White Horse Housing Association Limited

Financial Statements
for the Year Ended 31 March 2023

Contents

Board Members, Officers and Advisors

Board of Management:	Mr D Trethewey (Chair) Mr J Brown Mrs S Dicks Mr R P Kitson OBE Mr D Moreland Mrs M Thomas Mrs H Hodgkinson Mrs A Foster Mr B Nagel
Registered Office:	Lowbourne House Lowbourne Road Melksham SN12 7DZ
Chief Executive and Secretary:	Mr S Warran
Bankers:	Natwest Bank 1 Market Place, Devizes Wiltshire, SN10 1HR Santander 2 Triton Square Regent's Place London NW1 3AN Lloyds TSB –Allpay Account
Solicitors:	Pennington Manches LLP Garsington Road Thames Valley Oxford Business Park Oxford OX4 2HM Tozers Solicitors LLP Broadwalk House Southernhay West Exeter EX1 1UA
Auditor:	Beever and Struthers The Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT
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Registrar of Co-operative and Community Benefit Society Reference:	IP 24672R
Regulator for Social Housing Reference:	L3559

Report of the Board of Management

The Board presents its report and audited financial statements for the year ended 31 March 2023.

Principal Activities
White Horse Housing Association is registered as a Co-operative and Community Benefit Society with charitable rules. It provides rented social housing, affordable rent and shared ownership accommodation for local people in housing need in rural communities within the areas of Wiltshire, Swindon, and Somerset, and works closely with a range of local authorities, the Regulator for Social Housing (RSH) and Homes England to achieve this objective. Our current stock profile is set out in the table below:

Tenure	March 2023
General needs social rent:	328
General needs affordable rent:	59
Affordable home ownership:	25
TOTAL OWNED:	**412**

A Review of the Year 2022/23
At the end of March 2023 the Association made a total surplus, post pension scheme adjustment, of £290,429. This included a gain in capital receipts from the sale of shared ownership properties to the value of £74,050. The surplus for the year, excluding the receipts from the sale of properties, totalled £216,379.

The Association currently has **412** properties in management – the same number as the previous year. Rent receivable is in line with the RSH's Rent Standard and all 'Affordable Rented' properties are within the 80% of market rent requirement. In most cases the Association 'caps' its new affordable rents at, or around, the Local Housing Allowance rate to ensure the homes remain affordable to local families. The results for the year are shown in the Statement of Comprehensive Income shown on page 16.

Business Plan Review
The Association's mission and objectives are closely linked to our service delivery and its outcomes. Our mission is to be ***"the leading provider of high quality affordable homes in the rural communities of Wiltshire, Swindon and the surrounding areas"*** and to ***"provide excellent management and maintenance services to our customers and help to maintain vibrant and thriving communities".***

The Association reviews its mission, aims and objectives an annual basis. Our Business Plan takes an holistic view of the current operating environment and assesses the opportunities and risks we may face in the future. We operate in a risk-aware and risk-controlled manner by actively monitoring the political and economic climate and constantly assessing and mitigating against those risks throughout the year.

The Business Plan sets clear targets for the next 5 years and includes a range of actions to ensure we continue to meet our strategic objectives. These actions embrace the need to achieve 'value for money' across our services, invest in new homes, ensure our current homes are sustainable and meet the highest environmental standards and that tenants have the opportunity to engage in the design and monitoring of services at whatever level they choose.

Our 5 strategic objectives are:

Objective 1: Providing more sustainable homes for local people in need.
Objective 2: A financially strong, value for money, organisation.
Objective 3: Delivering Excellence in Repairs and Maintenance.
Objective 4: Providing high quality, and inclusive management services.
Objective 5: A Modern and Efficient Business

To meet these objectives the Association provides homes in villages for local people in housing need, thereby contributing to the long-term sustainability of rural communities. We work closely with local people to identify housing need, seeking the support of both Parish Councils and Local Authorities in the provision of new homes and proposed future developments. We aim to achieve attractive, sustainable developments providing homes which meet high environmental standards and use designs that are both cost effective and affordable. We maintain our homes to a high standard, carrying out improvements that increase long term sustainability and reduce running costs. We put customers first, engaging effectively with all our residents, providing an efficient, professional, responsive service whilst encouraging them to participate in the management of the Association.

This report sets out the progress the Association has made towards each of these objectives throughout the year and what we aim to achieve in the future.

Objective 1: Providing more sustainable homes for local people in need.

In 2020 the Board increased the Association's development target to a total of 115 new affordable homes by March 2025. This would raise the Association's total number of homes to 486. The programme includes entering into contracts with developers to provide 'nil grant' s106 homes on schemes in rural communities, progressing our own 'land-led' development opportunities and working with local Community Land Trusts (CLT's) to bring much need affordable homes to their villages. To date the following has been achieved:

Completed	On-site	Due to Commence	Total
49	26	14*	89

*****Schemes that are progressing but have yet to received formal Board Approval or, to go into contract.

Throughout the year the Board has continued to monitor the development programme and review our future capacity to commit to the building of new homes. As a result of the current economic conditions – including large increases in building costs together with interest rates on new loans – combined with the Government's decision to cap rents at 7% for the 2023/24 financial year – the Association has reluctantly decided to delay committing to any future developments until such time as market conditions are more favourable. The Board recognise that this decision may result in its original target of 115 new homes by March 2025 being missed. However, until economic conditions have stabilised, and there is greater certainty over future rent levels, the Board believe it is both sensible and prudent to take this approach.

New Properties
The Association's development programme is funded by a loan facility of £6million with Clydesdale Bank, together with capital receipts generated from the sale of unviable properties, income from the sale of shared ownership properties, grant from the Government's Affordable Housing Programme and specific grants from partner local authorities. Total mortgage funding for the Association's existing developments is provided by Triodos Bank, the Housing Finance Corporation Ltd (THFC) and Dexia Public Finance.

The Association's existing pipeline of developments has continued to progress over the year with one new scheme being approved and contracts with developers concluded. However, as a result in planning delays and a number of 'on-site' issues, no developments actually completed during the year. However, **26** homes did start on site and are expected to be completed during 2023/24. These are:

- ✓ **10** homes at Seend – CLT scheme;
- ✓ **2** homes at Kilmersdon, Somerset – own build development;
- ✓ **6** homes at Bruton, Somerset – Phase 2 of a s106 scheme;
- ✓ **4** homes at Ashton Keynes, Wiltshire – s106 scheme;
- ✓ **4** homes at Urchfont, Wiltshire – s106 scheme.

The following **14** new homes are expected to commence on site over the next 12-15 months:

- ✓ **2** homes (affordable rent and shared ownership) at Box, Wiltshire – s106 scheme.
- ✓ **6** homes (affordable rent and shared ownership) at Broad Chalke, Wiltshire – CLT scheme.
- ✓ **6** homes at Tisbury, Wiltshire – CLT scheme

Other development opportunities will continue to be actively explored, including new s106 sites and other CLT proposals. However, as stated above, until economic conditions stabilise the Association will take a prudent approach to new borrowing to fund future development.

Future Work

During the year the Association plans to undertake a comprehensive review of its Development Policies to embrace the recommendations and actions from our recently approved Sustainability Strategy. This will help ensure all new homes that are either developed or acquired continue to be meet the highest environmental standards achievable. An example of this commitment is the 10 new homes at Seend in Wiltshire. Each home will be 'Passiv Haus' certified and conform to the highest build standards. It is expected, as a result, the homes will be 'carbon neutral' and fuel bills for residents will be a fraction of those living in traditionally built homes.

Objective 2: A financially strong, value for money, organisation.

The difficult economic conditions, coupled with long term uncertainty on rents, inflation and interest rates experienced throughout the year has been constantly reviewed and accessed by the Board to fully understand the impact it may have on the Association's financial plans. Using our 'Housing Brixx' Business Planning tool we have been able to model a range of scenarios to underpin our strategic decision making that ensures we can mitigate the effects of an unstable external environment. Whilst both inflation and interest rates have been rising throughout the year, the Government's decision to limit rent rises to 7% for 2023/24 also had a significant impact on our long terms plans. As a result, the Board were required to take firm action on our medium term spending to mitigate the loss of income all these issues created over the next 10 years. Decisions included delaying or postponing future borrowing and some development opportunities, reviewing the capital programme and making changes to life-cycles of components and seeking to reduce revenue spending over the short to medium term.

As a result of these decisions the Board are confident that our Business Plan remains robust and that healthy surpluses will continue to be generated, whilst our loan covenants will remain within their targets.

The Association also has been protected from the increases in interest rates over the year as a result of our decision to 'consolidate' the majority of our loan portfolio with our largest funder, Triodos Bank, in 2019. This brought together all our existing loans with the bank under one new agreement and allowed the Association to fix large parts of the outstanding balance at a favourable rate for 10 years. Subsequent loan drawdowns throughout the year have also been fixed to protect the Association from predicted further rises.

The Association continues to benchmark our services across the sector through our membership of Acuity Consultancy and Research. We seek to achieve an outcome that meets or exceeds the reported median for small housing associations across a range of financial, operational and management indicators. These include the Sector Scorecard and the RSH's 'value for money' metrics. The results of this year's Performance Benchmarking are set out in the Value for Money section of these financial statements.

Objective 3: Delivering Excellence in Repairs and Maintenance.

The Association understands that the repairs and maintenance service is regarded as the most important by our tenants and therefore is a key driver in how satisfied tenants are with the Association as a whole. As a result, we ensure that the level of investment – both revenue and capital - committed to these services each year, together with the range and quality of the fixtures and fittings we use, is the best we can achieve within the resources available. We believe such an investment will also ensure our homes remain safe, secure and of the highest quality into the future.

The Association's Asset Management Strategy ensures that investment and maintenance in our housing stock enables us to manage and maximise the quality of the properties and the services we provide to our tenants. It also ensures that the housing fabric is maintained at a level that sustains the economic and environmental viability of the Association and meets, or exceeds, current legislation. To assist with this our Strategic Asset Performance Tool enables the Association to undertake a robust assessment of the performance of its assets and ensures a strategic approach on the use of resources whilst understanding the return on our assets.

The strategy also assists in developing sustainable communities. The Association wishes to focus investment in capital programmes that provide accommodation that meets the expectations of its tenants both now, and in the future, in order to improve the social and economic sustainability of the local communities in which we work. It ensures that all homes meet the highest standards possible as this is in the best interests of both the Association and its tenants. It also ensures that procurement processes include value for money assessments to deliver additional benefits for residents and communities without increasing costs.

The Association ensures our homes are kept in excellent condition by investment in timely repairs and capital improvements. We continue to explore cost effective and efficient forms of heating for residents living in homes where heating costs impact on the quality of their lives. This includes retrofitting new affordable electric heating systems, using the latest technology, where no gas supply is available.

During the year we have continued to invest in our stock by replacing 13 bathrooms and 9 kitchens, whilst 10 properties had new doors and/or windows and a further 6 had their conservatories/garden rooms replaced. We have also replaced 20 gas/oil boilers and installed 19 new complete heating systems. Much of the heating replacement programme has been focussed on removing old and inefficient storage heaters and replacing them with new and efficient modern heaters that provide greater control and flexibility across the home.

Sixty-three of our homes were fitted with solar photovoltaic panels in 2012. These households are saving money on their electricity bills and as such are gaining additional benefit at no extra cost to them. The financing of this project has now been repaid through the Feed In Tariff payments (FITS) we receive. Further properties, provided through the development programme, have also been fitted with solar PV panels and not only contribute towards tenants heating costs but also help reduce landlord communal area costs too. During the year 2 bungalows were fitted with new PV panels together with a battery storage facility to 'trial' the latest technology, gain a greater insight into the costs involved and to better understand the benefit to our tenants.

The Association was also successful, as a member of the West of England consortium, in gaining almost £300,000 in Government funding through the Social Housing Decarbonisation Fund. This funding, matched by a similar amount of our own capital resources, will result in 32 of our worst performing properties being retrofitted over the next two years. This investment will result in all the properties achieving a SAP rating of 'C' or above, thereby ensuring they meet Government targets and provide warm and energy efficient homes.

Objective 4: Providing high quality and inclusive management services.

The Association seeks to provide a responsive, flexible and personal service to all its residents, regardless of tenure. We also strive to engage with residents through a range of channels to assess their levels of satisfaction, understand their hopes and expectations and work with them to drive improvements where possible.

The Association completed its most recent tenant satisfaction survey in late 2021. The results demonstrated that overall satisfaction levels had been maintained from the previous survey underlining the effectiveness of our hard working staff team over recent years. Headline results included:

Measure	Result
Overall Satisfaction with the Association	**95%**
Value for Money of Rent	**90%**
The Association listens to views and acts on them	**78%**
Overall satisfaction with the Repairs and Maintenance service	**91%**
Safety of the home	**95%**
Satisfied that we keep tenants informed	**91%**
Neighbourhood as a place to live	**90%**
Net Promoter Score	**67**

The results of the tenant satisfaction survey have been analysed by staff and the Resident Scrutiny Panel to identify where further improvements to our services can be made to help increase satisfaction in the future. Already, changes have been made to our service charge procedures to ensure tenants have a full breakdown of the services they are receiving whilst improvements to the grounds maintenance service have also been made to mitigate against much of the dissatisfaction found in the survey.

The Association is now working to implement the Social Housing Regulator's new Tenant Satisfaction Metrics and has agreed to 'pilot' the reporting of these metrics to the regulator on an annual basis. We will be undertaking a comprehensive Tenant Satisfaction and Perception Survey using our independent consultants, Acuity, on a bi-annual basis to ensure we can report these figures in a timely and efficient manner.

The Association Tenant Involvement Policy builds on our successful tenant involvement structures and provides new opportunities for tenants to engage with our services, including electronically. The Association has signed up to the National Housing Federation's 'Together with Tenants' framework and our commitment to this is regularly monitored by the Resident Scrutiny Panel.

The Resident Scrutiny Panel has an increasing role in the Association's decision making process. The panel meetings are attended by a Board member who provides a direct link to the Board and maintains a two-way channel of communication between the two groups. This year the Scrutiny Panel has reviewed tenant satisfaction, the on-line 'tenants portal', complaints, service standards and the repairs and maintenance service. Four members of the group also attended the Board's 'strategic planning day' to provide a customer perspective on our services and to suggest improvements for the future.

The 'Tenancy Plus' service provides focussed 1-2-1 support whenever a tenant needs help to overcome a problem or sustain their tenancy. The service has been particularly relevant over the past 3 years, firstly as a result of the Coronovirus pandemic and secondly as tenants have been affected by the cost of living crisis. We have seen a large increase in tenants now relying on Universal Credit to maintain their living standards, resulting in a total of 156 tenants now claiming the benefit at the end of the year - a rise of over 70% since March 2020. Thankfully, the support we provide to these tenants has helped to mitigate any impact on our rental income. At the year end the Association had total arrears (including HB payments) representing just 1.16% of the rent debit (2022: 1.11%), demonstrating that the advice and support offered has contributed to minimising the impact of these issues.

In response to the cost of living crisis, and because of the limited support available through statutory and voluntary bodies, the Association introduced a new discretionary 'Housing Support Fund' to support specific tenants who are suffering severe hardship. This helps ensure rent is continued to be paid and tenancies are sustained. The scheme has been monitored closely throughout the year and the results reported to the Board. In total, 17 applications were received from 15 separate households, with a wide range of positive outcomes being recorded. The scheme has been continued for the 2023/24 financial year.

Objective 5: A modern and efficient business.

The Association has adopted the National Housing Federation's Code of Governance 2020 and believes we now fully comply with the Code.

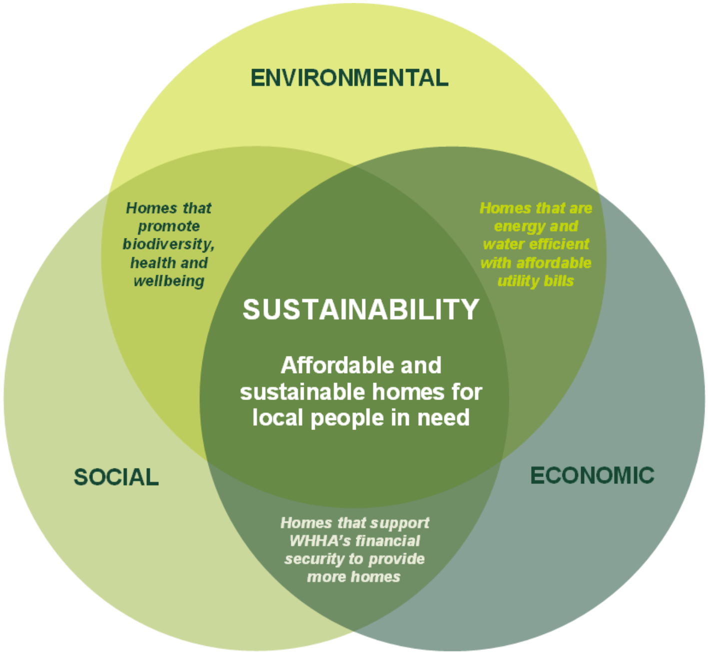
The Association recognises that the way we operate and work has changed as a result of the pandemic. Our hybrid office/home working policy allows staff to be more flexible in where they work whilst ensuring performance and productivity remain high.

Our Housing Management and Finance system allows improved tenant engagement through texting, e-mails and the Tenants Portal, which is available 24 hours a day. Reporting systems have become quicker and more direct and greater efficiencies are driven by improved back office processes. During the year we implemented a new 'scheme inspections' module that stores and maintains records of our estate management activities, including photographs and inspection reports, and a new 'Invoice Processing' software that has significantly reduced staff time inputting and administering the payment of invoices.

The Association approved its Sustainability Strategy in November 2021. The revised strategy includes a range of actions to be implemented over the next 5 years and sets tough targets on carbon emissions to help met national targets. The actions focus on improving the energy efficiency of our homes and to help reduce fuel costs for our tenants. Although overall carbon emissions across our housing stock are relatively low, the strategy does commit the Association to reducing its overall emissions by 10% by March 2026 and ensuring all our properties have an EPC rating of 'C' or above by March 2030.

The strategy recognises the importance sustainability plays across all aspects of the business including the impact on our social and economic future. The implementation of the strategy will have significant benefits to all parts of the Association's business.

The Association has also formally adopted the Sustainability Reporting Standard (SRS) for Housing to improve our Environmental, Social and Governance (ESG) reporting mechanisms and demonstrate how we are meeting the full range of criteria included within the standard. Because of the timing of our adoption we do not have to formally report our results until the Spring of 2024. However, we shall be undertaking a trial of the standard in 2023 to help ensure we are collecting the relevant data and presenting it in a clear and concise way.



Going Concern
After reviewing the Association's budget, business plan and cashflow forecasts the Board of Management believes that the Association has adequate resources to continue in operation for the foreseeable future. For this reason it continues to adopt the ‘going concern’ basis in preparing the financial statements.

Internal Controls
The Board have reviewed the effectiveness of the Associations internal control systems and are satisfied they are appropriate and proportionate to the needs of the Association and it has operated effectively throughout the year.

Employees
The Association is committed to maintaining an effective and competent staff team in order to provide the best possible service to its tenants, and to providing equal opportunities for all its employees. We have implemented an annual staff engagement session, using an external facilitator, to provide the Board with feedback on current attitudes, motivations, expectations and aspirations within the staff team.

Health and Safety
The Board is aware of its responsibilities on all matters relating to health and safety and receives regular reports on compliance with current regulations. Health & Safety systems are also regularly audited to ensure they continue to fully comply with the current regulations.

Board Members' and Officers' Insurance
The Association is provided with insurance against liabilities falling upon Board members or officers in relation to their duties.

Board of Management
The Board, which meets six times a year, is responsible for directing the affairs of the Association. Its members, who served throughout the year (except where indicated), are detailed on page 1.

Board Members come from a variety of backgrounds and demonstrate a range of skills, knowledge and experience relevant to the activities of the Association. The Board undertakes a self-assessment evaluation each year to assess the effectiveness of its work and members undergo a personal appraisal every three years, just prior to the Board considering their re-election.

Governance and Financial Viability Standard
The Association is in compliance with the Regulator’s Governance and Financial Viability Standards and has adopted the National Housing Federation’s Code of Governance 2020.

NHF Voluntary Code for Mergers, Group Structures and Partnerships

The Association approved and adopted the National Housing Federation's voluntary code for Mergers, Group Structures and Partnerships at its meeting on the 8 February 2017.

The Board of Management's Self-Assessment of Value for Money

Introduction

The Association seeks to ensure we fully comply with the Regulator for Social Housing's Value for Money Standard, together with the associated Code of Practice. The new standard places responsibility on the Board to develop and deliver a clear strategy to drive 'value for money' (VFM) improvements across the organisation, linked to the Association's Strategic Objectives. The Board has combined the VFM 'self-assessment' with the Association's 5-year Business Plan in order to demonstrate our compliance with the standard. The Business Plan contains a range of actions and targets to improve services and add value across a number of business and operational areas. The Association will continue to undertake robust assessments of its assets and resources (including financial, social and environmental returns) in delivering the Association's purpose and objectives. It takes account of the interests of, and commitments to, our stakeholders; whilst enabling them to understand our performance, measured against the organisation's objectives; the comparative costs of delivering specific services; and how VFM is measured and be achieved. In meeting these aspirations the Association:

- enables stakeholders to understand our performance and return on assets, measured against the organisation's objectives - as evidenced in the Business Plan, the Annual Review and the Annual Report to Tenants;
- benchmarks VFM against a number of peer organisations, and the wider housing sector, on an annual basis and uses this data to focus on improvements in future years. This includes participation in the annual Sector Scorecard benchmarking exercise which includes the 'value for money' metrics and this year will also include the RSH's newly adopted Tenant Satisfaction Metrics;
- has analysed activities and services, in an understandable context of 'cost per property per week'. This assists tenants to compare these to their weekly rent and form a view on whether the service based costs represent good value for money;
- undertakes regular surveys across its services to ensure tenants remain satisfied with their delivery and provide opportunities to contribute to improvements;
- works with the Resident Scrutiny Panel to review strategies, procedures and a wide range of customers facing polices to ensure they meet tenants aspirations.

The Board interprets value for money as not just about the services that we deliver in a cost effective way to residents. We also put great emphasis on social and environmental gains alongside the price we pay when delivering our day to day services.

We have a high level of rent recovery with only 1.16% current arrears at the end of March 2023. Excluding expected housing benefit payments, this figure reduces to 0.82%. This is a reflection of the importance we put upon strict controls and maximisation of income. We do this by regularly contacting tenants experiencing payment problems at an early stage and then assisting them to meet current and ongoing payments, including recharges. Our 'Tenancy Plus' service delivers additional 'value' for tenants who receive this support and can include anything from budget advice to disabled adaptations, help with moving home and assistance with Discretionary Housing Payment applications. The new Housing Support Fund has also helped to sustain the tenancies of those tenants who have been severely affected by the current rise in the cost of living. It is accepted however, that in order to maintain our overall level of performance the Association has had to increase its management costs to meet the challenges created by Welfare Reform, the lasting effects of the pandemic and the increase in housing stock.

We do not charge service charges on all developments but where these are charged, they are set to cover the costs of specific services required on the development, and as a result do vary widely. We provide annual statements with a detailed breakdown of the costs of the services delivered and welcome suggestions from residents to improve or reduce the services provided. Any improvements to services are considered in the light of potentially higher service charges and balanced against the added benefit to residents.

We continually scrutinise performance, costs and tenant satisfaction in delivering our services and understand the factors which influence our decisions. We will complete a comprehensive tenant satisfaction and 'perception' survey every 2 years and the results will be independently analysed.

The most recent survey was extremely positive and encouraging, despite the disruption to services by the Covid pandemic and an increase in demand for services generally, all of the key indicators show overall satisfaction remains within the top quartile. The Association also achieved a Net Promoter Score of 67, which remains one of the highest in the sector.

The Association does not only rely on the outcomes from our text, postal and telephone surveys. In addition to this, we regularly meet with groups of residents to ask them about the quality of their home, the services we provide and overall value for money. We do this at the same time as offering training and distributing information about local services. We continually work with tenants to ensure that our services meet our tenants' expectations in terms of quality and value for money. The Residents' Scrutiny Panel has an agreed programme of service reviews and is committed to helping the Association improve its services further.

The Association is a member of the Acuity South West 'benchmarking group' who meet regularly to compare service delivery and to share good practice with the other twelve members. The information Acuity provide also enables us to compare our costs and performance against housing providers, of all sizes, across the country using the national Housemark data set.

The Board continues to place great importance on monitoring costs of specific service areas and will continue to receive regular performance and benchmarking data. The Board also understands that maximisation of the return on our assets is important as we move through the current challenging operating environment. The continuing economic uncertainty, the lasting effects of the pandemic, increased building costs and material shortages, Government carbon reduction targets and the 2023/24 rent cap, together with the continued transition of tenants onto Universal Credit has resulted in the need for even greater focus on future risks and the financial stability of the Association. This covers all areas of our operations from rent collection, developing new homes, service delivery and maintaining existing homes. We will continue to play our part both locally and nationally to ensure the effect on our business going forward is minimised.

Key Risks:
The Association has an approved Risk Appraisal and Management Policy that ensures a robust approach to identifying, assessing and mitigating key internal and external risks to the business. The Strategic Risk Map is reviewed at each meeting of the Audit and Risk Committee and subsequently the Board. Current key risks to the Association include:

- ✓ A potential increase in rent arrears – particularly during the current rise in the cost of living and the continuing transition of tenants onto Universal Credit;
- ✓ Changes to the Planning System – potentially resulting in fewer s106 opportunities in rural areas;
- ✓ An increase in regulation, including meeting new carbon reduction targets and decent home standards;
- ✓ An increase in material costs coupled with further supply issues that may delay completion of new development schemes, and increasing responsive repairs costs;
- ✓ A 'slow down' of the housing market – resulting in a fall in shared ownership sales and associated capital receipts;

For each of these risks the Association has agreed a range of mitigation measures to reduce their impact on our business plan and overall viability.

End of Year Outcomes:
The Association participates in national benchmarking through Acuity. They collect a range of performance indicators across all business areas that are benchmarked in three different ways;

1) against our peers in the South West,
2) across all 'small' housing associations nationally and,
3) general Housemark data for all providers within the sector.

These measures include the agreed Sector Scorecard indicators and the Regulator for Social Housing 'metrics' published with the new Value for Money Standard.

The outturn of our performance for the Sector Scorecard, Regulator 'metrics' and our own key performance indicators for 2022-23 are set out in the table below. Overall, these demonstrate our efficiency and effectiveness across an range of business and service areas and provide a high level picture on the value for money the Association demonstrates.

	KEY: Quartile 1 / Quartile 2 & 3 / Quartile 4	WHH 2023 Results	WHH 2022 Results	National Median - < 1000 homes (2023)
Business Health	Operating Margin (overall)	25.91%	32.30%	13.20%
	Operating Margin (social housing lettings)	24.71%	25.99%	13.00%
	EBITDA MRI (Interest Cover measurement)	168.00	198.00	168.00
	Gearing	39.70%	38.77%	14.45%
Development - capacity and supply	Social Units completed	0	24	0
	Non-social units completed	0	0	0
	Units developed (as a % of units owned)	0.00%	5.82%	0.00%
Outcomes Delivered	Customers satisfied with the service provided by their social housing landlord	95%	95%	89%
	Percentage of responsive repairs completed on time	99%	99%	95%
	Overall satisfaction with repair service	91%	91%	85%
	Rent Arrears as a percentage of debit	1.16%	1.11%	2.15%
Effective Asset Management	Return on Capital Employed	2.21%	4.27%	1.85%
	Void Turnover (in days)	16.0	15.2	26.0
	Occupancy - General Needs	100	100	100.00%
	Re-investment %	9.90%	12.37%	3.98%
	Ratio of responsive repairs to planned maintenance	0.6	0.71	0.7
Operating Efficiency and Costs	Headline social housing cost per unit	£4,528	£4,054	£5,178
	Management cost per unit	£568	£494	£485
	Responsive repairs and void works - per unit	£1,229	£1,140	£794
	Major repairs and Cyclical works - per unit	£1,776	£1,491	£1,294
	Other social housing costs per unit	£13.48	£21.72	£16
	Overheads as a percentage of turnover	14.01%	16.68%	18.60%
	Percentage of rent collected	100.15%	101.28%	99.48%

The Association continues to use these, and other benchmarking figures, to understand the cost, quality and performance of its services and to drive future improvements and value for money. Where our performance falls below the median level across the small housing association sector further work is undertaken to understand the reasons why and implement measures, where practicable, to improve performance in future years.

Performance Assessment:

Overall, the Association's performance and tenant satisfaction levels compare favourably across all our benchmarking groups. In many cases our results are at, or above, the national median. However, we do recognise that in some areas – particularly some of our costs – the results are higher than the national median and need further analysis.

Mostly, these additional costs can be attributed to the size of the organisation, the level and quality of service we strive to provide and the importance we put on staff recruitment and retention.

Management Costs – The Association has increased capacity within its staffing structure over the past year in order to:

- provide additional support to our tenants through the 'Tenancy Plus' scheme to mitigate the effects of the cost of living crisis, the increases in the number of tenants claiming Universal Credit and a general increase in the number of homes we own and manage,
- increase the range of estate based services provided to tenants across our large geographical area,
- create additional capacity to manage the sale of our shared ownership homes;
- provide additional support to our tenant involvement structures,

- increase our strategic financial planning capacity and,
- provide extra capacity for the Association's expanded development programme.

Maintenance Costs – A regular review of our Repairs and Maintenance contracts continues to conclude that while comparisons were difficult to make (due to different pricing models, an increase in material costs and an increase in the overall number of repairs as a result of acquiring older housing stock from the former Kilmersdon Rural Housing Association) overall costs have fallen in a number of key areas, whilst performance and satisfaction levels have improved.

The Association also undertakes a range of repairs that many of our peers will deem the responsibility of their tenants. For example, boundary fencing and significant pest control. However, by taking this view we ensure the overall look, feel and condition of our housing schemes continue to demonstrate high standards of management and maintenance. We believe this is particularly important within their village settings. The Association also installs high quality fixtures and fittings that will have a higher costs initially, but continue to be serviceable and easy to repair throughout their expected lifetime.

To understand our costs even further, the Association participated in a benchmarking exercise with its South West peers – overseen by Acuity – on repairs and maintenance costs. These included comparing a 'basket' of the most common responsive repairs, traditional cyclical works such as servicing etc., and the average prices paid for capital works such as bathroom and kitchen replacements. The results of this work demonstrated that in some areas the Association's costs were more expensive (responsive repairs) while in others we were considerably cheaper (servicing costs and capital replacements).

Despite this work, the level of expenditure on repairs and maintenance work has increased significantly over the past 12-18 months as material increases and fuel costs have driven overall building inflation to record highs. The Association will also continue to work in partnership with our main contractor to find ways of reducing costs overall whilst improving the range of services to our tenants.

Report of the Board of Management

Statement of the Board's Responsibilities in Respect of the Financial Statements
The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus of the 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 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 Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and Housing and Regeneration Act 2008. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Association's accounting records, cash holdings and all its receipts and remittances.

As far as the directors are aware there is no relevant audit information of which the auditors are unaware. The directors have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Disclosure of Information for the Auditor
The Board members who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Auditor
A resolution to re-appoint Beever and Struthers as auditor will be put to the members at the Annual General Meeting.

Approved by the Board of Management on 3 July 2023 and signed on its behalf by:

D. Trethewey

…………………………………………
David Trethewey, Chairman

Independent Auditor's Report to the Members of White Horse Housing Association

We have audited the financial statements of White Horse Housing Association Limited "the Association" for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves and the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board of Management

As explained more fully in the Statement of the Board's responsibilities set out on page 12, the Board of Management 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 of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the association's activities and the regulated nature of the association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers, Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date: 10 August 2023

Statement of Comprehensive Income

	Notes	2023 £	2022 £
Turnover			
Turnover from Social Housing Lettings	2	**2,638,439**	2,407,794
Proceeds from sale of shared ownership properties	3	**163,368**	1,576,920
Operating expenditure	2	**(1,927,541)**	(1,781,896)
Cost of build and cost of sale of shared ownership properties	3	**(89,318)**	(915,814)
Operating surplus		**784,949**	1,287,004
Interest receivable and similar income		**336**	51
Interest payable and financing costs	4	**(465,856)**	(383,250)
Surplus for the financial year	5	**319,429**	903,805
Other Comprehensive Income			
Actuarial gain/(loss) in respect of pension scheme	9d	**(29,000)**	88,000
Total comprehensive income for the year		**290,429**	991,805

All amounts relate to continuing activities.

The above surpluses are the historical cost surpluses.

The notes on pages 20 to 33 form an integral part of these financial statements.

Statement of Financial Position

	Notes	2023 £	2022 £
Fixed assets			
Housing properties	6	**31,366,080**	29,099,406
Other fixed assets	6	**24,436**	30,439
		31,390,516	29,129,845
Current assets			
Debtors	7	**75,794**	52,388
Stock	7a	**0**	101,675
Cash and cash equivalents		**1,722,080**	1,112,203
		1,797,874	1,266,266
Less Creditors			
Amounts falling due within one year	8	**(435,177)**	(363,965)
Net current assets		**1,362,697**	902,331
Total assets less current liabilities		**32,753,214**	30,032,175
Creditors			
Amounts falling due after more than one year	9	**(20,809,162)**	(18,354,555)
Pension provision	9d	**(247,000)**	(271,000)
Total net assets		**11,697,052**	11,406,621
Capital and reserves			
Non-equity share capital	10	**34**	32
Revenue reserves		**11,697,018**	11,406,589
		11,697,052	11,406,621

All amounts relate to continuing activities.

The above surpluses are the historical cost surpluses.

The financial statements on pages 20 to 33 were approved and authorised for issue by the Board on 3 July 2023 and are signed on its behalf by:

Board of Management Member

D. Trehearney

Board of Management Member

Jonathan Brown

Secretary

Statement of Changes in Reserves

	Revenue Reserves £
Balance as at 1 April 2021	10,414,784
Surplus from Statement of Comprehensive Income for the year ended 31 March 2022	991,805
Balance as at 31 March 2022	**11,406,589**
Balance as at 1 April 2022	11,406,589
Surplus from Statement of Comprehensive Income for the year ended 31 March 2023	290,429
Balance at 31 March 2023	**11,697,018**

Statement of Cash Flows

	Notes	2023 £	2022 £
Net cash generated from operating activities	**a**	**1,204,883**	806,849
Cash flow from investing activities			
Purchase of tangible fixed assets		**(2,832,919)**	(3,217,567)
Sale of fixed assets		**163,368**	1,576,920
Grants received		**653,512**	0
		(2,016,039)	(1,640,647)
Cash flow from financing activities			
Interest paid		**(459,856)**	(375,250)
Interest received		**336**	51
Loans received/ (repaid)		**1,880,552**	879,484
		1,421,031	504,285
Net change in cash and cash equivalents		**609,875**	(329,513)
Cash and cash equivalents at the start of the year		**1,112,203**	1,441,716
Cash and cash equivalents at the end of the year		**1,722,080**	1,112,203

	2023 £	2022 £
a) **Net cash generated from operating activities**		
Surplus for the year	**290,429**	991,805
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	**584,605**	542,675
Amortisation of grants	**(90,868)**	(90,868)
Change in debtors	**(23,406)**	42,549
Change in creditors	**82,654**	(305,405)
Pension adjustments	**(24,000)**	(88,000)
Adjustments for investing or financing activities:		
Sale of fixed assets	**(74,050)**	(661,106)
Interest paid	**459,856**	375,250
Interest received	**(336)**	(51)
Net cash generated from operating activities	**1,204,883**	806,849

Analysis of Changes in Net Debt

	At Beginning of the Year £	Cashflows £	At End of The Year £
Cash and cash Equivalents	1,112,203	609,877	1,722,080
Housing loans due within 1 year	(131,099)	(13,165)	(144,265)
Housing loans due after 1 year	(10,842,572)	(1,867,386)	(12,709,958)
Total	**(9,861,468)**	**(1,270,674)**	**(11,132,143)**

Notes to the Financial Statements

1. Principal Accounting Policies

The Association is incorporated in England under the Co-operative and Community Benefit Society Act 2014 and is registered with the Regulator for Social Housing as a Registered Provider of Social Housing. The registered office is Lowbourne House, Lowbourne Road, Melksham, SN12 7DZ.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The accounts are prepared on the historical cost basis of accounting and on a going concern basis and are presented in sterling £, rounded to the nearest whole number.

The Association's financial statements have been prepared in compliance with FRS102. The Association meets the definition of a public benefit entity.

Judgements and Key Sources of Estimation Uncertainty

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

a. Going concern. The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The potential impact on the future income and viability of the Association as a result of the Coronavirus outbreak has led to a reassessment of the Association's Business Plan as well as an assessment of imminent or likely future breach of borrowing covenants. No significant concerns have been noted and we consider it appropriate to continue to prepare financial statements on a going concern basis.

b. Development Expenditure. The Association capitalises development expenditure in accordance with the accounting policy described on page 18. Initial capitalisation of costs is based on management's judgement that the scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

c. Categorisation of Housing Properties. The Association has undertaken a review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals. The Association has determined that all of its properties are for social benefit.

Accommodation in Management and Development

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

	2022 No	Additions No	Disposals No	2023 No
Social Housing				
General Needs Housing				
- social rent	328	0	0	328
- affordable rent	59	0	0	59
- shared ownership	25	0	0	25
Total Owned and Managed	412	0	0	412

Notes to the Financial Statements

1. Principal Accounting Policies (continued)

Other Key Sources of Estimation and Assumptions

a. Tangible Fixed Assets. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually.

b. Impairment of Non-Financial Assets. Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

As a result of the mitigating measures implemented following the Coronavirus outbreak, the Association does not believe this will have a material impact on the net income expected to be collected in the future for housing properties and the Association have therefore determined that this will not trigger an impairment review.

Turnover and Revenue Recognition

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

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

Sales of properties developed for outright sale and first tranche shared ownership sales are included in Turnover and Cost of Sales.

Notes to the Financial Statements

1. Principal Accounting Policies (continued)

Service Charges
Service charge income and costs are recognised on an accruals basis. The Association operates variable service charges on a scheme by scheme basis in full consultation with residents. The variable service charges include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge.

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

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

Taxation
The Association has charitable status and is therefore not liable for Corporation Tax on its charitable activities.

Value Added Tax
The Association is not registered for VAT. All amounts disclosed in the financial statements are inclusive of VAT.

Tangible Fixed Assets and Depreciation

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

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

Notes to the Financial Statements

1. Principal Accounting Policies (continued)

Housing Properties (continued)

UELs for identified components are as follows:

	Years
Structure	100
Roof	80
Heating	15
Electrics	40
Kitchens	25
Bathrooms	25
Windows and Doors	20-40

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

	Years
Furniture and Equipment	5
Office Equipment	5

Capitalisation of Administration Costs

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 properties into their intended use.

Operating Leases

Expenditure on assets held under operating lease is charged to the Statement of Comprehensive Income over the life of the lease.

Social Housing and Other Government Grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

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

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

Recycling of Capital Grant

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

Holiday Pay Accrual

Accounting standards require that a liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the date of the Statement of Financial Position and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the date of the Statement of Financial Position.

Notes to the Financial Statements

Principal Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are included in borrowings on the balance sheet.

Retirement Benefits

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

The Association participates in the Social Housing Pension Scheme (SHPS), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions (TPT).

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Financial Instruments held by the Association are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.

- Financial liabilities such as bonds and loans are held at amortised cost using the effective Amount due to be released < one year

- Amount due to be released > one-year lender to the borrower in the event that a loan is prepaid, and the prevailing fixed rate is higher than the existing loan's fixed rate). The Financial Reporting Council (FRC) issued a statement on 2 June 2017 in respect of such loans with no prescriptive direction as to whether they should be classified as "basic" or "non-basic". On the grounds that the Association believes the recognition of each debt liability at cost provides a more transparent understanding of the Association's financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, the Association has retained its "basic" treatment of its debt following the FRC announcement.

Notes to the Financial Statements

2. Income and Expenditure from Social Housing Lettings

Turnover, operating costs and operating surplus all arise from the provision of general needs housing.

	2023 £	2022 £
Income		
Rents	**2,412,009**	2,218,077
Service charges	**61,182**	42,059
	2,473,191	2,260,136
Amortised government grant (note 9b)	**90,868**	90,868
Feed in tariff income	**71,931**	52,127
Other income	**2,449**	4,663
Total Income	**2,638,439**	2,407,794
Expenditure		
Service charge costs	**80,792**	56,173
Management	**536,036**	526,730
Responsive repairs	**448,678**	412,964
Cyclical repairs	**185,415**	123,117
Major repairs	**67,120**	49,584
Void repairs	**25,995**	61,075
Bad debts	**(1,100)**	2,400
Depreciation	**584,605**	542,675
Other	**0**	7,179
Total Expenditure	**1,927,541**	1,781,896
Surplus on social housing lettings	**710,898**	625,898
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	(6,624)	(7,359)

Number of Property Units

	2022/23 No.	2021/22 No.
Number of Property Units 31 March	412	412

Notes to the Financial Statements

3 Disposal of Housing Properties	**2023**	2022
	£	£
Proceeds from sale of existing properties	**-**	-
Cost of sales	**-**	-
Surplus on disposal of existing properties	**-**	-
Proceeds from sale of shared ownership properties	**163,368**	1,576,920
Cost of build sale of shared ownership properties	**(89,318)**	(915,814)
Cost of sales	**0**	
Surplus on sale of shared ownership properties	**74,050**	**661,106**

4. Interest Payable and Similar Charges	**2023**	2022
	£	£
On loans	**459,856**	375,250
Interest on Social Housing Pension Scheme liability	**6,000**	8,000
	465,856	383,250

5. Surplus for the Year	**2023**	2022
	£	£
Is stated after charging:		
Auditors remuneration (excluding VAT)		
In their capacity as auditors	**7,500**	5,650
In respect of other services	**0**	0
Operating lease payments	**6,255**	5,443
Depreciation of housing properties	**572,071**	536,339
Depreciation of other fixed assets	**12,534**	12,799

Notes to the Financial Statements

6. Tangible Fixed Assets

Cost	Housing Properties Completed £	Housing Properties Under Construction £	Total £	Property Furniture and Equipment £	Office Equipment £	Total £
At start of the year	33,861,429	341,644	34,203,073	48,507	183,688	34,435,267
Additions	20,385	2,353,146	2,373,531	185	6,347	2,380,062
Components replaced	452,857	0	452,857	0	0	452,857
Disposals	(218,553)	0	(218,553)	0	0	(218,553)
Transfer of completed properties	0	0	0	0	0	0
Transfer from stock (note 7a)	101,675	0	101,675	0	0	101,675
At end of the year	**34,217,793**	**2,694,790**	**36,912,583**	**48,692**	**190,035**	**37,151,309**
Depreciation						
At start of the year	5,103,666	0	5,103,666	48,302	153,454	5,305,422
Charge for year	572,071		572,071	77	12,457	584,605
Disposals of housing properties	(109,811)	0	(109,811)	0	0	(109,811)
Components replaced	(19,425)	0	(19,425)	0	0	(19,425)
At end of the year	**5,546,502**	**0**	**5,546,502**	**48,379**	**165,911**	**5,760,792**
Net Book Value						
At 31 March 2023	**28,671,291**	**2,694,790**	**31,366,081**	**313**	**24,124**	**31,390,518**
At 31 March 2022	28,757,762	341,644	29,099,406	205	30,234	29,129,845

Housing properties under construction represents costs on future developments. Total expenditure on works to existing properties is £519,977 (2022: £475,471) of which £452,857 (2022: £425,887) has been capitalised and £49,584 (2022: £49,584) has been charged to the Statement of Comprehensive Income.

The Association charges staff time utilised to manage the building of new homes. This expenditure is capitalised as part of the whole development cost. During the year 60% of the Chief Executive Officer's and 30% of the Operations Director's salary were capitalised. The total salary costs capitalised in the year totalled £73,254 (2022: £55,329)

Notes to the Financial Statements

7. Debtors	**2023**	2022
Amounts falling due within one year:	**£**	£
Rent arrears	**36,825**	22,112
Less: provision for bad debts	**(10,800)**	(11,900)
Net rental debtor	**26,025**	10,212
Trade debtors (net of provision for bad debts)	**12,714**	12,602
Other Debtors	**3,000**	4,500
Prepayments	**34,054**	25,074
	75,794	52,388

7.a Stock	**2023**	2022
First Tranche Shared Ownership Properties	**£**	£
Completed	**0**	101,675

8. Creditors	**2023**	2022
Amounts falling due within one year:	**£**	£
Rents in advance	**77,177**	52,209
Trade creditors	**59,626**	35,369
Accruals and deferred income	**47,888**	17,000
Housing loans (note 9a)	**144,265**	131,000
Other creditors	**7,840**	5,300
Deferred capital grant (note 9b)	**98,380**	90,868
Recycled capital grant (note 9c)	**0**	32,089
	435,177	363,935

9. Creditors	**2023**	2022
Amount falling due after more than one year:	**£**	£
Loans (note 9a)	**12,709,958**	10,842,572
Deferred capital grant (note 9b)	**7,893,836**	7,338,704
Recycled capital grant (note 9c)	**205,367**	173,278
	20,809,162	17,574,015

9(a) Loans	**2023**	2022
Debt analysis	**£**	£
Loans repayable by instalments:		
Within one year	**144,265**	131,100
In one year or more but less than two years	**158,595**	144,265
In two years or more and less than five years	**1,858,330**	989,909
In five years or more	**10,319,920**	9,356,506
Loans not repayable by instalments		
In two years or more and less than five years	**600,000**	0
In five years or more	**0**	600,000
Loan issue costs/premiums	**(226,886)**	(245,108)
	12,854,224	10,973,672

These loans are secured by specific charges on the Association's housing properties and are repayable at rates of interest between 1.05% and 10.75%.

Notes to the Financial Statements

9(b) Deferred capital grant

	£
At start of the year	7,429,572
Grant Received in the Year	653,512
Grant released on disposals	
Released to income in the year	(90,868)
Closing balance	7,992,216
Amount due to be released < one year	98,380
Amount due to be released > one year	7,893,836
	7,992,216

9(c) Recycled Capital Grant Fund

	£
Opening balance	205,368
Grant recycled	0
Closing balance	**205,368**

On the occurrence of certain relevant events, primarily the sale of dwellings, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Association adopts a policy of recycling. If unused within a three-year period, the grant would normally be repayable to Homes England with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year would be disclosed in the balance sheet under 'creditors due after more than one year'. The remainder would be disclosed under 'creditors due within one year'.

£205,367 has been in the fund for three years or more however as the Association has forthcoming schemes where this grant will be used Homes England have agreed it is not repayable and therefore not included in creditors due within one year. The grant is retained for recycling in 2023/24 and 2024/25.

The Association has a nil balance in the Disposal Proceeds Fund.

9(d) Social Housing Pension Scheme

The Association participates in the Social Housing Pension Scheme (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 last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. The valuation revealed a deficit of £1.560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For financial years ending on or before 28 February 2019, it was not possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme.

Notes to the Financial Statements

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with the effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2023 £000s	31 March 2022 £000s
Fair value of plan assets	**1,086**	1,662
Present value of defined benefit obligation	**1,333**	1,933
Defined benefit asset (liability) to be recognised	**(247)**	(271)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2023 £000s	Period ended 31 March 2022 £000s
Defined benefit obligation at 1 April 2022	**1,933**	1,977
Current service cost	**0**	73
Expenses	**4**	3
Interest expense	**53**	43
Contributions by plan participants	**0**	14
Actuarial losses (gains) due to scheme experience	**(114)**	61
Actuarial losses (gains) due to changes in demographic assumptions	**(3)**	(32)
Actuarial losses (gains) due to changes in financial assumptions	**(490)**	(145)
Benefits paid and expenses	**(50)**	(61)
Defined benefit obligation at 31 March 2023	**1,333**	**1,933**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	31 March 2023 £000s	31 March 2022 £000s
Fair value of plan assets at 1 April 2022	**1,662**	1,618
Interest income	**47**	35
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	**(636)**	(28)
Contributions by the employer	**63**	84
Contributions by plan participants	**0**	14
Benefits paid and expenses	**(50)**	(61)
Fair value of plan assets at 31 March 2023	**1,086**	1,662

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 to 31 March 2023 was £589,000 (31 March 2022: £7,000).

Notes to the Financial Statements

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	2023 £000	2022 £000
Current service cost	**0**	73
Expenses	**4**	3
Net interest expense (note 4)	**6**	8
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**10**	84

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 March 2023 £000s	31 March 2022 £000s
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(636)	(28)
Experience gains and losses arising on the plan liabilities - gain (loss)	114	(61)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	3	32
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	490	145
Total loss recognised in other comprehensive income - gain (loss)	(29)	88

Movement in the liability during the year

	31 March 2023 £000s	31 March 2022 £000s
Liability at 1 April	271	359
Service costs	10	84
Employer Contributions	(63)	(84)
Remeasurements Actuarial losses	29	(88)
Liability in the scheme at 31 March	247	271

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.

The following information is based upon a full actuarial valuation of the fund at 30 September 2020. The major assumptions used by the actuary in assessing scheme liabilities were:

	31 March 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.88	2.79
Inflation (RPI)	3.20	3.62
Inflation (CPI)	2.74	3.21
Salary Growth	3.74	4.21
Allowance for commutation of pension at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

Notes to the Financial Statements

10. Non-Equity Share Capital

	2023 £	2022 £
Allotted, issued and fully paid		
At start of the year	**32**	32
Issued	**2**	0
At end of the year	**34**	32

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

11. Capital Commitments

	2023 £	2022 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**2,894,089**	633,000
Capital expenditure that has been authorised by the Board of management but has not yet been contracted for	**3,465,115**	2,948,840

The above commitments will be funded from capital receipts, grants and further loan funding.

12. Key Management Personnel Remuneration

	2023 £	2022 £
The aggregate remuneration paid to or receivable by Key Management Personnel	**70,535**	59,478
The aggregate remuneration paid to or receivable by non-executive directors (Chairman only)	**3,292**	3,191
The remuneration payable to the highest paid director, excluding pension contributions	**70,535**	59,478

13. Employee Information

The average weekly number of persons employed during the year (full time equivalents, i.e. 37 hours per week) was:	2023 Number	2022 Number
Office staff	**10**	9

Staff costs (for the above persons):

	2023 £	2022 £
Wages and salaries	**372,812**	320,110
Social Security costs	**35,234**	27,767
Other pension costs and current service cost (note 9d)	**115,803**	84,714
	526,850	407,964

There was one full time equivalent staff whose remuneration payable was in excess of £60,000 (the Chief Executive).

Notes to the Financial Statements

14. Taxation Status

The Association has charitable status and is not liable to pay Corporation Tax on its charitable activities.

15. Contingent Liability

The fair value of housing properties acquired on 30 September 2015 includes Social Housing Grant of £2,131,006, which has an obligation to be recycled in accordance with the original grant funding terms and conditions. The Association is responsible for the recycling of grant in the event of the housing properties being disposed. There are no other known contingent liabilities.

16. Related Parties

A related party relationship exists between the Association and Wiltshire Community Land Trust ('WCLT'). One of the Association's Board members also serves on the WCLT Board.

17. Financial Assistance and Other Government Grant Receivable

The total accumulated government grant received or receivable at the date of the Statement of Financial Position is disclosed in note 9(b). The amount of government grant recognised in the Statement of Comprehensive Income at that date was £1,756,973 comprising £90,868 recognised in 2022/23 and £1,666,105 recognised prior to this date.

18. Operating Leases

The Association is committed to future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Office equipment		
In one year or more but less than two years	**6,005**	6,005
In two years or more but less than five years	**13,512**	19,517
In five years or more	**0**	0
	19,517	25,522