Registered number: LH0888

PETER BEDFORD HOUSING ASSOCIATION LIMITED

Financial statements

Year ended 31 March 2022

INDEX

BOARD

Rupa Bhola
Corinna Bishopp
Tim Browning
Tim Butler
Kevin Farrell
Carly Fordham
Louise Graham
Andy Love
Pilar Sanchez
Jon Sibson
Cub Llewellyn-Davies (resigned 26th January 2022)

REGISTERED OFFICE

Kingsland Hub
242-248 Kingsland Road
London
E8 4DG

SOLICITORS

Devonshires
30 Finsbury Circus
London
EC2M 7DT

AUDITORS

Beever and Struthers
15 Bunhill Row
London
EC1Y 8LP

BANKERS

Barclays Bank PLC
Barclays Business
1st Floor
27 Soho Square
London
W1D 3QR

REGISTERED UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Registration number 20037R

REGISTERED BY THE REGULATOR OF SOCIAL HOUSING

LH 0888

Constitution

Peter Bedford Housing Association Limited (PBHA) is a Social Housing Provider registered under the Co-operative and Community Benefit Societies Act 2014 (Registration number 20037R).

Principal activities

The principal activity of Peter Bedford Housing Association Limited is the provision of housing with support and access to community activities, work experience, training and employment for people who have suffered social exclusion. This includes for example people who have been homeless, who face challenges through mental ill- health, or through drug or alcohol misuse, people who have been in prison and people with learning disabilities.

Review of results

The Association made a surplus for the year of £30,931 (2020-21: Surplus of £280,738) which compares unfavourably with a budgeted surplus of £228,049. The lower than budget operating surplus resulted from the end of a long-term Housing Related Support contract with LB Islington. The scale of the move on, property refurbishment and source of referrals led to a lower than planned occupancy rate. The outlook for 2022-23 is more positive as we have largely completed the transition.

Future Developments

PBHA has adopted a 5-year strategy, 2020-25. The focus is to meet growing demand for more supported homes expanding into the neighbouring boroughs we operate in. Our strategic objectives are to:

1. **Further Invest in homes which tenants are proud to call home**
2. **Increase Peter Bedford's viability, impact, and Value for Money**
3. **Place tenants at the centre of Peter Bedford**
4. **Strive for happiness at work**
5. **Build Partnerships**

In 2021-22, we established from a new Stock Condition Survey that we were on track against our 30-year asset management strategy. There will continue to be significant annual investment requirements. We are preparing for the end of 21-year leases across 68 units of our stock in 2025 and adapted our services following the end of two Supporting People contracts in Islington. We also began to expand our homes into Newham with funding from the Rough Sleeping Accommodation Programme and became an Investment Partner with the Greater London Authority.

Land and buildings

Details are set out in note 9. The Association's land and buildings appear on the Statement of Financial Position at cost.

Going Concern

The Board has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future and the going concern basis has continued to be adopted in preparing the financial statements.

Reserves

The Board have considered the need to maintain a level of reserves that will ensure both smooth day to day running of the organisation and allow for investment in improving and increasing its housing stock. PBHA's Business Plan to 2025 has been stress tested and projections to 2031 forecasted.

Board and Senior Management Team

During the financial period the following were members of the Board:

Andy Love (Chair to 30th September 2021)
Rupa Bhola
Corinna Bishopp
Tim Browning
Tim Butler
Kevin Farrell
Carly Fordham
Louise Graham
Cub Llewellyn-Davies (resigned 26th January 2022)
Pilar Sanchez
Jon Sibson (appointed Chair 30th September 2021)

The members of the Senior Management Team were:

Clare Norton	Chief Executive Officer
Chris Deacon	Director of Services
Neil Thorneycroft	Interim Director of Finance (until 1st March 2022)
Graeme Newton	Director of Finance (appointed 1st March 2022)

The Board members hold one fully paid share of £1 in the Association. The Senior Management Team members hold no interest in the Association's share capital and are not members of the Board.

Employee involvement

Employees are informed and consulted on matters concerning them through team meetings, team briefs, an annual staff and volunteer conference, and regular supervision meetings with their managers. PBHA also recognises and consults through Unite the Union.

Compliance with NHF Code of Governance (2015) and the Regulator of Social Housing's Governance & Financial Viability Standard

The Association complies with the National Housing Federation (NHF) Code of Governance: Promoting Board Excellence for Housing Associations 2015. We adopted the NHF Code of Governance 2020 in March 2022 and are working towards meeting this. The Board confirms that the Association has met the Regulator for Social Housing's regulatory expectations in the Governance and Viability Standard. The Chairappraises all Board members regularly to ensure the Board is developed to carry out its role.

Public Benefit Entity

As a public benefit entity, Peter Bedford Housing Association Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS102.

Responsibilities of the Board

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

(a) Shareholding membership

The Association has a shareholding membership of 21 which elect the Board at the Annual General Meeting. Of these, 8 are beneficiaries.

(b) Constitution of the Board

Board members may serve for a maximum of six years, those who have not reached their six-year term are required to stand down every three years and can offer themselves for re-election. A systematic approach to Board renewal ensures that Board members between them have the skills, qualities, and experience to properly oversee the Association's work. Three roles on the Board are dedicated for people with lived experience of using PBHA's or similar services.

(c) Involvement of tenants and participants

To improve tenant involvement the Association has established the Over to You group, house meetings, the Tenant and Participant Conference and the Property Panel. Tenants have delivered training to our housing teams. Tenants and participants are integral to developing the way in which the Association works. The Association has a Participation Strategy andan employee who leads on Participation. Tenants and participants run peer support groups, community connectors, the Digital Champions, gardening services, and publish The Rising Star, a quarterly tenant newsletter.

In 2021-22, we began the following new projects to assist tenants and participants, a Wellbeing project, DiY courses and Train the Trainer where we trained other community groups to set up their own Digital Champions programme. We continued our Digital Champions, Community Connectors, Gardening, Telephone Befriending, Money Management, Information, Advice and Guidance services to help tenants build skills, confidence and reduce loneliness. We also moved our Creative Industries Workshop to Kingsland Hub to ensure its longevity.

We have established a method to measure our Journey to becoming Tenant Lead by 2025 – the PBHA Participation Ladder. We self-assessed at the penultimate rung on the ladder – Tenants Influencing. A Tenant survey will be carried out in Summer 2022.

We continue to move forward on the areas tenants highlighted. 41% of tenants are either in work or seeking work having fallen from 48% due to rising numbers of new tenants with health conditions. We adapted our Enterprises and Training offer to help tenants to become more digitally skilled and this has stood us in good stead over the pandemic. Coming out of the pandemic gradually lead to increasing levels of service delivery, and we saw the numbers of participants who were digitally active rise back up above target to 66%. 23 tenants were involved in participation opportunities, 231 people received training and we supported 1 person into full-time employment. Moving tenants on in a planned and positive way fell from 90% to 73% as pent-up demand for move on was realised and the ban on evictions ended. 73% positive moves is a very good outcome against a target of 60%.

Our investment in major repairs and renewals to improve the housing grew this year as we improved fire safety measures and refreshed more empty properties when the Islington recovery service ended. Our Stock Condition Survey gave us a feasible and revised profile of investment for the coming 30 years.

(d) Managing diversity

The Association operates and monitors equal opportunities and anti-discrimination policies and procedures. It will always act in accordance with the Equality Act and best practice, and has an Equality and Diversity working party. Currently 71% of employees are women, 55% are Black or Minority Ethnic, 10% are aged under 30 (a further fall), 26% are aged over 55 (a rise of 10%), 10% have a disability, and 23% have Lived experience. These proportions broadly reflect the communities served and have stayed stable unless noted. We continue to encourage applications to increase greater ethnic diversity at senior level as well as from younger people more generally. PBHA has maintained its status as a Disability Confident Committed Employer, a Mindful Employer, and a London Living Wage employer. 49 people volunteered with PBHA, a slight increase from the previous year as we increased our activities following the pandemic. Wellbeing & Befriending support and Digital Champion were the most popular volunteering activities.

Staff engagement returned to more usual levels this year as seen in a number of metrics as the positive bounce from the pandemic faded. Staff turnover rose from 16% to 29% a more average level, average days lost to sickness rose from 4.89 days to 6.4 days and engagement fell from 71% to 66%. Slowly leaving the pandemic, employee wellbeing (long term illnesses) and the end of a significant supported housing contract has meant it has been difficult to keep engagement as high as 2020-21. Many people have also left the UK job market and so with more options for our colleagues it became more difficult to retain employees.

(e) Internal control

The Board has overall responsibility for the Association's whole system of internal controls and reviewing its effectiveness. No system of internal controls can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve the Association's objectives. The Association's system is designed to manage key risks and provide the Board with reasonable assurance that planned objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- **Identification and evaluation of key risks**
  Responsibility has been clearly defined for the identification, evaluation, and control of significant risks. The Board identified our key risks and agreed our Risk Management Strategy. There is an ongoing process of management review in each area of the Association's activities. The Senior Management Team regularly consider significant risks facing the Association and the Director of Finance & IT is responsible for reporting to the Board any significant changes affecting key risks. We have an organisation wide approach to identifying and managing risk.

- **Monitoring and corrective action**
  A process of control and regular monthly management reporting on control issues provides assurance to the Senior Management Team and to the Board. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements, the achievement of objectives or the delivery of our services.

- **Control environment and control procedures**
  The Board retains responsibility for a defined range of issues covering strategic, operational, financial, and compliance issues. The Board has adopted, and disseminated to all staff, a Code of Conduct. This sets out the Association's policies regarding the quality, integrity and ethics of its staff. We are refreshing this in 2022-23 to mirror the NHF's update. The Code of Conduct is supported by a framework of policies and procedures which staff must comply with. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

- **Information and financial reporting systems**
  Financial reporting systems include annual budgets, monthly management accounting, variance reporting and regular forecasting which we increased to monthly in-year. These are reviewed in detail by the Senior Management Team and are considered and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key objectives, targets and outcomes.

The Board has conducted its annual review of the effectiveness of the system of internal control in the Association for the year ended 31 March 2022 and until the signing of the financial statements. It has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

The Board confirms that there is an ongoing process for identifying, evaluating, and managing significant risks faced by the Association. This process has been in place throughout the year and is regularly reviewed by the Board.

The Coronavirus (Covid-19) pandemic continued throughout the reporting period and its impact is still felt into 2022-23. Trading income was marginal while expenditure on planned repairs, administration, training and employment services was also below expectations. Tenants' employment prospects continued to suffer, alongside their wellbeing due to isolation and the rising cost of living as tenants took longer to find opportunities as the pandemic started to come to a jerky end. As a consequence, we continued to invest heavily in employment and training support, particularly digital inclusion. Covid-19 did not impact on our ability to trade as a going concern, however, we needed to increase expenditure as we recovered from less investment in planned repairs due to the pandemic.

(f) Value for Money

This statement is written in accordance with the Value for Money Standard 2021 published by the Regulator of Social Housing.

The Board receives regular updates against our **performance scorecard** to monitor performance. A sample of the financial measures are below. Where relevant these measures are benchmarked with similar organisations through membership of Acuity http://www.arap.co.uk/

	Target for 2021-22	At 31 March 2022	At 31 March 2021
Operating margin %	7.1%	1%	9.04%
4 week running average of rent collected	£45,000	£43,074	£43,869
Current tenant arrears as a % of rent roll	7%	7.5%	8%
% of void loss	7%	15%	11.2.%
Funds raised incl. future and multi-year	£220,000	£221,311	£354,000
% of service users digitally active	60%	66%	56%

As expected, this year has seen a difficult transition from Recovery contracts in Islington moving to an Enhanced Housing Management service. The voids and refurbishment costs led to a reduced margin. The outlook for 2022-23 is more positive as we are successfully transitioning to an Enhanced Housing Management service.

Fundraising has been on track this year and has supported the Enterprises and training team adequately. Fundraising is often a very cyclical process and so the good performance of 2020-21 has not been maintained. However, there has been good progress in Supported housing with capital and revenue funding secured in Newham from the GLA.

The following metrics are required to be published in accordance with the Regulator of Social Housing's Value for Money standard. We have benchmarked them against peers in our Supported Housing benchmarking group.

VFM Metric	2022 Benchmark *	2022 PBHA	2022 Target	2022 Quartile	2021 Benchmark *	2021 PBHA
Reinvestment	0.85%	8.6%	Quartile 2	3	3.75%	1.7%
New Supply Delivered – Social Housing	0%	1.47%	2%	2	0%	0%
New Supply Delivered – Non Social Housing	0%	0%	0%	N/A	0%	0%
Gearing	10.06%	0%	0%	N/A	3.14%	3%
EBITDA MRI (Interest Cover)	193.25%	0%	N/A	N/A	681%	2,299%
Headline Social Housing Cost per Unit	£7,504	£8,220	Quartile 2	1	£8,366	£7,809
Operating margin – Social Housing Lettings	14.74%	5.7 %	Quartile 3	4	4.53%	5.33%
Operating margin – overall	5.74%	1.0%	Quartile 2	4	7.54%	9.04%
ROCE	2.91%	0.2%	N/A	3	4.06%	1.4%

*Acuity supported housing benchmarking peer group median with 12 members, Quartiles 1 = highest: 4 = lowest. The benchmark group is supported housing associations in London.

Our overall operating margin has fallen to quartile 4 from quartile 2 this year, as a result of low occupancy as mentioned previously. We expect our long-term strategy to grow our return (margin) so we can re-invest this into the long-term future of our properties to return to closer to expected levels in 2022-23 as we complete the transition from the Islington contracts and grow the number of homes we have. Our Social Housing Operating Margin has also remained at Quartile 4.

We have benchmarked for the first time as Quartile 2 for New Supply delivered, as we brought 4 new homes into our ownership during 2021-22. By the end of the year, we expect to have grown to 298 homes.

As a housing association which has not developed for a significant time, our gearing remains negligible but will increase in 2022-23 as we have entered into a partnership to buy more homes with Social and Sustainable Capital. The delivery of new homes has started as planned in 2021-22.

Our investment in improving properties over the long term in line with our Asset Management Strategy stalled this year due to reduced capacity. We have remained in quartile 3 on Reinvestment, this year we had significant capacity issues in the Property team. We expect 2022-23 to be more successful in this regard as we have restructured the team.

Our Headline social housing cost per unit has also performed well improving to quartile 1, exceeding our target of quartile 2. This benchmarking improvement is largely due to refining the reporting data as we have removed the Enterprises and Training services from the calculation to report solely on housing cost. We are continuing to see how streamlining our operations over the past few years, with central services reducing in size and scope, has improved this metric.

The **Social Impact** PBHA creates is central to PBHA's purpose, and we usually measure this impactusing the HACT Wellbeing Valuation Approach. For the third year we have completed the Housing Associations' Charitable Trust (HACT) Social Value Calculator which shows our work in 2021/22 has produced an overall social impact of £3.77M, across Housing (£1.65M), Enterprises and Training (£2.03M), and Property (£0.08M). At time of writing budget for these services has not been deducted to produce the net benefit.

The table (below) demonstrates how we performed against our Value for Money objectives in 2021-22:

Value for Money Objective	Action taken 2021-22
1. Improve satisfaction rates focusing on Overall satisfaction, the Quality of the home and Listening to tenants' views. We are aiming to reach quartile 3 in these areas. We will consider if the method we are using to gather satisfaction can be improved. We will pilot a handyman service to respond quickly to minor repairs.	The Tenant survey is taking place in 2022-23 and so no data is available to assess satisfaction. The survey will use the new RSH consumer metrics and will be carried out by independent researchers.
2. Achieve a void loss of 7.5% taking us to quartile 3 by promoting and achieving good pathways into the new Islington EHM service.	Void loss was 15% due to the loss and transition to a new service from a large Support contract in Islington.
3. Collect £45,000 rent each week improving current rent arrears rates to 6.5% and to benchmark at quartile 3.	£43,074 was collected each week with current arrears at 7.5%. Benchmarking at quartile 3 has been maintained. 101% of rent was collected where we benchmarked at Quartile 1.

Value for Money Objective	Action taken 2021-22
4. Expand with more services and homes into an additional borough, Newham and develop the remaining Hidden Homes for completion in year.	We expanded into Newham this year and brought 4 homes into ownership during the year, with a further 17 planned for 2022-23. Further support services are also in the pipeline in Newham.
5. Increase the number of people we support or house to 650, although this will continue to be very challenging due to Covid-19.	We worked with 580 people in the year. The shortfall is due to the further Covid restrictions in year and our clients' lack of confidence to engage in training activities.
6. Achieve an operating margin of 7.4%	We achieved a small margin of 1% as explained previously, although more positively we achieved 5.7% Social Housing lettings Operating margin.
7. Achieve £2,500,000 social impact created across Peter Bedford HA using the HACT Wellbeing Valuation Approach and embedding the Wellbeing star tool we use to capture social impact.	We achieved £3,770,000 social impact in 2021-22. Our services did largely recover from the pandemic. We will seek to return to pre pandemic levels in the coming year.
8. The Enterprises and Training service to maintain their break-even position year on year ongoing.	This department did maintain its break-even position and contributed towards Overheads, albeit it achieved £25,000 less than budget.
9. Establish the Make and Meet space at Kingsland Hub adjusting to presenting needs arising from Covid-19 particularly Digital and Construction skills, and the increase in working EHM tenants.	The Make and Meet space has been established with Construction skills, DIY and Digital courses running in the space.

Achievements

1. We caught up with investment in the housing stock by 2021-22 as identified by a new Stock Condition Survey. We have invested in our homes, fitting fire alarms, fire doors, kitchens, bathrooms and roof works.

2. We secured funding from the Greater London Authority and Social and Sustainable Capital (social investment) to acquire and refurbish 12x1 bedroom flats to support and house former rough sleepers in Newham, achieving Investment Partner status.

3. We let all commercial units by the year end, recovering from the downturn of the pandemic.

4. We re-tendered the audit and secured a new company, Beever and Struthers for 3 years of annual audit in a period when several auditors have left the social housing market.

5. We ended the responsive repairs contract with Gilmartins, moving to local smaller providers with the aim of improving satisfaction rates at a marginal increase in cost.

6. We established Occupancy and Customer Service strategies from collaborative deep dive reviews which identified areas for improvement.

7. We navigated the end of Islington Supporting People contracts and expanded the Enhanced Housing Management service into the borough bringing greater independence and less reliance on commissioners.

8. We reconfigured several supported housing homes to general needs to better meet tenants needs.

9. We established our Community Connector model in Hackney with intentions to use our experience to expand into neighbouring boroughs.

10. We invested in improved IT infrastructure through M365 upgrade to improve reliability and security.

Our **Value for Money action plan** for 2022-23 is to:

1. Achieve a void loss of 7.7% taking us to quartile 3.
2. Collect £45,000 rent each week improving current rent arrears rates to 6.5% and to benchmark at quartile 3.
3. Achieve 298 homes in management and develop a clear Asset Management Plan to 2030 to maximise Return on Capital Employed.
4. Increase the number of people we support or house to 650 from expanding into Newham and maximising the Community Connector programme.
5. Achieve an operating margin of 6.2%
6. Achieve £4,300,000 social impact created across Peter Bedford HA using the HACT Wellbeing Valuation Approach and embedding the Wellbeing star tool we use to capture social impact.
7. The Enterprises and Training service will maintain their break-even position year on year ongoing, delivering a contribution to overheads and value for money to tenants.
8. Reduce Headline social housing cost to £6,612 aiming to maintain quartile 1.
9. Raise £220,000 multi-year funding to support new Housing, Enterprises and Training services.
10. We will achieve Cyber Essentials to augment our cyber security. We will also supply fully peripatetic IT and electronic forms for Housing and Property staff to increase their efficiency and reduce administrative duplication.

Our **Value for Money action plan** to 2025 is to:

1. Reduce void rates to 5.5% or quartile 2 from 4.

2. Achieve high rent collection rates at quartile 2 or 3 achieving 100% after voids.

3. Grow the margin to meet the requirements for investment in the housing stock to £350,000 per annum through achieving quartile 1 Headline Social Housing Cost.

4. The Enterprises and Training service to maintain viability through combined financial and social impact measures.

PBHA's Annual Impact Report and Social Impact Statements 2021-22 will be published on our website. Our Annual Impact Report will be distributed to our stakeholders - tenants, referral agencies, funders and local government agencies.

(g) Board members' indemnity

The Board has confirmed that the Association does have Board member and Officers insurance in place.

(h) Financial instruments

The Association does not have any abnormal exposure to price, credit, liquidity, and cash flow risks arising from its trading activities. The Association does not enter into any hedging transactions and no trading in financial instruments is undertaken.

(i) Disclosure of information to the auditor

In the case of the persons who were Board members of the Association at the date when this report was approved:

- So far as each of the Board members is aware, there is no relevant audit information of which the auditor is unaware; an
- Each Board member has taken all the steps that they ought to have taken as a Board member to inform themselves of any relevant audit information (as defined) and to establish that the auditor is aware of that information.

On behalf of the Board

Jon Sibson
Chair

28 July 2022

Opinion

We have audited the financial statements of Peter Bedford Housing Association Limited "the Association" for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cashflows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to Going Concern

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

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

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

Other Information

The other information comprises the information included in the Board Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by Exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Board's Responsibilities Statement set out on page 4, the Board are 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 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 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 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 based on the financial statements.

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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Association's activities and the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Use of the audit report

This report is made solely to the Association, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association 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 for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Statutory Auditor, Chartered Accountants
15 Bunhill Row
London EC1Y 8LP

Date: 28 September 2022

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER	3	**2,940,552**	3,357,369
Operating costs	3	**(2,882,299)**	(3,053,876)
OPERATING SURPLUS		**58,253**	303,493
Finance income		**210**	4,998
Interest and financing costs	5	**(27,532)**	(27,753)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**30,931**	280,738

The notes on pages 21 to 38 form an integral part of these financial statements.

The financial statements on pages 16 to 38 were approved by the Board of Management on 28 July 2022 and were signed on its behalf by:

Jon Sibson
Chair of the Board of Management

Corinna Bishopp
Member of the Board of Management

Clare Norton
Secretary

PETER BEDFORD HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
At 31 March 2022

	Notes	**2022** £	2021 £
TANGIBLE FIXED ASSETS			
Housing properties – cost less depreciation	9	**10,950,150**	10,185,305
Other property, plant & equipment – cost less depreciation	10	**3,168,256**	3,221,127
TOTAL FIXED ASSETS		**14,118,406**	13,406,432
Stock		**14,143**	14,143
Debtors	11	**97,717**	143,485
Cash at bank and in hand		**3,480,146**	3,068,513
		3,592,006	3,226,141
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	**(776,827)**	(775,832)
NET CURRENT ASSETS		**2,815,179**	**2,450,309**
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,933,585**	**15,856,741**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	**(9,677,495)**	(8,631,574)
NET ASSETS		**7,256,091**	7,225,167
CAPITAL AND RESERVES			
Share capital	16	**21**	28
Revenue reserves		**7,256,070**	7,225,139
TOTAL CAPITAL AND RESERVES		**7,256,091**	**7,225,167**

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STATEMENT OF CHANGES IN RESERVES
At 31 March 2022

	Revenue Reserves 2022	Revenue Reserves 2021
	£	£
BALANCE AT 1 APRIL	7,225,139	6,944,401
Surplus from Statement of Comprehensive Income	30,931	280,738
BALANCE AT 31 MARCH	**7,256,070**	**7,225,139**

PETER BEDFORD HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
NET CASH INFLOW FROM OPERATING ACTIVITIES					
CASH FLOWS FROM FINANCING ACTIVITIES	**A**		26,736		525,006
Interest paid		(27,532)		(27,753)	
Interest received		209		4,998	
Housing loan repaid		-		(295)	
New loans		1,271,817		(20,487)	
New housing grant		95,000		-	
Shares forfeited		(7)		(1)	
			1,339,487		(43,538)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions: works to existing housing properties		(185,696)		(107,430)	
Additions: new housing properties		(754,194)		-	
Purchase of other fixed assets		(14,700)		(14,460)	
Proceeds from the disposal of housing properties		-		-	
			(954,590)		(121,890)
NET CHANGE IN CASH AND CASH EQUIVALENTS			411,633		359,578
Cash and cash equivalents at the beginning of the year			3,068,514		2,708,936
Cash and cash equivalents at the end of the year			**3,480,147**		**3,068,514**

A) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Surplus / (deficit) for the year	30,931	280,738
Movement in stock	-	1,813
Movement in debtors	45,769	184,484
Movement in creditors	32,442	(2,044)
Depreciation	242,615	252,785
Impairment to housing properties	-	-
Movement in capital grants	(170,000)	(170,000)
Grant recycled	-	-
Movement in pension liability	(182,344)	(45,525)
Surplus on disposal of housing properties	-	-
Interest payable	27,532	27,753
Interest received	(209)	(4,998)
Net cash inflow from operating activities	**26,736**	**525,006**

ANALYSIS OF NET DEBT

2022

	At 31 March 2021	Cash flows	Other changes	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	3,068,513	411,633	-	3,480,146
Overdrafts	-	-	-	-
	3,068,513	411,633	-	3,480,146
Debt due within one year	27,165	-	-	33,581
Debt due after more than one year	284,266	1,265,401	-	1,549,667
Current asset investments	-	-	-	-
	311,431	1,265,401	-	1,583,248

2021

	At 31 March 2020	Cash flows	Other changes	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	2,708,936	359,577	-	3,068,513
Overdrafts	-	-	-	-
	2,708,936	359,577	-	3,068,513
Debt due within one year	27,165	-	-	27,165
Debt due after more than one year	305,047	(20,781)	-	284,266
Current asset investments	-	-	-	-
	332,212	(20,781)	-	311,431

GENERAL INFORMATION

Peter Bedford Housing Association Limited (PBHA) is a Social Housing Provider registered under the Co-operative and Community Benefit Societies Act 2014 (Registration number 20037R) and registered with Homes England (Registration number LH0888).

1. ACCOUNTING POLICIES

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

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting as modified to include certain items at fair value.

The Association meets the definition of a public benefit entity as defined by FRS 102

(b) Turnover and revenue recognition

Turnover represents rental and service charge income receivable, amortised capital grant, revenue grants from Local Authorities and Other Agencies, and other income.

Rental income is recognised when the property is available for let, net of voids. Service charge income and costs are recognised on an accruals basis. Supporting People income is recognised under the contractual arrangements.

Supporting People (SP) contract income received is accounted for as SP income in turnover as per note 2. The related support costs are matched against this income in the same note. Supporting charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs

(c) Depreciation and impairment

Housing Properties

Tangible fixed assets are stated at cost, less accumulated depreciation and any recognised impairment loss. Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Roofs:	70 years	Electrical installations:	40 years
Kitchens:	20 years	Mechanical systems:	30 years
Bathrooms:	30 years	Windows:	30 years
Boilers:	15 years	Structure	100 years

1. ACCOUNTING POLICIES (Continued)

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the Statement of Comprehensive Income. When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods.

Other property, plant & equipment (PP&E)

Depreciation is calculated to write off the cost of other PP&E over their estimated useful lives as follows:

Head office fit-out	33⅓ % straight line
Computer equipment	33⅓ % straight line
Office and shop equipment	20 % straight line

The costs of acquisition of the Head Office lease are being written off over the lifetime of the lease which is 250 years.

(d) Social Housing Grant (SHG) and other grants

Where housing properties have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model.

Grants received from non-government sources are recognised as revenue using the performance model.

(e) Improvements to properties

Expenditure on existing housing properties, other than the replacement of components, is capitalised when it:

- Relates to a major overhaul of the property;
- Improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through an extension of the life of the property.

Expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the statement of comprehensive income in the period in which it is incurred.

(f) Interest and financing costs

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. Interest charges arising after that date are charged to the income and expenditure account.

Loan interest costs

Loan interest costs are calculated using the effective interest rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined based on the carrying amount of the financial liability at initial recognition.

Loan finance issuance costs

Arrangement fees, agency fees and related legal fees payable when entering new loans are capitalised then charged to the statement of comprehensive income over the life of the loan via the effective interest method.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits.

(h) Loans

All loans held by the Association are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

(i) Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

(j) Pension costs

Contributions payable to individual staff member's pension schemes are charged to the statement of comprehensive income in the period to which they relate.

(k) Taxation

By virtue of s.478 Corporation Tax Act 2010, the Association has charitable status and is not subject to corporation tax on surpluses as a result of, or earned in furtherance of, its charitable objectives.

(l) Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents are classified as basic financial instruments and are held at cost. These comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (continued)

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

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

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discountingis omitted where the effect of discounting is immaterial.

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

(m) Stock

Stock is carried at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. This is less any provision for stock unlikely to be sold.

At each reporting date, stock is assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income

(n) Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over periods benefiting from the employees' services.

The association participates in the Social Housing Pension Scheme (SHPS), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions (TPT). In accordance with FRS 102 paragraphs 28.11 and 28.11A and Housing SORP 2018 paragraphs 15.9 to 15.12, SHPS had been accounted for as a defined contribution scheme and a liability recognised for the present value of the landlord's deficit funding agreement.

Following changes made to systems and processes by TPT however, sufficient information is now available for SHPS. The association has been able to identify its share of the scheme assets and scheme liabilities and has applied defined benefit accounting from 2019. In May 2019, the Financial Reporting Council (FRC) issued amendments to FRS 102: Multi-employer defined benefit plans. The amendments require that the impact of transition from defined contribution accounting to defined benefit accounting be presented in other comprehensive income.

Consistent with the amendment to FRS 102 paragraph 28.11B, the difference between the deficit funding liability and the net defined benefit deficit for SHPS has been recognised in Other Comprehensive Income.

(o) Going concern

After reviewing the Association's forecasts and projections and considering the implications of the Covid-19 pandemic on cash flows, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Association continues to adopt the going concern basis in preparing its financial statements.

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following is a management judgement in applying the accounting policies of the Association that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties
The Association has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. The assessment is that there are no current indicators of impairment.

Capitalisation of works to existing properties
The Association capitalises work to existing properties in accordance with the accounting policy on housing properties.

Estimation uncertainty

Arrears provisioning
Provision is made for any impairment of arrears of rents. These provisions require management's best estimate of the recoverability of arrears by reference to estimated future cash flows from identified groups of debtors and judgements to identify appropriate groups of debtors within the overall arrears that have similar credit risk characteristics. These formulae are kept under active review and reflect changes in credit risk characteristics. The current provision is based on 100% of former arrears, 100% of current arrears in excess of £1,500 and 50% of current arrears above £1,000 but below £1,500.

Grant to income
Government grants relating to housing properties are recognised in income over the expected useful life of the housing property structure. The Association considers whether there are any indications that the useful lives require revision at each reporting date to ensure that the recognition of income remains appropriate.

ACCOUNTING POLICIES (Continued)

Components of housing properties and useful lives
Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The association considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

		2022	
	Turnover	**Operating Costs**	**Operating Surplus**
	£	**£**	**£**
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation (Note 3a)	**2,375,688**	**(2,309,864)**	**65,824**
OTHER INCOME AND EXPENDITURE			
Office Sub-lease income	**49,219**	**-**	**49,219**
Other	**2,198**	**-**	**2,198**
Supporting people contract income, grants from Local Authorities and other contract income	**513,447**	**(572,435)**	**(58,988)**
OPERATING SURPLUS	**2,940,552**	**(2,882,299)**	**58,253**

		2021	
	Turnover	**Operating Costs**	**Operating Surplus**
	£	£	
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation (Note 3a)	2,497,767	(2,194,461)	303,306
OTHER INCOME AND EXPENDITURE			
Office Sub-lease income	70,730	-	70,730
Other	67,344	-	67,344
Supporting people contract income, grants from Local Authorities and other contract income	721,528	(859,415)	(137,887)
OPERATING SURPLUS	3,357,369	(3,053,876)	303,493

3a. INCOME AND EXPENDITURE FROM LETTINGS

Housing	General Needs Housing	Supported Housing	Total 2022	Total 2021
	£	£	£	£
Income				
Rents	347,466	845,904	**1,193,370**	1,370,828
Service charges	150,045	862,273	**1,012,318**	956,939
Amortised government grant	-	170,000	**170,000**	170,000
Total income from lettings	497,511	1,878,177	**2,375,688**	2,497,767
Expenditure				
Services	194,286	472,988	**667,274**	667,415
Management	184,014	447,980	**631,994**	612,836
Routine maintenance	182,550	444,416	**626,966**	573,780
Planned maintenance	23,134	56,318	**79,452**	131,088
Lease costs	23,370	-	**23,370**	33,430
Depreciation of housing properties	41,187	100,269	**141,456**	141,454
Rent losses from bad debts	40,574	98,778	**139,352**	34,458
Total expenditure on lettings	689,115	1,620,749	**2,309,864**	2,194,461
Operating surplus/(deficit) on letting activities	(191,604)	257,428	**65,824**	303,306
Void losses	114,204	278,028	**392,231**	257,414

4. SURPLUS FOR THE YEAR

is calculated after charging:	2022	2021
	£	£
Depreciation of tangible fixed assets	**242,617**	252,788
Impairment of housing properties	**–**	–
Amortisation of government grants	**(170,000)**	(170,000)
Auditors remuneration audit (excl VAT)	**13,000**	10,150
Operating lease rentals	**3,471**	7,396

5. INTEREST AND FINANCING COSTS

	2022	2021
	£	£
On loans repayable wholly or partly in more than 5 years	**26,015**	**21,241**
Pension interest	**1,517**	**6,512**
	27,532	27,753

6. TAXATION

No taxation charge arises as the Association has been granted charitable status by HM Revenue & Customs.

7. STAFF COSTS

	2022	2021
	£	£
Staff costs including directors:		
Wages and salaries	**1,051,338**	1,140,501
Social security costs	**100,136**	110,306
Pension and other costs	**45,313**	52,899
	1,196,787	1,303,706

	Number	Number
Average number of persons expressed as full time equivalents (including the directors) employed during the year	**32**	31

The number of persons is calculated by dividing the total number of paid staff hours each month by the Association's standard working week of 37.5 hours.

All staff members are eligible to join the pension provided by The Pensions Trust on a Defined Contribution basis. The Pension liability (note 18) relates to a closed Defined Benefit Pensions scheme.

8. DIRECTORS' AND THE EXECUTIVE OFFICERS' EMOLUMENTS

	2022	2021
	£	£
The aggregate emoluments paid to or receivable by the Chief Executive and Management Group	156,694	169,194

The emoluments of directors and the executive officers disclosed above (excluding pension contributions and benefits in kind) include amounts paid to:

8. DIRECTORS' AND THE EXECUTIVE OFFICERS' EMOLUMENTS (Continued)

The highest paid director - Chief Executive Officer (CEO)	**78,919**	76,094

The CEO is the only member of staff having a salary over £60,000. The CEO is an ordinary member of the TPT Retirement Solutions defined contribution scheme. The CEO's pension contributions for the year amounted to £4,037 (2021: £3,881). The Board received no emoluments in the year (2021: nil). No members received reimbursement of travel expenses (2021: 2 totalling £169)

9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties £
Cost	
At 1 April 2021	11,886,209
Additions: new properties	754,194
Additions: works to existing properties	185,696
Disposals	-
At 31 March 2022	12,826,099
Depreciation	
At 1 April 2021	1,700,904
Charge for year	175,046
Disposals	-
At 31 March 2022	1,875,950
Net book value	
At 31 March 2022	**10,950,150**
At 31 March 2021	10,185,305

Housing properties at net book value comprise	**2022** £	2021 £
Freeholds	10,653,253	10,013,648
Long leaseholds	296,897	171,657
	10,950,150	10,185,305

	2022 £	2021 £
Works to existing properties	**510,666**	485,642
Less: Amounts capitalised in housing properties components	**185,696**	107,431
Amounts charged to the Statement of Comprehensive Income	324,970	378,211

10. TANGIBLE FIXED ASSETS – OTHER

	Kingsland Hub Building	Computers	Office & Shop Equipment	TOTAL
	£	£	£	£
Cost				
At 1 April 2021	3,453,194	182,018	171,383	3,806,595
Additions: new properties	-	14,700	-	14,700
Disposals	-	-	(44,723)	(44,723)
At 31 March 2022	3,453,193	196,718	126,661	3,776,572
Depreciation				
At 1 April 2021	263,843	154,502	167,123	585,468
Charge for year	42,936	21,624	3,011	67,571
Disposals	-	-	(44,723)	(44,723)
At 31 March 2022	306,779	176,126	125,411	608,316
Net book value				
At 31 March 2022	**3,146,414**	**20,592**	**1,249**	**3,168,256**
At 31 March 2021	3,189,351	27,516	4,260	3,221,127

11. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Rental and service charge debtors	**259,200**	218,417
Less: provision for bad debts	**(194,917)**	(91,665)
	64,283	**126,752**
Other contracts and sales debtor	**14,626**	14,626
Other debtors, prepayments and accrued income	**18,807**	2,107
	97,717	143,485

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	**211,395**	205,899
Rent paid in advance	**37,991**	46,464
Taxation and social security payable	**14,979**	18,231
Accruals and deferred income	**114,241**	187,093
Loans	**33,581**	27,165
Other creditors	**170,610**	59,087
Government grants (note 13)	**170,000**	170,000
Pension scheme liability (note 18)	**24,029**	61,893
	776,826	775,832

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Head Office and Housing loans	**1,549,667**	**284,266**
Government grants (note 14)	**8,089,727**	**8,164,727**
Pension scheme liability (note 18)	**38,101**	**182,581**
	9,677,495	**8,631,574**

The loan for the acquisition of the Head Office is secured by a legal charge over the premises at 242-248 Kingsland Road and is repayable over 15 years at a rate of interest of 4.3%. Housing loans are secured by specific charges on the Association's housing properties and are repayable at rates of interest of 9.5% and 10.125%.

	2022	2021
	£	£
Amounts repayable by instalments:		
Repayable within one year	**33,581**	**27,165**
Repayable between two and five years	**134,325**	**108,662**
Repayable after five years	**1,415,342**	**175,604**
	1,583,248	**311,431**

14. GOVERNMENT GRANTS – DEFERRED INCOME

	2022	2021
	£	£
At 1 April	**8,334,727**	8,504,727
New grant issued	**95,000**	–
Amortised to Statement of Comprehensive Income (note 3a)	**170,000**	170,000
Recycled grant on disposal	–	–
At 31 March	**8,259,727**	8,334,727
Due < 1 year (note 11)	**170,000**	170,000
Due > 1 year (note 12)	**8,089,727**	8,164,727

The cumulative amount of SHG received by the Association was £10,381,060 (2021: £10,286,060).

15. FINANCIAL INSTRUMENTS

The carrying values of the Association's financial assets and liabilities are summarised by category below:

	2022	2021
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Rent arrears and other debtor (see note 10)	**97,717**	81,965
Cash and cash equivalents	**3,480,146**	3,068,513
	3,577,862	3,150,478
Financial liabilities		
Measured at amortised cost		
Loans payable	**1,583,248**	311,432
Measured at undiscounted amount receivable		
Trade and other creditors (see note 11)	**534,237**	338,024
	2,117,485	649,456
Interest income and expense		
Total interest income for financial assets at undiscounted amount	218	4,998
Total interest expense for financial liabilities at amortised cost	(27,532)	(21,241)

16. SHARE CAPITAL

	2022	2021
	£	£
At 31 March	**28**	26
Issued during the year	**-**	3
Forfeited during the year	**(7)**	(1)
At 31 March	**21**	28

The shares, with a Par value of £1, provide members with the right to vote at general meetings butdo not have a right to any dividend or distribution in a winding-up, and are not redeemable.

17. RESERVES

Revenue reserves represent the cumulative surplus and deficits of the Association.

18. PENSION OBLIGATIONS

SCHEME: TPT Retirement Solutions – The Growth Plan

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the Association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

18. PENSION OBLIGATIONS (Continued)

	31 March 2022 (£s)	31 March 2021 (£s)	31 March 2020 (£s)
PRESENT VALUE OF PROVISION			
Present value of provision	59,938	244,581	289,796

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

Provision at start of period	244,581	289,796
Unwinding of the discount factor (interest expense)	1,410	6,512
Deficit contribution paid	(61,893)	(60,091)
Remeasurements - impact of any change in assumptions	(1,378)	8,364
Remeasurements - amendments to the contribution schedule	(122,782)	-
Provision at end of period	59,938	244,581

INCOME AND EXPENDITURE IMPACT

Interest expense	1,410	6,512
Remeasurements – impact of any change in assumptions	(1,378)	8,364
Remeasurements – amendments to the contribution schedule	(122,782)	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the Association.

ASSUMPTIONS

Rate of discount	2.35	0.66	2.53

18. PENSION OBLIGATIONS (Continued)

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SCHEME: TPT Retirement Solutions - The Growth Plan

The following schedule details the deficit contributions agreed between the Association and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2022 (£s)	31 March 2021 (£s)	31 March 2020 (£s)
Year 1	21,837	61,893	60,091
Year 2	21,837	63,750	61,893
Year 3	18,198	65,663	63,750
Year 4	-	56,360	65,663
Year 5	-	-	56,360
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-
Year 11	-	-	-
Year 12	-	-	-
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The Association must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

18. PENSION OBLIGATIONS (Continued)

The Association must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the Association's balance sheet liability.

19. CAPITAL COMMITMENTS

	2022	2021
Capital expenditure contracted for but not provided	-	-
Capital expenditure authorised but not contracted	**4,752**	368,835

Capital commitments are financed through existing capital resources.

20. OTHER FINANCIAL COMMITMENTS

Total minimum lease payments under non-cancellable operating leases are as follows

	2022	2021
	£	£
Payments due:		
Within 1 year	**3,471**	3,471
Between one and five years	**8,967**	12,438
After 5 years	**-**	-
	12,438	15,909

Other financial committements relate to 21-year leases payable to Clarion Group in respect of 68 units. The leases expire in 2025.

21. SOCIAL HOUSING UNITS / BEDSPACES IN MANAGEMENT

There were no units under development at year end (2021 Nil).

	2022	2021
Under management at end of year	**Units**	Units
Owned:		
Housing accomodation	**80**	65
Supported housing	**201**	201
	281	266
Managed for others:		
Housing accomodation	**-**	1
Supported housing	**-**	10
	-	**11**
	281	277

22. RELATED PARTY TRANSACTIONS

There are no related party transactions.

23. EXTERNAL SUPPORT

23.1 Westcroft Trust, a private trust in the process of closing down, sent us an unsolicited grant of £50,000.

23.2 Garfield Weston Foundation provided £25,000 towards our Enterprises and Training work.

23.3 Bailey Thomas Charitable Fund granted us £13,017 towards our Enrichment programme for people with learning disabilities.

23.4 Homeless Link provided £25,000 to infill staff taking part in the Responding to the Resilience Risk 2 training programme, co-funded alongside the Oak Foundation.

23.5 The Charity of Sir Richard Whittington Second of three years in funding of £84,592 towards work with older people.

23.6 The City Bridge Trust Second of two-year grant of £125,700 towards Enterprises and Training.

23.7 Good Things Foundation provided two small grants, of £2,000 and £3,600 respectively, to support cohorts of local residents, including those with learning disability, to gain basic digital skills. The grants came with sets of devices to be issued to each individual beneficiary.

24. LEGISLATIVE PROVISIONS

PBHA is an independent association and is incorporated under the Co-operative and Community Benefit Societies Act 2014.