
3	Gearing %	55.66%	66.23%	45.34%	44.0%
4	EBITDA MRI %	139.38%	159.76%	156.1%	170%
5a	Headline Social Housing Cost Per Unit (Excl. depreciation and planned maintenance)	£2,575	£2,736	–	–
5b	Headline Social Housing Cost Per Unit	£3,549	£3,495	£4,182	£3,830
6a	Operating Margin % (SHL only)	33.60%	43.47%	33.3%	25.7%
6b	Operating Margin % (overall)	22.78%	39.87%	30.3%	23.1%
7	ROCE %	2.64%	4.55%	3.08%	3.4%

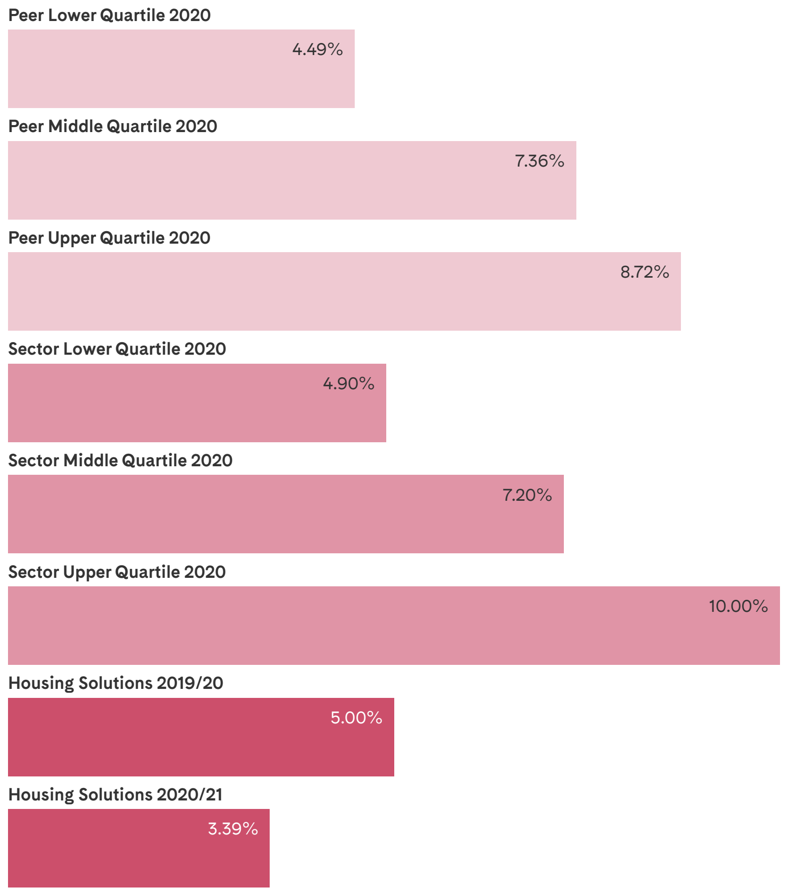
Metric 1: Reinvestment

Housing Solutions invested £11.4m in building new homes during 2020/21 and an additional £6.8m investment in maintaining our current homes.

Our committed development programme has reduced from previous years. To ensure that we meet our development ambitions, we have reviewed our assumptions used in our development appraisals to ensure they reflect a more market driven approach and are looking at both land led and hidden homes opportunities.

Covid 19 impacted our investment in our current properties for 2020/21, although we did catch up on most work by the end of the year. However, some work has spilled over to 2021/22 and we have included this in both our budget for 2021/22 and our business plan. In 2021/22 we are investing almost £12m on planned works, including almost a £1 million on fire safety.

Reinvestment %

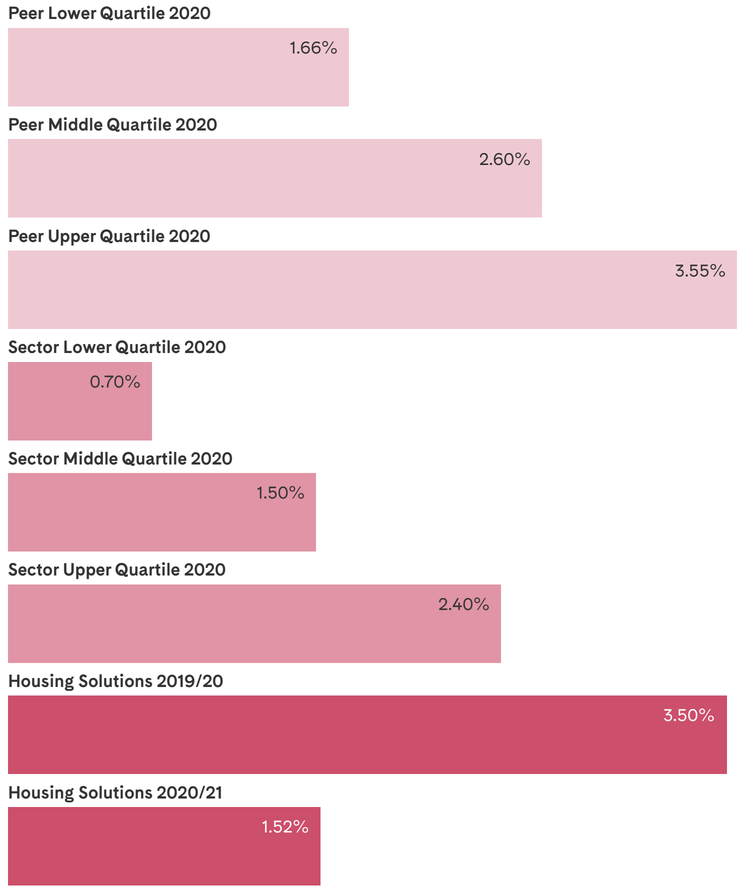


Metric 2: New units delivered

The pandemic and restrictions throughout 2020/21 meant that we reduced our predicted new home completions from 120 to 89 new homes. The increased risk associated with the slowdown in delivery of new developments is reflected in our strategic risk register. Of the 89 new homes completed, 44% were for affordable rent, 10% social rent and 46% shared ownership.

We recognise that our local areas are relatively expensive in which to rent and buy. We are committed to continuing to provide social rent and low-cost home ownership housing and are continuing to look at opportunities to develop, both in section 106 opportunities, as well as land led and the land we currently own.

New social housing units delivered %



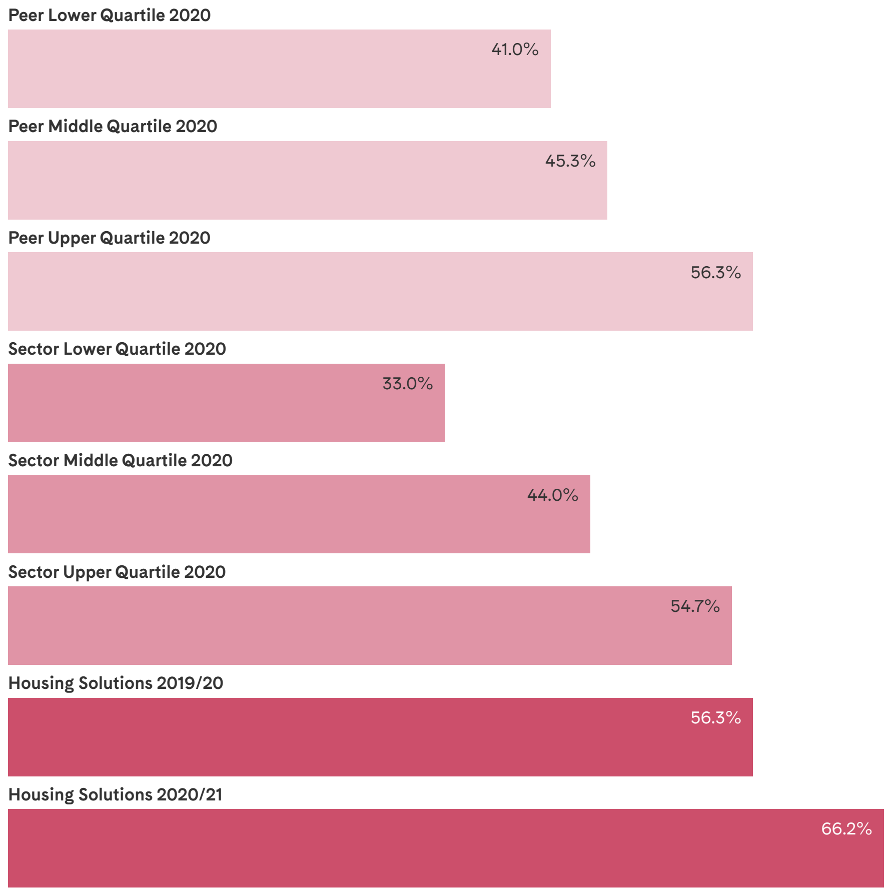
Metric 3: Gearing %

Prior to 2020/21 our property assets were on our Balance Sheet using the valuation approach. For 2021/21 we adopted the Historical Cost accounting policy, reducing our housing property assets on our Statement of Financial Position by £148 million, resulting in a change in the gearing calculation.

Housing Solutions is relatively highly geared but well within all gearing-related loan covenants, including headroom for our development ambitions.

During the year we borrowed a further £25m from MORhomes and increased our revolving credit facility with Santander by £25m. Whilst neither increased our gearing, as cash is netted off the debt, it does increase our liquidity by a total of £50m.

Gearing %

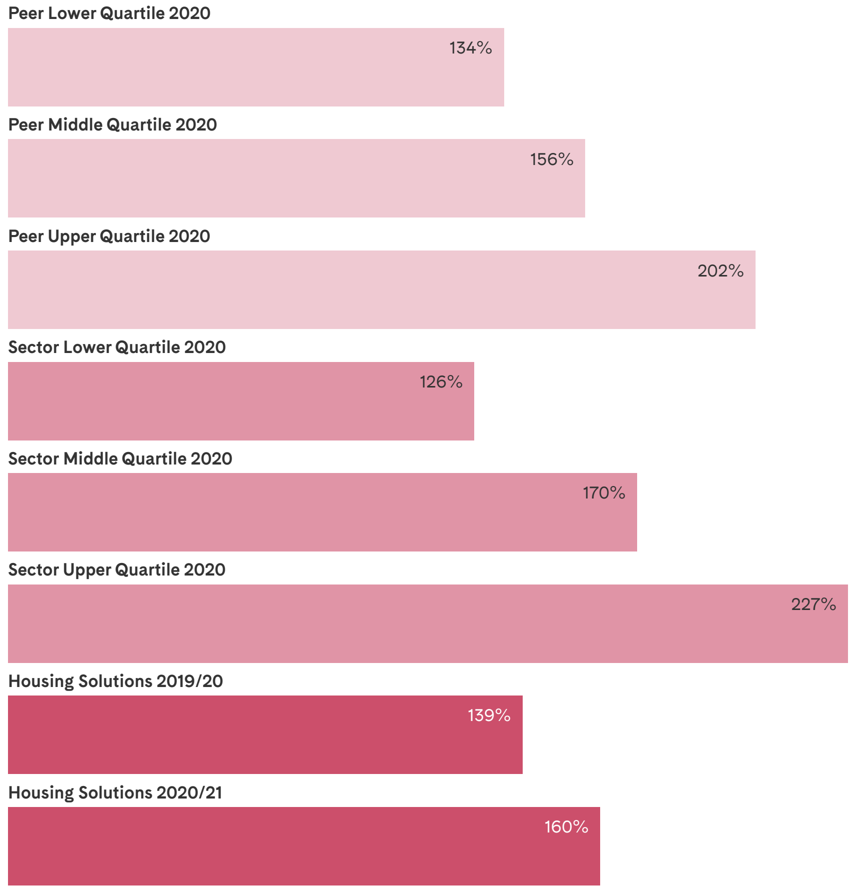


Metric 4: EBITDA (MRI) %

The impact of Covid 19 was an unknown quantity at the timing of setting our budget for 2020/21 and a prudent approach was adopted. Through a combination of reduced operating overheads as a result of staff working from home, major repairs being temporarily delayed and a period of emergency repairs being the core focus of our asset management team, this resulted in lower than budgeted costs. This has resulted in our interest cover being higher than last year.

For 2021/22 we are expecting this to be closer to norm, in the 130% region, as we increase the investment in our current properties and invest in new housing.

EBITDA MRI interest cover %

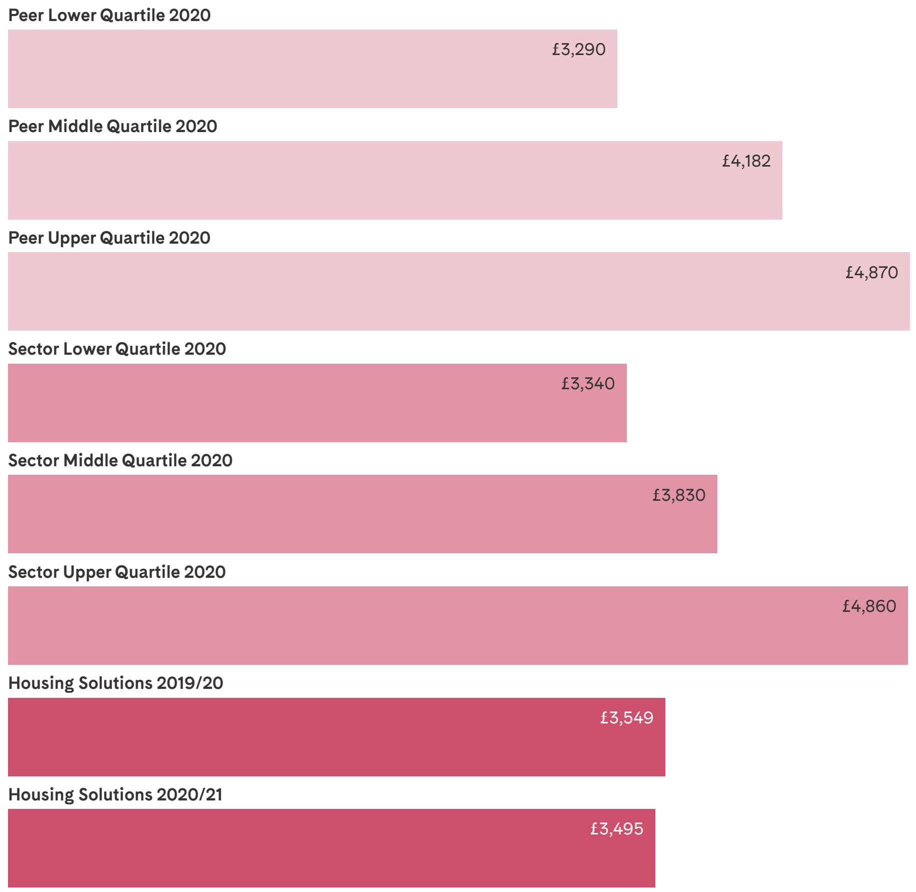


Metric 5: Social housing cost per Unit

Our cost per unit for social housing has reduced by £54, or 1.5%, reflecting the cost reductions mainly as a result of Covid 19 and the procurement cost reductions of £458,000. Whilst we recognise that the impact of Covid 19 may have helped in achieving this cost reduction, we are keen to capitalise on improved operational efficiencies and pass these through back to our residents either through increased investment in our properties or through service charges.

For 2021/22, we expect our cost per unit to increase as we increase our investment in our current properties but aim to partially offset this through overhead and procurement efficiencies.

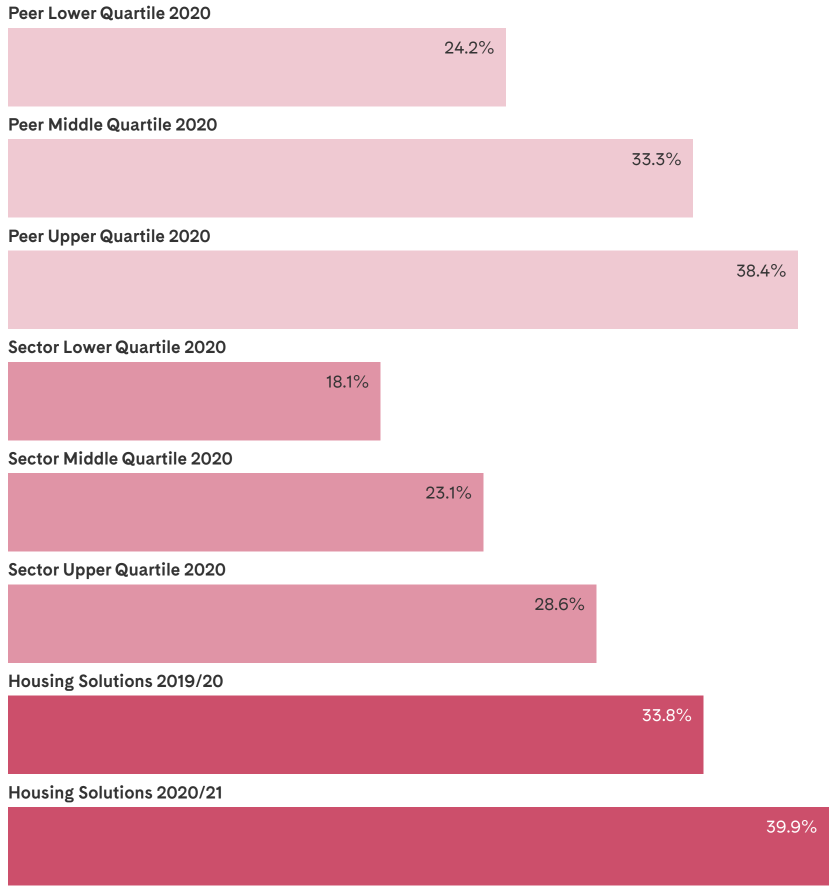
Social housing cost per unit £



Metric 6: Operating margins

We split our operating margins up to separate the results of all our activities and that just associated with our social housing lettings. The former excludes all property sales and non-social housing activities which are used to subsidise our social housing activities, whether these be commercial activities such as letting offices, or through our market rented properties.

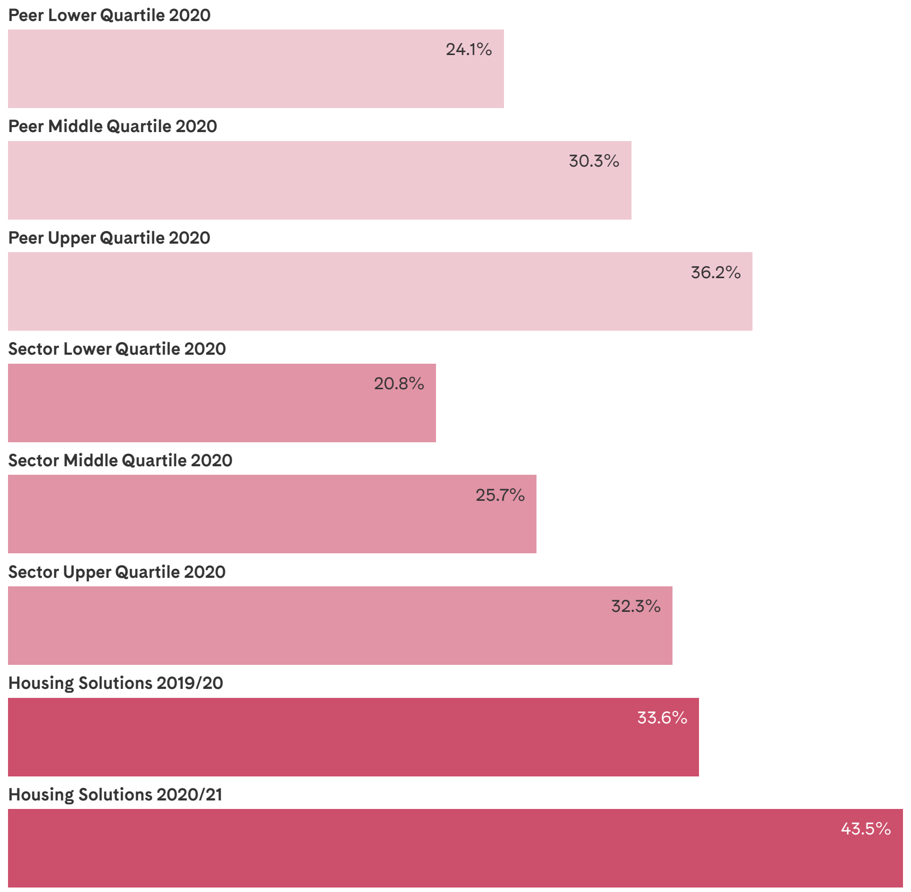
Operating margin (overall) %



Metric 6: Operating margins

Both our operating margins increased as a result of a combination of a lower cost per unit and the first year of rent increases since 2016. There was a reduction in margin in our property sales from that of 2019/20 resulting in the difference between the overall margin and the social housing lettings margin growing

Operating margin (social housing lettings only) %

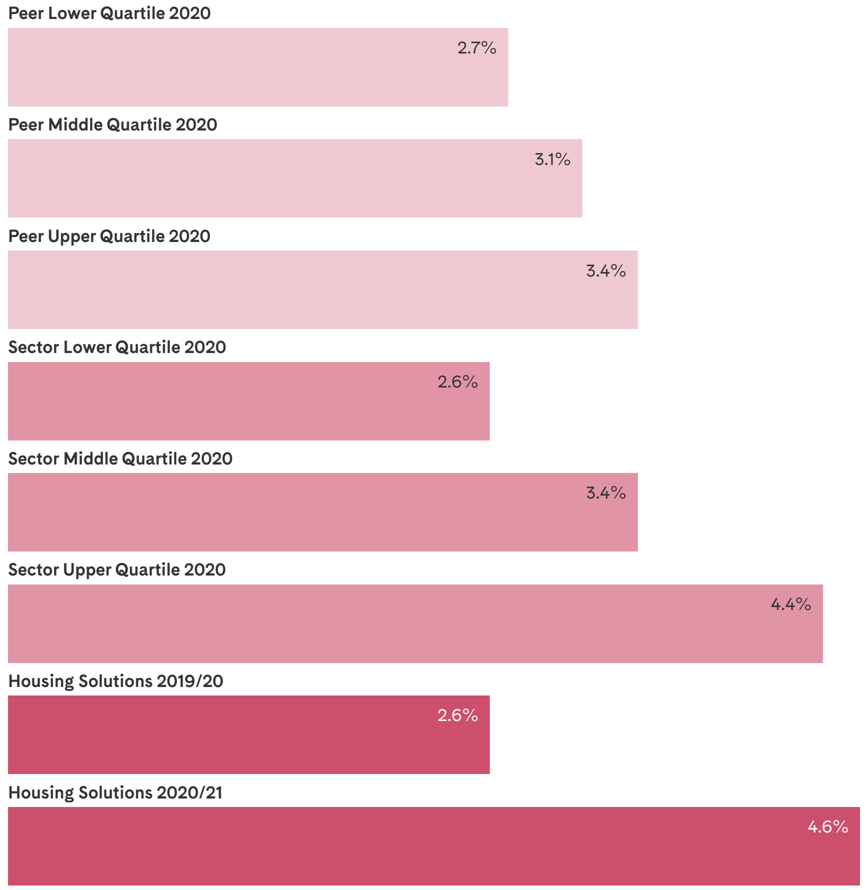


Metric 7: Return on capital employed

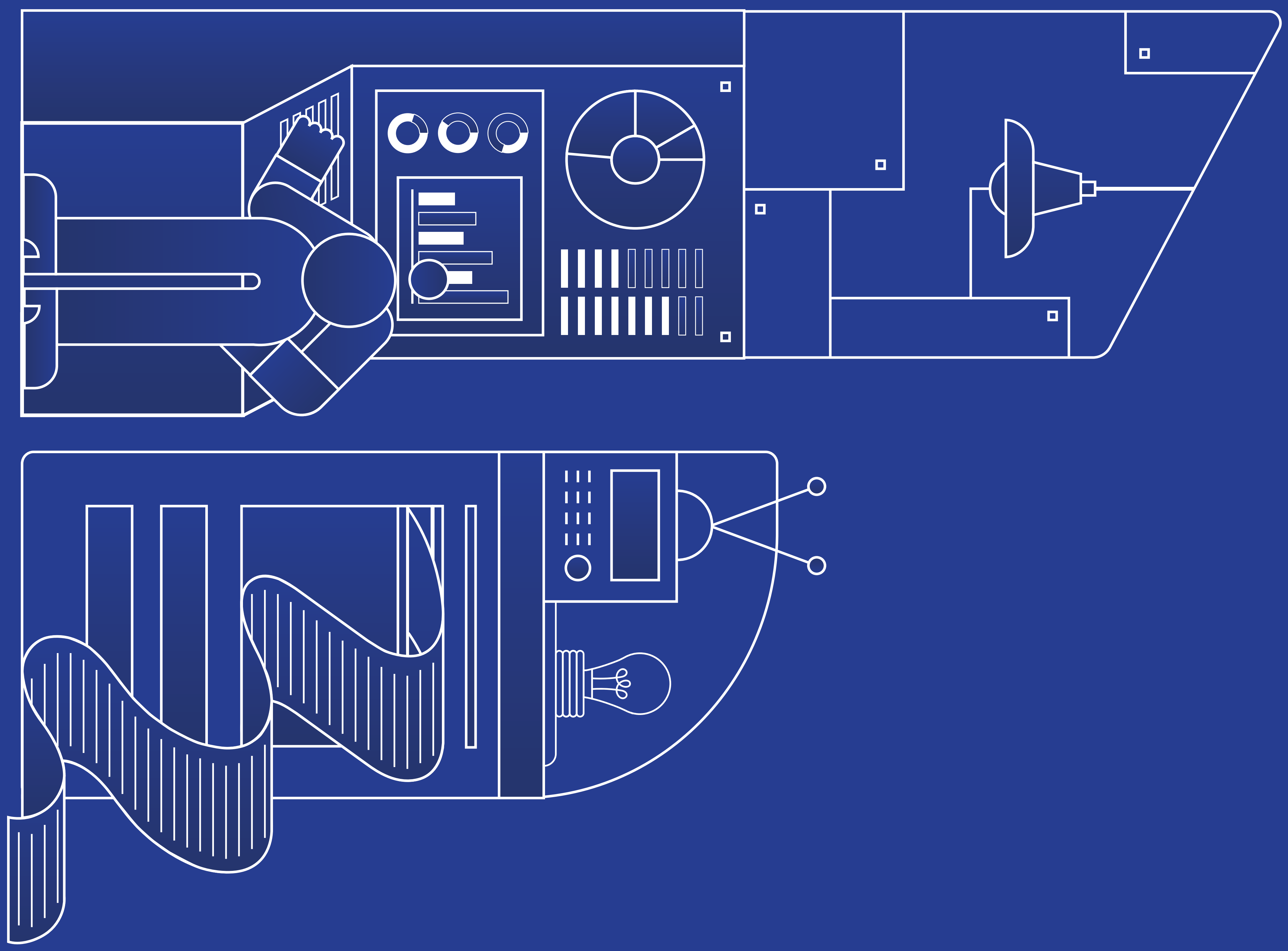
The return on capital employed reflects the operating surplus as a percentage of total assets less current liabilities. In 2019/20 our property assets on the Statement of Financial Position were recorded at valuation (Existing Use Value – social housing) and in 2020/21 this was changed to Historical Cost, resulting in a £148 million reduction in assets recorded. Amending the 2019/20 figures to reflect this change would result in the 2019/20 ROCE being set at 3.8%, effectively reducing the difference between 2019/20 and 2020/21 from 2% to 0.8%.

The improvement in ROCE directly reflects that already mentioned in the other VfM metrics, being the increase in rental income, both from the annual rent increase and from additional properties built, and lower cost per unit.

Return on Capital Employed %



Internal controls framework



Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

The process for identifying, evaluating, and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2020 up to the date of approval of the report and financial statements.

Key elements of the control framework:

- Board approved terms of reference and delegated authorities for Audit and Risk, Funding, Nominations and Remuneration Committees;
- Clearly defined management responsibilities for the identification, evaluation, and control of significant risks;
- Regular system reviews by appointed internal auditors, RSM, and Beever & Struthers, and a detailed audit tracking system which is reviewed and monitored by the Audit and Risk Committee;
- Robust strategic and business planning processes, with detailed financial budgets and forecasts;
- Formal recruitment, retention, training, and development policies for all staff;
- Established authorisation and appraisal procedures for significant new initiatives and commitments;
- Approved financial regulations and treasury management policies and a sophisticated approach to treasury management, which is subject to external review each year;
- Regular reporting to the appropriate committee on key business objectives, targets, and outcomes;
- Board approved whistle-blowing and anti-theft and corruption policies;
- Board approved anti-fraud, theft, and bribery policies, addressing prevention, detection, and reporting, of financial malpractice;
- Regular monitoring of loan covenants and requirements for new loan facilities;
- Annual review of compliance with NHF Code of Governance and at least 3 yearly review of policies and procedures.

A fraud and bribery register is maintained and is reviewed annually by the Audit and Risk Committee. During the year there were no reports of actual or suspected frauds.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control.

The Board receives regular reports and meeting minutes from the Audit Committee. The Audit and Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor, and has reported its findings to the Board.

Elizabeth J Padmore

Elizabeth J Padmore – Chairman

NHF code of governance and Regulator of Social Housing governance and financial viability standard

The Group monitors its on-going compliance with both the economic and consumer Regulatory standards and compliance is reported to the Board on an annual basis with any changes or implications arising within the year being reported on an ad hoc basis.

Having considered the requirements of the Regulator for Social Housing regulatory framework, following review by the Board we are pleased to report that the Group complies with the principal recommendations of the NHF Code of Governance (revised 2015) and with the Governance and Financial Viability Standard.

The Group's business activities, its current financial position, and factors likely to affect its future development are set out within this Operating and Financial Review. The Group has in place long-term debt facilities which provide adequate resources to finance committed investment and development programmes. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 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.

The Board has considered the effects of Covid 19 and Brexit and is confident the Group can withstand significant economic volatility.

The strategic report was approved by the Board on 16 September 2021 and signed on its behalf by:

Elizabeth J Padmore – Chairman

Statement of the responsibilities of the Board of management for the report and financial statements

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

Co-operative and Community Benefit Societies legislation requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Societies legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Association at the end of the year and of the surplus or deficit of the Association and Group for that period.

In preparing those financial statements the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2018, 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 company 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 Group and Association and enable it to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Housing Providers Update 2018.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the Group's website.

Annual general meeting

The annual general meeting was held on 22 September 2021 at Crown House, Crown Square, Waldeck Road, Maidenhead, Berkshire, SL6 8BY.

Disclosure of information to auditors

At the date of this report each of the Association's Board members, as set out on page 2, confirm the following:

- So far as each Board member is aware, there is no relevant information of which the Group's and Association's auditors are unaware and;
- The Board members have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

External auditors

BDO LLP were appointed during the year. They have expressed their willingness to continue in office.

The report of the Board was approved by the Board on 16 September 2021 and signed on its behalf by:

Elizabeth J. Pa

Elizabeth J Padmore – Chairman

Independent auditor's report to the members of Housing Solutions for the year ended 31 March 2021

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Association's affairs as at 31 March 2021 and of the Group's and Association surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and.
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Housing Solutions ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2021, which comprise the Group and Association statement of comprehensive income, the Group and Association statement of changes in reserves, the Group and Association balance sheet, the Group cash flow statement, 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 Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board members' 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 Group's or 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 Board are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts for the Group and the Association, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the strategic report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 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 we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; 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 Board Member responsibilities statement, 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 members determine 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 are responsible for assessing the Group's and 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 intend to liquidate the Group or 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 these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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 the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Housing and Regeneration Act 2008, the Co-operative and Community Benefit Societies Act 2014 and relevant Tax Legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employment Law, Data

Protection and Health and Safety Legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence if any.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC and the Regulator to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing items included in the fraud register as well as the results of internal audit's investigation into these matters;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the recoverable amount of assets and the appropriate allocation of costs between land and structure;
- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence, and accuracy of the reported financial statements; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

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 our report

This report is made solely to the members of the Association, as a body, in accordance within accordance with the Housing and Regeneration Act 2008 and 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 purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Kulczycki (Senior Statutory Auditor) For and on behalf of BDO LLP, statutory auditor Gatwick.

21 September 2021.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Elizabeth Kulczycki – Senior Statutory Auditor

Statements of comprehensive income for the year ended 31 March 2021

	Note	Group 2021 £000	Group 2020 £000 As restated	Association 2021 £000	Association 2020 £000 As restated
Turnover	3	48,875	46,123	48,568	45,931
Cost of sales	3	(4,573)	(3,472)	(4,507)	(3,439)
Gain on disposal of assets	3	1,465	354	1,465	354
Operating costs	3	(24,817)	(25,388)	(24,727)	(25,311)
Operating surplus	3	**20,950**	**17,617**	**20,799**	**17,535**
Interest receivable and other income	9	15	154	53	205
Interest payable and financing costs	10	(12,611)	(12,960)	(12,611)	(12,960)
Movement in fair value of investment properties	14	(50)	2,200	(50)	2,200
Surplus on ordinary activities before taxation		**8,304**	**7,011**	**8,191**	**6,980**
Tax on surplus on ordinary activities	11	–	(1)	–	–
Surplus for the year		**8,304**	**7,011**	**8,191**	**6,980**
Actuarial (loss)/gain on defined benefit pension scheme	28	(8,250)	2,453	(8,250)	2,453
Total comprehensive income for the year		**54**	**9,463**	**(59)**	**9,433**

All of the Group and Association's turnover and surplus disclosed above are derived from continuing activities.

The accompanying accounting policies and notes on pages 40 – 69 form an integral part of the financial statements.

The financial statements were approved and signed and authorised for issue by the Board of Management on 16 September 2021 and are signed on its behalf by:

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

Shazia Nazir – Company Secretary

Consolidated statements of changes in reserve for the year ended 31 March 2021

Group

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2019 (restated) – Note 34	–	77,043	77,043
Total comprehensive income for the year	–	9,463	9,463
Balance at 31 March 2020 (restated)	**–**	**86,506**	**86,506**
Total comprehensive income for the year – SOCI	–	54	54
Balance at 31 March 2021	**–**	**86,560**	**86,560**

Association

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2019 (restated) - Note 34	–	76,895	76,895
Total comprehensive income for the year	–	9,433	9,433
Balance at 31 March 2020 (restated)	**–**	**86,328**	**86,328**
Total comprehensive income for the year – SOCI	–	(59)	(59)
Balance at 31 March 2021	**–**	**86,269**	**86,269**

The accompanying accounting policies and notes on pages 40 – 69 form an integral part of the financial statements.

Consolidated statement of financial position for the year ended 31 March 2021

	Note	2021 £000	2020 £000 As restated
Fixed Assets			
Tangible Fixed Assets (housing properties)	12a	417,329	410,333
Tangible Fixed Assets (other)	12b	9,294	9,437
Intangible Fixed Assets	13	1,047	729
Investment properties	14	19,070	19,132
Investment – joint venture	16	2,514	2,519
		449,254	**442,150**
Current Assets			
Properties for sale	17	8,949	11,242
Debtors	18	2,704	4,014
Cash and cash equivalents		29,395	14,902
		41,048	**30,158**
Creditors: amounts falling due within one year	19	(29,829)	(18,038)
Net current assets		11,219	12,120
Total assets less current liabilities		**460,473**	**454,270**
Creditors: amounts falling due after more than one year	21	(347,598)	(349,596)
Net assets excluding pension liability		112,875	104,674
Pension Liability	28	(26,315)	(18,168)
Total net assets		**86,560**	**86,506**
Capital and reserves			
Called-up non-equity share capital	24	–	–
Revenue reserve		86,560	86,506
Total reserves		**86,560**	**86,506**

The accompanying accounting policies and notes on 40 – 69 form an integral part of the financial statements

The financial statements were approved and authorised for issue by the Board of Management on 16 September 2021 and are signed on its behalf by:

Elizabeth J. Padmore

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

Shazia Nazir – Company Secretary

Association statement of financial position for the year ended 31 March 2021

	Note	2021 £000	2020 £000 As restated
Tangible Fixed Assets			
Tangible Fixed Assets (housing properties)	12a	417,491	410,462
Tangible Fixed Assets (other)	12b	8,065	8,126
Intangible Fixed Assets	13	1,047	729
Investment properties	14	19,070	19,132
Investment – joint venture	16	2,477	2,477
		448,150	**440,926**
Current Assets			
Properties for sale	17	8,949	11,242
Debtors	18	4,076	5,278
Cash and cash equivalents		28,806	14,456
		41,831	**30,976**
Creditors: amounts falling due within one year	19	(29,799)	(17,810)
Net current assets		12,032	13,166
Total assets less current liabilities		**460,182**	**454,092**
Creditors: amounts falling due after more than one year	21	(347,598)	(349,596)
Net assets excluding pension liability		112,584	104,496
Pension Liability	28	(26,315)	(18,168)
Total net assets		**86,269**	**86,328**
Capital and reserves			
Called-up non-equity share capital	24	–	–
Revenue reserve		86,269	86,328
Total reserves		**86,269**	**86,328**

The accompanying accounting policies and notes on pages 40 – 69 form an integral part of the financial statements

The financial statements were approved and authorised for issue by the Board of Management on 16 September 2021 and are signed on its behalf by:

Elizabeth J. Pa

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

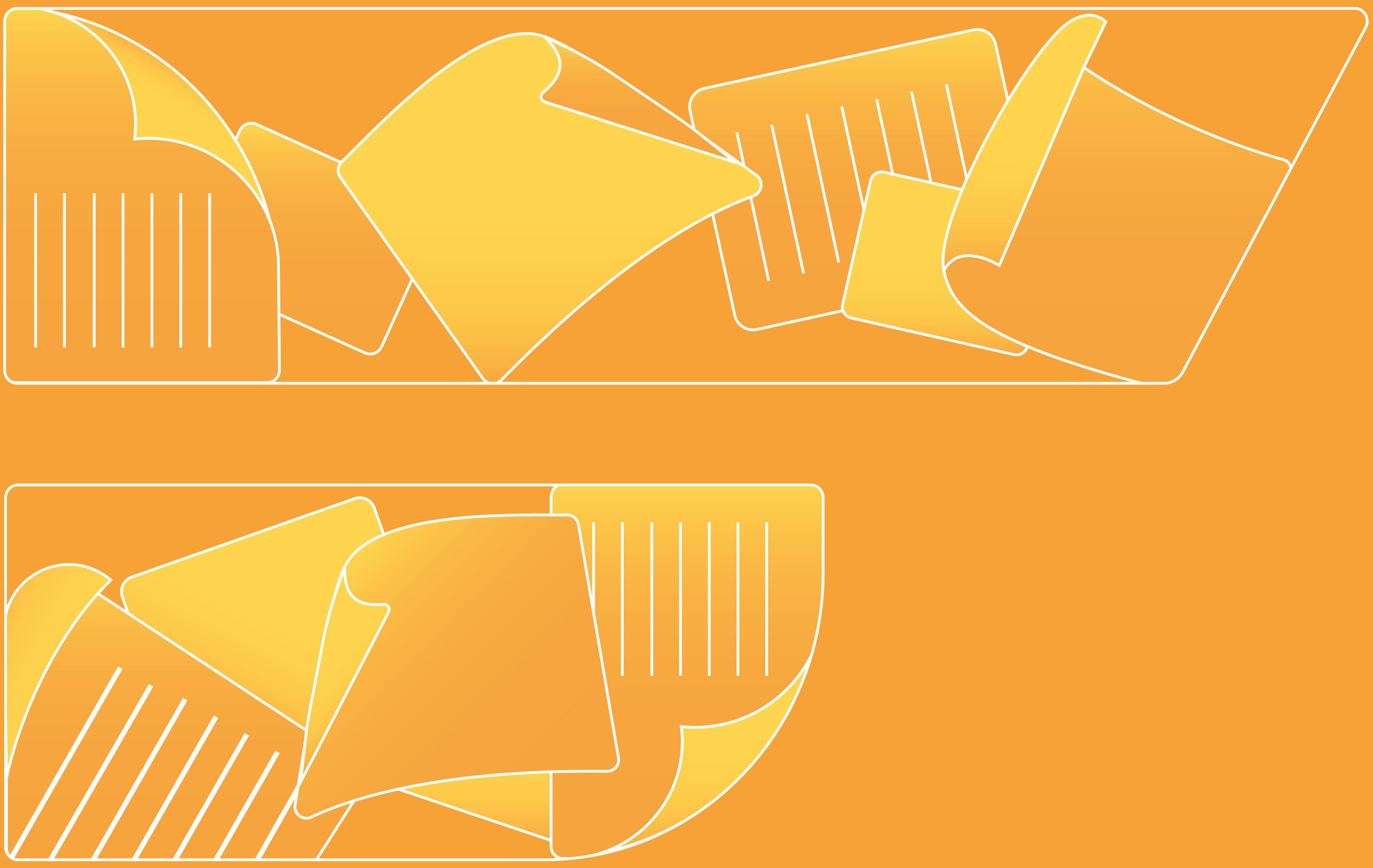
Shazia Nazir – Company Secretary

Consolidated cash flow statement for the year ended 31 March 2021

	Note	2021 £000	2020 £000 As restated
Net cash generated from operating activities	**27**	**34,435**	**17,983**
Cash flow from investing activities			
Purchase of tangible fixed assets		(13,231)	(26,703)
Grants received		882	2,900
Interest received		15	154
		(12,334)	**(23,649)**
Cash flow from financing activities			
Interest paid		(13,047)	(14,154)
New secured loans		24,499	19,667
Repayment of borrowings		(19,060)	(7,533)
Withdrawal from deposits		–	–
Balance at 31 March 2021		**(7,608)**	**(2,020)**
Net increase/(decrease) in cash and cash equivalents		14,493	(7,686)
Cash and cash equivalents at the beginning of the year		14,902	22,588
Cash and cash equivalents at the end of the year		**29,395**	**14,902**

The accompanying accounting policies and notes on pages 40 – 69 form an integral part of the financial statements.

Notes to the financial statements



1.0 Legal Status

The Association is registered in England under the Co-Operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a housing provider.

2.0 Accounting policies

2.1 Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The financial statements have been restated to move from a valuation basis for housing properties to historic cost. The adjustments are set out in note 34.

The financial statements are compliant with FRS 102.

The financial statements are presented in Sterling (£).

2.2 Going concern

The Board reviewed Housing Solutions forecasts for the period to March 2022 in March 2021 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

The impact of the Covid 19 outbreak, and its financial effect, has meant that the Executive Team and Board have been reviewing financial plans for the next three years to ensure Housing Solutions will remain a going concern. We have modelled a number of scenarios based on current estimates of rent collection, investment in developing new properties, property sales and maintenance spend. Board will continue to review plans with the Executive Team to continue to work with our customers and stakeholders to deliver exceptional services in a friendly, solution-focused way.

The Government's decisions on social distancing has impacted on the operations of Housing Solutions but, despite having a cautious budget estimating a £1m reduction in operating surplus, reflecting the uncertainty caused by Covid 19, the adverse effect on our financial position was limited. The restrictions placed on us due to the Covid 19 outbreak continue and are outside of our control, but we have put processes in place to manage cashflow on a monthly basis and review financial stability as matters progress.

Over the next three years we are investing a further £6m in fire safety, as the safety of our residents is our highest priority. This investment, combined with the impacts of Covid 19, does not result in any covenants forecasted to be breached.

Given the strength of the balance sheet and availability of cash and liquidity of undrawn loan facilities, totalling around £50m, Board believe that Housing Solutions will continue as a going concern. Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

2.3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

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.

Valuation of investment properties
Management reviews its valuation of investment properties at each reporting date, based on either formal valuation reports or an update to those reports based on market conditions and other changes to assumptions. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance and future cash flows. Valued investment properties totalled £19m at the year end.

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 technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 28). The liability at 31 March 2021 was £26,315,000.

2.4 Basis of consolidation

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March 2021 using the purchase method.

2.5 Investment in subsidiaries and joint ventures

The consolidated financial statements incorporate the financial statements of the Association and entities (including special purpose entities) controlled by the Group (and its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income, and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the Association financial statements.

Investments in joint ventures are accounted for using equity accounting in the consolidated financial statements and at cost less impairment in the Association financial statements.

2.6 Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales and other services included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

2.7 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation
Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised and will be assessed for tax in a future period, except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Value Added Tax
The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

2.8 Financial instruments

All financial instruments meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102. The indexed linked loan is accounted for under the amortised cost model whereas the other loans are at cost, as it is not expected that there will be any material difference between the cost and amortised methods for these loans.

The Group and Association does have the appropriate rules to enable it to enter into third party hedging arrangements. However, none are in place at this time.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

2.10 Creditors

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

2.11 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.

2.12 Pensions

The Group participates in a defined contribution scheme operated by Scottish Widows.

The Group participated in a funded multi-employer defined benefit scheme – Royal County of Berkshire Pension Scheme (RCBPS); the Group ceased to have active members in the scheme from 1 April 2020.

The RCBPS scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented as a separate provision on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

As there are no active members, there are no current service cost and costs from settlements and curtailments charged against operating surplus, however past service costs are recognised in the current reporting period. Net interest costs are calculated by applying the discount rate to the net defined benefit liability and are recognised in the income and expenditure account as a finance cost. Remeasurements are reported in other comprehensive income.

The Scottish Widows scheme is accounted for as a defined contribution plan. The charge to income and expenditure represents the employer contribution payable to the scheme for the accounting period.

2.13 Housing Properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. 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.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Depreciation of housing properties
The Group separately identifies the major components, which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

	%pa	Number of years
Structure	1.0	100
Roofs	1.3	75
Bathrooms	3.3	30
Kitchens	5.0	20
Windows and doors	3.3	30
Heating source	6.7	15
Heating distribution	3.3	30
Rewiring	3.3	30
Lifts	4.0	25

Impairment
Annually, housing properties are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount. This is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as expenditure in income and expenditure. Where an asset is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Social Housing Grant and other government grants
Government grants include grants receivable from Homes England, local authorities, and other government organisations for the development of housing properties. The amount of grant received is included in deferred capital grants and recognised in the turnover over the estimated useful economic life of the associated component, structure (not land)

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the HCA. Government 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.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure. Upon disposal of the associated property, the Group is required to recycle grant proceeds and recognise them as a liability.

Other grants
Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Properties for sale
Shared ownership first tranche sales, completed properties for outright sale, and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour, and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Capitalisation of Interest
Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings specifically financing the development programme after deduction of social housing grant received in advance; or
- a fair amount of interest on borrowings of the Association as a whole after deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

2.14 Investment properties
Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

2.15 Other tangible fixed assets
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:

	Number of years
Other freehold property	100 years
Free/Leasehold premises' improvements	21 years
Office furniture and equipment	5 years
Computer equipment	5 years
Motor vehicles	5 years
Plant and machinery	25 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

2.16 Intangible assets
Intangible assets are measured at cost less accumulated amortisation.

Amortisation is provided evenly on the cost of intangible assets to write them down to their estimated residual values over their expected useful lives. The principal annual rate used for intangible assets is:

Computer software 5 years

2.17 Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.
The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

2.18 Provisions for liabilities
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Group 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 12 months. The provision is measured at the salary cost payable for the period of absence.

3. **Particulars of turnover, cost of sales, operating costs and operating surplus**

Group

	2021 Turnover £000	2021 Cost of sales £000	2021 Operating expenditure £000	2021 Gain on disposal £000	2021 Operating surplus £000
Social housing lettings	40,270	–	(22,766)	–	17,504
Other social housing activities					
Lifeline alarm system	97	–	(55)	–	42
Shared ownership 1st tranche sales	5,514	(4,507)	–	–	1,007
Supporting people	84	–	–	–	84
	45,965	(4,507)	(22,821)	–	18,637
Activities other than social housing	2,910	(66)	(1,996)	–	848
Gain on disposal of housing properties (Note 8)	–	–	–	1,465	1,465
Total	48,875	(4,573)	(24,817)	1,465	20,950

	2020 Turnover As restated £000	2020 Cost of sales As restated £000	2020 Operating expenditure As restated £000	2020 Gain on disposal As restated £000	2020 Operating surplus As restated £000
Social housing lettings	38,205	–	(23,684)	–	14,521
Other social housing activities					
Lifeline alarm system	108	–	(26)	–	82
Shared ownership 1st tranche sales	4,850	(3,439)	–	–	1,411
Supporting people	43	–	–	–	43
	43,206	(3,439)	(23,710)	–	16,057
Activities other than social housing	2,917	(33)	(1,678)	–	1,206
Gain on disposal of housing properties (Note 8)	–	–	–	354	354
Total	46,123	(3,472)	(25,388)	354	17,617

3. **Particulars of turnover, cost of sales, operating costs and operating surplus**

Association

	2021 Turnover £000	2021 Cost of sales £000	2021 Operating expenditure £000	2021 Gain on disposal £000	2021 Operating surplus £000
Social housing lettings	40,270	–	(22,766)	–	17,504
Other social housing activities					
Lifeline alarm system	97	–	(55)	–	42
Shared ownership 1st tranche sales	5,514	(4,507)	–	–	1,007
Supporting people	84	–	–	–	84
	45,965	(4,507)	(22,821)	–	18,637
Activities other than social housing	2,603	–	(1,906)	–	697
Gain on disposal of housing properties (Note 8)	–	–	–	1,465	1,465
Total	48,568	(4,507)	(24,727)	1,465	20,799

	2020 Turnover As restated £000	2020 Cost of sales As restated £000	2020 Operating expenditure As restated £000	2020 Gain on disposal As restated £000	2020 Operating surplus As restated £000
Social housing lettings	38,205	–	(23,684)	–	14,521
Other social housing activities					
Lifeline alarm system	108	–	(26)	–	82
Shared ownership 1st tranche sales	4,850	(3,439)	–	–	1,411
Supporting people	43	–	–	–	43
	43,206	(3,439)	(23,710)	–	16,057
Activities other than social housing	2,725	–	(1,601)	–	1,124
Gain on disposal of housing properties (Note 8)	–	–	–	354	354
Total	45,931	(3,439)	(25,311)	354	17,535

3. Particulars of income and expenditure from social housing lettings

Group (continued)

	2021						2020
	General needs housing £000	Supported housing and housing for older people £000	Key worker housing £000	Care homes £000	Low cost home ownership £000	Total £000	Total As restated £000
Rent receivable net of identifiable service charges	26,853	3,093	225	5,163	1,941	37,275	35,665
Service charge income	946	917	–	–	439	2,302	1,934
Amortised government grants	610	–	–	–	–	610	606
Other grants	83	–	–	–	–	83	–
Turnover from social housing lettings	28,492	4,010	225	5,163	2,380	40,270	38,205
Expenditure							
Management and other operating expenses	5,327	916	27	610	805	7,685	8,912
Service charge costs	1,330	970	6	54	149	2,509	2,365
Routine maintenance	2,103	517	14	376	17	3,027	3,648
Planned maintenance	2,115	954	32	665	32	3,798	3,495
Bad debts	378	58	2	60	48	546	216
Property lease charges	–	–	–	–	–	–	9
Depreciation of housing properties	3,447	533	22	558	–	4,560	4,434
Other costs	446	67	3	69	56	641	605
Operating expenditure on social housing lettings	**15,146**	**4,015**	**106**	**2,392**	**1,107**	**22,766**	**23,684**
Operating surplus on social housing lettings	**13,346**	**(5)**	**119**	**2,771**	**1,273**	**17,504**	**14,521**
Void losses	269	248	5	–	17	539	340

3. Particulars of income and expenditure from social housing lettings

Association (continued)

	2021						2020
	General needs housing £000	Supported housing and housing for older people £000	Key worker housing £000	Care homes £000	Low cost home ownership £000	Total £000	Total As restated £000
Rent receivable net of identifiable service charges	26,853	3,093	225	5,163	1,941	37,275	35,665
Service charge income	946	917	–	–	439	2,302	1,934
Amortised government grants	610	–	–	–	–	610	606
Other grants	83	–	–	–	–	83	–
Turnover from social housing lettings	28,492	4,010	225	5,163	2,380	40,270	38,205
Expenditure							
Management and other operating expenses	5,327	916	27	610	805	7,685	8,912
Service charge costs	1,330	970	6	54	149	2,509	2,365
Routine maintenance	2,103	517	14	376	17	3,027	3,648
Planned maintenance	2,115	954	32	665	32	3,798	3,495
Bad debts	378	58	2	60	48	546	216
Property lease charges	–	–	–	–	–	–	9
Depreciation of housing properties	3,447	533	22	558	–	4,560	4,434
Other costs	446	67	3	69	56	641	605
Operating expenditure on social housing lettings	**15,146**	**4,015**	**106**	**2,392**	**1,107**	**22,766**	**23,684**
Operating surplus on social housing lettings	13,346	(5)	119	2,771	1,273	17,504	14,521
Void losses	269	248	5	–	17	539	340

3. Particulars of turnover from non-social housing lettings

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Market rent accommodation	659	648	659	648
	659	648	659	648

4. Accommodation in management and development

Group and Association

At the end of the year accommodation in management for each class of accommodation was as follows:

	2020 Number	Additions Number	Disposals Number	Tenure changes Number	Other Number	2021 Number
Social housing						
General needs	3,676	7	(3)	(35)	–	3,645
Affordable	339	39	–	–	–	378
Supported housing and housing for older people	595	–	(33)	20	–	582
Low cost home ownership	486	43	(10)	–	–	519
Key worker housing	27	–	–	–	–	27
Residential care homes	683	–	(6)	16	–	693
Total owned	5,806	89	(52)	1	–	5,844
Accommodation managed for others	–	–	–	–	–	–
Total owned and managed	5,806	89	(52)	1	–	5,844
Non–social housing						
Market rent – owned	35	–	–	(1)	–	34
Temporary accommodation – leased out	13	–	–	–	–	13
Market rent – managed for others	40	–	–	–	–	40
Total owned and managed	88	–	–	(1)	–	87
Accommodation in development at the year end	386	–	–	–	–	121

5. Key management personnel

The members of the Board received remuneration for services provided as Directors of £67,858 (2020 – £60,953). The remuneration paid to the Executive Directors of Housing Solutions Group (defined as the Chief Executive, the Development Director, the Director of Finance, the Director of Housing and Asset Management, and the Director of Corporate Services) was:

	2021 £000	2020 £000
Emoluments	717	643
Pension contributions	79	74
	796	717
Emoluments (including pension contributions) paid to:		
The highest paid director (the Chief Executive) base salary	175	172
Pension contributions	21	21
Other non-salary payments	9	11
	205	204

The Chief Executive is a member of the direct contribution pension scheme and the pension entitlement is identical to other members of the scheme. Housing Solutions does not contribute to any other pension scheme on behalf of the Chief Executive. The Chief Executive salary is 8.5x the lowest full-time employee (FTE), and the average FTE, including the DLO (trades), is £42,596 per annum.

6. Employee information

	2021 Number	2020 Number
The average weekly number of full-time equivalent persons (including directors)		
Office staff	98	96
Caretakers and cleaners	14	14
Building maintenance staff	34	38
	146	148

	2021 £000	2020 £000
Staff costs (for the above persons):		
Wages and salaries	6,219	6,073
Social security costs	620	615
Pension costs – Contributions	531	632
Actuarial adjustments/ Pension deficit payments	528	495
	7,898	7,815

The full-time equivalent number of staff, including directors, who received emoluments:

	2021 Number	2020 Number
£60,001 to £70,000	3	5
£70,001 to £80,000	4	2
£80,001 to £90,000	4	1
£110,001 to £120,000	–	1
£120,001 to £130,000	–	–
£130,001 to £140,000	1	–
£140,001 to £150,000	2	1
£150,001 to £160,000	1	–
£200,001 to £210,000	1	1

7. Operating surplus

	Group 2021 £000	Group 2020 £000 As restated
Operating surplus is stated after charging:		
Depreciation:		
– housing stock	4,560	4,434
– other assets	510	443
Amortisation of intangible assets	269	247
Operating lease rentals:		
– hire of motor vehicles	22	22
– office equipment	11	15
Auditor's remuneration		
for audit purposes		
– parent	48	94
– subsidiaries	10	9
– Total	58	103
for non-audit purposes		
– tax compliance	10	9
Internal auditor's remuneration	40	40

Group and association

8. Gain on Sale of Fixed Assets

	Housing properties 2021 £000	Other Assets 2021 £000	Housing properties 2020 £000 As restated	Other Assets 2020 £000
Disposal proceeds	2,530	–	1,168	–
Cost of sales (administration)	(29)	–	(29)	–
Carrying value of fixed assets	(1,036)	–	(785)	–
Gain on sale of fixed assets	1,465	–	354	–

9. Interest receivable

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Intercompany interest receivable	–	–	38	51
Interest receivable	15	154	15	154
	15	154	53	205

10. Interest and financing costs

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Loans and bank overdrafts	13,047	13,897	4,434	5,426
Interest payable to Group companies	–	–	8,613	8,471
Interest payable capitalised on housing properties under construction	(857)	(1,409)	(857)	(1,409)
Defined benefit pension charge	421	472	421	472
	12,611	12,960	12,611	12,960
Capitalisation rate used to determine the finance costs capitalised during the period	3.80%	4.53%	3.80%	4.53%

11. Tax on surplus on ordinary activities

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Current Tax				
UK corporation tax on surplus for the year	–	–	–	–
Adjustments in respect of prior years	–	1	–	–
Total current tax	–	1	–	–
Deferred Tax				
Net origination and reversal of timing differences	–	–	–	–
Total deferred tax	–	–	–	–
Total tax on results on ordinary activities	–	1	–	–

Analysis of Charge in Period
The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2020: 19%)
The differences are explained as follows:

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Total tax reconciliation				
Surplus on ordinary activities before tax – SOCI	8,304	3,666	8,191	3,635
Expected tax at 19% (2020: 19%)	1,578	697	1,556	691
Effects of:				
Income not taxable for tax purposes	(1,573)	(691)	(1,556)	(691)
Use of losses where no deferred tax	–	(5)	–	–
Expenses not deductible for tax purposes	15	–	–	–
Deferred tax not recognised	(20)	–	–	–
Total tax charge for the period	–	1	–	–

12(a) Tangible fixed assets – properties group

	Housing Properties and Mobile Homes £000	Housing Properties Under Construction £000	Shared Ownership Properties £000	Shared Ownership Properties Under Construction £000	Total £000
Cost or Valuation at 1 April 2020 (as previously stated)	**487,414**	**9,726**	**50,737**	**9,847**	**557,724**
Valuation adjustment	(95,491)	–	(1,215)	–	(96,706)
Cost or Valuation at 1 April 2020 – restated	**391,923**	**9,726**	**49,522**	**9,847**	**461,018**
Completed	9,138	(9,138)	7,988	(7,988)	–
Additions	–	7,728	–	3,729	11,457
Asset disposed for redevelopment	(882)	–	–	–	(882)
Disposals – Staircasing	–	–	(1,115)	–	(1,115)
Disposals – Other	(623)	(130)			(753)
Disposals – Components	(725)	–	–	–	(725)
Works to existing properties	2,712	–	–	–	2,712
Reclassification	17	–	–	–	17
Transfer to current assets	–	–	(151)	–	(151)
At 31 March 2021	401,560	8,153	56,244	5,588	471,545
Depreciation at 1 April 2020 – as restated	(50,685)	–	–	–	(50,685)
Depreciation charged in year	(4,560)	–	–	–	(4,560)
Eliminated on disposal	1,029	–	–	–	1,029
At 31 March 2021	**(54,216)**	**–**	**–**	**–**	**(54,216)**
Net book value as at 31 March 2021	**347,344**	**8,153**	**56,244**	**5,588**	**417,329**
Net book value as at 31 March 2020 (as restated)	341,238	9,726	49,522	9,847	410,333

12(a) Tangible fixed assets – properties association

	Housing Properties and Mobile Homes £000	Housing Properties Under Construction £000	Shared Ownership Properties £000	Shared Ownership Properties Under Construction £000	Total £000
Cost or Valuation at 1 April 2020 (as previously stated)	**487,414**	**9,855**	**50,737**	**9,847**	**557,853**
Valuation adjustment	(95,491)	–	(1,215)	–	(96,706)
Cost or Valuation at 1 April 2020 – restated	**391,923**	**9,855**	**49,522**	**9,847**	**461,147**
Completed	9,138	(9,138)	7,988	(7,988)	–
Additions	–	7,728	–	3,729	11,457
Asset disposed for redevelopment	(882)	–	–	–	(882)
Disposals – Staircasing	–	–	(1,115)	–	(1,115)
Disposals – Other	(623)	(130)	–	–	(753)
Disposals – Components	(725)	–	–	–	(725)
Works to existing properties	2,712	–	–	–	2,712
Reclassification	17	–	–	–	17
Transfer to current assets	–	–	(151)	–	(151)
At 31 March 2021	401,560	8,315	56,244	5,588	471,707
Depreciation at 1 April 2020 – as restated	(50,685)	–	–	–	(50,685)
Depreciation charged in year	(4,560)	–	–	–	(4,560)
Eliminated on disposal	1,029	–	–	–	1,029
At 31 March 2021	**(54,216)**	**–**	**–**	**–**	**(54,216)**
Net book value as at 31 March 2021	**347,344**	**8,315**	**56,244**	**5,588**	**417,491**
Net book value as at 31 March 2020 (as restated)	341,238	9,855	49,522	9,847	410,462

12(a) Tangible fixed assets – properties (continued)

Expenditure on works to existing properties

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Components capitalised	2,712	2,157	2,712	2,157
Amounts charged to income and expenditure	6,825	7,143	6,825	7,143
	9,537	9,300	9,537	9,300

Interest capitalisation

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Interest capitalised in the year	857	1,409	857	1,409
Cumulative interest capitalised	18,036	16,627	18,036	16,627
	18,893	18,036	18,893	18,036
Rate used for capitalisation	3.80%	4.53%	3.80%	4.53%

12(a) Tangible fixed assets – other

Group	Plant and Machinery £000	Other Freehold Property £000	Furniture and Equipment £000	Free/ Leasehold Improvements £000	Computer Equipment £000	Communal Areas £000	Total £000
Cost at 1 April 2020 (as previously stated)	1,963	7,145	981	2,297	613	32	13,031
Asset removed	–	(1,388)	–	–	–	–	(1,388)
Cost at 1 April 2020 – restated	**1,963**	**5,757**	**981**	**2,297**	**613**	**32**	**11,643**
Additions	–	–	126	–	55	186	367
Reclassification	–	–	–	(623)	–	623	–
Disposals	–	–	–	–	–	–	–
At 31 March 2021	1,963	5,757	1,107	1,674	668	841	12,010
Depreciation at 1 April 2020 (as previously stated	(652)	(682)	(533)	(209)	(284)	–	(2,360)
Asset removed	–	154	–	–	–	–	154
Depreciation at 1 April 2020 – restated	(652)	(528)	(533)	(209)	(284)	–	(2,206)
Charge for Year	(82)	(51)	(156)	(79)	(98)	(44)	(510)
Disposals	–	–	–	–	–	–	–
At 31 March 2021	(734)	(579)	(689)	(288)	(382)	(44)	(2,716)
Net book value as at 31 March 2021	**1,229**	**5,178**	**418**	**1,386**	**286**	**797**	**9,294**
Net book value as at 31 March 2020 (as restated)	1,311	5,229	448	2,088	329	32	9,437

Association	Other Freehold Property £000	Furniture and Equipment £000	Free/ Leasehold Improvements £000	Computer Equipment £000	Communal Areas £000	Total £000
Cost at 1 April 2020 (as previously stated)	7,145	981	2,297	613	32	11,068
Asset removed	(1,388)	–	–	–	–	(1,388)
Cost at 1 April 2020 – restated	**5,757**	**981**	**2,297**	**613**	**32**	**9,680**
Additions	–	126	–	55	186	367
Reclassification	–	–	(623)	–	623	–
Disposals	–	–	–	–	–	–
At 31 March 2021	5,757	1,107	1,674	668	841	10,047
Depreciation at 1 April 2020 (as previously stated	(682)	(533)	(209)	(284)	–	(1,708)
Asset removed	154	–	–	–	–	154
Depreciation at 1 April 2020 – restated	**(528)**	**(533)**	**(209)**	**(284)**	**–**	**(1,554)**
Charge for Year	(51)	(156)	(79)	(98)	(44)	(428)
Disposals	–	–	–	–	–	–
At 31 March 2021	(579)	(689)	(288)	(382)	(44)	(1,982)
Net book value as at 31 March 2021	**5,178**	**418**	**1,386**	**286**	**797**	**8,065**
Net book value as at 31 March 2020 (as restated)	5,229	448	2,088	329	32	8,126

13 Intangible fixed assets

Expenditure on works to existing properties

	Computer Software £'000
Cost at 1 April 2020	2,585
Additions	587
Disposals	–
At 31 March 2021	3,172
Amortisation at 1 April 2020	(1,856)
Charge for Year	(269)
Disposals	–
At 31 March 2021	(2,125)
Net book value as at 31 March 2021	1,047
Net book value as at 31 March 2020	729

14 Investment properties non-social housing properties held for letting

Group and Association

	Group 2021 £'00	Group 2020 £000
At 1 April	19,132	19,880
Reclassification – Key workers	–	(3,640)
Reclassification – Temporary accommodation	–	1,637
Reclassification – Market Rent	(12)	(945)
(Decrease)/Increase in value	(50)	2,200
At 31 March	19,070	19,132

Investment properties were valued as at 31 March 2021. The Group's investment properties have been valued by Jones Lang LaSalle, professional external valuers. The full valuation of all properties was undertaken, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (RICS). Jones Lang LaSalle included the below in their valuation report:

Material valuation uncertainty due to Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (Covid 19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement, and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of Covid 19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle Covid 19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS3 and VPGA 10 of the RICS Valuation – Global Standard.

15. Investment in subsidiaries

As required by statute, the financial statements consolidate the results of HSG Property Services Limited, Housing Solutions Capital PLC and Housing Solutions Development Limited which are all subsidiaries of the Association. The Association has the right to appoint members to the Boards of the subsidiaries and thereby exercises control over them.

	% Shareholding	Country of incorporation	Principal Activity
HSG Property Services Limited	100	England	Provides photo voltaic panels and other energy saving solutions to save costs and creates revenue for the Group
Housing Solutions Capital PLC	100	England	Facilitates capital market funding for the Group
Housing Solutions Development Limited	100	England	Facilitates the design and build of properties for the Group

16. Long term investment

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Investment in Housing Solutions Development Limited	–	–	–	–
Investment in Housing Solutions Capital PLC	–	–	50	50
Investment in Glassford LLP	2,514	2,519	2,427	2,427
	2,514	2,519	2,477	2,477

17. Properties for Sale/Stock

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Shared Ownership – Completed properties	5,940	5,940	5,940	5,940
Work in progress	3,009	5,302	3,009	5,302
	8,949	11,242	8,949	11,242

18. Debtors

	Group 2021 £000	Group 2020 £000	Association 2021 £000	Association 2020 £000
Due within one year				
Rent and service charge receivable	1,419	1,372	1,419	1,372
Less provision for bad and doubtful debts	(922)	(848)	(922)	(848
	497	524	497	524
Prepayments and accrued income	916	559	916	517
Amounts owed by Group undertakings	-	-	1,328	1,216
Other debtors	1,291	2,931	1,335	3,021
	2,704	4,014	4,076	5,278

19. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 As restated £000	Association 2021 £000	Association 2020 As restated £000
Debt (Note 22)	15,701	7,533	15,701	7,533
Trade creditors	2,257	2,815	2,257	2,815
Rent received in advance	899	689	899	689
Other tax and social security	179	44	179	44
Fixed asset creditors	2,532	1,659	2,532	1,659
Accrued interest	3,857	1,507	3,857	703
Other creditors	867	889	867	889
Amounts owed to Group undertakings	-	-	90	774
Recycled capital grant fund (Note 20)	831	944	831	944
Holiday pay accrual	219	152	219	152
Deferred grant income	640	607	640	607
Accruals	1,847	1,199	1,727	1,001
	29,829	18,038	29,799	17,810

20 Recycled capital grant fund

Group and Association

	2021 £000	2020 £000
As at 1 April	944	944
Grants utilised	(200)	–
Grants recycled	87	–
At 31 March	831	944
Amount up to three years	139	357
Amount three years or older where repayment may be required	692	587
	831	944

21 Creditors: Amounts falling due after more than one year

Group and Association

	2021 £000	2020 £000
Debt (Note 22)	290,084	295,514
Deferred capital grant (Note 23)	54,434	54,082
Capitalised loan costs	3,080	–
	347,598	349,596

22 Debt

Group and Association

	2021 £000	2020 £000
Debt	305,785	303,047
Debt Analysis	305,785	303,047

Borrowings	2021 £000	2020 £000
Due after more than one year		
Bank loans	15,701	7,533
Other loans	–	–
	15,701	7,533
Due within one year		
Bank loans	96,444	123,672
Other loans	193,640	171,842
	290,084	295,514
Total loans	305,785	303,047

Net Debt Reconciliation

	1 April 2020	Cashflows	31 March 2021
Cash at bank and in hand	14,902	14,493	29,395
Loans	(303,047)	(2,738)	(305,785)
Net Debt	(288,145)	11,755	(276,390)

Security

Housing loans are secured by specific charges on the housing properties and by a first fixed charge on Housing Solutions bank accounts.

Terms of repayment and interest rates

Bank loans are being repaid over different periods, some with quarterly payments and others with annual payments. Final instalments range from April 2022 to June 2037, depending on the Facility and Tranches. Interest is both variable and fixed, with rates ranging from 1.02% to 6.16% during the year. Other loans include long term loans with M & G, MORhomes and LGIM, which have bullet repayments in 2034, 2038 and 2054. The M & G loan has an index linked tranche of £50m linked to RPI where repayments commence in 2023. Fixed interest rates for M & G range from 4.66% for the RPI linked tranche to 5.43% for all other loans in the year.

The Group agreed a new loan facility of £25.1m in the year, which is made up of £21.7m notional repayable on maturity in 2038 and £3.4m issue premium. The loan was fully drawn as at 31 March 2021.

£24.5m (net of costs) was drawn down in the year and at 31 March 2021 the Group had undrawn facilities of £50.0m (2020: £37.0m).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2021 £'000	2020 £'000
Within one year or on demand	15,701	7,533
One year or more but less than two years	10,363	7,562
Two years or more but less than five years	31,768	51,190
Five years or more	247,953	236,762
	305,785	303,047

23. Deferred Capital Grant

	2021 Number	2020 Number
As at 1 April	54,689	52,395
Grant received in the year	882	2,900
Grant transferred to/from the recycled capital grant fund on property disposals in the year	113	–
Released to income in the year	(610)	(606)
At 31 March	55,074	54,689
Amount due to be released < 1 year	640	607
Amount due to be released > 1 year	54,434	54,082
At 31 March	55,074	54,689

24. Non-equity share capital

	Association 2021 Number	Association 2020 Number
Shares of £1 each issued and fully paid		
At 1 April 2020 and as at 31 March 2021	10	10
	10	10

25. Leasing commitments

Group and Association

The future minimum lease payments of leases are as set out below. Leases relate to motor vehicles and office equipment.

The Association and Group's future minimum operating lease payments are as follows:

	2021 Number	2020 Number
Within one year	33	36
Between one and five years	22	50
	55	86

26 Capital Commitments

Group and Association

	Group 2021 £000	Group 2020 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	20,133	27,797
Capital expenditure that has been authorised by the Board but has not been contracted for	6,292	6,917

Capital commitments will be funded through a combination of retained reserves, loans, and grant.

27 Cash flow from operating activities

	2021 £000	2020 £000 As restated
Surplus for the year from SOCI	8,304	7,010
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	5,070	5,256
Amortisation of intangible fixed assets	269	247
Amortised grant	(610)	(606)
Proceeds from sale of tangible fixed assets	2,530	1,168
Movement in fair value of investment properties	50	(2,200)
Share of surplus in joint venture	(87)	(91)
Decrease / (increase) in stock	2,293	(1,526)
Decrease / (increase) in trade and other debtors	1,310	(657)
Decrease / (increase) in trade and other creditors	3,642	(3,581)
Pension costs less contributions payable	533	529
Surplus on sale of tangible fixed assets	(1,465)	(372)
Adjustments for investing or financing activities:		
Interest payable	12,611	12,960
Interest receivable	(15)	(154)
Net cash generated from operating activities	34,435	17,983

28 Pensions

Housing Solutions operates a defined contribution pension scheme and operated a defined benefit pension scheme (with no active members since 1 April 2020) as detailed below:

Royal County of Berkshire Pension Scheme (Group and Association)
The RCBPS is a multi-employer scheme, administered by The Royal Borough of Windsor and Maidenhead under the regulations governing the Local Government Pension Scheme, is a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2019 by a qualified independent actuary.

Housing Solutions ceased to have active members in the RCBPS at the year ended 31 March 2020. There is an agreement in place to make contributions to the pension deficit. The pension deficit contribution for the accounting period commencing 1 April 2020 was £533,000.

Principal actuarial assumptions
Financial assumptions

	31 March 2021 % per Annum	31 March 2020 % per Annum	31 March 2019 % per Annum
Discount rate	**2.00%**	2.35%	2.40%
Future salary increases	**3.85%**	2.85%	3.40%
Future pension increases	**2.85%**	1.85%	2.40%

Mortality assumptions
The post-retirement mortality assumptions adopted to value the benefit obligation are based on the S2PA tables with a multiplier of 95%. These base tables are then projected using the CMI 2020 Model, allowing for a long-term rate of improvement of 1.25% p.a. The new CMI_2020 Model introduces a "2020 weight parameter" for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results.

28 Pensions (continued)

The assumed life expectations on retirement at age 65 are:

	2021 No. of years	2020 No. of years	2019 No. of years
Retiring today:			
Males	**21.2**	21.5	22.0
Females	**23.9**	24.1	24.0
Retiring in 20 years:			
Males	**22.5**	22.9	23.7
Females	**25.4**	25.5	25.8

Amounts recognised in surplus or deficit

	2021 £'000	2020 £'000	2019 £'000
Current service cost	**–**	(829)	(811)
Administrative expenses	**(9)**	(10)	(10)
Amounts charged to operating costs	**(9)**	(839)	(821)

	2021 £'000	2020 £'000	2019 £'000
Net interest	**(421)**	(472)	(520)
Amounts charged to other finance costs	**(421)**	(472)	(520)

Remeasurements in other comprehensive income

	2021	2020	2019
Return on Fund assets in excess of interest	**1,613**	(655)	1,001
Other actuarial gains/(losses) on assets	**–**	(760)	–
Change in financial assumptions	**(10,662)**	3,851	(1,842)
Change in demographic assumptions	**362**	502	2,126
Experience gain/(loss) on defined benefit obligation	**437**	(485)	–
Remeasurements of the net assets/(defined liability)	(8,250)	2,453	1,285

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2021 £'000	2020 £'000	2019 £'000
Opening scheme liabilities	34,047	37,104	36,432
Current service cost	–	658	811
Interest cost	789	879	920
Changes in financial assumptions	10,662	(3,851)	1,842
Benefits paid	(969)	(1,033)	(937)
Contributions by scheme participants	–	141	166
Experience loss on defined benefit obligation	(437)	485	–
Change in demographic assumptions	(362)	(502)	(2,126)
Past service costs	–	171	–
Unfunded pension payments	(5)	(5)	(4)
Closing scheme liabilities	43,725	34,047	37,104

Reconciliation of opening and closing balances of the fair value of plan assets

	2021 £'000	2020 £'000	2019 £'000
Opening fair value of plan assets	15,879	17,012	15,765
Interest income	368	407	400
Return on plan assets (in excess of interest)	1,613	(655)	1,001
Other actuarial losses	–	(760)	–
Administration expenses	(9)	(10)	(10)
Contributions by employer	533	782	631
Contributions by scheme participants	–	141	166
Benefits paid	(974)	(1,038)	(941)
Closing fair value of plan assets	17,410	15,879	17,012

	2021 £'000	2020 £'000	2019 £'000
Pension Liability	26,315	18,168	20,092

28 Pensions (continued)

Major categories of plan assets as a percentage of total plan assets

	2021 %	2020 %	2019 %
Equities	60.0%	56.0%	51.0%
Bonds	16.0%	9.0%	15.0%
Properties	12.0%	14.0%	14.0%
Cash	5.0%	12.0%	8.0%
Other	7.0%	9.0%	12.0%
Total	100%	100%	100%

Sensitivity analysis

Adjustment to life expectancy assumption

	+1 year £'000	None £'000	-1 year £'000
Present value of total obligation	45,669	43,725	41,868
Projected service cost	–	–	–

Adjustment to discount rate

	Increase by 0.1%	None	Decrease by 0.1%
Present value of total obligation	42,782	43,725	44,690
Projected service cost	–	–	–

29 Related Parties

Tenant members of the Association are charged normal policy rents and receive no favourable treatment in any respect as a result of their membership of the Association.

The design and build contracts for £4,483,918 were novated to Housing Solutions Development Limited and the associated costs were transferred from Housing Solutions. On consolidation, these costs are included in the current assets balance in the Consolidated Statement of Financial Position.

Transactions between the company and its 100% owned subsidiaries, which are related parties, have been eliminated on consolidation for the Group.

HSG Property Services Limited charged the parent Housing Solutions £15,595 (2020: £11,810) for electricity generated by the photo voltaic panels on residents' roofs and Housing Solutions charged HSG Property Services Limited £11,581 (2020: £11,310) for the rental of residents' roofs. Housing Solutions charged HSG Property Services Limited interest £37,713 (2020: £50,767).

Housing Solutions Capital PLC was charged £8,612,707 (2020: £8,471,478) for interest on the Note Purchase Agreement loan and received £8,612,707 (2020: £8,471,478) in interest from the parent Housing Solutions, for its loan to the parent company.

Glassford LLP was charged £53,884 by Housing Solutions for managing 40 market rent properties owned by the joint venture.

30 Legislative Provisions

The Association is incorporated under the Co-Operative and Community Benefit Societies Act 2014, Registration No. 27876R and is a Registered Social Landlord under the Housing Act 1974, Registration No. L4073.

31 Principal activities of subsidiaries and joint venture

HSG Property Services Limited provides photo voltaic panels on residents' roofs providing residents with an efficient source of energy and creates revenue for the Group through the Feed in Tariff programme.

Housing Solutions Capital PLC is set up to facilitate capital market funding for the Group.

Housing Solutions Development is set up to facilitate the design and build of properties for the Group.

Glassford LLP is a joint venture with The Royal County of Berkshire Pension Fund which owns and manages 40 market rent properties.

32 Contingent Liability

At 31 March 2021 there were no contingent liabilities.

33 Financial assets and liabilities

The Board policy on financial instruments is explained in the Board Report as are references to financial risks.

Categories of financial assets and financial liabilities

	2021 £'000	2020 £'000
Loan Commitments measured at cost less impairment	303,845	301,205
Total	303,845	301,205

The difference between the financial liability's carrying amount and the amount the entity would be contractually obliged to pay at maturity

	2021 £'000	2020 £'000
Financial assets	1,940	1,842

Other than short-term debtors, financial assets held are equity instruments in other entities and cash at bank

	2021 £'000	2020 £'000
Financial assets on which no interest is earned	2,514	2,519
	2,514	2,519

Financial liabilities excluding trade creditors – interest rate risk profile

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

	2021 £'000	2020 £'000
Variable rate loans	45,345	66,247
Fixed rate loans	260,440	236,800
	305,785	303,047

The fixed rate financial liabilities have a weighted average interest rate of 4.81% (2020 5.15%) and the weighted average period for which it is fixed is 17.2 years (2020 17.6 years). The debt maturity profile is shown in note 22.

Borrowing facilities

The Group has undrawn committed borrowing facilities. The facilities available at 31 March in respect of which all conditions precedent have been met were as follows:

	2021 £'000	2020 £'000
Expiring in more than two years	50,000	37,000
	50,000	37,000

34 Prior period restatements

Group – statement of comprehensive income

	Association 2020 £'000	Cost of sales £'000	SHG £'000	Depreciation £'000	Revaluation £'000	Association 2020 £'000 As restated
Turnover	45,768	–	355	–	–	46,123
Cost of sales	(3,472)	–	–	–	–	(3,472)
Gain on disposal of assets	372	(18)	–	–	–	354
Operating costs	(26,837)	–	–	1,449	–	(25,388)
Operating surplus	**15,831**	**(18)**	**355**	**1,449**	**–**	**17,617**
Interest receivable and other income	154	–	–	–	–	154
Interest payable and financing costs	(12,960)	–	–	–	–	(12,960)
Movement in fair value of investment properties	2,200	–	–	–	–	2,200
Decrease in valuation of housing properties	(10,962)	–	–	–	10,962	–
Reversal of decrease in valuation of housing properties	9,403	–	–	–	(9,403)	–
Surplus on ordinary activities before taxation	**3,666**	**(18)**	**355**	**1,449**	**1,559**	**7,011**
Tax on surplus on ordinary activities	(1)	–	–	–	–	(1)
Surplus for the year	**3,665**	**(18)**	**355**	**1,449**	**1,559**	**7,010**
Unrealised surplus on revaluation of housing properties	25,676	–	–	–	(25,676)	–
Actuarial gain on defined benefit pension scheme	2,453	–	–	–	–	2,453
Total comprehensive income for the year	**31,794**	**(18)**	**355**	**1,449**	**(24,117)**	**9,463**

Group – reserves

	Share Capital £'000	Revenue Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance as at 1 April 2019 – as previously stated	–	121,870	133,239	255,109
Prior year adjustment – Revaluation	–	9,255	(133,239)	(123,984)
Prior year adjustment – SHG	–	(54,082)	–	(54,082)
Balance at 1 April 2019 – As restated	**–**	**77,043**	**–**	**77,043**

34 Prior period restatements (continued)

Group – statement of financial position

	Notes	Association 2020 £'000	SHG £'000	Revaluation £'000	Association 2020 £'000 As restated
Tangible Fixed Assets					
Tangible Fixed Assets (housing properties)	12a	557,724	–	(147,391)	410,333
Tangible Fixed Assets (other)	12b	10,671	–	(1,234)	9,437
Intangible Fixed Assets	13	729	–	–	729
Investment properties	14	19,132	–	–	19,132
Investment – joint venture	16	2,519	–	–	2,519
		590,775	**–**	**(148,625)**	**442,150**
Current Assets					
Properties for sale	17	11,242	–	–	11,242
Debtors	18	4,014	–	–	4,014
Cash and cash equivalents		14,902	–	–	14,902
		30,158	**–**	**–**	**30,158**
Creditors: amounts falling due within one year	19	(20,348)	2,310	–	(18,038)
Net current assets		9,810	2,310	–	12,120
Total assets less current liabilities		**600,585**	**2,310**	**–**	**454,270**
Creditors: amounts falling due after more than one year	21	(295,514)	(54,082)	–	(349,596)
Pension Liability	27	(18,168)	–	–	(18,168)
Total net assets		**286,903**	**(51,772)**	**(148,625)**	**86,506**
Capital and reserves					
Called-up non-equity share capital	24	–	–	–	–
Revaluation reserve		157,883	–	(157,883)	–
Revenue reserve		129,020	–	(42,514)	86,506
Total reserves		**286,903**	**–**	**(200,397)**	**86,506**

34. Prior period restatements (continued)

Association – statement of comprehensive income

	Association 2020 £'000	Cost of sales £'000	SHG £'000	Depreciation £'000	Revaluation £'000	Association 2020 £'000 As restated
Turnover	45,576	–	355	–	–	45,931
Cost of sales	(3,439)	–	–	–	–	(3,439)
Gain on disposal of assets	372	(18)	–	–	–	354
Operating costs	(26,760)	–	–	1,449	–	(25,311)
Operating surplus	15,749	(18)	355	1,449	–	17,535
Interest receivable and other income	205	–	–	–	–	205
Interest payable and financing costs	(12,960)	–	–	–	–	(12,960)
Movement in fair value of investment properties	2,200	–	–	–	–	2,200
Decrease in valuation of housing properties	(10,962)	–	–	–	10,962	–
Reversal of decrease in valuation of housing properties	9,403	–	–	–	(9,403)	–
Surplus on ordinary activities before taxation	3,635	(18)	355	1,449	1,559	6,980
Tax on surplus on ordinary activities	–	–	–	–	–	
Surplus for the year	3,635	(18)	355	1,449	1,559	6,980
Unrealised surplus on revaluation of housing properties	25,676	–	–	–	(25,676)	–
Actuarial gain on defined benefit pension scheme	2,453	–	–	–	–	2,453
Total comprehensive income for the year	31,764	(18)	355	1,449	(24,117)	9,433

Association – reserves

	Share Capital £'000	Revenue Reserve £'000	Revaluation Reserve £'000	Total £'000
Balance as at 1 April 2019 – as previously stated	–	121,722	133,239	254,961
Prior year adjustment – Revaluation	–	9,255	(133,239)	(123,984)
Prior year adjustment – SHG	–	(54,082)	–	(54,082)
Balance at 1 April 2019 – As restated	–	76,895	–	76,895

34 Prior period restatements (continued)

Association – statement of financial position

	Notes	Association 2020 £'000	SHG £'000	Revaluation £'000	Association 2020 £'000 As restated
Tangible Fixed Assets					
Tangible Fixed Assets (housing properties)	12a	557,853	–	(147,391)	410,462
Tangible Fixed Assets (other)	12b	9,360	–	(1,234)	8,126
Intangible Fixed Assets	13	729	–	–	729
Investment properties	14	19,132	–	–	19,132
Investment – joint venture	16	2,477	–	–	2,477
		589,551	–	(148,625)	440,926
Current Assets					
Properties for sale	17	11,242	–	–	11,242
Debtors	18	5,278	–	–	5,278
Cash and cash equivalents		14,456	–	–	14,456
		30,976	–	–	30,976
Creditors: amounts falling due within one year	19	(20,120)	2,310	–	(17,810)
Net current assets		10,856	2,310	–	13,166
Total assets less current liabilities		600,407	2,310	(148,625)	454,092
Creditors: amounts falling due after more than one year	21	(295,514)	(54,082)	–	(349,596)
Pension Liability	27	(18,168)	–	–	(18,168)
Total net assets		286,725	(51,772)	(148,625)	86,328
Capital and reserves					
Called-up non-equity share capital	23	–	–	–	–
Revaluation reserve		157,883	–	(157,883)	–
Revenue reserve		128,842	–	(42,514)	86,328
Total reserves		286,725	–	(200,397)	86,328