



Croydon Churches Housing Association Limited
Financial Statements
For the Year Ended 31 March 2022

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Croydon Churches Housing Association Limited

Board, Executive & Advisers

Secretary & Registered Office

Chris Abad
6th Floor, Norfolk House
Wellesley Road
Croydon
CR0 1LH

Board Members

Heather Thomas (Chair of ccha)
Neil Perrins (Chair of Audit and Risk Committee)
Mark Collins
Tracy Cullen (CE of ccha)
Abigail Lock (Chair of Remuneration and Nomination Committee)
Carolyn Porretta (Chair of Development Committee)
Ken Morgan (Resigned 15 September 2021)
Nathan Gravesande
Julian Chun (Appointed 1 September 2021)
Marcella Jenoure (Appointed 1 September 2021)
Nancy Callender (Independent Member)
Phiroze Dastur Mackenzie (Independent Member)
Felicity Gentle (Independent Member)

External Auditors

Beever and Struthers
15 Bunhill Row
London
EC1Y 8LP

Internal Auditors

RSM Risk Assurance Services LLP
25 Farringdon Street
London
EC4A 4AB

Bankers

NatWest
County Gate 2
Staceys Street
Maidstone

Executive Officers / Senior Management Team

Tracy Cullen	Chief Executive
Chrishanti Shah	Director of Finance and Resources
Sarah Revett	Director of Customers
Steve Fox (Appointed 5 th April 2021)	Director of Homes

Registered under the Co-operative and Community Benefit Societies Act 2014 (17772R)

Regulator of Social Housing Registration No. LH0495

Report of the Board of Management

The Board present the financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

Croydon Churches Housing Association Limited's ("ccha") principal activities are the development and management of social housing. ccha provides homes for families, couples and single people, independent living for older people and specialist projects for those who need support as well as a home to live in.

REVIEW OF RESULTS

ccha made an overall surplus of £1.99m for the year ended 31 March 2022 before the recognition of the multi-employer defined benefit scheme. This compares to a surplus of £1.65m for the year ended 31 March 2021.

BUSINESS AND STRATEGIC PLANS

ccha's vision is "delivering on our promises" and we work to a key set of values which underpin the culture of the organisation which are:



To help achieve the vision we are in Year 3 of our 5 year business plan "ccha2025" .

Our Plan has five key priorities for the five years:

- Resident voice
- Our people (staff and partners)
- Safety – landlord, employer, business
- More homes – affordable, good quality, sustainable
- Better value for money – performance, risk and services

With an overarching commitment to ensure all activities are linked to our community.

EMPLOYEES

The Association's policy is to consult directly with employees through quarterly staff briefings and regular team meetings. Additional information is given through internal communications systems.

Emphasis is placed on training for all staff using both internal and external facilities to encourage staff in personal development. Suitable procedures are in operation to support ccha's policy that disabled persons shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities.

The Association employs specialist consultants, Citation PLC, to advise its managers on complying with all aspects of legislation in relation to employees. They provide a dedicated helpline and training facilities on forthcoming legislation, including changes on age discrimination and EEC Directives.

EQUALITY AND DIVERSITY

As a housing provider and employer, we can reduce the disadvantages that some people experience, by making our services more responsive and accessible to a diverse range of individual and community needs. We are committed to listening to our internal and external customers and involving them in the development of services and recognising the value of their diversity. We want our colleagues to feel that in everything they do they are valued and are making a difference and that the Board actively promotes fairness and the elimination of prejudice in all the activities of the Association.

During our previous business plan Commitment2020, we signed up to the Chartered Institute of Housing Equality and Diversity Charter and delivered a number of initiatives through this including detailed and impactful resident surveys, support for the Legacy Youth Zone, promotion of ccha's Horizon programme which tackles worklessness and offering residents digital workshops.

This new ED&I strategy supports the new business plan ccha2025 and underpins our commitment to promote equality, diversity, and inclusion (ED&I), and to meet the needs and expectations of all our employees and customers. Our goal is for our workforce to be truly representative of all sections of society, and for each employee and customer to feel respected and valued.

As an organisation we have committed to a renewed focus on ED&I over the next 5 years with four key strategic objectives detailed below to give an overview of ccha's plan moving forward.

- The organisation has a clear idea of its strengths and weaknesses with regards to equality, diversity and inclusion and areas for development.
- Equality, Diversity, and Inclusion is core to the organisations values and ethos and communicated to staff, residents, and service users.
- Prejudice-related incidents are dealt with effectively and staff, customers and contractors have confidence in the process.
- A diverse team with engaged and talented staff who are innovative and truly understand customer needs.

BOARD OF MANAGEMENT

The Board comprises 9 members. The overall role of the Board is to direct ccha in accordance with its rules and objectives on behalf of the shareholders, tenants, employees and community at large. The Board meets at least six times a year. The Board members as at 31 March 2022 are listed on page 3.

LEADERSHIP TEAM

The Leadership Team comprises those Senior Managers listed on page 3. They are responsible for the day to day management of ccha within the authority delegated by the Board.

Annual Statement of Internal Controls 2021/22

Introduction

The Regulator for Social Housing (RSH) is responsible for the regulation of social housing providers in England. It has two distinct roles set out in statute in relation to economic and consumer regulation. Both documents emphasise the RSH's general approach as being one of co-regulation with more responsibility on the Board to ensure compliance against both the consumer and the economic standards.

The Board are required annually to confirm compliance of the regulatory standards within the financial statements. For them to have confidence in providing this assurance, they must satisfy themselves that they have the correct monitoring tools and reporting mechanisms in place to ensure that we remain compliant with all regulatory standards.

This report outlines what our main monitoring and reporting mechanisms are and aims to provide assurance to the Board that we are compliant with all relevant regulatory standards.

Compliance with the RSH Regulatory Standards

Consumer Standard

The Consumer Standard covers compliancy with Tenant Involvement and Empowerment, Home, Tenancy, and Neighbourhood and Community.

In the current standard the RSH can only use its regulatory and enforcement powers if they think that there has been a failure to meet a consumer standard and there are reasonable grounds to suspect that:

- the failure has resulted in serious detriment to the provider's tenants (or potential tenants), or.
- there is significant risk that, if no action is taken by the regulator, the failure will result in serious detriment to the provider's tenants (or potential tenants).

We have used our own self-assessment tool to evaluate our compliance and we believe that this confirms our full compliance with the requirements of the consumer standards.

Economic Standard

The economic standards relate to governance and financial viability, value for money and rent. The RSH will review information such as the financial statement, the business plan, financial forecast return and value for money statement annually and provide a grading based upon this information. They are looking for assurance in the following areas:

- Financial strength
- Vulnerability to covenant breaches
- Liquidity
- Governance
- Risk management and risks to social assets including stress testing

There is a greater emphasis on good governance and risk management in the latest standards in recognition of the government's requirement for co-regulation.

Governance

This is the last year that we will measure our governance standards against the National Housing Federation (NHF) Code of Governance 2015. From next year 22/23, we will self-assess against the Code of Governance 2020. Annually, the Company Secretary uses the Campbell Tickell standard checklist developed on behalf of the NHF to allow us to self-assess our compliance against the appropriate code. From this assessment, we believe that we are compliant with all aspects of the NHF Code of governance 2015.

We are required to ensure that the organisation “adheres to all relevant law” and as such we have developed a self-assessment tool which we believe identifies all relevant law appropriate to our sector and business. The results of our self-assessment are enclosed in Appendix 3 of this report.

The RSH conducted an In-Depth Assessment of ccha in February/March 2022 and the judgement was a V1 G2 which is compliant. There are four main action points which the Regulator has asked us to address and we have developed an action plan which we believe addresses these points. This will be approved by the Board and the Regulator in August. The action plan should be completed over 12 – 18 months but work will start on it in the next two months and the majority of actions are set for the next 12 months. A Task and Finish Group will be formed to monitor progress and ensure that we remain on track, we will also provide regular updates for the Regulators.

Financial Viability

The Board developed and approved the five-year plan ccha2025 and Year 3 objectives were approved by the Board in March 2022. Progress, achievements, and areas of concern are reported to the Board at least annually. A full financial plan linked to the business plan is stress tested and approved by the Board annually.

We are financially viable and have a strong surplus which is invested in the services provided to our residents and new homes.

We have an Assets and Liability register which is reviewed and updated regularly.

We have an approved Asset management strategy, and an active asset management report is brought to the Board annually to update them as to the performance of all our assets and appraise them of actions we are taking on any non-performing assets. This information is linked to our long-term financial plan. Covenants for gearing and interest cover are comfortably met, and our financial plans are designed to remain within a set margin of the covenants, including stress tested scenarios for significant risks which may affect our future.

The Board approved a new risk appetite Statement in March 2022. The Risk Appetite Statement includes specific acceptable limits and criteria for new development within both ccha and cchadl, our “for profit” development company. It also states the limits for on-lending from ccha group to the subsidiary to contain risk within manageable limits.

We provide an annual Value for Money (VfM) Statement which is published through our financial statements and on the website as a separate document, this includes performance against the RSH’s Value for Money metrics.

We adhere to the new Rent Standard published in April 2020 and the Welfare Reform and Work Act 2016 for all our existing and new residents. We will operate within the guidelines set out in the document and through the government’s guidance to the regulator. We are therefore able to certify there has been full compliance with the RSH Governance and Viability standard.

Performance Indicators

A set of Special Performance Indicators (SPIs) are developed annually to represent all critical aspects of the business. These are presented to the Board for approval annually together with proposed targets. Once the Board has approved the SPIs, they are provided quarterly together with an exception report which identifies any failures and mitigating actions along with any areas which have gone particularly well in that quarter. The new SPIs for 2022/23 were approved by the Board in March 2022.

Audit

Internal Audit Function

Our internal audits for 2021/22 were undertaken by RSM. The ARC review and the Board approve an annual plan at the start of each year, the audit plan which is linked to the key risk areas of the business was approved in March 2021 for 2021/22 and covered the following areas:

- Risk Maturity – Advisory
- IT General Controls
- Civica CX
- Health and Safety Governance Framework
- Budget Management
- Core Finance and Payroll System Control
- Follow up

All internal audit reports are presented by RSM at the ARC meetings and ARC members have the right to ask for discussion time without the Leadership Team present. The Chair of the ARC updates the Board on the results of the audits through the ARC update highlighting any areas of concern. The Board pack will also include the minutes of the ARC meetings.

External Audit Function

Our financial statements are subject to external audit and continually receive unqualified audit reports. The appointment of Beevers and Struthers as our external auditors for 2021/22 was approved at the AGM in September 2021.

The external audit plan is produced by Beevers and Struthers and presented to the ARC annually for approval. The results of the external audit are presented by Beevers and Struthers to the ARC and the ARC can speak to the auditors without the Leadership Team present. It is the ARC who take the decision, dependent upon the results of the audit, as to whether the auditors need to present to Board.

No incidents of fraud or Cyber Security breaches have been reported during the year that have caused us loss and the Board considers that all appropriate policies and procedures are in place to deal with fraud. This view is supported by our internal auditors who consider that appropriate policies and procedures are in place to deal with fraud.

Risk Management

The ARC meets four times during the financial year and reports its activities to the Board through ARC updates from the Chair at Board meetings. The meeting minutes and all ARC papers are provided to Board members for information. The ARC and the Board regularly review their terms of reference which highlight the relationship between the Board and committee. All the Chairs of the Board and Committees meet on a six-monthly basis to review the performance of the organisation and ensure that the relationship between Board and Committees is effective.

The Board reviews the strategic top risks, controls, and assurances quarterly through the ARC updates and minutes to ensure that it is current and reflects the true risks to the business.

The Board requires assurance that critical controls to manage the key risks are in place and are effective. This assurance is provided by a combination of methods, including independent assurance from auditors and benchmarking services as well as performance monitoring.

We have a Risk Management Action Plan in place which is built into the overall Governance Action Plan which was approved by the Board in March 2022. This highlights some key areas for improvement over the next 18 months.

As part of the Risk Management Action Plan, a new risk management policy was approved by Board in March together with a new Risk Appetite Statement.

The ARC is also responsible for reporting on risk management of cchadl to the Board and where necessary highlighting any concerns.

We engage Hargreaves Risk and Strategy (HRS) as a key partner/adviser to support us in the management of risk and advise us on good practice throughout the sector. They undertake a full review of our risk management provision annually which is presented to the ARC and the Board by a representative of HRS. As part of the review, HRS look at our current practice against changes in the sector and report on trends in the risk drivers since the previous report as well as both internal and external sources of risk.

Changes to the risk register and key controls are discussed and agreed monthly with the Leadership team and discussed quarterly at ccha's Senior Management team meetings.

VALUE FOR MONEY STATEMENT – 2021/22

Value for money (VFM) is extremely important to ccha, as we want to ensure our limited resources are being used effectively to achieve our strategic objectives, be able to meet the demand for our services, have a positive impact on our customers and ultimately bring value to the communities we work with and provide a home for. We aim to manage our costs to maximise the resources available and identify and implement improvements in the way we work to bring about efficiency savings.

VFM is pivotal to us achieving our ccha2025 business plan which identified five priorities key to the future success of our Group, with improving our Value for Money offer being the fifth strategic objective underpinning the others.

- **Resident Standards**
- **Staff and Partner Engagement**
- **Safety and security undertaking**
- **More affordable homes pledge**
- **Value for Money offer**

With an overarching commitment to ensure all activities are linked to our community.

The targets to achieve over the five years of the plan, ccha2025, are detailed below:

- Resident standards – Customer satisfaction 86% (2019/20 73%) and a 5% improvement in our Net Promoter score (2019/20 +32)
- Staff and partner engagement – 1-star Best Companies rating (2018/19 One to Watch)
- Safety and security undertaking – 100% compliant with all legislation and regulations
- More affordable homes pledge – 5% growth year on year and 50% for London affordable rent
- Value for Money offer – Median quartile cost and upper quartile quality

The Board approved a Strategy Framework in March 2021 which has been developed to deliver the targets. This includes a new Value for Money Strategy (VfM) which explains how we will achieve best value, the optimum blend of Economy, Efficiency and Effectiveness through our work and embed this into the culture of the organisation.

Our approach to value for money is aligned with our corporate VALUES.

Since the pandemic which hit the country in March 2020, all stake holders, including ourselves have faced, and continue to face, pressures linked to increasing costs and scarcity of resources. This is in an environment where the expectations of our residents, government and the Regulator of Social Housing (RSH) continually increase but as a medium sized organisation we are agile enough to flex our practises to meet these challenges.

The internal and external pressures we face are detailed in our risk register, monitored and controlled and mitigated where possible. This is closely monitored by the Leadership Team monthly and by our Board and Audit and Risk Committee (ARC) quarterly.

However, we are still operating in an area where housing is in short supply compared to the demand. We therefore recognise that the supply of affordable housing for rent, and sale needs to be increased and that many people in our community, particularly those on lower income and on state benefits are seeing their income fall in real terms. We therefore need to continue to develop to meet the needs of the community and in turn will help us become more cost effective.

Following a successful further year of working remotely, ccha are using this opportunity to take a hybrid approach to our permanent working arrangements and moving into a reduced ccha owned office space. This will bring sustained savings on our office costs and improve staff working practices as we gain the best of remote and face to face working.

We continue to move forward in strength, with new effective and efficient ways of working, able to grow our capabilities and expand on our potential, to support our residents, and develop new affordable homes.

More than ever, our strategic VfM target to achieve **Median Quartile Cost** and **Upper Quartile Quality** will be challenging but we are willing to meet that challenge.

Resident Safety and Wellbeing

The health and safety of our residents is a priority and though we believe that we have good controls in place already, which has been assured by our internal auditors, we have commissioned a further independent health and safety review to ensure that we are doing all we can to keep our residents safe. ccha are proud to report **100% Landlord Health and Safety compliance** at the end of 2021-22 in all but one area. We were unable to gain access to one property to undertake a gas safety certificate which affected our year end position (99.9% compliance), but we have now gained access and have returned to 100%.

We are also addressing fuel poverty and had a target for the year for our **stock to achieve a minimum SAP rating of 58** or above. We are pleased to report that 99.46% of our stock achieved this and over 70% of our homes have an EPC-C rating. We are addressing the small number of properties not achieving this level on an individual basis and have budgeted for these works. This will mean that they achieve a SAP rating of over 58 by the end of the 2022/23 financial year.

We have continued to do many of our welfare checks to residents over the phone where residents prefer this approach. This has improved the efficiency of the service by saving travel time which can be better spent engaging with residents.

82% of our residents feel we provide a home which is safe and secure.

We are proud that our Welfare and Debt Advice officer (WDA) service provides significant value for money and is an effective investment that ccha has chosen to support our residents. This is balanced with a firm and structured income recovery policy which continues to deliver strong arrears performance year on year. We have made the commitment to not evict any residents that actively engage with us to resolve their debt. Despite this, two residents lost their homes last year due to non-payment of rent over a significant period of time and no engagement, with one subsequently found to have been sub-letting. Our rent arrears performance at year end was 1.5% for residents NOT on Universal Credit (Target 2.75%) and 6.45% for those residents on Universal Credit (Target 8.00%).

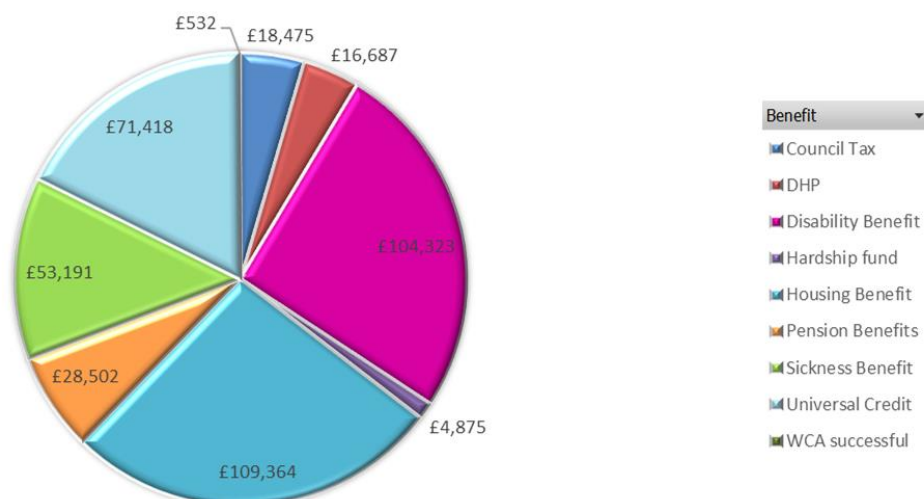
Value for Money Area	Outcomes	Actual 19/20	Actual 20/21	Actual 21/22	Housemark Median 20/21
Rental Income Performance	Rent loss due to voids	1.16%	0.92%	1.17%	1.01%
	Current tenant arrears as % of rent due	2.40%	3.21%	2.79%	4.84%

Our void loss increase was largely due to delays in receiving suitable nominations for our supported housing properties and delays with our void works. We are helping to mitigate this by moving across to leasing arrangements with local support providers which means we continue to assist vulnerable residents in our boroughs but reduce our exposure to voids. We are also making improvements with our contractors.

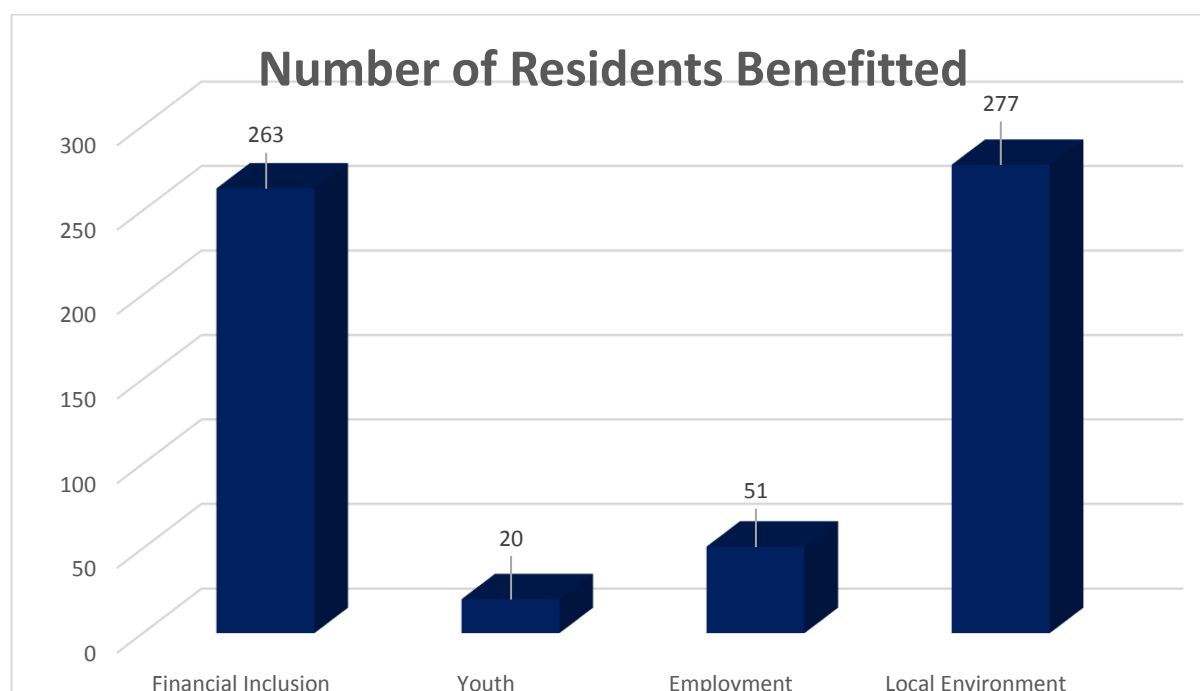
Generally, the WDA used to see many of the residents in person but converted to phone support through the pandemic and has continued to do most of their main support in this way. The time saved allows us to reach more residents and spend more time speaking to those residents to understand their individual circumstances.

We are proud of the work of our income team who have managed to bring in £407k for our residents which, given the vulnerability of some of our residents, they may not have known they were entitled to.

Money Raised for Residents



Number of Residents Benefitted



*Financial inclusion are services we provide to our residents such as Welfare and Debt Advice and the hardship fund. Local environment are our estate improvements and Youth is our support with Croydon Youth Zone.

Customer Service

The business plan consultation highlighted the need for improvements in our customer service. The results showed we needed to improve on communication and customer service skills including response times and managing expectations which required clear standards and procedures to be put in place.

Since then, all staff have completed customer service training and an embedding programme. Staff also attended workshops to review resident feedback from the surveys in detail and discuss and agree how we could improve our overall service delivery including developing draft customer service standards. This would enable us to deliver a more consistent and responsive service and let residents know what to expect so they can hold us to account but also manage their own expectations. We have now consulted with residents on these standards which will go live from April 2022. These are a starting point and will be developed and improved over the lifetime of our new customer strategy.

In addition to this, we have rolled out a number of other improvements as part of our action plan including:

- A new telephone system with better functionality and reporting
- Standard greetings, scripts, voicemail and call back arrangements
- Changes to our emails including auto acknowledgements, standard signatures and better use of out of office notifications
- Acknowledging queries received via our website
- New appointment arrangements for residents wanting to visit staff in our office

Resident Engagement and customer satisfaction

We now use an independent specialist provider to contact all residents to complete a telephone survey and there has been a good response with approximately 40% of our residents giving us feedback through the year. We have been able to use this feedback to improve things like our estate services and to inform where we need to spend more time or target resources such as our repairs service. Our questions have continued to evolve based on the feedback we receive, and we have already started to align our questions to the new Tenant Satisfaction Measures before they are introduced in April 2023-24.

Since the business plan consultation, feedback continues to highlight customer service and our repairs service as the key areas to focus on. Whilst getting hold of the right person (65%), the way we handle enquiries (61%) and their outcome (58%) and satisfaction that we listen and act on views (61%) have all shown noticeable improvements in 2021-22 following changes we have made, they are still significantly lower than we would like them to be and remain a key focus for this strategy. Our customer satisfaction remains disappointingly low against our target but externally, Housemark noted a clear drop in overall resident satisfaction of 7% through the pandemic and that housing organisations in the London area have satisfaction levels on average 10% less than the rest of the country. In terms of our peers, our 66% satisfaction at the end of 2021-22 was the median average.

Our new Customer Strategy approved in April 2022 focusses on improving satisfaction with a clear focus on customer service, clear standards and communication. We have also invested in our Property Services team and been working extremely closely with our contractors to improve our repairs and maintenance service.

Value for Money Area	Outcomes	Actual	Actual	Actual	Target
		19/20	20/21	21/22	21/22
Customer Satisfaction	Satisfaction with overall service provided	73%	71%	66%	80%
	Satisfaction with overall quality of your home	77%	72%	75%	85%
	Satisfied views are listened to and acted upon	59%	59%	61%	75%

Feedback from residents told us that 92% were satisfied with the opportunities to get involved and that surveys were their preferred way to engage with us. Some residents were also interested in getting involved in the procurement of services and so took part in the evaluation and selection of our repairs and estate service contractors.

In 2021/22, 75% of residents were satisfied with our engagement with them. This decline is likely to reflect the lack of in person engagement events held since 2020 due to the pandemic.

Communications

We focused on promoting opportunities for residents to get involved right through to sharing the results of their outcomes and recommendations for service improvements. We also redesigned our website in line with what residents wanted to see and made it user friendly and easier for residents to contact us. Following its launch, we saw a 70% increase in hits and received extremely positive feedback. We have continued to improve the website and now consistently get over 3,000 users visiting the site each quarter and have achieved almost 20,000 pageviews in the last 3 months.

Staff Wellbeing and Engagement

It is important to ccha to have a motivated workforce, aligned to our strategic objectives and values.

A committed and satisfied team are likely to provide a better service for our residents and perform effectively and efficiently thereby each member of staff bringing increased value for money.

The teams very quickly adapted their working practises to ensure that services to our most vulnerable residents in supported and older persons continued. We also contacted all our vulnerable residents within our general rented homes and ensured that they had the support they needed. They continue to adapt the service to deliver value for money for both residents and the organisation. Our home working policy was reviewed in consultation with staff and provides increased flexibility in response to the “new normal”.

A new Equality, Diversity and Inclusion Strategy was approved in October 2021 and the associated action plan will be delivered by 2025.

The work of the Wellbeing Committee has been crucial during this period to address any staff concerns associated around working from home such as social inclusion. In recognition of these concerns, we introduced and publicised a better benefits and health care package for staff which includes additional mental health support for those who have opted out of the full healthcare package. The Wellbeing committee have continued to deliver several initiatives over the last two years to help us stay connected in the “new normal”.

The Best Companies staff survey was completed in December 2021, and we achieved a one to watch against a target to achieve one star by 2025. It became evident from the survey that staff felt stressed due to work pressures and disconnected from the business plan, our values and their colleagues. This is not uncommon or surprising considering over 50% of staff have started at ccha since lockdown but we intend to focus on this through our People Strategy which will be brought to the Board in August 2022. We have also put into place a three year Productivity, Performance and Wellbeing Programme which should help to address the issues raised in the survey but we are undertaking six monthly pulse surveys to check that it is.

Value for Money Area	Outcomes	Actual 19/20	Actual 20/21	Actual 21/22	Housemark Median 20/21
Staff wellbeing and performance	Average working days lost due to sickness	3.63	3.9	3.54	6.3
	Percentage of staff turnover in the year	13.67%	5.80%	20.22%	14%

Partner engagement

The pandemic has hindered us from networking and building those key partnerships which we rely upon to deliver our initiatives around homelessness and worklessness, but we have continued to support the Croydon Youth Zone (Legacy) who were unable to provide the same services as before due to Covid restrictions but adapted those services to support the new needs which arose as a direct result of Covid 19. They also managed to transition many of their services online.

We developed a new partnership with Barnardo's and have been able to lease two of our properties to them to provide homes for youth adults leaving care.

We continue to build on our relationship with our contractors to deliver work experience, training and employment opportunities for our residents through our main repairs, gas servicing and estate services contracts.

Delivering more affordable homes

Our new Development Strategy which was approved by the Development Committee in November 2021 reflects the Board's directive to ensure that 50% of all our homes are genuinely affordable rented. In order to deliver this, we are going to need to find new supply on the market for all tenures including market sales and maximise the use of our own existing land which significantly reduces the cost per home.

We delivered 24 homes this year in Bromley which included 8 for Help to Buy, 8 for Shared Ownership and 3 for London Living Rent as well as 5 for Discounted London Affordable Rent. The scheme was handed over in the middle of March and only two Help to Buy homes remain with viewings continuing to do well. Two of the Help to buy homes were completed before year end and so this is the first year that we will show a profit of £79,000 on our subsidiary ccha developments ltd.

We have also identified three existing sites which have successfully been taken to pre-application planning and will deliver an additional 25 homes in Croydon and Merton. A high proportion of these homes will be developed for social rent using grant from the GLA.

This year, we had our Restricted Investment Partner status confirmed and the GLA recognised our good track record in delivering high quality schemes but acknowledged that this is usually through a partner due to our restricted in-house capacity. Our current Development Framework expires in January 2023, so we have looked at the options and the Board have approved for us to partner with Islington and Shoreditch Housing Association (ISHA) who deliver services for the North Rivers Alliance (NRA) going forwards.

Through the new 21 – 26 development funding programme we successfully applied for grant in our own right and have had a grant allocation approved for 40 homes per year, which will also help us to deliver our programme of genuinely affordable homes.

Value for Money Metrics

We strive to maintain a high-quality service at a relatively low to medium cost to ensure that the expectations of our residents and stakeholders continue to be met.

The table below shows the Value for Money metrics as set out in the Value for Money metrics technical note. These have been benchmarked against Housing Associations with under 5000 homes in the London Area.

Year on year comparison of ccha:	ACTUALS			BUDGET
VFM METRICS	2019/20	2020/21	2021/22	2022/23
1. Reinvestment %	11.78%	3.79%	2.82%	6.24%
2a New Supply Delivered Social Housing	2.51%	1.18%	1.04%	2.59%
2b New Supply Delivered Non-Social Housing	0.20%	0.00%	0.52%	0.00%
3. Gearing %	41.41%	36.44%	35.90%	37.69%
4. Earnings Before Interest, Tax, and Depreciation (EBITDA (MRI))	130.06%	202.44%	212.15%	146.00%
Exc Sales	130.06%	180.00%	179.77%	145.00%
5. Headline Social Housing Cost Per Unit	£ 6,236	£ 5,208	£ 5,557	£ 5,968
6a. Operating Margin % (Social Housing)	14.05%	25.98%	18.25%	21.76%
6b. Operating Margin% (Overall)	14.92%	26.07%	19.99%	27.78%
7. Return on Capital Employed (ROCE)	1.89%	2.28%	2.13%	6.68%

21/22 Benchmark Comparison	ACTUAL	BUDGET	RSH VFM 2021 MEDIAN QUARTILE GROUP METRICS	
VFM METRICS	2021/22		Benchmark	All Housing Assoc
1. Reinvestment %	2.82%	7.90%	3.75%	5.80%
2a New Supply Delivered Social Housing	1.04%	3.31%	0.00%	1.30%
2b New Supply Delivered Non-Social Housing	0.52%	0.52%	0.00%	0.00%
3. Gearing %	35.90%	38.72%	35.70%	43.90%
4. Earnings Before Interest, Tax, and Depreciation (EBITDA (MRI))	212.15%	151.67%	103.90%	134.00%
Exc Sales	179.77%	140.00%		
5. Headline Social Housing Cost Per Unit	£ 5,557	£ 6,482	£ 5,930	£ 3,730
6a. Operating Margin % (Social Housing)	18.25%	25.38%	21.65%	26.30%
6b. Operating Margin% (Overall)	19.99%	28.48%	15.25%	23.90%
7. Return on Capital Employed (ROCE)	2.13%	2.41%	1.80%	3.30%

Reinvestment and New Supply Delivered

We have worked with our developers to ensure a good quality for our new developments. We budgeted for all our committed schemes to complete by 31st March 2022. However, due to delays in supplies and labour shortages we were only able to complete on Tweedy Rd, with our other two schemes making progress and completing by end of August 2022. Though we are behind with our internal growth targets, we have produced more homes this year than our peers, enabling us to positively compare to results from whole sector.

Gearing

ccha's low gearing is reflective of the commitment to our developments over the life of our medium-term business plan and the delay in developments leading to high cash position and reducing our gearing. We have drawn on loans ready to use in 2022-23 and therefore have the cash available to finance our development ambitions and are able to comfortably meet our repayment schedules.

EBITDA – Interest Cover

ccha's interest cover is part of our bank loan covenant along with gearing and is also comfortably met excluding sales at 1.8 times our interest payments due, excluding sales surplus'.

Headline Social Housing Cost Per Unit

The ccha Board's aim over the past couple of years has been to invest in efficiency improvements in the short term, for the long-term benefit of our residents and stakeholders, with our focus being on increasing quality and customer care and therefore increased value for money for our customers. As a relatively small organisation these investments have a large impact on the headline social housing cost per unit. This had been anticipated and budgeted for to support our future growth and investment in our residents and their homes. We have however gained economies of scales with the completion of one of our development schemes, which brings us 6.3% below the current median against other housing associations of our size in London.

We have made £50k of savings on working remotely which is now being carried forward into our hybrid way of working enabling us to reduce our management costs. We have also had an increase in staff training, in particular a leadership training program for our middle managers and leadership team. This will enable our staff to work more effectively together towards our objectives. All staff have been upskilled to ensure a consistent approach to customer care for our residents, partners, and colleagues. We have also reviewed our staff benefits and rewards systems to ensure that staff remain motivated and committed.

We have identified through our VfM Strategy this headline social cost per home will be maintained at the medium earlier than anticipated by March 2023. The reduction in our costs this year was not anticipated and was due to a reduction in planned works spend which will increase back to expected levels in 22-23. Our 5-year Business plan now has a Value for Money strategy, with performance indicators which will be monitored by Board regularly. Our strategy focuses on improving the quality of our service to resident, streamlining our processes and increasing efficiency, providing more homes for our community and ensuring our investment in our homes results in safe and secure properties that our residents are proud to live in.

Our office will be moving in October 2022 to one of our new developments, saving the organisation £165k per annum on lease costs which will contribute to this reduction in headline cost per unit.

Operating Margin

We are pleased to report a healthy operating surplus overall compared to the median for our peers. The rapid completion of shared ownership sales post practical completion of our new development in Bromley, Tweedy Road contributed positively to this surplus indicating the value our developments bring to the organisation. This increase in reserves will support improvements to be made to our existing social homes and customer service.

Return on Capital Employed

We have invested in a customer and housing management system which will improve the accuracy of our records and streamline processes over the next two years.

Our growth, staircasing which is not part planned for and reduction in headline costs have contributed to an improved surplus position giving us a good return on our assets.

Public Benefit Entity

As a public benefit entity, Croydon Churches Housing Association Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Board's Responsibilities in respect of the financial statements

Statement of the Board's Responsibilities in Respect of the Financial Statements

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 group and association and of the Income and Expenditure for the period of account.

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 group and 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 group and association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the group and association and to prevent and detect fraud and other irregularities.

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

Information for Auditors

We the members of the Board who held office at the date of approval of these Financial Statements as set out above, confirm so far as we are aware, that there is no relevant audit information of which the association's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board Report was approved on behalf of the Board on 3rd August 2022 and signed on its behalf by:

Heather Thomas

Heather Thomas

Chair

Opinion

We have audited the financial statements of Croydon Churches Housing Association Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2022 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's income and expenditure and the Association's 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 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.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group 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 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 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 in relation to which 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:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 18, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group 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 intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

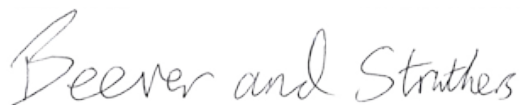
- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community 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 Group's activities and the regulated nature of the Group'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.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Association, 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
Chartered Accountants & Statutory Auditor

15 Bunhill Row
London
EC1Y 8LP

Date 27 September 2022

Consolidated and Association Statement of Comprehensive Income

	Notes	Year ended 31 Mar 2022		Year Ended 31 Mar 2021	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Turnover	2	15,665	13,988	13,336	13,026
Operating expenditure	2	(12,894)	(11,462)	(10,009)	(9,754)
Other income	2	450	500	181	228
Gain/loss on disposal of property, plant and equipment (fixed assets)	6	570	570	(59)	(59)
Operating surplus/(deficit)		3,791	3,596	3,449	3,441
Interest receivable	7	20	136	11	142
Interest payable and financing costs	7	(1,819)	(1,819)	(1,804)	(1,829)
Surplus/(deficit) before tax	8	1,992	1,913	1,656	1,754
Taxation	9	-	-	-	-
Surplus/(deficit) for the year after tax		1,992	1,913	1,656	1,754
Other comprehensive income					
Actuarial losses in respect of pension scheme	12	253	253	(1,285)	(1,285)
Other comprehensive income for the year after tax		253	253	(1,285)	(1,285)
Total comprehensive income for the year		2,245	2,166	371	469

The financial statements on pages 22 to 61 were approved and authorised for issue by the Board on 3rd August 2022 and were signed on its behalf by:

Heather Thomas
Board Member, Chair:

Neil Perrins
Board Member, Chair (Audit &
Risk):

Chris Abad
Secretary:

Heather Thomas.....

Neil Perrins.....

Chris Abad.....

The consolidated and parent results relate wholly to continuing activities and the notes on pages 27 to 61 form an integral part of these financial statements.

Consolidated and Association Statement of Financial Position

		At 31 Mar 2022		At 31 Mar 2021	
	Notes	Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Fixed assets					
Tangible fixed assets	13	137,628	137,628	134,292	134,292
Investment in subsidiary		-	-	-	-
		<u>137,628</u>	<u>137,628</u>	<u>134,292</u>	<u>134,292</u>
Current assets					
Stock	14	4,545	2,457	6,161	3,097
Trade and other debtors	15	1,015	4,563	825	4,225
Cash and cash equivalents	16	11,870	11,305	14,739	14,652
		<u>17,430</u>	<u>18,325</u>	<u>21,725</u>	<u>21,974</u>
Less: Creditors: amounts falling due within one year	17	<u>(3,577)</u>	<u>(4,295)</u>	<u>(3,625)</u>	<u>(3,617)</u>
Net current assets/(liabilities)		<u>13,853</u>	<u>14,030</u>	<u>18,100</u>	<u>18,357</u>
Total assets less current liabilities		<u>151,481</u>	<u>151,658</u>	<u>152,392</u>	<u>152,649</u>
Creditors: amounts falling due after more than one year	18	<u>(125,375)</u>	<u>(125,375)</u>	<u>(128,013)</u>	<u>(128,013)</u>
Provisions for liabilities					
Pension – defined benefit liability	12	(1,680)	(1,680)	(2,198)	(2,198)
Total net assets		<u>24,426</u>	<u>24,603</u>	<u>22,181</u>	<u>22,438</u>
Reserves					
Non-equity share capital	21	-	-	-	-
Income and expenditure reserve		24,388	24,565	22,143	22,400
Restricted reserve		38	38	38	38
		<u>24,426</u>	<u>24,603</u>	<u>22,181</u>	<u>22,438</u>
Total reserves		<u>24,426</u>	<u>24,603</u>	<u>22,181</u>	<u>22,438</u>

The financial statements on pages 22 to 61 were approved and authorised for issue by the Board on 3rd August 2022 and were signed on its behalf by:

Heather Thomas
Board Member, Chair:

Heather Thomas

Neil Perrins
Board Member, Chair (Audit & Risk):

Neil Perrins

Chris Abad
Secretary:

Chris Abad

The notes on pages 27 to 61 form an integral part of these financial statements.

Consolidated Statement of Changes in Reserves

	Income and expenditure reserve £'000	Restricted reserve £'000
Balance as at 1 April 2020	21,772	38
Total comprehensive income for the year	371	-
	<u>22,143</u>	<u>38</u>
Balance at 31 March 2021	<u>22,143</u>	<u>38</u>
Total comprehensive income for the year	2,245	-
	<u>24,388</u>	<u>38</u>
Balance at 31 March 2022	<u>24,388</u>	<u>38</u>

The notes on pages 27 to 61 form an integral part of these financial statements.

Association Statement of Changes in Reserves

	Income and expenditure reserve £'000	Restricted reserve £'000
Balance as at 1 April 2020	21,930	38
Total comprehensive income for the year	469	
	<u>22,399</u>	<u>38</u>
Balance at 31 March 2021		
Total comprehensive income for the year	2,166	-
	<u>24,565</u>	<u>38</u>
Balance at 31 March 2022		

The notes on pages 27 to 61 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Year ended 31 Mar 2022 £'000	Year Ended 31 Mar 2021 £'000
Net cash generated from operating activities (see Note i)	3,889	4,058
Cash flow from investing activities		
Purchase of tangible fixed assets	(5,458)	(6,275)
Proceeds from sale of tangible fixed assets	570	-
Grants received	-	327
Interest received	20	11
	<u>(4,868)</u>	<u>(6,160)</u>
Cash flow from financing activities		
Interest paid	(1,819)	(1,829)
New secured loans	-	11,660
Repayment of borrowings	(71)	(38)
Net change in cash and cash equivalents	<u>(2,869)</u>	<u>7,914</u>
	14,739	6,825
Cash and cash equivalents at beginning of the year	<u>11,870</u>	<u>14,739</u>
Cash and cash equivalents at end of the year	<u></u>	<u></u>

Note i

	Year ended 31 Mar 2022 £'000	Year Ended 31 Mar 2021 £'000
Cash flow from operating activities		
Surplus/(deficit) for the year	1,992	1,656
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	1,376	1,343
Decrease/(increase) in stock	1,616	(698)
Decrease/(increase) in trade and other debtors	(190)	223
Increase/(decrease) in trade and other creditors	(2,393)	360
Carrying amount of tangible fixed asset disposals	-	167
Pension Cost Less Contribution Payable	(265)	(254)
Adjustments for investing or financing activities:		
Gain/loss on disposal of tangible fixed assets	570	59
Government grants utilised in the year	(616)	(616)
Interest and financing costs	1,819	1,829
Interest received	(20)	(11)
	<u>3,889</u>	<u>4,058</u>
Net cash generated from operating activities	<u></u>	<u></u>

The notes on pages 27 to 61 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2022

Legal Status

Croydon Churches Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 6th Floor, Norfolk House, Wellesley Road, Croydon CR0 1LH. Croydon Churches Housing Association Limited's principal activity is to provide social housing.

The group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Croydon Churches Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered
ccha developments limited	Companies Act 2006	Non-registered

1. Principal Accounting Policies

Basis of Accounting

The Group's 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 Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply 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. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £'000 for the year ended 31 March 2022.

The Group's financial statements have been prepared in compliance with FRS 102. The Group meets the definition of a public benefit entity (PBE).

Parent association disclosure exemptions

In preparing the separate financial statements of the parent association, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent association,
- Disclosures in respect of the parent association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the group as a whole.

The accounting relating to the Social Housing Pension Fund has not been consistently applied. The accounting policy is set out on page 29. The consolidated financial statements have applied Financial Reporting Exposure Draft 71 'Draft amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Multi-employer defined benefit plans.

Basis of consolidation

The consolidated financial statements incorporate the results of Croydon Churches Housing Association Limited and its subsidiary undertaking as at 31 March 2022.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Going concern

The Board have considered the impact of COVID19 on its operations and have concluded that there is a reasonable expectation that both the Association and the merged organisation has adequate resources to continue in operational existence for the foreseeable future. No other significant concerns have been noted in the business plan updated for 2022/23. Therefore, the Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- a. **Development expenditure.** The Group capitalises development expenditure in accordance with the accounting policy described on page 31. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.
- b. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented property and student accommodation are investment properties.
- c. **Impairment.** The Group considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset. See note 13 for more information. Any impairment loss is charged to the Statement of Comprehensive Income.

Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property. The cash flows are derived from the business plan and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Following the assessment of impairment no impairment losses were identified in the reporting period.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Pension and other post-employment benefits. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 12.

Other key sources of estimation and assumptions:

- a. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets at 31 March 2022 was 137,628k.
- b. **Lease accounting.** Whether the risks and rewards of ownership in relation to individual leases indicate that it should be accounted for as a finance lease or an operating lease. The carrying value of finance leases at 31 March 2022 was nil.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities, the Greater London Authority, and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

Sales of properties developed for outright sale are included in Turnover and Cost of Sales.

Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiary operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value Added Tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Group and not recoverable.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Tangible fixed assets and depreciation

Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction. For mixed tenure housing properties, costs are allocated in the following way:

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. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

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:

	Years
Leasehold properties - structure	Over the lease term
Freehold properties - structure	125
Kitchens	20
Bathrooms	30
Electrics	40
Windows and Doors	30
Roofs	70
Heating including Boilers	20
Lifts	25

The association depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Office equipment	5
Office furniture	10
Scheme assets	5
Photovoltaic roof panels	25
ICT equipment	3
ICT Software	6
Office premises improvements	Over the lease term

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Low cost home ownership properties

The costs of low cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets/property sales in operating profit.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Property managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income Account.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the statement of comprehensive income.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Stock and properties held for sale

Stocks of materials are stated 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. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are 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 Statement of Comprehensive Income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

Social Housing and other government grants

Where developments 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. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England and Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grant

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Recycling of Capital Grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Agreements to improve existing properties

Where the PRP has entered into agreements to purchase property from a third party and subsequently enters into a sub-contracting agreement to carry out improvement works to the properties, the related assets and liabilities are shown at gross values unless the right of net settlement exists.

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services. The difference between the deficit funding liability and the net defined benefit deficit for the Social Housing Pension Scheme was recognised in Other Comprehensive Income for the year ending 31 March 2022.

Restricted Reserve

The group holds a restricted reserve. This reserve can only be utilised in accordance with the wishes of the funder. Movements in reserves are shown in the Consolidated Statement of Changes in Reserves.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.
- Investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are measured at:
 - Fair value with changes in fair value recognised in profit or loss if the shares are publicly traded or their value can otherwise be measured reliably, and
 - At cost less impairment for all other such investments.

Financial instruments held by the Group are classified as follows:

- Financial assets such as current asset investments and receivables are classified as loans and receivables are held at amortised cost using the effective interest method,
- Financial assets such as cash are held at historic cost,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method,
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment,
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value,
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- (a) The best evidence of fair value is a quoted price in an active market.
- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- (c) Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Loans

All loans held by the group 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.

Notes to the financial statements for the year ended 31 March 2022

1. Principal Accounting Policies (continued)

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- (a) All equity instruments regardless of significance; and
- (b) other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- (a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

Notes to the financial statements for the year ended 31 March 2022

2(a). Particulars of turnover, cost of sales, operating expenditure and operating surplus

Group	2022			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (notes 3a and 3b)	9,591	-	(7,527)	2,064
Other social housing activities				
First tranche low cost home ownership sales	2,031	(1,687)	-	344
Charges for support services	2,366	-	(2,248)	118
	13,988	(1,687)	(9,775)	2,526
Activities other than social housing				
Other	450	-	-	450
Outright sales	1,677	(1,414)	(18)	245
Total	16,115	(3,101)	(9,793)	3,221
Gain/(loss) on disposal of property, plant and equipment (fixed assets)				570
Operating surplus				3,791

Group	2021			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (notes 3a and 3b)	9,467	-	(6,582)	2,886
Other social housing activities				
First tranche low cost home ownership sales	1,177	(981)	-	195
Charges for support services	2,383	-	(2,193)	190
	13,027	(981)	(8,775)	3,271
Activities other than social housing				
Other	181	-	-	181
Outright sales	310	(253)	-	57
Total	13,518	(1,234)	(8,775)	3,508
Gain/(loss) on disposal of property, plant and equipment (fixed assets)				(59)
Operating surplus				3,449

Notes to the financial statements for the year ended 31 March 2022

2(b). Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Association	2022			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (notes 3a and 3b)	9,591	-	(7,527)	2,064
Other social housing activities				
First tranche low cost home ownership sales	2,031	(1,687)	-	344
Charges for support services	2,366	-	(2,248)	118
	13,988	(1,687)	(9,775)	2,526
Activities other than social housing				
Other	500	-	-	500
Total	14,488	(1,687)	(9,775)	3,026
Gain/(loss) on disposal of property, plant and equipment (fixed assets)				570
Operating surplus				3,596

Association	2021			
	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (notes 3a and 3b)	9,467	-	(6,582)	2,885
Other social housing activities				
First tranche low cost home ownership sales	1,177	(981)	-	196
Charges for support services	2,383	-	(2,193)	190
	13,255	(981)	(8,775)	3,271
Activities other than social housing				
Other	228	-	-	228
Total	13,255	(981)	(8,775)	3,500
Gain/(loss) on disposal of property, plant and equipment (fixed assets)				(59)
Operating surplus				3,441

Notes to the financial statements for the year ended 31 March 2022

3(a). Particulars of turnover and operating expenditure from social housing lettings

	General Housing	Supported Housing and Housing for Older People	Low Cost Home Ownership	Total 2022	Total 2021
Group & Association	£'000	£'000	£'000	£'000	£'000
Income					
Rent receivable net of identifiable service charges and net of voids	8,001	748	-	8,749	8,524
Service charge income	778	1,200	294	2,272	2,430
Amortised government grants	468	99	50	617	617
Government grants taken to income	-	-	-	-	-
Other income from Social Housing Lettings	-	319	-	319	278
	<u>9,247</u>	<u>2,366</u>	<u>344</u>	<u>11,957</u>	<u>11,849</u>
Total turnover from Social Housing Lettings					
Operating expenditure					
Management	2,901	691	140	3,732	3,481
Service charge costs	769	878	83	1,730	1,704
Routine maintenance	1,442	352	37	1,831	1,795
Planned maintenance	496	88	4	588	286
Bad debts	73	16	-	89	(37)
Depreciation of Housing Properties	1,583	222	-	1,805	1,542
Total operating expenditure on Social Housing Lettings	<u>7,264</u>	<u>2,247</u>	<u>264</u>	<u>9,775</u>	<u>8,771</u>
Operating Surplus/(Deficit) on Social Housing Lettings	<u><u>1,983</u></u>	<u><u>119</u></u>	<u><u>80</u></u>	<u><u>2,182</u></u>	<u><u>3,078</u></u>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(33)	(69)	-	(102)	(205)

Notes to the financial statements for the year ended 31 March 2022

3(b). Turnover from activities other than social housing

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Other	450	181	500	228
Other	450	181	500	228

Notes to the financial statements for the year ended 31 March 2022

4. Accommodation owned, managed and in development

Group	2022		2021	
	No. of properties Owned	Managed	No. of properties Owned	Managed
Social Housing				
Under development at end of year:				
General needs housing affordable rent	12	-	16	-
London Living Rent	7	-	10	-
Low-cost home ownership	35	-	44	-
Under management at end of year:				
General needs housing	906	-	900	-
Supported housing and housing for older people	471	23	454	23
Low-cost home ownership	52	-	46	-
Leasehold	120	-	102	-
	<u>1,603</u>	<u>23</u>	<u>1,572</u>	<u>23</u>
Association				
Social Housing				
Under development at end of year:				
General needs housing affordable rent	12	-	16	-
London Living Rent	7	-	10	-
Low-cost home ownership	35	-	44	-
Under management at end of year:				
General needs housing	906	-	900	-
Supported housing and housing for older people	471	23	454	23
Low-cost home ownership	52	-	46	-
Leasehold	120	-	102	-
	<u>1,603</u>	<u>23</u>	<u>1,572</u>	<u>23</u>

Notes to the financial statements for the year ended 31 March 2022

5. Accommodation managed by others

The Group owns property managed by other bodies.

Group	2022 No. of properties	2021 No. of properties
Supported housing and housing for older people	12	12
	<hr/>	<hr/>
Association	2022 No. of properties	2021 No. of properties
Supported housing and housing for older people	12	12
	<hr/>	<hr/>

6. Gain/(loss) on disposal of property, plant and equipment (fixed assets)

	Low Cost Home Ownership Staircasing Sales £'000	Others £'000	Total 2022 £'000	Total 2021 £'000
Group & Association				
Proceeds of sales	428	648	1,076	108
Less: Costs of sales	(265)	(241)	(506)	(167)
Surplus/(deficit)	163	407	570	(59)

Notes to the financial statements for the year ended 31 March 2022

7. Net interest

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest receivable and similar income				
On financial assets measured at amortised cost:				
Interest receivable from short term deposits	20	11	136	142
	<u>20</u>	<u>11</u>	<u>136</u>	<u>142</u>
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest payable and financing costs				
On financial liabilities measured at amortised cost:				
On loans repayable within five years	-	-	-	-
On loans wholly or partly repayable in more than five years	1,775	1,778	1,775	1,803
Interest on Recycled Capital Grant Fund	-	2	-	2
	<u>1,775</u>	<u>1,780</u>	<u>1,775</u>	<u>1,805</u>
On defined benefit pension scheme				
Net Interest on scheme liabilities	44	24	44	24
	<u>1,819</u>	<u>1,804</u>	<u>1,819</u>	<u>1,829</u>

8. Surplus/(deficit) on ordinary activities

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
The operating surplus is stated after charging/(crediting):-				
Auditors remuneration including expenses (excluding VAT):				
Audit of the group financial statements	18	18	18	18
Audit of subsidiary	2	2	-	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Auditors remuneration including expenses (excluding VAT):				
Taxation compliance services	1	1	1	1
Service charge certification	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Operating lease rentals:				
Other (vehicles and IT equipment)	-	-	9	9
Land and buildings	78	156	156	156
Office equipment	9	9	9	9
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Depreciation of housing properties	1,376	1,283	1,376	1,286
Depreciation of other fixed assets	216	60	216	60
Surplus on sale of fixed assets	-	-	-	-

Notes to the financial statements for the year ended 31 March 2022

9. Tax on Surplus/(deficit) on ordinary activities

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Current tax				
UK corporation tax on surplus for the year				
Adjustments in respect of prior years	-	-	-	-
Changes in accounting policies/errors				
Total current tax charge	-	-	-	-

The tax assessed in the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2021: 19%). The differences are explained as follows:

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Total tax reconciliation				
Surplus on ordinary activities before tax	1,992	1,656	1,913	1,755
Theoretical tax at UK corporation tax rate 19% (2021: 19%)				
- Tax on other comprehensive income items	378	315	363	333
- Non-taxable gains on asset sales	(258)	(253)	(65)	(271)
- Other non-deductible expenditure	(120)	(62)	(298)	(62)
- Non-taxable charitable activities	-	-	-	-
Total tax charge	-	-	-	-

Notes to the financial statements for the year ended 31 March 2022

10. Key management personnel remuneration

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £423k, (2021: £288k).

Remuneration for executive directors for the year ended 31 March 2022:

	2022 £'000	2021 £'000
Wages and salaries (including performance related pay for period)	399	267
Pension contributions	24	21
Total	<u>423</u>	<u>288</u>

Non-executive Board Member remuneration for the year ended 31 March 2022:

	2022 £'000	2021 £'000
Ken Morgan	1	2
Abigail Lock	2	2
Jacqui Osmond	-	2
Heather Thomas	5	5
Carolyn Porretta	2	2
Paul Hicks	-	1
Neil Perrins	3	3
Mark Collins	2	2
Nathan Gravesande	2	1
Clive Stuart	-	1
Marcella Jenoure	1	-
Julian Chun	1	-
Total	19	21

Tracy Cullen is remunerated as Chief Executive and receives no additional salary as a member of the Board.

Remuneration payable to the highest paid director who is the Chief Executive in relation to the period of account amounted to £122k (2021: £107k) excluding pension contributions.

Tracy Cullen was a member of the defined benefit pension scheme which is now closed to future accrual. The scheme is a final salary scheme which was funded by annual contributions by the employer and employee. Tracy Cullen is now a member of the defined contribution scheme.

Notes to the financial statements for the year ended 31 March 2022

11. Employee information

	Group		Association	
	2022 No.	2021 No.	2022 No.	2021 No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	43	40	43	40
Wardens, caretakers and cleaners	-	2	-	2
	<u>43</u>	<u>42</u>	<u>43</u>	<u>42</u>
	£'000	£'000	£'000	£'000
Staff costs (for the other persons)				
Wages and salaries	1,896	1,602	1,896	1,602
Social Security costs	198	160	198	160
Other pension costs	131	215	131	215
	<u>2,225</u>	<u>1,977</u>	<u>2,225</u>	<u>1,977</u>

Aggregate number of full time equivalent staff whose remuneration (including compensation for loss of office) exceeded £60,000 in the period:

	Number
£60,000 - £70,000	1
£70,001 - £80,000	2
£80,001 - £90,000	-
£90,001 - £100,000	1
£100,001 - £110,000	1

There were no loans made to employees in the year (2021: £945). All loans are interest free and for a maximum term of one year.

12. Pension obligations

Social Housing Pension Scheme

The Group participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT'). The accounting policy in relation to SHPS is set out on page 30. This scheme is now closed to future accruals as of April 2021.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Notes to the financial statements for the year ended 31 March 2022

12. Pension obligations (continued)

Principal Actuarial Assumptions

	At 31 March 2022	At 31 March 2021
Discount rate of scheme liabilities	2.79%	2.18%
Rate of increase in salaries	4.19%	3.87%
Inflation assumption (RPI)	3.57%	3.27%
Inflation assumption (CPI)	3.19%	2.87%
Commutation of pensions to lump sums	75% of maximum allowance	75% of maximum allowance

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2022
	Years
Retiring today	
Males	21.1
Females	23.7
Retiring in 20 years	
Males	22.4
Females	25.2

Notes to the financial statements for the year ended 31 March 2022

12. Pension obligations (continued)

Analysis of the amount charged to operating expenditure in the Statement of Comprehensive Income

	At 31 March 2022 £'000	At 31 March 2021 £'000
Employer service cost (net of employee contributions)	-	-
Expenses	(9)	(9)
Past service cost	-	-
Total operating charge	(9)	(9)

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	233	228
Interest on pension liabilities	(277)	(252)
Amounts charged/credited to financing costs	(44)	(24)

Amount of gains and losses recognised in the Statement of Comprehensive Income

Actuarial gains/(losses) on pension scheme assets	537	946
Actuarial gains/(losses) on scheme liabilities	(284)	(2,231)
Actuarial gain/(loss) recognised	253	(1,285)

	At 31 March 2022 £'000	At 31 March 2021 £'000
Movement in surplus/(deficit) during year		
Surplus/(deficit) in scheme at 1 April	(2,198)	(1,167)
Movement in year:		
Employer service cost (net of employee contributions)	(9)	(9)
Employer contributions	318	287
Past service cost	-	-
Net interest/return on assets	(44)	(24)
Remeasurements	253	(1,285)
(Deficit)/Surplus in scheme at 31 March	(1,680)	(2,198)

Notes to the financial statements for the year ended 31 March 2022

12. Pension obligations (continued)

Asset and Liability Reconciliation	At 31 March 2022 £'000	At 31 March 2021 £'000
Reconciliation of liabilities		
Liabilities at start of period	12,945	10,726
Service cost	9	9
Interest cost	277	252
Employee contributions	-	-
Remeasurements	284	2,231
Benefits paid	(438)	(273)
Past Service cost	-	-
Curtailments and settlements	-	-
	13,077	12,945
Reconciliation of assets		
Assets at start of period	10,747	9,559
Return on plan assets	233	228
Remeasurements	537	946
Employer contributions	318	287
Employee contributions	-	-
Benefits paid	(438)	(273)
Assets at end of period	11,397	10,747

The assets at the end of the period are as follows:-

	2022 £'000	2021 £'000
Global equity	2,187	1,713
Absolute Return	457	593
Distressed Opportunities	408	310
Credit Relative Value	379	338
Alternative Risk Premia	376	405
Fund of Hedge Funds	-	1
Emerging Markets Debt	332	434
Risk Sharing	375	391
Insurance-Linked Securities	266	258
Property	308	223
Infrastructure	812	717
Private Debt	292	256
Opportunistic Illiquid Credit	383	273
High Yield	98	322
Opportunistic Credit	41	295
Corporate Bond Fund	760	635
Liquid Credit	-	128
Long Lease Property	293	211
Secured Income	425	447
Cash	39	-
Currency Hedging	(45)	-
Liability Driven Investment	3,179	2,732
Net Current Assets	32	65
Total Assets	11,397	10,747

Notes to the financial statements for the year ended 31 March 2022

13. Tangible fixed assets

Group & Association	----- Housing Properties -----					----- Other fixed assets -----			
	Social Housing Properties for Letting completed	Social Housing Properties for letting under construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	Total Housing Properties £'000	Freehold offices £'000	Long Leasehold Property £'000	Furniture and office equipment £'000	Total fixed assets £'000
Cost	£'000		£'000						
At start of the year	135,201	5,199	7,763	7,626	155,789	206	324	1,620	2,150
Transfer to stock	-	-	(342)	-	(342)	-	-	-	-
Additions to properties acquired	-	-	-	-	-	-	-	67	67
Transfer to properties under construction	-	-	-	-	-	-	-	-	-
Works to existing properties	571	2,027	-	2,860	5,458	-	-	-	-
Schemes completed	493	(493)	454	(454)	-	-	-	-	-
Disposals	(255)	-	-	-	(255)	-	-	-	-
Replaced components	(401)	-	-	-	(401)	-	-	-	-
Transfer to current assets	-	-	-	-	-	-	-	-	-
At end of the year	135,609	6,733	7,875	10,032	160,249	206	324	1,687	2,217
Depreciation and impairment									
At start of the year	22,613	-	-	-	22,613	180	314	540	1,034
Charge for the year	1,376	-	-	-	1,376	2	7	207	216
Replaced components	(401)	-	-	-	(401)	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer to current assets	-	-	-	-	-	-	-	-	-
At end of the year	23,588	-	-	-	23,588	182	321	747	1,250
Net book value									
At end of the year	112,021	6,733	7,875	10,032	136,661	24	3	940	967
At start of the year	112,588	5,199	7,763	7,626	133,176	26	10	1,080	1,115

Notes to the financial statements for the year ended 31 March 2022

13. Tangible fixed assets

	2022 £'000	2021 £'000
Housing Properties comprise:		
Freeholds	127,557	124,007
Long leaseholds	8,895	8,908
Short leaseholds	209	261
	<u>136,661</u>	<u>133,176</u>
	2022 £'000	2021 £'000
Works to existing properties in the year:		
Components capitalised	5,458	594
Amounts charged to expenditure	<u>588</u>	<u>286</u>

The aggregate amount of interest and finance costs included in the cost of housing properties was £1,068,492 (2021: £836,599) (the capitalisation rate used was 3.09%)

The net book value of other fixed assets includes £nil (2021: £nil) in respect of assets held under finance leases.

Cost of properties includes £186,255 (2021: £211,583) for direct administrative costs capitalised during the year

Freehold land and buildings with a carrying amount of £71m (2021: £77m) have been pledged to secure borrowings of the Association. The Association is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Notes to the financial statements for the year ended 31 March 2022

13. Tangible fixed assets

Impairment of Housing Properties

Housing properties are assessed at each reporting date to determine whether an indicator of impairment exists, where there is evidence of impairment an assessment is carried out to estimate the recoverable amount of the asset.

The recoverable amount is the higher of fair value less costs to sell and value in use.

The recoverable amount is compared to the book value of the asset (or cash generating unit) and any write down is charged to profit or loss.

Value in use is defined as value in use – service potential (VIU-SP), this is the present value of the asset's remaining service potential plus the net amount the entity will receive from its disposal.

Group & Association

As at 31 March 2022 no impairment loss was recorded in profit or loss.

14. Stock

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
First tranche Shared ownership properties:				
Completed	88	846	88	846
Work in progress	2,335	2,251	2,369	2,251
Outright sale properties:				
Completed	2,122	644	-	-
Work in progress	-	2,421	-	-
	4,545	6,162	2,457	3,097

Notes to the financial statements for the year ended 31 March 2022

15. Trade and other debtors

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Rent arrears	544	506	544	506
Less: provision for bad debts	(234)	(183)	(234)	(183)
Amounts owed by group undertakings	-	-	3,653	3,343
Other debtors	446	465	446	419
Less: provision for bad debts	(199)	(161)	(199)	(161)
Prepayment and accrued income	458	198	353	301
	1,015	825	4,563	4,225

Debtors are all due within one year.

16. Cash and cash equivalents

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cash at bank	11,870	14,739	11,305	14,652

17. Creditors: amounts falling due within one year

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans and overdrafts (Note 26)	71	42	71	42
Trade creditors	644	1,013	644	1,011
Rents and service charges paid in advance	716	716	716	716
Accruals and deferred income	1,068	678	1,068	678
Deferred Capital Grant (Note 19)	616	616	616	616
Recycled Capital Grant Fund (Note 20)	199	199	199	199
Other creditors	263	361	981	355
	3,577	3,625	4,295	3,617

Loans are secured by housing properties, see note 26.

Notes to the financial statements for the year ended 31 March 2022

18. Creditors: amounts falling due after more than one year

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank and other loans (Note 26)	69,399	71,499	69,399	71,499
Deferred Capital Grant (Note 19)	55,407	56,110	55,407	56,110
Recycled capital grant fund (Note 20)	371	231	371	231
Leaseholder sinking funds	198	173	198	173
	125,375	128,013	125,375	128,013

Loans are secured by housing properties, see note 26.

19. Deferred capital grant

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At the start of the year	56,727	57,016	56,727	57,016
– Grants received during the year:				
Housing properties	-	327	-	327
Recycled Capital Grant Fund	-	-	-	-
– Grants recycled during the year:				
Housing properties				
Recycled Capital Grant Fund	(88)	-	(88)	-
Amortised Grant	(616)	(616)	(616)	(616)
At the end of the year	56,023	56,727	56,023	56,727
Due within one year	616	616	616	616
Due in more than one year	55,407	56,111	55,407	56,111
	56,023	56,727	56,023	56,727

The gross amount of grant received prior to amortisation as at 31 March 2022 was £72,697k (2021: £72,697k).

Notes to the financial statements for the year ended 31 March 2022

20. Recycled capital grant fund

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At the start of the year	429	427	429	427
Inputs to fund:				
Grants recycled from deferred capital grants fund	141	-	141	-
Interest accrued	-	2	-	2
Transfers from other Private Registered Providers				
Recycling of grant:				
New build properties	-	-	-	-
	-	-	-	-
At the end of the year	570	429	570	429
Amounts of 3 years and older where repayment may be required.	-	-	-	-

Withdrawals from the recycled capital grants fund were used for new build affordable homes. Amounts in the RCGF are due to the GLA where repayment may be required.

21. Non-equity share capital

	2022	2021
	£	£
Group and Association		
Allotted Issued and Fully Paid		
At the start of the year	11	14
Issued during the year	-	1
Cancelled during the year	-	(4)
At the end of the year	11	11

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up, and are not redeemable. Each share has full voting rights. All shares are fully paid.

Notes to the financial statements for the year ended 31 March 2022

22. Capital commitments

Tangible fixed assets/intangible fixed assets

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	2,363	7,861	2,363	538
Capital expenditure that has been authorised by the Board but has not yet been contracted for	2,606	2,168	2,606	-
	<u>4,969</u>	<u>10,029</u>	<u>4,969</u>	<u>538</u>
The Group expects these commitments to be contracted within the next year and financed with:				
Social Housing Grant	370	1,024	370	-
Proceeds from the sales of properties	3,345	7,800	3,345	538
Cash at Bank	1,254	1,205	1,254	-
	<u>4,969</u>	<u>10,029</u>	<u>4,969</u>	<u>538</u>

The above figures include the full cost of shared ownership properties contracted for.

There are no performance conditions attached to the above commitments.

23. Operating leases

The association holds properties and office equipment under non-cancellable operating leases. At the end of the year the association and group had commitments of future minimum lease payments as follows:-

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Land and buildings:				
In one year or less	78	156	78	156
In one year or more but less than two years	-	78	-	78
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-
Others:				
In one year or less	9	9	7	15
In one year or more but less than two years	-	9	-	7
In two years or more and less than five years	-	-	-	-
In five years or more	-	-	-	-

Notes to the financial statements for the year ended 31 March 2022

24. Grant and financial assistance

Group & Association	Social Housing Grant £'000	Other grants £'000	Total 2022 £'000	Total 2021 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March 2022:	72,697	-	72,697	72,697
Held as deferred capital grant	56,023	-	56,023	56,727
Recognised as income in statement of Comprehensive Income in the current period	16,674	-	16,674	15,970
	<u>72,697</u>	<u>-</u>	<u>72,697</u>	<u>72,697</u>

25. Related parties

In accordance with FRS 102 Related Party Disclosures, Section 33.1A the Group has not disclosed transactions entered into between members of the Group, where each party to the transaction is 100% owned.

The Group entered into the following related party transactions in the year ended 31 March 2022:

- The Board has tenant members who hold tenancy agreements on normal terms and transactions are undertaken on an arm's length basis. Total rent charged to the Tenant Board members was £7,113 (2021: £7,251). There are no arrears on their tenancies at the reporting period end (2021: £Nil).
- Directors' loans (if not disclosed elsewhere).
- Transactions with key management personnel and their close family, (including compensation paid if not disclosed elsewhere).

Notes to the financial statements for the year ended 31 March 2022

25. Related parties (continued)

Transactions with registered and non-registered elements of the business

In accordance with the Accounting Direction 2019, transactions between private registered providers and other non-registered entities in the Group are disclosed as follows:

2022	Turn-over	Operating Expenses	Other Income	Interest Payable	Interest receivable	Loan Creditors	Loan Debtors	Other creditors	Other debtors
	£m	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Subsidiary									
ccha developments limited	-	(50)	-	(116)	-	-	3,548	175	927
2021	Turn-over	Operating Expenses	Other Income	Interest Payable	Interest receivable	Loan Creditors	Loan Debtors	Other creditors	Other debtors
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Subsidiary									
ccha developments limited	-	(47)	-	(106)	-	-	3,343	103	47

ccha provides a loan to ccha developments limited on commercial terms. ccha also provides operational resources sufficient for the running of ccha developments limited, under a Service Level Agreement.

26. Financial instruments and risk management

Liquidity

Total loan and credit facilities

The group had total borrowing facilities of £70.7m available at 31 March 2022 (2021:£76.1m), of which £10.0m (2021:£10m) were undrawn.

Undrawn borrowings at 31 March 2022 relate to a revolving credit facility of £10m (2021: £10m) with Santander Bank. Cash and cash equivalents totalled £11.9m (2021: £14.7m) at 31 March 2022.

Notes to the financial statements for the year ended 31 March 2022

26. Financial instruments and risk management (continued)

Maturity profile of outstanding borrowing at 31 March 2022:

	Group 2022 £'000	2021 £'000	Association 2022 £'000	2021 £'000
Loans repayable by instalments				
Repayable within one year	71	42	71	42
In one year or more but less than two	71	50	71	50
In two years or more but less than five	211	114	211	114
In five years or more	555	1,526	555	1,526
Loans not repayable by instalments				
Repayable within one year	-	-	-	-
In one year or more but less than two	-	-	-	-
In two years or more but less than five	22,500	22,500	22,500	22,500
In five years or more	46,981	48,289	46,981	48,289
Less: loan issue cost	(919)	(980)	(919)	(980)
Total drawn borrowings	69,470	71,541	69,470	71,541

The Group's weighted average cost of capital at 31 March 2022 is 3.095% (2021: 2.644%).

All of the group's borrowing facilities are secured by fixed charges on individual properties.

In April 2019 we put in place an additional facility with Santander which provides a new £10m facility and extends an existing revolving credit facility by a further 3 years.

Managing market risk

Interest rate risk

The group manages volatility of cash flows and interest payments in relation to interest rate risk via limiting its exposure to variable interest rate risk and hedging. Interest rate risk policy managed by Treasury and approved by the board states that variable rate borrowings shall not exceed more than 40% of total outstanding borrowings.

Group fixed and variable rate outstanding borrowing at 31 March 2022:

	2022 £m	2022 Weighted average rate %	2022 Weighted average term Years	2021 £m	2021 Weighted average rate%	2021 Weighted average term Years
Fixed rate	39.7	3.44	22	39.8	3.44	19
Variable rate borrowings	24.5	2.54	10	26.3	1.44	6
Total drawn borrowings	64.2	3.09	17	66.1	2.64	16

Notes to the financial statements for the year ended 31 March 2022

26. Financial instruments and risk management (continued)

Financial assets and financial liabilities at book value and fair value

The book value of all financial assets and financial liabilities at 31 March 2022 is deemed to equal fair value.

The Group's and Association's financial instruments may be analysed as follows:

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets measured at historical cost				
Cash and cash equivalents	11,870	14,739	11,305	14,652
Financial assets measured at amortised cost				
Trade receivables	544	506	544	506
Other receivables	446	465	446	419
Total financial assets	12,860	15,710	12,295	15,577
	<hr/>	<hr/>	<hr/>	<hr/>
	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans payable	69,470	65,193	69,470	65,193
Financial liabilities measured at historical cost				
Trade creditors	644	1,013	644	1,011
Other creditors	1,078	1,176	1,796	1,168
Accruals	1,068	678	1,068	678
Total financial liabilities	72,260	68,060	72,978	68,050
	<hr/>	<hr/>	<hr/>	<hr/>

27. Analysis of Changes in Net Debt

Group	At the Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	14,739	(2,869)	-	11,870
Housing Loans Due in One Year	(42)	42	(71)	(71)
Housing Loans Due After One Year	(65,455)	-	(4,015)	(69,470)
	<hr/> (50,758)	<hr/> (2,827)	<hr/> (4,086)	<hr/> (57,671)

Notes to the financial statements for the year ended 31 March 2022

27. Analysis of Changes in Net Debt (continued)

Association	At the Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At the End of the Year £'000
Cash and Cash Equivalents	14,652	(3,347)	-	11,305
Housing Loans Due in One Year	(42)	42	(71)	(71)
Housing Loans Due After One Year	(65,455)	-	(4,015)	(69,470)
	(50,845)	(3,305)	(4,086)	(58,236)