Registered Number: L3808

TUNTUM HOUSING ASSOCIATION LTD

Consolidated Financial Statements

Year Ended 31 March 2022








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Tuntum Housing Association Limited
COMPANY INFORMATION

Members of the Board
Junior Hemans, BA, MBA - Chair
Dr Mark Taylor, PhD, MBA, FCA, MSc, BSc
Avtar Johal, BSc (Joint Honours), FCCA, MBA (Retired September 2021)
Ade Aderogba, MBE, MCIH, DPA, FCIS (Retired September 2021)
Michelle Bateman MSc, BSc (Hons), RGN, RM, RHV – Vice Chair
Paul Moat, BSc (Hons), DMS, MBA, MRICS
Chris Jones
Kwabena Osayande, BA (Hons), MSc
Professor Philip Baker, BMedSci, BM, BS, DM, FRCOG, FRANZCOG, FMedSci
Ayyaz Ahmed, BA (Hons), FCIH, DMS, MBA
Beryl Louise McConnell, BA (Hons), Barrister at Law
Didia Antonio
Jackie Richards (Elected to the board in September 2021)
Anil Sarda (Elected to the board in September 2021)

Executive Directors
Richard Renwick MBE
Rafik Ghumra
Masaud Subedar (Appointed February 2022)

Secretary
Richard Renwick MBE

Registered Office
90 Beech Avenue
New Basford
Nottingham
NG7 7LW

RSH Registered Number
L3808

Co-operative and Community Benefit Societies Act 2014 Number
26310R

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Solicitors
Browne Jacobson Solicitors
Mowbray House, Castle Meadow Road
Nottingham
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Operating and financial review

Background

Tuntum currently owns and manages 1,569 homes (as at March 2022) located in 12 local authority areas comprising the cities of Nottingham, Leicester and Derby and the boroughs of Hinckley and Bosworth, Rushcliffe, Erewash, Gedling, Broxtowe, Mansfield, Charnwood, Ashfield and East Staffordshire.

Tuntum's principal activities are the development, management and maintenance of social housing, primarily for people on a low income. This includes housing combined with specialist support to meet a range of different needs, including refugees, young single homeless, young mothers, the elderly, and women fleeing domestic violence. There is a small programme of housing for shared ownership sale, usually on sites where affordable housing is also being built. As part of its social value contribution to communities in Nottingham, Tuntum is involved in community activities such as leading on the delivery of the Nottingham Carnival. An event it has been involved with in partnership with community volunteers since 1999.

Tuntum was registered with the Housing Corporation in December 1988 as part of a national strategy to establish and develop BAME-led housing associations. Tuntum is still associated with other housing associations registered under the same strategy through its membership of the BME National organisation.

Tuntum's governance is overseen by a highly skilled and experienced Board, which is supported by three committees which were established in December 2021 following a review. These are the Audit and Risk Committee, the Customer Experience Committee and the People and Governance Committee. In December 2021 the board also created a Task and Finish Panel to oversee improvements in its governing practices following the In-Depth Assessment (IDA) carried out in 2021.

As of 31st March 2022, 62 full-time equivalent staff members were employed, an increase of 6 from the previous year.

Overview of the year 2021/22

Like most housing associations, the years 2020 and 2021 were some of the most challenging years in Tuntum's history, mainly due to the pandemic. However, it still managed to implement a new IT management system, Omniledger and restructure teams and grow the housing stock by 7%. In addition, The Regulator of Social Housing carried out an In-Depth Assessment (IDA) between May and September 2021. This did identify some areas where performance had declined, which in some instances was caused by the pandemic. As a result, the Association's regulatory judgement was adjusted from G1 V2 to G2 V2 in September 2021. In response, consultants Campbell Tickell were engaged in providing support with developing an Improvement Plan so that work could be started towards regaining a G1. This work was overseen by the Task and Finish Panel, which have since met on at least five occasions between January and July 2022.

Dealing with the IDA and the emerging issues has been the main focus for both the executive and the Board during the year 2021/22 and improvement has been made in the areas identified.

The review of the Annual Operation Plan for the year 2021/22 took place in March 2022 and had the following objectives and outcomes. The objectives were based on the strategic objectives previously agreed by the Board.

Corporate objective – To deliver an excellent standard of services to tenants and other customers which achieve good levels of tenant satisfaction. That tenants are satisfactorily engaged

Key evidence of delivery during the year 2021/22 are as follows:

- The board reviewed our performance against the recommendations in the Housing White Paper on a chapter-by-chapter basis and was satisfied that most of these were being delivered by the Association.
- A number of meetings were held with residents in the sheltered and specialist schemes and the tenant's scrutiny group Magnify reviewed the structure and contents of the quarterly newsletter Engage.
- Four copies of the tenant newsletter, Engage, were published during the year.
- Introduced a new portal for tenants via the website called 'MyTenancy'.
- All tenant's complaints were dealt with within KPI targets.

Corporate objective – To deliver an excellent standard of services to tenants and other customers, which achieve good levels of tenant satisfaction. To ensure that staff are appropriately skilled and motivated.

Key evidence of delivery during the year 2021/22 are as follows:

- The staff training programme for the year 21/22 was delivered with the focus on continuing with staff learning the new IT management system, Omniledger.
- The Human Resources (HR) Strategy and the HR Key Performance Indicators (KPIs) were reviewed by the Governance & Remuneration Committee.
- There was a review of the specialist and sheltered housing teams, which was a challenge with the final implementation of the recommended restructure completed by June 2022.
- Two breakfast briefings were held covering the following topics; governance and regulation, plus a behavioural review session with occupational psychologist consultants.
- Monthly staff newsletters continued to be issued to all staff.
- The name and terms for the Governance and Remuneration Committee was changed to the People and Governance Committee to give more emphasis to human resources matters.
- A new People Strategy was developed and approved by the People and Governance Committee.
- A staff survey was carried out, which produced very positive results, with over 75% stating that they would recommend Tuntum as an employer to family and friends and over 90% said they receive adequate training and equipment for their job and understand their role.

Corporate objective – To deliver an excellent standard of services to tenants and other customer, which achieve good levels of tenant satisfaction. To ensure that the Association's properties are maintained in good condition.

Key evidence of delivery during the year 2021/22 are as follows:

- Despite the legacy of lockdown, 100% of emergency repairs, 96% of routine repairs and 99% of urgent repairs were on target.
- Over the year, 6,327 property repairs were carried out, costing £2.792m and comprising; £.867m on planned and major improvements and £1.925m on routine maintenance.
- As always, on an annual basis, the Asset Management Strategy was reviewed and approved by the Board during the year.
- 99% of gas safety certificates were issued, 100% of legionella inspections, 100% of fire risk assessments and 69% of all properties requiring periodic electrical testing within the 5-year cycle were tested (target was 60%). However, 2.5% were without valid EICR tests (target 0%).
- A new service agreement with all contractors was implemented and signed by them.

Corporate objective – To deliver an excellent standard of services to tenants and other customers which achieve good levels of tenant satisfaction. To minimise the risk to the health and safety of residents.

Key evidence of delivery during the year 2021/22 are as follows:

- Internal audit provided the board with assurance on compliance with health and safety.
- Reviewed compliance responsibilities with partner organisations.

Corporate objective – To remain financially strong within sound and embedded risk management and value for money frameworks.

Key evidence of delivery during the year 2021/22 are as follows:

- The annual risk management plan was approved in May 2021 and implemented for the year.
- The maintenance of the Asset and Liability Register was reported to the Audit and Risk Committee and assessed as up to date by the chair of the committee.
- The annual review of the treasury and securitisation position was carried out by the Treasury Management and Loans Committee.
- The five-year financial business plan for the year was approved in May 2021.
- The internal audits carried out during the year resulted in the following: health and safety (gas safety) – partial assurance; key financial controls – substantial assurance; IT general controls – reasonable assurance; landlord health and safety (gas, electrical and fire) – reasonable assurance.
- The internal audit opinion for the year 2021/22 was as follows: *The organisation has an adequate and effective framework for risk management, governance and internal control.*
- The surplus for the year ended 31st March 2022 was in line with the annual budget set.
- The gearing and interest cover ratios relating to all finance loans were well within agreed limits.
- The Value for Money Strategy and Statement was reviewed and improved during the year.

- The risk management framework was reviewed by the Board in March 2022 resulting in some new strategic risks.

Corporate objective – To maintain a high standard of governance in keeping with the NHF Code of Governance.

Key evidence of delivery during the year 2021/22 are as follows:

- The association underwent an IDA by the Regulator of Social Housing which was conducted between May 2021 and September 2021.
- Two new Board members, Jackie Richards and Anil Sarda, were elected at the AGM in September 2021.
- All Board members and the Chair received satisfactory annual appraisals.
- In March 2021, the new NHF Code of Governance was approved by the Board and became the official code of governance for the Association.
- At the same meeting, the board approved the Annual Board Development Programme for 2021/22 which included training in July 2021 in risk tolerance and a review of perfect storms and mitigating circumstances in November 2021 at the annual Board Away Weekend.
- In December 2021 the Board approved a new committee structure and agreed new terms of reference.
- In December 2021 the Board approved an Improvement Plan in order to address the changes to be brought about as a result of the IDA report.
- The Board approved a number of key policies and strategies during the year.
- The Board agreed compliance with the Regulator's Governance and Viability Standards using a detailed analysis and also reviewed compliance with the NHF Code of Governance 2020 using a detailed checklist.

Corporate objective – To develop more homes for people in housing need including homes for sale.

Key evidence of delivery during the year 2021/22 is as follows:

- The Board approved that future developments would be delivered as a delivery partner with Nottingham Community Housing Association (NCHA) under the Strategic Partnership programme as well as under the continuous market engagement programme with the Blue Skies Consortium.
- The Board approved the development of a further 97 new homes for development which will be completed over the next two years.
- In March 2021, the rolling five-year business plan was revised to deliver a target of 267 new homes by 2026.

Corporate objective – To deliver initiatives which enhance the social, economic and environmental situations of local communities, including environmental sustainability. **Key evidence of delivery during the year 2021/22 are as follows:**
• The target for delivering additional social value is equivalent to 10% of turnover using the HACT model. The value of this is estimated at £971,000. However, when all the added value projects for 2021/22 are taken into account and the impact they had on the wider disadvantaged communities is considered, the total social value provided for 2021/22 is estimated at £1,494,968 which is 15% of turnover, well above the target agreed by the Board. • 29 days of social value day activities were delivered by the staff as part of their contracts of employment. • Increased the number of families from Afghanistan and Syria supported by 5 to 16.

Overall Financial Performance

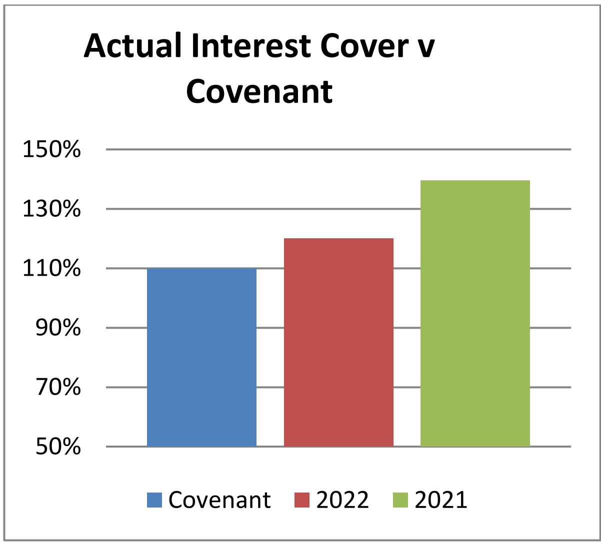
The Association increased its turnover for the year from £9.2m to £9.9m and the operating surplus before surplus on the sale of properties decreased from £2.5m to £2.4m.

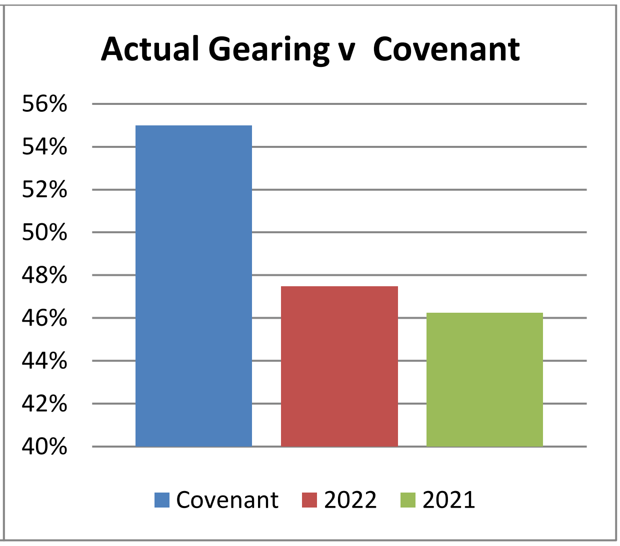
See below a summary of key financial performance during the year:

Group Annual Accounts – Analysis of Key Performance				
ITEM	**21/22**	**20/21**	**Change**	**Change**
	£'000	**£'000**	**£'000**	**%**
Turnover	**9,926**	**9,208**	**718**	**7.80%**
Operating surplus before surplus on property sales	**2,451**	**2,547**	**-96**	**-3.8%**
Sale of properties	**200**	**232**	**-32**	**-13.8%**
Financing costs payable	**-2,142**	**-1975**	**-167**	**-8.5%**
Net surplus/(deficit)	**509**	**805**	**-296**	**-36.8%**
Operating surplus before surplus on property sales as % Turnover a % of turnover	**25**	**28**	**-3**	**-11%**
Net surplus/(deficit) as % of turnover	**5**	**9**	**-4**	**-44%**
Property assets at gross cost	**124,965**	**119,344**	**5,621**	**4.7%**
Loans excluding deferred loans cost	**64,532**	**66,051**	**1,519**	**2.3%**

Lenders Key Covenants

A critical aspect of sound financial management is to ensure compliance with all loan covenants. The following outlines performance against key lenders' covenants at the end of 31st March 2022. The Association complied with all its covenants.





Strategic Risks

At the Board meeting held on the 24th March 2022, the Board revised the risk management structure of the Association and, with it, the strategic risks for the year 2022/23. These are as follows:

- Not maintaining effective financial controls and sustainability
- Inadequate investment in existing stock
- Not maintaining a skilled, supported and motivated workforce
- Not maintaining a good level of customer service
- Not maintaining an effective governance and compliance framework
- Not maintaining an effective Health & Safety and Safeguarding environment across the organisation.
- IT infrastructure is not secure and aligned to business needs and continuity
- Failure to have effective business continuity arrangement in place to ensure our ability to respond to major disasters and pandemics

The Board also agreed which of the sub-committees of the Board will be carrying out detailed reviews of the strategic risks on an annual basis. These reviews will be overseen by the Audit and Risk Committee and then reported to the Board.

In relation to liquidity risks, the Board of the association requires a cash position equivalent to 25% of the operating expenditure. This was maintained throughout the year and at the time of the publication of this strategic report in September 2022, stood at approximately £4m or around 60% of estimated annual operating expenditure. In addition, the Association maintains a £10m revolving credit facility with Barclays Bank. This is to provide adequate cash to meet development aspirations.

Value for Money (VfM)

This section of the financial statements outlines; how important VfM is in achieving strategic objectives, the VfM savings made in 2021/22, how operating costs (i.e. costs per unit) compare with others and the performance in relation to the VFM metrics as determined by the Regulator.

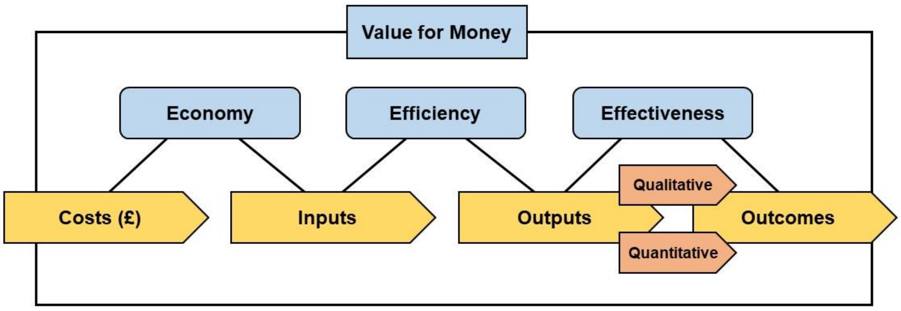
What VfM means to Tuntum

Tuntum is firmly committed to delivering VfM across every part of the business and believes it is about more than just saving money. It is about ensuring that the best value is obtained from resources, looking for creative and innovative ways of becoming more efficient and generating new value from assets. By accomplishing this, Tuntum is assured that it is providing the best possible services openly and transparently. It also means that the association can continue to develop innovative additional services specifically tailored for customers with specific needs.

VfM is traditionally expressed as the relationship between; economy, efficiency and effectiveness and is at its peak when there is an optimum balance between all three.

This is also achieved when there is low costs (cost), high productivity (performance), and successful outcomes (quality).

This traditional definition of value for money is demonstrated in the diagram below:



The below listed associations were chosen for peer group comparisons based on the following criteria:

- A member of BME national
- Operating outside of London
- With a mix of specialist and general needs
- Local to Nottinghamshire county
- Of a similar size to Tuntum

Registered housing providers chosen as peer group members	Social housing units managed as at 31st March 2021
Arawak Walton Housing Association Limited	1108
Leeds and Yorkshire Housing Association Limited	1672
Manningham Housing Association Limited	1405
Nehemiah United Churches Housing Association Limited	1240
Nottingham Community Housing Association Limited	9669
South Yorkshire Housing Association Limited	5506
Unity Housing Association Limited	1331
Warrington Housing Association Limited	1311

How Tuntum costs compare with its identified peer group and the sector

The table below compares cost per unit (cpu) with various peers and the sector as a whole – the only comparison figures currently available relate to 2020/21

Comparisons	Tuntum	Peer Group	Sector as a whole	Tuntum	Comments
Financial Year	20/21	20/21	20/21	**21/22**	
	£	£	£	**£**	
Headline social housing cpu, excluding leasehold and fully staircased-shared ownership homes.	3,393	4,404	4,150	**3,866**	This is higher than last year due to higher operating costs caused by one-off redundancy costs, day to day maintenance costs and higher spend on planned major repairs.
Comparison with median social housing cpu	3,730	3,730	3,730	**3,730**	
Variance - £	337	-674	-420	**-136**	
Variance - %	9.04%	-18.06%	-11.25%	**-3.64%**	
Management cpu	**1,062**	1,223	1,075	**1,149**	Management costs were higher than last year due to one-off costs of restructuring the management of the specialist housing schemes.
Service charge cpu	**746**	480	678	**807**	The service costs are higher as a result of providing specialist services to mental health residents at the Old Vicarage.
Maintenance cpu	**1,044**	921	1,169	**1,226**	Maintenance costs in 2021/22 are higher compared to peers due to increased costs relating to compliance works, higher void repair and repairs to fencing costs.
Major repairs cpu	**441**	703	758	**552**	The major repairs works were disrupted during the year due to the Covid lockdown, which restricted the ability to fully carry out the programme of planned works in 20/21.
Other social housing cpu	**64**	1,076	470	**132**	These relate to lease payments and support costs.

VfM measurements (metrics) for 2020/21 and 2021/22 is determined by The Regulator of Social Housing

The table below shows Tuntum's VfM metrics (from metric 1 to metric 7) for the last two financial years and comparison data:

Comparisons from metric 1 to metric 7		Tuntum	Peer Group	Sector as a whole	Tuntum	Comments
Financial Year		20/21	20/21	20/21	**21/22**	
Homes in management at the year-end		1,537	24,778	2,788,083	**1,569**	
Social housing units developed		38	592	35,201	**35**	Built - 22 homes in Ilkeston, Derbyshire, 9 homes in Peet St, Derby, 2 homes in Ilkeston, Derbyshire and bought 2 homes for refugees in Mansfield.
		%	%	%	%	
1	Reinvestment %: (properties acquired + development of new homes + work to existing homes + capitalised interest + schemes completed)/NBV cost.	16.4	6.9	5.7	**5.56**	Spent - £867k on investment in existing stock and £5.2m on investment in new homes.
2a	New supply delivered %: total social housing homes delivered or newly built homes acquired/total housing homes owned at the period end.	2.5	2.0	1.4	**2.2**	As stated, 35 new homes were built.
3	Gearing %: (loans outstanding - cash and cash equivalents)/tangible fixed assets: housing properties at cost less depreciation. .	54.1	41.6	47.2	**56.8**	This has increased due to the utilisation of the cash balances towards investments made in new homes

4	EBITDA-MRI %: operating surplus less amortised govt grant less grant taken to income plus interest receivable less capitalised major repairs plus total depreciation/Interest capitalised plus interest payable and financing costs.	139.9	172.8	151.2	**119.58**	This is lower than the previous year as more was spent on planned maintenance.
		£	**£**	**£**	**£**	
5	Headline social housing cost per unit - Inc. owned and managed	3,393	4,404	4,150	**3,866**	This is higher than the previous year due to increased operating costs mainly related to one-off redundancy costs, day-to-day repairs and higher spend on planned repairs.
		%	**%**	**%**	**%**	
6a	Operating margin %: operating surplus from social housing lettings - gain/ (loss) on the disposal of fixed assets/turnover from social lettings.	29.1	28.3	27.4	**25.7**	This has reduced from the previous year due to higher management and maintenance costs.
6b	Operating margin %: operating overall surplus - gain/ (loss) on the disposal of fixed assets)/overall turnover.	27.7	22.3	24.6	**24.7**	This has been impacted by higher management and maintenance costs.
7	Return on capital employed %: operating surplus overall plus gain/loss of disposal of fixed assets/total assets less current liabilities.	2.6	2.7	3.1	**2.5**	This was impacted by higher management and maintenance costs.

The key objectives of the VfM Strategy over the next five years are reviewed each year. The strategy reviewed in July 2022 includes the following:

VfM Actions	22-23	23-24	24-25	25-26	26-27
Invest £900k over the next five years on works to improve the EPC to a level C for 200 of our properties that fall below the C rating	£100k	£100k	£200k	£250k	£250k
Invest £6.35m towards improving our existing properties over the next five years.	£1.2m	£1.15m	£1.35m	£1.3m	£1.35m
Enhance customer satisfaction on repairs to 90% by the end of the next five years	80%	82%	85%	90%	90%
As part of the Voids process, to review the return on properties becoming vacant by assessing the financial investment required, the annual spend on repairs and the demand for the property	*	*	*	*	*
Improve void loss budget by 20% annually	£37k	£49k	£43k	£44k	£45k
Improve bad debts budget set by 15% annually	£21k	£22k	£25k	£25k	£26k
Review management agreements with other housing organisations	*				
Rollout mobile tablets by 31st March 2023	*				
Improve efficiency of staff recruitment, including reviewing the requirement for each job as it becomes vacant	*	*	*	*	*
Increase scrutiny on existing budgets	*	*	*	*	*
Tender all contracts that fall for renewal	*	*	*	*	*
Improve procurement process	*	*	*	*	*
Provide more community-related services through external funding.	*	*	*	*	*
Secure additional funding	*	*	*	*	*
Aim to achieve extra headroom in the interest cover covenant	*				

The projected VfM metrics for the next five years is as follows:

				Tuntum Business Plan Projections 2022-2027				
RSH SCORECARD METRIC	**Sector Median 2020-21**	**Peer Group Weighted Average 2020-21**	**Tuntum 21-22**	**22-23**	**23-24**	**24-25**	**25-26**	**26-27**
Forecasted new units	-	-	35	43	53	41	30	30
Closing units	2,788,083	23,241	1569	1,612	1,665	1,701	1,736	1,766
Cost per unit	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Management cost per unit	1,060	1,234	1,149	1,097	1,111	1,157	1,170	1,189
Routine and planned maintenance cost per unit	1,108	913	1,226	1,074	1,136	1,181	1,218	1,232
Major repairs cost per unit	717	721	552	837	874	1,099	1,039	1,148
Service charges per unit	435	462	807	771	777	798	806	816
Other costs per unit (Lease charges and support costs)	211	1,141	132	167	170	174	175	176
Total cost per unit	**3,731**	**4,471**	**3,866**	**3,947**	**4,068**	**4,409**	**4,408**	**4,561**
	%	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Re-investment (calculated using all development costs during the year, works to existing properties and capitalised interest)	5.8	7.0	5.56	8.91	9.90	7.50	6.81	3.47
New supply delivered (social housing)	1.30	1.9	2.23	2.66	3.2	2.09	2.01	1.7
Gearing RSH - net housing properties cost	43.9	40.6	56.8	58.1	60.2	60.5	60.7	59.9
EBITDA MRI interest cover	183.00	175.70	119.58	125.88	127.31	129.32	131.15	130.7
Operating margin housing	26.3	26.20	25.7	31.5	31.9	32.6	32.9	32.9
Operating margin overall	23.9	20.00	24.7	30.3	30.7	30.6	30.5	31
Return on capital employed	3.3	2.70	2.5	2.70	2.8	3.0	3.0	3.1

Tuntum Housing Association
Key Performance Indicators Targets 21/22

GREEN = target currently met.	AMBER = failed target but betters previous performance (i.e. trend is one of improvement) or within 10% of target.	RED = failed target by more than 10% and failed consecutively.	PINK = action not yet commenced or not due

REPUTATION	TARGET 21/22	PERFORMANCE 21/22	TARGET 22/23
Overall satisfaction	80%+	70% Partly due to Covid.	80%+ To carry out quarterly surveys
Repair satisfaction	77%+	78%	77%+
COMPLAINTS	**TARGET 21/22**	**PERFORMANCE 21/22**	**TARGET 22/23**
Percentage of complaints informally resolved per quarter	At least 50%	52.70%	60% of total complaints resolved
% stage one complaints resolved during the reporting year.	At least 75%	39.19%	30% of total complaints resolved. Cumulative 90%
% stage two complaints resolved during the reporting year.	At least 95%	4.05%	10% of total complaints resolved. Cumulative 100%
% of the total complaints received going forward to Independent Complaints Panel or Housing Ombudsman	Below 5%	1.35%	<5% of total complaints resolved
GENERAL NEEDS	**TARGET 21/22**	**PERFORMANCE 21/22**	**TARGET 22/23**
Current rent arrears as % of rent collectable	3%	2.77%	3%
Former rent arrears collected per period as a % of total	0.50%	0.64%	0.50%
Rent collected as % of rent collectable	100%	98.87%	100%
Void Loss (loss of rental income when a property is empty)	1%	0.86%	1%
Average re-let time	21 days	23.6 days Partly due to Covid.	21 days
Tenancy turnover as a % of total stock	5%	4%	<5%
SPECIALIST HOUSING SHELTERED	**TARGET 21/22**	**PERFORMANCE 21/22**	**TARGET 22/23**
Current rent arrears as % of rent collectable	3% of rent receivable	4.1 Delays in processing housing benefit claims	3%
Rent collected as % of rent collectable	100%	97.83%	100%
Void Loss (loss of rental income when a property is empty)	4%	3.49%	3%
Average re-let time	21 days	88 days Due to outstanding repairs and Covid-19 restrictions	21 days

SPECIALIST HOUSING TEMPORARY ACCOMMODATION	TARGET 21/22	PERFORMANCE 21/22	TARGET 22/23
Current rent arrears as % of rent collectable	3% of rent receivable	4.77% Refurbishment of Imaani scheme	4%
Rent collected as % of rent collectable	100%	97.50%	100%
Void Loss (loss of rental income when a property is empty)	4%	8.71% Refurbishment of Imaani scheme	5%
Average re-let time	14 days	47 days As above	14 days
PROPERTY REPAIRS (completed within target timescale)	**TARGET 21/22**	**PERFORMANCE 21/22**	**TARGET 22/23**
Emergency	100%	100%	100%
Urgent	90%	96%	100%
Routine	90%	96%	100%
All Repairs	93%	97%	100%
Properties surveyed - All properties that are older than 10 years but have not had a survey in the last 5 years. (pro rata performance as a % of total annual target)	100%	91%	100%

Return on Assets

Tuntum appreciates the return that is generated by the assets it owns. The 30-year business plan demonstrates that it is able to pay all of its debts outstanding as well as investing approximately £40m at present day value in its assets. Tuntum has an asset management strategy that requires it to consider each and every property and its value to the business based on the time it becomes void or when it is required to make a substantial investment in that property to ensure that value for money is obtained. All new developments are assessed on the basis of the Net Present Value (NPV) that is delivered. The return on assets generated depends on the amount of re-investment made annually and the Board is satisfied with the current overall rate of return generated.

Social Value

The Board is enthusiastic about the role that Tuntum plays in the wider community, contributing towards improving the social, economic and environmental situations of local communities. However, by the very nature of Tuntum's core activities, significant social value is given to its tenants and the wider society. For the purpose of its social value strategy Tuntum only counts those activities that are not regarded as core housing association activities.

Below is the chart showing the cost of relevant social activities undertaken in the year 2021/22 and the outputs as measured by the Housing Associations Charitable Trust (HACT) calculator.

- **Staff Social Value Day –** During the year each member of staff will spend a day working at a charitable project chosen by the staff as required by their contract of employment. The project chosen can vary each year. However, usually this would include projects such as those dealing with homelessness or refugees. During the year 2021/22 staff members undertook 29 days of social value, which was impacted Covid restrictions.

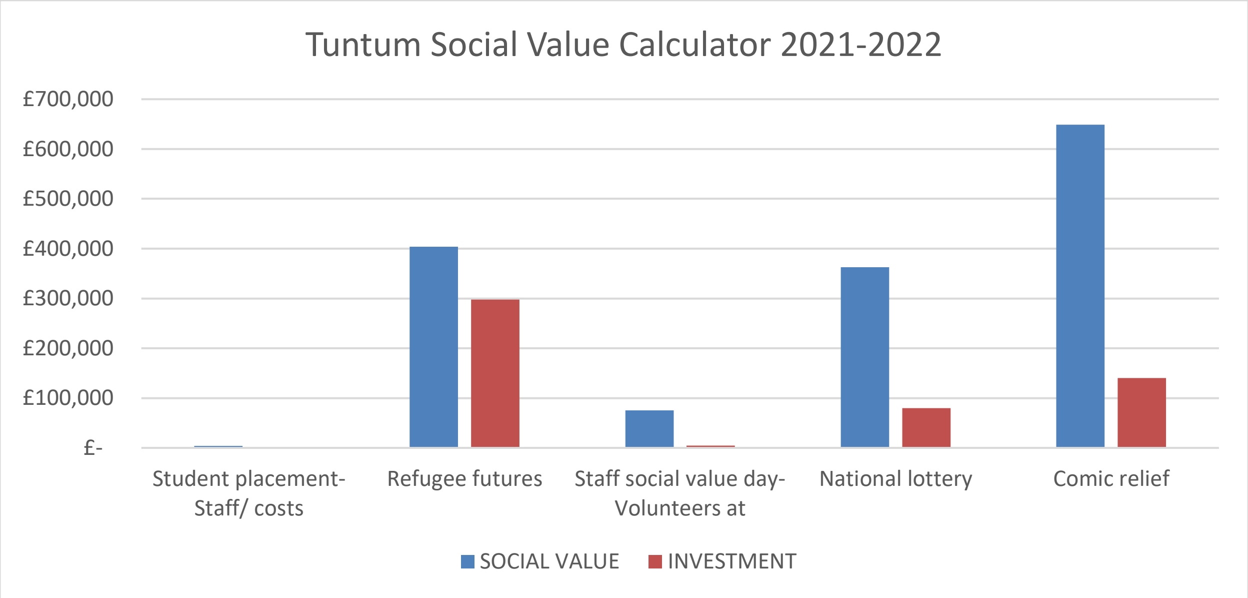
- **The Nottingham Carnival** – Tuntum works with the local community to deliver the Nottingham Carnival each year. The carnival was cancelled during the year 21/22 due to Covid related restrictions. However, the carnival was revived in August 2022.

- **National Lottery –** During the year, Tuntum received some £85k in National Lottery Grant which was used to provide support and recreational activities through 'Healthy Roots'. This was a project in the three sheltered schemes for elderly residents to improve their well-being.

- **Comic Relief Grant –** During the year 2020/21 we secured £418,410.34 from Comic Relief to enable the provision, over four years, of mental health services to improve the lives of young people from black, asian and minority ethnic (BAME) communities living in Nottingham's most deprived areas. The programme called 'Headwize' is being delivered in partnership with four community-based projects in Nottingham.

- **Refugee Futures** – Since 2008, Tuntum has run a support service for Refugees in the city of Nottingham and in the county of Nottinghamshire. This service is now delivered primarily in the boroughs of Mansfield, Ashfield and Newark. The support services include; English language development, assistance in integrating with the local community, placement with support in local schools, assistance with finding employment and other similar activities.

To quantify the social value, Tuntum has always used the HACT Social Value Calculator. The results below show that value calculated on these projects is justified due to the impact they are having on the wider disadvantaged communities served. The total social value provided for 2021/22 is estimated at £1,494,968 which is 15% of turnover, well above the target of 10% agreed by the board.



Compliance with the VfM Standard

Because of the data and comments shown above, the Board is confident that the requirements of the VfM Standard (2018) has been complied with.

Compliance with the Regulator of Social Housing's Governance and Viability Standard

The Board confirms that the Association has met the regulatory expectations in the governance and financial viability standard. This was demonstrated by the results of the In Depth Assessment (IDA) carried out between May 2021 and September 2021, resulting in a compliant grading with the Regulatory Judgement of G2/V2. In addition, the Board at its meeting in December 2021, assessed compliance with the regulatory standards.

Compliance with the NHF Code of Governance

The People and Governance Committee and the Board carried out a full review of compliance with the NHF Code of Governance 2020, which the Board adopted in March 2021. This was done using the Campbell Tickell questionnaire. There was one key area where there was not full compliance, and that is in addressing the following: The board regularly considers and defines the culture and behaviours that will best enable the organisation to deliver its mission and values.

The Board regularly reviews the Vision, Mission and Values of the Association and is planning to define the Association's culture and behaviours at the away-weekend in November 2022. Also, the staff of the Association are currently undergoing a review of its behavioural framework, which will contribute to the Board's review of the Association's culture.

Therefore it is appropriate to say that only on the basis of the above, Tuntum did not fully comply with the NHF Code of Governance 2020.

Report of the Board on the system of internal controls assurance

The Board is ultimately responsible for the Association's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable - not absolute - assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Association. This process has been in place for the year under review and up to the approval date of the annual report and accounts.

The Board regularly reviews this process. During the year, the board carried out a comprehensive review of the internal controls process as part of the IDA improvement plan with the help of our consultants Campbell Tickell and agreed the following:

- A new Risk Management Framework.
- Revised strategic risks that the Association faced in relation to the reviewed strategic objectives and the changing environment in which the association operates.
- A new committee structure now comprises; the Customer Experience Committee, the People and Governance Committee and the Audit and Risk Committee.
- The allocation of responsibility for reviewing specific risks to the three committees, ensuring that these align with the terms of reference for these committees.
- An improved assurance framework, especially in relation to Board and committees responsibilities during the year 2022/23 and health and safety policies.
- A specific policy and approach/procedure for Co-Regulation that was not there previously.

This report outlines the system of internal controls and scrutiny, which forms the assurance framework. The report, as detailed below, is split into the following sections:

I. Business Planning and Budgeting
II. Strategies, Policies and Procedures
III. Governance - Board and Management Reporting
IV. Internal & External Audit
V. The Regulator – Regulator of Social Housing
VI. IDA task and Finish group
VII. Risk Management
VIII. The Audit and Risk Committee
IX. The Operations Committee replaced with the Customer Excellence Committee from the 1st March 2022

X. The Governance and Remuneration Committee was renamed the People and Governance Committee from the 1st March 2022
XI. The Treasury Management and Loans Committee suspended unless required
XII. Conclusion

Business Planning and Budgeting

The Association has a rolling five-year Business Plan and a robust process of developing and setting the corporate objectives and targets contained within the Plan.

The business planning process involves engagement with the Board, the senior management team and staff. Where possible, this will include tenants and external stakeholders. The Board reviewed the Five Year Business Plan for 2022 to 2027 in March 2022 and approved the current plan in July 2022.

The annual budget-setting process included detailed scrutiny by key staff and members of the Board. The budget for the financial year 2022/23 was approved on the 22nd March 2022.

Strategies, Policies and Procedures

The Association has a comprehensive set of strategies, policies and procedures, which are reviewed on an annual or three-year basis. These strategies and policies have been developed to ensure that the Association is able to operate effectively in accordance with best practice and to reflect changing circumstances. These also underpin the effectiveness of the internal control framework.

The following strategies, policies and stranding orders were reviewed during the last twelve months to 31st March 2022: -

- Rolling 5-year corporate and business plans including the 5-year development strategy
- Annual Budget and quarterly reports
- Annual Operational Action Plan and updates
- The Annual Value for Money Strategy, Action Plan and Statement
- The Risk Management Strategy and framework for managing risks
- Annual Strategic Risk Register and Operational Risk Maps and regular updates
- Management of the Coronavirus pandemic risk
- Review of Board performance against the NHF Code of Governance
- Board members' annual appraisals
- The KPI format, structure and quarterly updates
- Children's Safeguarding policy
- All Health and Safety policies
- GDPR and data protection policies and procedures
- Performance against regulatory standards
- Oher policies in keeping with the annual policies review schedule

Governance - Reporting to Board and Committees

There is a process of regular reporting by the executive and other senior managers to the Board and the committees. This is an essential part of the internal controls framework and provides reasonable assurance to the Board and the committees that the controls are working effectively. It also enables the Board to have a comprehensive overview of the executives' performance.

Where necessary, the Board will authorise the engagement of external consultants to assist them with the decisions they take by providing an external view on such matters. This process can help to provide the Board with further assurance about the effectiveness of the Association's internal controls. The Board re-appointed ATFS Ltd to act as treasury advisors and used the services of RSM risk experts in reviewing its risk management framework and strategic risks and Campbell Tickell in assisting in the implementation of the IDA Improvement Action Plan.

Internal and External Audits

Both internal and external audit form an integral part of the Association's internal control framework.

The annual internal audit programme is an independent and objective consulting activity designed to add value, provide assurance and improve the Association's operations. This programme of work is carried out by RSM, the appointed internal auditors and is set and reviewed by the Audit and Risk Committee. This committee also receives the annual review of the effectiveness of the system of internal control, which is provided by the internal auditors.

For the year 2021/22, this review resulted in an opinion, which stated that the Association has an adequate and effective framework for risk management, governance and internal controls, with a proviso that some further enhancements were to be made to maintain an effective framework of controls. The internal auditors also meet the members of the Audit and Risk Committee without the presence of the executive at least once a year.

During the year 21/22, the internal auditors reviewed the following areas as part of the annual programme.

Subject	Result
Health and Safety – Gas safety	Partial Assurance
Key financial controls – General ledger	Substantial Assurance
Landlord Health and Safety Compliance - gas, electrical and fire safety	Substantial Assurance
Follow-up of recommendations made in previous audits	Good Progress
IT general controls	Reasonable Assurance

External audit is also a key part of Association's internal control framework. For the year ending 31st March 2022, the external auditors have concluded their work and have provided an unqualified opinion. The external auditors also report directly to the audit and risk committee without the presence of the executive.

The Regulator of Social Housing (RSH)

The Association is regulated by the RSH, which annually issues ratings on compliance with the Governance and the Financial Viability Standard. They carry out these functions through:

- Quarterly Finance and Risk Surveys
- Annual submission of the financial forecast return (30-Year Financial Projections)
- Annual submission of the statutory accounts
- Annual statistical data return
- Completion of a yearly fraud statement
- Planned In Depth Assessment visits - this last took place between March 2021 and September 2021.
- Assessment and grading through Regulatory Judgements. The Association was last graded in September 2021 to G2 for governance and V2 for financial viability.

This provides another source of assurance to the Board. Any significant concerns here are raised directly with the Chair and Chief Executive. In relation to the re-grading of the governance standard from G1 to G2, the association in conjunction with Campbell Tickell Consultants, put in place an IDA Improvement Action Plan to address the areas of concern that were identified by the Regulator.

The IDA Task and Finish Panel

This committee was created by the Board in December 2021 to ensure that the IDA Improvement Action Plan and related actions recommended by Campbell Tickell and agreed by the Board, were being implemented. The committee will cease to exist after the Improvement Plan is completed. During the year 2021/22 the committee contributed towards overseeing the internal controls of the Association by ensuring that the following actions recommended as part of the plan are implemented:

- A review of the terms of reference for the Board and committees.
- Landlord health and safety reporting and provision of assurance.
- Asset management reporting and provision of assurance.
- Specialist housing reporting.
- Safeguarding for children.
- VFM reporting.
- The framework of Co-regulation.
- Risk management framework.
- Building safety and reporting and provision of assurance.
- Stress testing and treasury management.
- Stock re-investment.

The Audit and Risk Committee

The Audit and Risk Committee (ARC) carries out scrutiny work on behalf of the Board and makes recommendations to the Board where appropriate. During the year 2021/22 the committee contributed towards overseeing the internal controls of the Association by the following activities:

- Reviewed the strategic risk register and the related assurance framework.
- Regularly discussed risks as an agenda item, including reviewing any risks that are on the horizon with the presence of the Internal and External auditors having an input in the process
- Reviewed the Association's Value for Money (VfM) statement and monitored the Association's performance with the agreed VFM metrics during the year.
- Received all the reports from internal auditors and monitored the implementation of any recommendations made
- Received the annual accounts from the external auditors and recommended them for approval to the Board
- Reviewed the GDPR policies and processes
- Reviewed the Associations Asset and Liabilities Register
- Reviewed the insurance arrangements that are in place

The Operations Committee – dissolved by the Board in December 2021 and its objectives included in the Terms of Reference for the Customer Experience Committee.

The Operations Committee was dissolved at the board meeting held on the 9th December 2021 and held its last meeting on the 4th August 2021. During the year 2021/22 the committee contributed towards overseeing the internal controls of the Association by the following activities:

- Monitoring key operational performance indicators against targets set.
- Monitoring the performance of action plans to ensure compliance against targets.
- Ensuring that relevant strategies are in place and updated when necessary including when new challenges are presented to the Association.
- When delegated to do so, scrutinising various operations policies and procedures for the Board.
- Monitoring the progress made in sourcing and implementing a new IT system for the Association.
- Reviewing strategic risks which were delegated by the Board for the committee to review.
- Monitoring the Association's Health and Safety Risk Register.
- Monitoring the Association's compliance with health and safety policies.
- Monitoring various key performance indicators and getting explanations where the performance is not within targeted levels.
- Monitoring reports on new scheme developments, which are on site and in the pipeline together with the monitoring of their financial performance.

The Customer Experience Committee held its only meeting during the year 2021/22 on the 2nd February 2022 and contributed to the internal controls of the Association by the following activities:

- Monitored the performance of the asset management, general needs, specialist and community initiatives teams.
- Monitored compliance with consumer standards.
- Monitored the performance of contractors and the direct labour operatives.
- Monitored key operational performance indicators against targets set.
- Monitored residents' engagement.

The Governance and Remuneration Committee, now the People and Governance Committee

The Governance and Remuneration Committee had its last meeting under that name and terms of reference in October 2021. During the year 2021/22 the committee contributed to the internal controls of the Association by the following activities:

- Oversaw the appraisal of the Chief Executive and the Chair.
- Reviewed the appraisal and development of board members and their succession.
- Oversaw the human resources function, ensuring that good practice is maintained.
- Reviewed strategic risks which were delegated by the board for the committee to review.
- Reviewed various governance policies delegated by the Board such as the Board Members' Code of Conduct.
- Overseeing the tenant involvement and participation strategy.

The People and Governance Committee held its only meeting during the year 2021/22 on the 16th February 2022 and contributed to the internal controls of the Association by the following activities:

- Monitored compliance with the NHF Code of Governance.
- Reviewed and recommending approval of the salary increases for 2022/23.
- Oversaw delivery of the appropriate aspects of the corporate operational plan.
- Oversaw the human resources function ensuring that good practice is maintained.
- Reviewed strategic risks which were delegated by the board.
- Reviewed various governance policies delegated by the board such as the Board Members' Code of Conduct.
- Established and reviewed the board development plan.

The Treasury Management and Loans Committee – suspended by the Board in December 2021.

The Treasury Management and Loans Committee was delegated by the Board to oversee the Association's treasury, Asset Securitisation and Business planning activities and held its last meeting on the 13th October 2021. During the year 2021/22 the committee contributed to the internal controls of the Association by the following activities:

- Reviewing the Treasury Management policy and strategy.
- Reviewing the updated securitisation of the Association's assets.
- Reviewing the strategic risk on maintaining financial resilience.

As part of the review of the governance arrangements and committee structure, it was agreed to suspend the committee and to resurrect it as and when required.

Conclusion

The Association has maintained an effective internal control system for the financial year ending 31st March 2022.

Statement of the Board’s responsibilities in respect of the Financial Statements

The Co-operative and Community Benefit Societies Act 2014 and social housing legislation require the Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) which give a true and fair view of the Group and Association and of the surplus or deficit of the Group and Association for that period. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate.

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 to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is also responsible for safeguarding the assets of the Group and Association and hence for taking responsible steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Group’s accounting records, cash holdings and all of its receipts and remittances.

Financial statements are published on the Association’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Association’s website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going Concern

After careful consideration and enquiry, the Board considers that Tuntum Housing Association Limited is well positioned to manage its business risks successfully. The Board assessed the impact of COVID-19, and the changing economic climate in relation to increasing costs and higher interest rates on its activities present and future. The Board has a reasonable expectation that Tuntum Housing Association Limited and its dormant subsidiary have adequate resources to continue to operate for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing these financial statements. In reaching its conclusion, the Board has considered:

- The stress testing of the operational budgets for 2022-23
- The revisiting of the business plan assumptions in light of increasing costs and higher interest rates.
- The stress testing of the business plan 2022-2027 with a number of cumulative scenarios and mitigating actions.
- The availability of sufficient cash and a facility of £10m with adequate security that is charged.
- The regular monitoring of its KPIs

Each Board member at the date of approval of this report has confirmed that:

- As far as the Board is aware, there is no relevant audit information of which the Group’s auditor is unaware; and
- The Board has taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Group’s auditor is aware of that information.

The Strategic Report of the Board was approved by the Board and signed on its behalf by:

Junior Hemans, CHAIR
15th September 2022

Opinion

We have audited the financial statements of Tuntum 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, the consolidated and Association Statement of Financial Position, the consolidated and Association Statement of Changes in Reserves, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and Association’s affairs as at 31st March 2022 and the Group and Association’s surplus or deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 from April 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 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’s or Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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:

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 22, 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's and Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of non-social housing income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of non-social housing income and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the Association's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 28 September 2022

Tuntum Housing Association Limited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Notes	Group 2022	Group 2021
		£'000	£'000
TURNOVER	3	**9,926**	9,208
Operating costs	3	**(7,475)**	(6,661)
Surplus on disposal of properties	5	**200**	232
OPERATING SURPLUS	3	**2,651**	2,779
Interest receivable		**-**	1
Interest and financing costs	6	**(2,142)**	(1,975)
(DEFICIT)/SURPLUS FOR THE YEAR	7	**509**	805
Actuarial (loss) or gain in respect of pension scheme	18	**171**	(553)
TOTAL COMPREHENSIVE INCOME		**680**	252

The Group's turnover and expenses all relate to continuing activities.

The notes on pages 35 to 54 form part of the financial statements.
The financial statements were approved by the Board of Management on 15th September 2022 and were signed on its behalf by

J Hemans

J. Hemans - **Chairperson**

M S Taylor

M. Taylor - **Board Member**

R. Renwick

R. Renwick MBE - **Secretary**

Tuntum Housing Association Limited
ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Notes	Association 2022	Association 2021
		£'000	£'000
TURNOVER	3	**9,926**	9,208
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J. Hemans - **Chairperson**

M. Taylor - **Board Member**

R. Renwick MBE - **Secretary**

Tuntum Housing Association Limited
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
For the year ended 31 March 2022

	Revenue Reserve	Total
	£'000	**£'000**
At 1st April 2021	**3,094**	**3,094**
Surplus for the year	**509**	**509**
Other comprehensive income	**171**	**171**
Total comprehensive income	**680**	**680**
At 31st March 2022	**3,774**	**3,774**

	Revenue Reserve	Total
	£'000	£'000
At 1st April 2020	2,842	2,842
Surplus for the year	805	805
Other comprehensive income	(553)	(553)
Total comprehensive income	252	252
At 31st March 2021	3,094	3,094

Revenue Reserve

The revenue reserve represents cumulative surpluses and deficits of the Group.

The notes on pages 35 to 54 form part of the financial statements.

Tuntum Housing Association Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2022

	Notes	Group 2022 £'000	Group 2021 £'000
FIXED ASSETS			
Housing properties cost less depreciation	10	**102,811**	98,503
Other property, plant and equipment	10	**595**	522
		103,406	99,025
CURRENT ASSETS			
Inventories	13	**-**	91
Debtors	14	**419**	705
Cash at bank and short term deposits		**6,110**	11,519
		6,529	12,315
CREDITORS			
Amounts falling due within one year	15	**(3,422)**	**(5,289)**
NET CURRENT ASSETS / (LIABILITIES)		**3,107**	7,026
TOTAL ASSETS LESS CURRENT LIABILITIES		**106,513**	106,051
CREDITORS			
Amounts falling due after more than one year	16	**102,100**	**102,065**
Pension deficit liability	18	**639**	892
CAPITAL AND RESERVES			
Called up share capital	17	**-**	-
Revenue reserve		**3,774**	3,094
		106,513	106,051

The notes on pages 35 to 54 form part of the financial statements.

The financial statements were approved by the Board of Management on 15th September 2022 and were signed on its behalf by

J. Hemans - **Chairperson**

M. Taylor - **Board Member**

R. Renwick MBE - **Secretary**

Tuntum Housing Association Limited
ASSOCIATION STATEMENT OF FINANCIAL POSITION
At 31 March 2022

	Notes	Association 2022	Association 2021
		£'000	£'000
FIXED ASSETS			
Housing properties cost less depreciation	11	**102,811**	98,503
Other property, plant and equipment	11	**595**	522
		103,406	99,025
CURRENT ASSETS			
Inventories	13	**-**	91
Debtors	14	**419**	705
Cash at bank		**6,098**	11,506
		6,517	12,302
CREDITORS			
Amounts falling due within one year	15	**(3,422)**	(5,288)
NET CURRENT ASSETS / (LIABILITIES)		**3,095**	7,014
TOTAL ASSETS LESS CURRENT LIABILITIES		**106,501**	106,039
CREDITORS			
Amounts falling due after more than one year	16	**102,100**	102,065
Pension deficit liability	18	**639**	892
CAPITAL AND RESERVES			
Called up share capital	17	**-**	-
Revenue reserve		**3,762**	3,082
		106,501	106,039

The notes on pages 35 to 54 form part of the financial statements.

The financial statements were approved by the Board of Management on the 15th September 2022 and were signed on its behalf by

J. Hemans - **Chairperson**

M. Taylor - **Board Member**

R. Renwick MBE - **Secretary**

Tuntum Housing Association Limited
ASSOCIATION STATEMENT OF CHANGES IN RESERVES
For the year ended 31 March 2022

	Revenue Reserve	Total
	£'000	**£'000**
At 1st April 2021	**3,082**	**3,082**
Surplus for the year	**509**	**509**
Other comprehensive income	**171**	**171**
Total comprehensive income	**680**	**680**
At 31st March 2022	**3,762**	**3,762**

	Revenue Reserve	Total
	£'000	£'000
At 1st April 2020	2,830	2,830
Surplus for the year	805	805
Other comprehensive income	(553)	9553)
Total comprehensive income	252	252
At 31st March 2022	3,082	3,082

Revenue Reserve

The revenue reserve represents cumulative surpluses and deficits of the Association.

The notes on pages 35 to 54 form part of the financial statements.

Tuntum Housing Association Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

GROUP	2022		2021	
	£'000	**£'000**	£'000	£'000
NET CASH GENERATED FROM OPERATING ACTIVITIES		**3,756**		4,344
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions and construction of housing properties	**(6,080)**		(16,034)	
Capital grants received	**356**		6,124	
Proceeds from property sales	**363**		569	
Purchase of other fixed assets	**(167)**		(139)	
		(5,528)		(9,480)
		(1,772)		(5,136)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest received	**-**		1	
Interest paid	**(2,079)**		(1,922)	
Housing Loans received	**-**		15,300	
Housing loans repaid	**(1,548)**		(1,543)	
Payment of deferred loan fees	**(10)**		(208)	
		(3,637)		11,628
INCREASE) / DECREASE IN CASH AND CASH EQUIVALENTS		**(5,409)**		6,492
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**11,519**		5,027
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**6,110**		11,519

Tuntum Housing Association Limited
NOTES TO THE STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

GROUP

(a) RECONCILIATION OF SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£'000	£'000
Surplus for the year	**509**	805
ADD BACK non-cash items:		
Pension adjustment	**(107)**	(109)
Changes in stock	**91**	(91)
Interest	**-**	(1)
Interest paid	**2,142**	1,975
Increase /(Decrease) in < 1 year debtors	**286**	(495)
(Decrease) / increase in < 1 year creditors	**(181)**	1357
Movement in capital grants	**(492)**	(455)
Surplus on sales other properties	**(200)**	(232)
Depreciation	**1,708**	1,590
Net cash generated from operating activities	**3,756**	4,344

(b) RECONCILIATION OF MOVEMENT IN NET DEBT

	31st March 2021	**Movement in Year**	**31st March 2022**
	£'000	**£'000**	**£'000**
Cash at bank	11,519	(5,371)	6,148
Loans outstanding	(66,698)	1,547	(65,151)
Loan fees Outstanding	647	(28)	619
	(54,532)	**(3,852)**	**(58,384)**

1. **ACCOUNTING POLICY**

(a) Basis of Accounting

Tuntum Housing Association Limited ("the Association") is a registered provider of social housing and a private limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is 90 Beech Avenue, New Basford, Nottingham, NG7 7LW.

These financial statements have been presented in pounds sterling, as this is the Association's' functional currency, being currency of the primary economic environment in which the Association operates.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Tuntum Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Association's shareholders.

In preparing the Association's individual financial statements, the Association has taken advantage of the following exemptions:

- From presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows'.
- From providing certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.
- The company has taken advantage of the exemption permitted by Section 33 "Related party transactions" contained in FRS 102, and has therefore not disclosed transactions or balances with entities which are wholly owned members of the Group. There were no other related party transactions.

The Group financial statements consolidate the financial statements of the Association and its subsidiary undertaking drawn up to 31 March each year.

The Board considers that Tuntum Housing Association Limited is well positioned to manage its business risks successfully. The Board have assessed the impact of COVID-19, inflation and higher interest rates on its activities present and future and the Board has a reasonable expectation that Tuntum Housing Association Limited and its dormant subsidiary has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing these financial statements. In reaching its conclusion the Board has:

- Revisited its Business Plan assumption post COVID-19
- Approved the Budgets for 2022-23 and the Business Plan for 2021-26
- Stress tested the Business Plan with a number of cumulative scenarios and mitigating actions
- Considered the availability of long term funding and facilities in place of £10m with adequate security that is charged and a cash balance at year end of £6.1m
- Regularly monitored its KPI and key trigger points and key financial tolerances in place
- Reviewed all current developments under construction, which are proceeding well and within agreed contract prices

(b) Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and the Homes and Communities Agency and charitable fees and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

(c) Depreciation and impairment

Impairment of Social Housing Properties

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

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. When the carrying amount of asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income.

The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Sales of Housing Properties

The surplus or deficit on the disposal of housing properties, including second or subsequent tranches of shared ownership properties, is accounted for in the Statement of Comprehensive Income in the period in which the disposal occurs as the difference between the net sale proceeds and the net carrying value.

First tranche sales proceeds are recognised in the Statement of Comprehensive Income as turnover with the appropriate proportion of the cost of the properties as cost of sales All shared ownership properties, including those under construction, are proportionally split between fixed assets and current assets, the split determined by the percentage of the property to be sold under the first tranche sale, which is shown as a current asset, with the remainder classified as a fixed asset.

Works on existing housing properties

The Association capitalises expenditure on housing properties, which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.The association also capitalises costs for equipment provided in schemes which are eligible for service charges. These are recovered through the service charges over the useful life of the equipment.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold housing properties other than freehold land to their estimated residual value on a straight line basis over their expected useful economic lives as follows:

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

• Structure & covering	100 years
• Roofing	50 years
• Bathroom	30 years
• Mechanical systems	5 years
• Windows & external doors	20 years

• Kitchens	20 years
• Lift	15 years
• Gas boilers	20 years
• Central heating carcass	30 years
• Freehold Offices	50 years

Properties held on leases are depreciated over the life of the lease or their estimated useful economic lives in the business if shorter.

(d) Depreciation and impairment: Other property, plant & equipment (pp&e)

Depreciation is calculated to write off the cost of other pp&e on a straight-line basis over their estimated useful lives as follows:

• Furniture, fixtures, fittings & office equipment	5 years
• Laundry equipment	5 years
• Computer equipment	5 years

(e) Social housing grant and other government grants

Where grants are received from government agencies such as the Homes and Communities Agency, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

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

(f) Recycling of grants

Where there is a requirement to either repay or recycle grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not to be recognised as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

(g) Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and on developments for which the funding is secured for. 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.

(h) Leased assets

Rentals paid under operating leases are charged to the Statement of Comprehensive Income as incurred.

(i) Pension costs

Tuntum Housing Association Limited participates in the Social Housing Pension Scheme. The Fund is administered by Pensions Trust.

The Pension Scheme is a defined benefit multi-employer scheme where it is possible for individual employers, as admitted bodies, to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of Tuntum Housing Association Limited, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

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

The Association also offers all other staff members the option to join in the auto enrolment scheme with Social housing pension scheme on a defined contribution basis. The Association will match all employee contributions up to a maximum of 8%.

(j) Taxation

The Association has been accepted as having charitable status by H M Revenue and Customs with effect from 8 October 1997 and accordingly no tax is payable for the year.

(k) Value Added Tax

The Association is VAT registered, but the majority of its income being housing rents is exempt for VAT purposes. This gives rise to a recovery of VAT through a partial exemption calculation each year. Expenditure is therefore shown gross of the relevant VAT within the Statement of Comprehensive Income.

(l) Investments

Investments that are publicly traded or whose fair value can be measured reliably are stated at fair value with changes in fair value recognised as a surplus or deficit in the Statement of Comprehensive Income.

(m) Interest and financing costs

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. Interest charges arising after that date are charged to the Statement of Comprehensive Income.

(n) Cash and cash equivalents

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

(o) Financial instruments

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

Financial assets carried at amortised cost

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

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

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

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

Financial liabilities carried at amortised cost

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

Non-current debt instruments, which meet the necessary conditions in FRS 102, are initially recognised at transaction value adjusted for any directly attributable transaction cost and subsequently measured as amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

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

Financing transactions

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements, the arrears are measured at present value of the future payments discounted at an appropriate market rate of interest.

2. SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Introduction

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

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

Significant management judgements

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

(a) Impairment of social housing properties

The Association has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

(b) Capital V revenue expenditure

Management reviews the nature of the planned expenditure on properties. Where the expenditure relates to extending the life of the component it is capitalised and not if it deemed a repair expenditure.

(c) Estimation uncertainty

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, (a) by definition, seldom equal the related actual results.

(d) Bad and doubtful debts

Provision is made against rent and service charge arrears for both current and former tenants and against sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of provision is based on the below formula.

Arrears 4-8 weeks	50%
Arrears Greater than 8 Weeks	100%
Former tenant arrears	100%

(e) Economic life of assets

An estimation of the useful economic life of the organisation's assets are determined by management and disclosed within Accounting Policies. The estimates are based on industry standards adjusted to reflect our own experience, quality of components and maintenance procedures.

(f) Pension scheme-defined benefit obligation (DBO) past service deficit provision

The estimate of the past service deficit provision is based on a number of critical underlying assumptions such as: standard rates of inflation, mortality, discount rate and anticipation of future salary increase. Assumptions are defined by a professionally qualified actuary, appointed by SHPS; management undertake an assessment of the reasonableness of these assumptions. Variation in these assumptions may significantly impact the amount provided and the annual defined benefit charge (as analysed in Note 18).

3. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	GROUP					
	2022			2021		
	Turnover £'000	**Operating costs £'000**	**Operating surplus/ (deficit) £'000**	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	**9,312**	**(6,883)**	**2,429**	8,555	(6,067)	2,488
Other social housing activities						
1st tranche sale of shared ownership properties	**95**	**(93)**	**2**	304	(300)	4
Support services provided	**-**	**-**	**-**	-	-	-
Other						
Activities other than social housing	**519**	**(499)**	**20**	349	(294)	55
	9,926	**(7,475)**	**2,451**	9,208	(6,661)	2,547
Surplus on sale of properties	**-**	**-**	**200**	-	-	232
Operating surplus			**2,651**			2,779

	ASSOCIATION					
	2022			2021		
	Turnover £'000	**Operating costs £'000**	**Operating surplus/ (deficit) £'000**	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Social housing lettings	**9,312**	**(6,883)**	**2,429**	8,555	(6,067)	2,488
Other social housing activities						
1st tranche sale of shared ownership properties	**95**	**(93)**	**2**	304	(300)	4
Support services provided	**-**	**-**	**-**	-	-	-
Other						
Activities other than social housing	**519**	**(499)**	**20**	349	(294)	55
	9,926	**(7,475)**	**2,451**	9,208	(6,661)	2,547
Surplus on sale of properties	**-**	**-**	200	-	-	232
Operating surplus			**2,651**			2,779

4. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

	General Needs	Shared Ownership	Specialist Housing	Total 2022	Total 2021
Income	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Rents	**6,439**	**253**	**805**	**7,497**	7,022
Service charge	**175**	**41**	**918**	**1,134**	1,053
Supporting People	**-**	**-**	**157**	**157**	-
Amortised government grant	**428**	**16**	**48**	**492**	455
Other income	**11**	**-**	**21**	**32**	25
Turnover from social housing lettings	**7,053**	**310**	**1,949**	**9,312**	8,555
Expenditure					
Services	**216**	**41**	**1,010**	**1,267**	1,147
Management	**1,280**	**59**	**465**	**1,804**	1,633
Support costs	**-**	**-**	**106**	**106**	-
Routine maintenance	**1,371**	**12**	**196**	**1,579**	1,343
Planned maintenance	**346**	**-**	**-**	**346**	261
Rent losses from bad debts	**49**	**1**	**16**	**66**	26
Other costs	**101**	**-**	**-**	**101**	153
Property depreciation	**1,433**	**54**	**127**	**1,614**	1,504
Operating costs	**4,796**	**167**	**1,920**	**6,883**	6,067
Operating surplus on letting activities	**2,257**	**143**	**29**	**2,429**	2,488
Rent losses from voids	**59**	**1**	**125**	**185**	243

5. SURPLUS ON DISPOSAL OF PROPERTIES

Group and Parent	**2022**	2021
	£'000	£'000
Shared ownership sales		
Sale of subsequent tranche shared ownership properties	**236**	240
Cost of sale	**(136)**	(107)
Transfer to recycle grant fund	**-**	(58)
	100	75
Other property sales		
Proceeds from sales	**127**	329
Less: Cost of sales	**(23)**	(106)
Transfer to recycle grant fund	**(4)**	(66)
	100	157
Total proceeds from property sales	**200**	232

6. INTEREST AND FINANCING COSTS – GROUP AND ASSOCIATION

	2022	2021
	£'000	£'000
Interest payable	**2,207**	2,066
Capitalised development interest	**(176)**	(173)
Loan refinancing costs	**-**	-
Net Interest Payable	**2,031**	**1,893**
Net interest on pension liability	**25**	9
Other loan financing costs	**48**	26
Loan issue cost amortisation	**38**	47
	2,142	1,975

Interest capitalised has been calculated on the average effective rate of interest to the association which is 3%

7. SURPLUS FOR THE YEAR REPRESENTED – GROUP

	2022	2021
	£'000	£'000
Depreciation of property, plant and equipment	**1,708**	1,590
Amortised government grants	**(492)**	(455)
Audit fee – statutory audit	**(16)**	(15)
Auditors – Other fees payable	**(30)**	(30)
Operating lease rentals		-

8. STAFF COSTS

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Staff costs including officers and senior executives:				
Wages and salaries	**2,116**	**1,852**	**2,116**	**1,852**
Social security costs	**168**	**145**	**168**	**145**
Other pension costs	**153**	**143**	**153**	**143**
Redundancy	**79**	**33**	**79**	**33**
	2,516	**2,173**	**2,516**	**2,173**
	Number	Number	**Number**	Number
The average weekly number of full time equivalent persons (including the Chief Executive) employed during the year was:				
Office staff	**26**	**27**	**26**	**27**
Wardens, caretakers, cleaners & DLO staff	**36**	**29**	**36**	**29**
	62	**56**	**62**	**56**

The number of full time equivalents has been calculated on 37 hours per week.

9. DIRECTORS' EMOLUMENTS

	2022	2021
	£'000	£'000
Key management personnel – Executive Directors		
Salaries	**200**	191
Pension contributions	**22**	21
	222	212
	£'000	£'000
Emoluments paid to the highest paid senior executive, the Chief Executive (excluding pension contributions)	**108**	108
The Chief Executive is an ordinary member of the Association's pension scheme (note 18). Pension contributions paid during the year were £11,857 (2021: £11,857)		
	Number	Number
Number of directors accruing benefit in the pension scheme. The Director of Community services	**3**	2

The full time equivalent number of staff whose remuneration payable fell within each band of £10,000 from £60,000 upwards is shown below. Remuneration includes wages and salaries.

Salary band (£)	**Number**	Number
60,000 - 69,999	**-**	**-**
70,000 - 79,999	**1**	**-**
80,000 - 89,999	**1**	**1**
90,000 - 99,999	**-**	**-**
100,000 - 109,999	**1**	**1**

Payments to Board members	**2022**	2021
	£	£
Board members remuneration		
Junior Hemans	**5,255**	5,203
Mark Taylor	**3,678**	3,642
Avtar Johal	**1,839**	3,187
Ade Aderogba	**1,445**	2,861
Michelle Bateman	**3,678**	3,642
Paul Moat	**3,547**	3,642
Chris Jones	**3,021**	2,861
Kwabena Osayande	**2,890**	2,861
Ayyaz Ahmed	**2,890**	2,861
Philip Baker	**2,890**	2,861
Didia Antonio	**2,890**	2,623
Beryl Louise McConnell	**2,890**	2,891
Jacqueline Richards	**1,501**	-
	38,414	39,105

Expenses paid during the year to Board members amounted to £1,353. (2021 £438).

10. TANGIBLE FIXED ASSETS – GROUP

	Housing properties completed	Housing Properties under construction	Shared ownership Completed	Housing properties under construction Shared Ownership	Fixtures & fittings	Freehold office	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2021	104,864	4,790	9,690	-	702	390	120,436
Additions	-	5,213	-	-	167		5,380
Transfers to completed schemes	5,331	(5,386)	55			-	-
Property reclassification	-	-	-	-			
Components capitalised	867	-		-	-	-	867
Components written off	(287)	-	-	-	-	-	(287)
Properties disposed	(31)	-	(141)	-	-	-	(172)
At 31 March 2022	110,744	4,617	9,604	-	869	390	126,224
Depreciation							
1 April 2021	20,218	-	623	-	432	138	21,411
Charge for the year	1,560	-	54	-	84	10	1,708
Depreciation on disposals and components written off	(295)	-	(6)	-	-	-	(301)
At 31 March 2022	21,483	-	671	-	516	148	22,818
Net book values							
At 31 March 2022	89,261	4,617	8,933	-	353	242	103,406
31 March 2021	84,646	4,790	9,067	-	270	252	99,025

The total expenditure on housing properties for lettings comprises of the replacement of components and structural enhancements of £867k and routine and planned maintenance of £1,925k.

11. TANGIBLE FIXED ASSETS – ASSOCIATION

	Housing properties completed	Housing properties under construction	Shared Ownership completed	Shared ownership under construction	Fixtures & fittings	Freehold office	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2021	104,864	4,790	9,690	-	641	390	120,375
Additions	-	5,213	-	-	167	-	5,380
Transfers to completed schemes	5,331	(5,386)	55	-	-	-	-
Property reclassification	-	-	-		-	-	-
Components capitalised	867	-	-	-	-	-	867
Component write off	(287)	-	-	-	-	-	(287)
Properties disposed	(31)	-	(141)	-	-	-	(172)
At 31 March 2021	110,744	4,617	9,604	-	808	390	126,163
Depreciation							
At 1 April 2021	20,218	-	623	-	371	138	21,350
Charge for the year	1,560	-	54	-	84	10	1,708
Depreciation on disposals and components written off	(295)	-	(6)	-	-	-	(301)
At 31 March 2022	21,483	-	671	-	455	148	22,757
Net book values							
At 31 March 2022	89,261	4,617	8,933	-	353	242	103,406
At 31 March 2021	84,646	4,790	9,067	-	270	252	99,025

The total expenditure on housing properties for lettings comprises of the replacement of components and structural enhancements of £867k and routine and planned maintenance of £1,925k.

12. GROUP UNDERTAKINGS – PARENT

Details of the Association's subsidiaries at 31 March 2022:

Name	Nature of business
Time-Out Care Services Ltd (T/a Homecare Plus)	Charitable care projects

Time-Out Care Services Ltd is a company limited by guarantee and is considered to be a subsidiary by virtue of the fact that the parent controls the composition of the Board. The subsidiary is registered in England. The subsidiary ceased trading on the 31st August 2017 and has been dormant since this date.

13. STOCKS

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Shared ownership properties	**-**	91	**-**	91

Shared ownership properties comprise properties for resale and work in progress.

14. DEBTORS

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Rent arrears	**338**	250	**338**	250
Less: provision for bad debts	**(227)**	(162)	**(227)**	(162)
Net rent arrears	**111**	88	**111**	88
Prepayment and accrued income	**308**	617	**308**	617
	419	705	**419**	705

No disclosure has been made of the net present value of rental arrears subject to repayment plans as the amount is considered to be insignificant.

15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	Group		Association	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Housing loans	**52**	1,543	**52**	1,543
Grants received in advance	**129**	187	**129**	187
Trade creditors	**8**	137	**8**	137
Prepaid rent arrears	**350**	385	**350**	385
Taxation and social security payable	**17**	58	**17**	58
Accruals and deferred income	**2,050**	1,968	**2,050**	1,967
Recycled capital grant fund	**324**	556	**324**	556
Grants due in one year	**492**	455	**492**	455
	3,422	5,289	**3,422**	5,288

15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR) (contd.)

Recycled Capital Grant Fund

	Group and Association	
	2022	2021
	£'000	£'000
At 1 April 2021	**556**	736
Recycling of grants	**(243)**	(305)
Inputs to RCGF	**7**	107
Inputs from property sales	**4**	18
At 31 March 2022	**324**	556

16. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	Group and Association	
	2022	2021
	£'000	£'000
Housing loans (see note 16 (a)	**64,480**	64,508
Government grants (see noted 16 (b)	**37,620**	37,557
At 31 March	**102,100**	102,065

16(a). Housing loans

	Group and Association	
	2022	2021
	£'000	£'000
Housing loans	**64,532**	66,051
	64,532	66,051

Housing loans from banks and building societies are secured by specific charges on the Association's housing properties and are repayable by instalments by varying rates of interest from 2.2% to 9.8% as follows:

	2022	2021
	£'000	£'000
In one year or less	**52**	1,543
Between one and two years	**58**	52
Between two and five years	**211**	192
In five years or more	**64,830**	64,911
Deferred loan costs	**(619)**	(647)
	64,532	66,051

16(b). Government grants

	Group		Association	
	2022 **£'000**	2021 £'000	**2022** **£'000**	2021 £'000
At 1 April (as restated)	**38,012**	32,144	**38,012**	32,144
Grants receivable	**356**	6,124	**356**	6,124
Transfers to RCGF grant disposed	**(7)**	(106)	**(7)**	(106)
Recycling of grants	**243**	305	**243**	305
Amortisation to Statement of Comprehensive	**(492)**	(455)	**(492)**	(455)
At 31 March 2022	**38,112**	38,012	**38,112**	38,012
Due within one year	**492**	455	**492**	455
Due after one year	**37,620**	37,557	**37,620**	37,557

17. CALLED UP SHARE CAPITAL

	Group and Association	
	2022 **£**	2021 £
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1 April 2021	**38**	38
Issued in the year	**2**	-
Cancelled during the year	**(11)**	-
At 31 March 2022	**29**	38

The shares do not have a right to any dividend or distribution in a winding up and are not redeemable. Each share has a full voting right.

18. PENSION OBLIGATIONS

Social Housing Pension Scheme

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

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

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2022	31 March 2021
	£'000	£'000
Fair value of plan assets	**4,607**	4,405
Present value of defined benefit obligation	**5,246**	5,297
Surplus (deficit) in plan	**(639)**	(892)
Unrecognised surplus	**-**	-
Defined benefit asset (liability) to be recognised	**(639)**	(892)
Deferred tax	**-**	-
Net defined benefit asset (liability) to be recognised		

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2022	31 March 2021
	£'000	£'000
Defined benefit obligation at start of period	**5,297**	**4,165**
Current service cost	**75**	**72**
Expenses	**5**	**5**
Interest expense	**115**	**99**
Contributions by plan participants	**6**	**14**
Actuarial losses (gains) due to scheme experience	**162**	**50**
Actuarial losses (gains) due to changes in demographic assumptions	**(48)**	**(18)**
Actuarial losses (gains) due to changes in financial assumptions	**(226)**	**987**
Benefits paid and expenses	**(140)**	**(77)**
Defined benefit obligation at end of period	**5,246**	5,297

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

	31 March 2022	31 March 2021
	£'000	£'000
Fair value of plan assets at start of period	**4,405**	3,726
Interest income	**97**	90
Experience on plan assets (excluding amounts Included in interest income) - gain (loss)	**59**	466
Contributions by the employer	**180**	186
Contributions by plan participants	**6**	14
Benefits paid and expenses	**(140)**	(77)
Fair value of plan assets at end of period	**4,607**	4,405

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £156,000.

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)

	Period ended 31 March 2022
	£'000
Current service cost	**75**
Expenses	**5**
Net interest expense	**18**
Defined benefit costs recognised in SOCI	**98**

Defined benefit costs recognised in other comprehensive income

	Period ended 31 March 2022
	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	59
Experience gains and losses arising on the plan liabilities - gain (loss)	(162)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	48
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	226
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	171
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	171

Assets

	31 March 2022	**31 March 2021**
	£'000	£'000
Global equity	**884**	702
Absolute return	**185**	243
Distressed opportunities	**165**	127
Credit relative value	**153**	139
Alternative risk premia	**152**	166
Fund of hedge funds	**-**	1
Emerging markets debt	**134**	178
Risk sharing	**152**	160
Insurance-linked securities	**107**	106
Property	**124**	91
Infrastructure	**328**	294
Private debt	**118**	105
Opportunistic liquid credit	**155**	112
High yield	**40**	132
Opportunistic credit	**16**	121
Cash	**16**	-
Corporate bond fund	**307**	260
Liquid credit	**-**	53
Long lease property	**119**	86
Secured income	**172**	183
Liquid driven investment	**1,285**	1,119
Currency Hedging	**(18)**	
Net current assets	**13**	27
Total assets	**4,607**	4,405

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	31 March 2022	**31 March 2021**
	% per annum	**% per annum**
Discount Rate	2.79%	2.19%
Inflation (RPI)	3.51%	3.20%
Inflation (CPI)	3.16%	2.65%
Salary Growth	4.16%	2.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65
	Years
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

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.

19. TAXATION STATUS

The Group has charitable status. The Board knows of no circumstances which will affect this taxation status in the future.

20. OPERATING LEASES - GROUP

At the Statement of Financial Position date there were outstanding commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

	2022		2021	
	Land & buildings £'000	**Other £'000**	Land & buildings £'000	Other £'000
Operating leases which expire:				
< 1 year	**31**	**1**	27	1
2 - 5 years	**94**	**-**	107	-
> 5 years	**-**	**-**	31	-
	125	**1**	166	1

21. FINANCIAL INSTRUMENTS

		Group	
	Note	**2022 £'000**	2021 £'000
Financial assets at amortised cost			
Rent arrears	14	**111**	88
Other debtors	14		
Cash at bank		**6,110**	11,519
Financial liabilities at amortised cost			
Trade and other creditors	15	**2,187**	2,292
Loans payable	16	**64,532**	66,051
Interest payable on financial liabilities			
On loans payable	6	**2,207**	2,066
On pension deficit	6	**25**	9

22. UNITS/BED SPACES

Social Housing

	2021	Additions	Converted/ reclassified no. of properties	Disposals	2022
General housing					
- Social rent	1,047	2		(1)	**1,048**
- Affordable rent	179	33	-	-	**212**
Supported and housing for older people					
- Social rent	194	-	-	-	**194**
Intermediate rented properties	26			-	**26**
Shared ownership	91		-	(2)	**89**
Total owned and managed social housing	**1,537**	**35**	**-**	**(3)**	**1,569**

23. RELATED PARTIES AND CONTROL

Ultimate control lies with the Board of Management.

Subsidiary Organisation

The Charity Timeout has taken advantage of the exemption permitted by Section 33 "Related party transactions" contained in FRS 102, and has therefore not disclosed transactions or balances with entities which are wholly owned members of the Group. The subsidiary was dormant during the financial year.

There were no other related party transactions, other than Board member's remuneration as disclosed in note 9- Board member's payments.

24. CAPITAL COMMITMENTS - GROUP AND PARENT

	2022	2021
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**-**	-
Capital Expenditure Approved by the Board but not contracted for	**1,982**	5,888
	1,982	5,888

The Association expects to finance the above expenditure by:		
Social Housing Grant receivable	**280**	560
Loans receivable	**1,702**	5,328
Sales proceeds	**-**	-
	1,982	5,888

25. LEGISLATIVE PROVISIONS

The Association is a registered society under the Co-operative and Community Benefit Societies Act 2014.

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