

Company Registration Number: 01548338 (England and Wales)
Homes England Number: 4660
Registered Charity Number: 511265

**ACTION HOUSING AND SUPPORT LIMITED
REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**



ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2021

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ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are the non executive directors of the company, present their report with the audited financial statements of the charitable company for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number: 01548338 (England and Wales)

Charity registration number: 511265

Homes England registration number: 4660

Members of the board: Mr Tony De'Ath (Chair)
Mr A Hopton (Vice Chair) (Resigned 14 December 2020)
Mr A Stott
Mr I Knowles
Mrs P Warnock
Mr Niall MacPherson (Appointed 14 December 2020)

Co-opted member: Ms H Greig (Appointed 14 December 2020)

Chief Executive: Mr A Stott (Appointed 1 April 2020)

Registered office: 6 Genesis Business Park
Sheffield Road
Rotherham
South Yorkshire
S60 1DX

Auditor: BHP LLP
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Solicitor: Bailoran
West Hill House
Allerton Hill
Leeds
LS7 3QB

Solicitor: Ward Hadaway
5 Wellington Place
Leeds
LS1 4AP

Solicitor: Hill Dickinson
50 Fountain Street
Manchester
M2 2AS

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Bankers: The Royal Bank of Scotland
PO Box 31
High Street
Rotherham
S60 1PS

Bankers: Metro Bank
58-64 Fargate
Sheffield
S1 2HE

Bankers: Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Principle Activities

The Trustees, who are the non executive directors of the company, present their report with the audited financial statements of the charitable company for the year ended 31 March 2021.

Action Housing and Support works for the public benefit through its principal activities of providing accommodation, support, education and employability training and related services to a wide variety of vulnerable people. Currently these activities are carried out in Yorkshire, Nottinghamshire and Derbyshire. The objective of the charity is expressed in its Articles of Association:

'To educate and train and relieve poverty and sickness among persons who are suffering or who have suffered a legal restriction on their liberty in any penal or correctional establishment or through any means whatever including issues with learning difficulties, mental health, drug and alcohol, woman escaping domestic abuse, young people with multiple needs, sex workers and other vulnerable persons who require assistance to achieve and or maintain independence, also including (but not limited to) any orders made under the Mental Health Act or some other similar legislation and the families of such persons in such ways as the Board think fit and to further and promote the study of and research into all aspects and methods of the prevention of crime and delinquency and to obtain and make records of and disseminate information concerning the same, and to promote, support or carry on either alone or in co-operation with any subsidiary company of the Association or any other body, authority, or person, any project or scheme in connection with any methods of the prevention of crime and delinquency and to provide monies for such purposes whether by way of loans, grants, advances, gifts or otherwise as the Board think fit;

To carry on for the benefit of the community the business of providing social housing and any associated amenities, services, advice or assistance.

To promote or carry out any other charitable purpose that can be carried out by a company registered as a social landlord with the Tenant Services Authority or such similar authority from time to time.

The aim of the company is to work to enable vulnerable people to establish a home and live responsibly in society.'

Organisational Status

Action Housing and Support is a Registered Charity and a Company Limited by Guarantee, without a share capital. Its governing instrument is the Articles of Association.

Action Housing and Support is also a Registered Housing Provider and these accounts are prepared in accordance with the Companies Act 2006, the Housing Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Internal Controls, Governance and Risk Management

A Board of Trustees governs the company. The Board exists to provide probity and governance to Action Housing and Support, set the strategic direction, ensure adherence to the Articles of Association, support the Executive Team as they run the business, appoint the Chief Executive and hold them to account, provide advice, scrutiny and fresh eyes, behaving as critical friends.

Our Governance Framework covers the principles by which our organisation is constituted. It also records who take decisions, and how the decisions taken are recorded, communicated and implemented. Our organisation is a values-led, 'not for profit' organisation, and all income goes into running the organisation and the services delivered by it.

The Trustees continually review the risks to which the charity is exposed. Systems are in place to mitigate those risks utilising our Risk Management Framework & Business Continuity Plan.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Recruitment and appointment to the Board of Trustees is by a formal process as defined within the Code of Governance. Trustees undergo a period of induction in which they meet staff and clients, and are encouraged to attend events designed to promote their understanding of good governance.

Board Membership and Responsibilities

The members below have served in office from 1 April 2020 to the date of this report, except where otherwise indicated:

Mr Tony De'Ath (Chair)
Mr A Hopton (Vice Chair) – Resigned 14 December 2020
Mr A Stott – Resigned 1 April 2020, Appointed 1 April 2020.
Mr I Knowles
Mrs P Warnock
Mr Niall MacPherson (Vice Chair) - Appointed 14 December 2020
Ms H Greig (CoOpted) – Appointed 14 December 2020

No remuneration is paid to Trustees, in their capacity as trustees, and as the company is limited by guarantee, none of the Trustees has any interest in the shares or retained reserves.

Strategic Report

Operational Review

Our activities focus on tenancy sustainment, the provision of accommodation, the prevention of offending and homelessness, the provision of domestic abuse services and supporting individuals to independent and self-sufficient living. The delivery of our services benefits individuals through the creation of opportunity, enabling them to realise their potential and lead fulfilling lives.

Our funding currently enables the services we provide to be delivered to residents or people living in:

- Rotherham
- Sheffield
- Mansfield
- Chesterfield
- Derby

In 2020/21 services were provided to more than 1,000 individuals with the duration of support ranging from responsive phone calls which in effect last minutes to detailed and specific support programmes lasting up to two years. We also continue to provide units of supported accommodation to people with complex needs together with the provision of specified accommodation.

Our general needs accommodation units number increased by 6% from 124 units to 131.

We have worked closely with Homes England and by further utilising their affordable homes programme and working in partnership with our local authorities partners we intend to further develop our housing stock both in supported accommodation and general needs in the coming years.

The impact of our work goes beyond those we help directly; it reduces the distress suffered by families, friends and the wider society. It reduces demands upon statutory services and the public purse in terms of a reduction in crime, anti-social behaviour, drug abuse, poor health and social exclusion, and assists in the building of cohesive neighbourhoods.

The primary income sources of the Charity are rental income and contracts with local authorities. As mentioned above, Homes England provided development funding this year to enable us to increase our housing stock. We also received a number of smaller grants, which were used to purchase equipment and deliver activities to our client group across our programmes.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Difficult strategic decisions had to be made in the previous year and as a result the organisation and its people adapted and responded positively and professionally. Despite the challenge and widespread disruption caused by the Covid pandemic the company managed to deliver its services effectively throughout the period.

The company maintained existing contracts built on the newly formed relationships with Mansfield council successfully working in partnership to house rough sleepers and won new contracts with Derby Homes delivering the housing first model of accommodation.

The organisation returned a reasonable surplus for the first time in 3 years and a viable 3-year business plan was approved by the board of trustees.

The plan focused on five key issues: -

- Quality of service and investment in the services provided.
- Investment in staff, their development and wellbeing.
- Investment in accommodation.
- Ensuring adequate reserves are accumulated and built upon.
- Strengthening the balance sheet of the organisation.

Trustees remain committed to the generation of income for the Charity and opportunity for our clients, but are clear that diversification must be appropriate and sustainable in the longer term. The Board continue to work with the senior team to ensure our continued success, development and growth.

Against this unprecedented climate, the charity's principal asset remains its staff and the Trustees acknowledge the contribution of every staff member and thank them for their work and commitment.

Financial Review

Action Housing & Support operates in a challenging financial environment and continues to experience restrictions on resources. Funding is on a contractual, cyclical basis and is often secured via competitive tender. Funding from the Communities and Local Government (administered by the local authorities) and in particular Housing Related Support, equates to 19% of all income. Our main source of income is via rental income from the units that we manage. This year we also received grant funding from Homes England and Derby City Council.

As a result of the challenges previously outlined, overall, the organisation returned a £292,446 surplus on activities before taxation (2020 - £397,735 deficit). This included £75,000 (2020 - £255,000) for FRS 102 pension adjustments. Without these non-cash adjustments, the operating surplus would have been £367,446 (2020 - £142,735 deficit).

The closing net liabilities at 31 March 2021 were £1,561,841 (2020 - £1,539,287) of which £362,884 (2020 - £402,888) was restricted funds and £3,305,275 (2020 - £2,897,825) was unrestricted reserves and £5,230,000 (2020 - £4,840,000) was a pension deficit reserve.

The trustees have prepared a three year financial plan showing forecasts of income, expenditure and cash flow for the period to 31 March 2024. The forecasts show that the company will generate future surpluses and has sufficient cash reserves to be able to continue its operations for the foreseeable future.

Reserves Policy

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. The free reserves consist of unrestricted funds, net of fixed assets, and associated bank loans. Due to our strategic commitment to develop properties, which generate long-term income, our free reserves remain relatively low at £133,896 (2020 - £134,833). We have however been able to increase and grow the reserves in the past year. The level of reserves is monitored and reviewed by Trustees throughout the year as part of our ongoing management of risk. Our free reserves level is not assessed as a significant risk at present. We have in place a plan over the next three years to incrementally increase the level of free reserves held.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Key Risks

The main risks faced by the Charity are identified as:

- Reduction in public sector funding for services to support vulnerable people due to a continuing austerity environment. The main controls for this are dedicated business development resource, researching and identifying new opportunities and the maintenance of positive relationships and open dialogue with commissioners, enabling service redesign rather than decommission.
- Change in senior leadership. The board are committed to ensuring a new business strategy is in place underpinned by sustainable investment in resource capacity.
- Maintaining adequate cashflow, reducing contractual income and significant development activity. Main controls for this are active cashflow management and monitoring, careful budgeting, consideration of appropriate credit facilities and scrutiny and oversight by the Board of Trustees.
- Comprehensive risk management procedures, with risks reported to Board twice yearly for review.

Directors' Salaries

The Board of Trustees have overview of senior pay and terms and conditions. Salaries are benchmarked by use of the ACEVO pay survey and national CIPD pay survey information.

Investments

The company's investment powers are set out in its Articles of Association and allow the company to invest funds not immediately required in securities and property, subject to such conditions as may be required by law. Those responsible for financial management remain mindful of the current economic climate and the need to invest to secure maximum income whilst managing associated risk.

Plans for future periods

Building on the work already carried out, in the forthcoming year we aim to:

- Focus on the quality of service delivery
- Focus on our employment practices and improve the quality and capability of our staff
- Improve the quality of our housing stock
- With the recruitment of a new Chief Executive, consider the organisation's structure to ensure fitness for the future and the changing environment
- Increase the provision of specified accommodation
- Develop more units of accommodation for general needs tenants
- Develop and build ever-stronger strategic relationships, raising the profile of Action.

Events since the Balance Sheet date

There are no other important events that have occurred since the balance sheet date which affect the company.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Value for Money

Action Housing & Support has developed over the years by tendering for services in a continual, competitive cycle. This cycle ensures that services and the value they provide are reviewed and tested against the open market. It also continues to develop its property portfolio, which has resulted in the increased provision of both general needs accommodation and also supported accommodation to young people. During 2020/21, the organisation has focussed on delivering value for money through the following activity:

- Tendering for the supply of specific contract works suited to the organisation's capabilities.
- Realignment of managerial resources in proportion to support reductions in specific areas of work.

Value for money remains critical to the organisation and to the successful submission of tenders. Plans for 2021/22 include:

- Focus on performance and accountability of all budget holders
- Continue to review and retender all contracts and suppliers of services
- Continue to develop and implement systems and processes that will facilitate and support excellent customer service

To comply with the Regulator of Social Housing Value for Money Metrics requirement, Action Housing and Support has calculated the following data:

	2020	2019
Metric 1 Reinvestment %	3%	6%
Metric 2 New supply delivered (social housing units)	3%	3%
Metric 3 Gearing %	13%	20%
Metric 4 Earnings before interest, tax and depreciation %	806%	-408%
Metric 5 Headline Social cost per unit	£10,329	£11,794
Metric 6 Operating Margin %		
(social housing and overall the same)	7%	-8%
Metric 7 Return on capital employed %	4%	-4%

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

Trustees' Responsibilities

The trustees (who are also directors of Action Housing and Support for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, BHP LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

On Behalf of the Board

This report was approved by the Board on 16 August 2021 and has been signed on its behalf.

A De'Ath

A De'Ath (Aug 16, 2021 15:30 GMT+1)

T De'Ath – Trustee & Chair

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTION HOUSING AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

We have audited the financial statements of Action Housing and Support Limited (the 'association') for the year ended 31 March 2021 which comprise the Income and Expenditure Account, the Statement of Total Recognised Surpluses and Deficits, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2021, and of its incoming resources and application of resources, including 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 Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

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

Conclusions 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 trustees' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTION HOUSING AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the board report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report (incorporating the strategic report). We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 8, the Trustees (who are also the directors of the association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has 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:

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTION HOUSING AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

1. We gained an understanding of the legal and regulatory framework applicable to the association and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.
2. We focused on laws and regulations relevant to the association which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, trustees, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses.
3. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or the trustees that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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 Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of 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.



Jane Marshall (Aug 16, 2021 16:59 GMT+1)

Jane Marshall (Senior Statutory Auditor)
for and on behalf of BHP LLP

Date: Aug 16, 2021

2 Rutland Park
Sheffield
S10 2PD

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	2	4,803,665	4,244,495
Cost of sales	3	(4,447,175)	(4,570,802)
Operating surplus / (deficit)		356,490	(326,307)
Interest receivable and similar income	5	234	1,443
Bank loan interest payable	5	(64,278)	(72,871)
Surplus / (deficit) on ordinary activities before taxation	6	292,446	(397,735)
Tax on (deficit) on ordinary activities		-	-
Surplus / (deficit) for the year		292,446	(397,735)

CONTINUING OPERATIONS

The results relate to wholly continuing activities.

On behalf of the Board

A De'Ath
A De'Ath (Aug 16, 2021 15:30 GMT+1)

T De'Ath, Director

Niall Macpherson
Niall Macpherson (Aug 16, 2021 15:38 GMT+1)

Niall MacPherson, Director

Date: Aug 16, 2021

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Surplus / (deficit) for the year	6	292,446	(397,735)
Actuarial gains / (losses) arising on defined benefit pension	17	(315,000)	1,343,000
Operating (deficit) / surplus		(22,554)	945,265

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Housing properties	10	6,755,206	6,730,858
Other tangible fixed assets	10	816,829	743,562
		7,572,035	7,474,420
Current assets			
Debtors	11	532,534	589,301
Cash at bank and in hand		1,068,054	605,512
		1,600,588	1,194,813
Creditors: amounts falling due within one year	12	(966,117)	(739,736)
Net current assets		634,471	455,077
Total assets less current liabilities		8,206,506	7,929,497
Creditors: amounts falling due after more than one year	13	(4,538,347)	(4,628,784)
Defined benefit pension liability	17	(5,230,000)	(4,840,000)
Total net liabilities		(1,561,841)	(1,539,287)
Reserves			
Unrestricted reserves	15	3,305,275	2,897,825
Pension reserves	15	(5,230,000)	(4,840,000)
Restricted reserve	15	362,884	402,888
Total Reserves		(1,561,841)	(1,539,287)

The financial statements were approved and authorised for issue by the Board on 16 August 2021.

Signed on behalf of the board

A De'Ath

A De'Ath (Aug 16, 2021 15:30 GMT+1)

T De'Ath, Director

Niall Macpherson

Niall Macpherson (Aug 16, 2021 15:38 GMT+1)

Niall MacPherson, Director

The notes on pages 17 to 34 form part of these accounts.

Company registration number: 01548338

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

STATEMENT IN CHANGES OF RESERVES

FOR THE YEAR ENDED 31 MARCH 2021

	General reserve £	Pension reserve £	Restricted reserve £	Total £
At 1 April 2019	3,153,981	(5,928,000)	289,467	(2,484,552)
(Deficit) / Surplus for the year	(256,156)	(255,000)	113,421	(397,735)
Remeasurement gain on defined benefit pension plan	-	1,343,000	-	1,343,000
Total comprehensive income at 31 March 2020	<u>2,897,825</u>	<u>(4,840,000)</u>	<u>402,888</u>	<u>(1,539,287)</u>
Surplus / (Deficit) for the year	407,450	(75,000)	(40,004)	292,446
Remeasurement (loss) on defined benefit pension plan	-	(315,000)	-	(315,000)
Total comprehensive income at 31 March 2021	<u>(5,230,000)</u>	<u>(5,230,000)</u>	<u>362,884</u>	<u>(1,561,841)</u>

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Net cash flow from operating activities	16	865,940	59,651
Cash flow from investing activities			
Purchase of tangible fixed assets		(364,982)	(487,305)
Social Housing Grants received		41,250	417,470
Interest received		234	1,443
Net cash flow from investing activities		(323,498)	(68,392)
Cash flow from financing activities			
Proceeds from issue of new long-term loans		50,000	-
Repayment of long term loans		(65,622)	(59,560)
Interest paid		(64,278)	(72,871)
Net cash flow from financing activities		(79,900)	(132,431)
Net (decrease)/increase in cash and cash equivalents		462,542	(141,172)
Cash and cash equivalents at 1 April		605,512	746,684
Cash and cash equivalents at 31 March		1,068,054	605,512
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,068,054	605,512
Cash and cash equivalents at 31 March		1,068,054	605,512

1 Summary of significant accounting policies

Status

The company is registered under the Companies Act 2006 and has been a registered charity since 21 April 1981. The charitable company registered with the Regulator of Social Housing as a housing provider on 2 June 2011.

General information and basis of preparation

Action Housing and Support Limited is a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the company's information on page 1 of these financial statements. The nature of the company's operations and principal activities are the provision of social housing.

The company constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the association, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The company has net liabilities of £1,561,841 due to the inclusion of the defined benefit pension liability of £5,230,000. Although this has turned the balance sheet negative it is not a liability which will crystallise in the near future. What is important is that the company can meet its pension contributions payments under this scheme as they fall due. The forecasts referred to below include these and the Trustees confirm that this is the case.

The trustees have prepared a three year financial plan showing forecasts of income, expenditure and cash flow for the period to 31 March 2024. The forecasts show that the company will generate future surpluses and has sufficient cash reserves to be able to continue its operations for the foreseeable future. Therefore, the Trustees believe it is appropriate for the financial statements to be prepared on the going concern basis.

Tangible fixed assets

Housing properties

Social housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended, such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Major components of housing properties are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Structure	100 years
Roofs	60 years
Kitchens	10 years
Bathrooms	15 years
Windows and doors	20 years
Boilers and fires	12 years
Electrics	30 years
Mechanical systems	20 years

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

Other

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	Not depreciated
Buildings - freehold	50 years straight line
Buildings - long leasehold	Over lease term
Office furniture	5 years straight line
Office equipment	4 years straight line
Computer equipment	3 years straight line

Impairment

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred or if they are not being depreciated.

Impairments that are a result of a major reduction in the service potential of a property are recognised in the income and expenditure account. Impairments that reflect general changes in price are, where the property is shown at a valuation, recognised in the statement of total recognised surpluses and deficits until the value of the asset falls to depreciated historical cost.

Further impairments, or the full impairment if the property has not been revalued, are then recognised in the income and expenditure account.

Debtors and creditors receivable / payable within one year

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

Stocks

Stocks of paint, papers, sheets, blankets, cutlery and crockery are not taken, and items are charged in the accounts as an expense when purchased. The trustees do not consider that the value of stock is either significant or material.

Leases

Rentals paid under operating leases are charged in the income and expenditure account as incurred.

Tax

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Turnover

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes England.

Grants

Grants receivable funding the general activities of the company are included in the year in which they are receivable.

Social Housing Grants

Social Housing Grants (SHG) are made by Homes England to assist with the acquisition or developments. SHG grants are included in deferred income and released in line with the depreciation of the assets.

Pension costs

The company operates a defined benefit pension scheme. An actuarial valuation was carried out at 31 March 2019 by a qualified independent actuary with a full valuation required every three years. The company's share of changes in the deficit is recognised on the balance sheet. The company's share of changes in the deficit is included in the income and expenditure account.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account and then a transfer to restricted reserves is made as appropriate.

Judgements and key sources of estimation uncertainty

There are no judgements (apart from those involving estimates) which have been made in the process of applying the above accounting policies that have had significant effect on amounts recognised in the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Property valuations – the carrying value of property and annual impairment reviews are subject to assessment involving estimates on future rental yield and state of repair of the properties.

South Yorkshire Pension Fund Liability – the present value of the liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions will impact the carrying value of the pension liability.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Turnover

	2021 £	2020 £
Rental income	3,637,477	2,983,483
Contracted income	933,203	904,708
Other grants	13,190	25,625
Commercial premises	64,092	53,139
Other income	88,968	2,361
Homes England	66,735	241,611
Statutory services	-	33,568
Total	4,803,665	4,244,495

Rental Income is included in the accounts after providing bad debts of £76,187 (2020: £132,690) and net of rental voids incurred during the year to the value of £258,862 (2020: £330,825).

Homes England and other grants income contains £64,232 (2020: £55,103) of amortised grant, the remainder relates to non-capitalised grant income.

3 Operating costs

	Staff Costs £	Other £	Depreciation £	Total 2021 £	Total 2020 £
Housing and support	724,526	337,727	38,113	1,100,366	1,286,236
Housing management	95,788	66,280	2,178	164,246	164,156
Housing maintenance	135,085	1,673,033	215,096	2,023,214	1,718,482
Housing services	329,452	16,937	2,178	348,567	361,154
Client services:					
Project management	63,541	102,946	6,534	173,021	219,220
Administration expenditure	255,009	239,862	3,267	498,138	645,030
Governance costs	13,011	17,612	-	30,623	31,524
Pension finance costs	-	109,000	-	109,000	145,000
	1,616,412	2,563,397	267,366	4,447,175	4,570,802
2020	1,998,921	2,302,442	269,439		

Governance costs include the following:

	2021 £	2020 £
Salaries and office costs	13,011	15,235
Auditor's fees- audit services	15,612	12,289
Legal and professional fees	2,000	4,000
	30,623	31,524

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4 Accommodation owned, managed and in development

	Number of units at start date 2021	Number of units at end date 2020
<i>Social housing</i>		
General needs housing	131	124
Sustainable tenancy	26	26
Supported housing	6	6
Total Social housing	156	156
<i>Non-social housing</i>		
General needs housing	30	30
Sustainable tenancy	147	116
Supported housing	89	89
Total Non-Social housing	266	235
Total housing	429	391

5 Interest and other finance income and expenses

a) Interest receivable and similar income	2021 £	2020 £
Deposit account interest	234	1,443
b) Interest payable and similar expenses	2021 £	2020 £
Bank loans and overdrafts	64,278	72,871
c) Other finance costs	2021 £	2020 £
Interest on net defined benefit pension liability	109,000	145,000

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

6 Surplus/(deficit)

Surplus/(deficit) is stated after charging:

	2021	2020
	£	£
Auditor's remuneration (including expenses and benefits in kind) for audit	15,612	12,289
Depreciation of housing properties and components	204,876	186,815
Depreciation of other tangible assets	62,490	82,624
Grants released against depreciation	(64,232)	(55,103)
Rent losses from bad debts	76,187	132,690
Operating lease rentals	888,506	880,270

7. Trustee remuneration and benefits

During the current year one trustee was paid remuneration for their role as Chief Executive, not in their capacity as a Trustee. This is disclosed in the highest paid director information below. Employer pension contributions for this employee totalled £15,570 (2020: £Nil). Employer pension contributions were paid into a personal pension scheme with no enhancements applied.

Trustee expenses

Travel expenses totalling £401 (2020 - £869) were paid to 1 trustee (2020- 1 trustee).

8. Board and key management personnel remuneration

The total remuneration for key management personnel, including employer's national insurance amounted to £177,537 (2020 - £243,500).

During the year total pensions of £23,041 (2020 - £26,855) was payable to key management personnel.

The highest paid director received £100,206 (2020 - £129,033) remuneration (including employer's NI but excluding pension contributions).

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

9 Staff costs

All employees were involved in direct charitable services, with a proportion of time of some staff taken up by administrative duties.

	2021	2020
	£	£
Wages and salaries	1,230,143	1,442,775
Social security costs	98,920	100,704
Other pension costs	153,803	353,147
	1,482,866	1,896,626
Agency costs	133,546	102,295
Total	1,616,412	1,998,921

Other pension costs include (£36,000) (2020 - £106,000), being the net pension costs movement as disclosed in note 17 to the accounts and in accordance with FRS 102.

The average number of employees, including members of the executive team, calculated on a full time equivalent basis was 49 employees (2020 - 68).

Three members of staff received redundancy payments, totalling £9,715 (2020 – 5 employees totalling £13,990).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

In the band £60,000 - £70,000 – nil (2020: 1)

In the band £100,000 - £110,000 – 1 (2020: 1)

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible fixed assets – Housing properties for letting

	Land and buildings £	Leasehold improvements £	Total £
Cost:			
At 1 April 2020	6,666,492	1,045,638	7,712,130
Reclassification	(8,053)	12,321	4,268
Additions	183,466	45,661	229,127
At 31 March 2021	6,841,905	1,103,620	7,945,525
Depreciation:			
At 1 April 2020	586,027	395,245	981,272
Reclassification	509	3,662	4,171
Charge for the year	93,205	111,671	204,876
At 31 March 2021	679,741	510,578	1,190,319
Net book value:			
At 31 March 2020	6,080,465	650,393	6,730,858
At 31 March 2021	6,162,164	593,042	6,755,206

Tangible fixed assets – other

	Freehold buildings £	Leasehold improvements £	Fixtures and fittings £	Total £
Cost:				
At 1 April 2020	901,208	73,015	1,213,935	2,188,158
Reclassification	360	(2,850)	-	(2,490)
Additions	-	-	135,855	135,855
At 31 March 2021	901,568	70,165	1,349,790	2,321,523
Depreciation:				
At 1 April 2020	238,664	72,648	1,133,284	1,444,596
Reclassification	90	(2,483)	1	(2,392)
Charge for the year	18,042	-	44,448	62,490
At 31 March 2021	256,796	70,165	1,177,733	1,504,694
Net book value:				
At 31 March 2020	662,544	367	80,651	743,562
At 31 March 2021	644,772	-	172,057	816,829

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11 Debtors

	2021	2020
	£	£
Trade debtors (gross social housing rent arrears)	248,686	310,833
Less: provision for doubtful debt	(97,496)	(158,324)
	151,190	152,509
Trade debtors (others)	89,660	95,773
Prepayments and accrued income	291,684	341,019
	532,534	589,301

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	71,702	65,621
Trade creditors	590,887	370,927
Other tax and social security	30,713	36,437
Other creditors	59,205	57,436
Accruals and deferred income	147,103	146,358
Deferred income capital grants	66,507	62,957
	966,117	739,736

Bank loans totalling £2,103,610 (2020 - £2,119,231) are secured by a first legal charge over freehold and leasehold residential properties owned by the charity. The above loans are repayable monthly over a 25 year period at rates of interest charged at 3% over the bank's base rate, with a bullet repayment at the end of year ten (2027).

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	2,031,908	2,053,610
Other creditors	275,900	315,600
Deferred income re capital grants	2,230,539	2,259,574
	<u>4,538,347</u>	<u>4,628,784</u>

Bank loans, other creditors and deferred income re capital grants include aggregate amounts of £3,756,167 (2020 - £3,910,436) which fall due after five years and which are payable by instalments.

14 Leases

Operating leases - lessee

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

	2021 £	2020 £
Not later than one year	734,766	701,412
Later than one and not later than five years	1,166,469	1,290,069
Later than five years	474,563	447,585
	<u>2,375,798</u>	<u>2,439,066</u>

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

15 Reserves

	BF 01.04.20 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	CF 31.03.21 £
Unrestricted reserves						
General reserves	2,897,825	4,726,477	(4,319,027)	-	-	3,305,275
Pension reserves	(4,840,000)	-	(75,000)	-	(315,000)	(5,230,000)
	(1,942,175)	4,726,477	(4,394,027)	-	(315,000)	(1,924,725)
Restricted reserves						
South Yorkshire Offender Partnership	7,036	-	-	-	-	7,036
Homes England	379,559	61,205	(111,837)	-	-	328,927
Derbyshire Domestic Abuse	14,668	-	-	-	-	14,668
Foundation Derbyshire	-	2,000	-	-	-	2,000
Open Gate Trust	1,000	-	(800)	-	-	200
Arbor PCC	625	-	(365)	-	-	260
Church on the Bus	-	1,190	(1,067)	-	-	123
Morrison's Foundation	-	5,000	(330)	-	-	4,670
Voluntary Action Rotherham	-	5,000	-	-	-	5,000
RMBC Section 106	-	616	(616)	-	-	-
Land Aid	-	1,381	(1,381)	-	-	-
Derby City	-	1,030	(1,030)	-	-	-
	402,888	77,422	(117,426)	-	-	362,884
Total reserves	(1,539,287)	4,803,899	(4,511,453)	-	(315,000)	(1,561,841)

Restricted reserves consist of the following:

South Yorkshire Offender Partnership: Hope renovation project education and resources in Rotherham.

Homes England: Bringing empty homes into use within the private sector.

Derbyshire Domestic Abuse: The provision of resources to ensure that our support line in Derbyshire is accessible by all victims of domestic abuse including those from marginalised/isolated communities.

Foundation Derbyshire: To fund educational, developmental and life enhancing experiences as chosen by our young people in Chesterfield.

Open Gate Trust: Provision of Lifewise sessions at Newbold Court.

Arbor PCC: Crime reduction.

Church on the Bus: Microwaves for Newbold Court clients.

Morrison's Foundation: Newbold Court.

Voluntary Action Rotherham: Healthy eating.

RMBC Section 106: Conversion of premises to provide general needs affordable housing in Rotherham.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Land Aid: Conversion of premises to provide accommodation and raining facilities for young people in Rotherham.

Derby City: Capital grant to refurbish properties in Derby.

Prior year reserves

	BF 01.04.19 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	CF 31.03.20 £
Unrestricted reserves						
General reserves	3,153,981	3,978,702	(4,234,858)	-	-	2,897,825
Pension reserves	(5,928,000)	-	(255,000)	-	1,343,000	(4,840,000)
	(2,774,019)	3,978,702	(4,489,858)	-	1,343,000	(1,942,175)
Restricted reserves						
Action for Street Kids	806	-	(806)	-	-	-
South Yorkshire	7,036	-	-	-	-	7,036
Offender Partnership						
Homes England	256,192	238,665	(115,298)	-	-	379,559
Derbyshire Domestic Abuse	25,420	24,000	(34,752)	-	-	14,668
Foundation Derbyshire	13	-	(13)	-	-	-
Open Gate Trust	-	1,000	-	-	-	1,000
Arbor PCC	-	625	-	-	-	625
RMBC Section 106	-	616	(616)	-	-	-
Land Aid	-	1,300	(1,300)	-	-	-
Derby City	-	1,030	(1,030)	-	-	-
	289,467	267,236	(153,815)	-	-	402,888
Total reserves	(2,484,552)	4,245,938	(4,643,673)	-	1,343,000	(1,539,287)

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

16 Notes to the cash flow statement

Reconciliation of operating (deficit)/surplus to cash flow from operating activities	2021 £	2020 £
Surplus / (Deficit) for the year	292,446	(397,735)
Interest received	(234)	(1,443)
Interest paid	64,278	72,871
Depreciation and impairment of tangible fixed assets	267,366	269,439
Grants released	(66,733)	(241,613)
(Increase) / decrease in debtors	56,767	(144,234)
Increase / (decrease) in creditors	177,050	247,366
Defined benefit pension movements:		
- Net interest cost	109,000	145,000
- Admin expenses	2,000	4,000
- Current service cost (less employer contributions)	(36,000)	(34,000)
- Settlements	-	21,000
- Past service cost	-	119,000
Net cash flow from operating activities	865,940	59,651

Analysis of changes in net debt	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank	605,512	462,542	1,068,054
Debt due within 1 year	(71,702)	6,081	(65,621)
Debt due after 1 year	(2,031,908)	(21,702)	(2,053,610)
	<u>(1,490,098)</u>	<u>446,921</u>	<u>(1,051,177)</u>

17 Pensions and other post-retirement benefits

Defined benefit pension plans

Certain employees of Action Housing and Support Limited participate in the South Yorkshire Pension Fund, a defined benefit, funded statutory scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. An actuarial valuation of this fund was carried out in accordance with the Regulations as at 31 March 2019.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contributions are as follows:

The end of year figures for the market value of the assets and split of the assets between investment categories have been calculated as at 31 March 2021. The corresponding figures for the start of the year have been calculated as at 31 March 2020. The major assumptions used by the actuary were:

Latest full actuarial valuation	31 March 2019
Market value of assets at date of the last full valuation	£8,440 million

	2021	2020
Rate of inflation	2.70%	2.10%
Rate of increase in salaries	3.95%	3.35%
Rate of increase in pensions	2.80%	2.20%
Discount rate	2.20%	2.30%

17 Pensions and other post-retirement benefits (continued)

Expected rate of return on assets:

	2021 Expected rate of return	2021 Value of assets £000	2021 Split of assets	2020 Expected rate of return	2020 Value of assets £000	2020 Split of assets
Equities	6.5%	7,095	49.1%	6.5%	6,230	51.7%
Government bonds	2.2%	1,951	13.5%	2.2%	1,626	13.5%
Other bonds	2.9%	1,185	8.2%	2.9%	880	7.3%
Property	5.9%	1,315	9.1%	5.9%	1,084	9.0%
Cash/liquid	0.5%	202	1.4%	0.5%	361	3.0%
Other	6.5%	2,702	18.7%	6.5%	1,867	15.5%
Total market value of assets		14,450			12,048	
Present value of scheme liabilities		(19,680)			(16,888)	
Deficit in the scheme		(5,230)			(4,840)	

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

	2021	2020
Retiring today/current pensioners		
Males	22.5	22.4
Females	25.3	25.2
Retiring in 20 years/future pensioners		
Males	24.0	23.9
Females	27.2	27.1

Balance sheet items as at 31 March:

	2021 £000	2020 £000
Present value of funded benefit obligations	(19,661)	(16,869)
Present value of unfunded benefit obligations	(19)	(19)
	(19,680)	(16,888)
Fair value of plan assets	14,450	12,048
Deficit in the scheme	(5,230)	(4,840)

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

17 Pensions and other post-retirement benefits (continued)

Components of pension costs for the period:

	2021 £'000	2020 £'000
Current service cost	(147)	(240)
Employer contributions	183	274
Effect of curtailment or settlements	-	(21)
Past service cost	-	(119)
	36	(106)
Interest on pension liabilities	(387)	(461)
Expected return on assets	278	316
Administrative costs	(2)	(4)
	(111)	(149)

Amounts recognised in the income and expenditure account:

	2021 £'000	2020 £'000
Current service cost	(147)	(240)
Effect of curtailment or settlements	-	(21)
Past service cost	-	(119)
Net interest cost	(109)	(145)
Administrative costs	(2)	(4)
	(258)	(529)

Amounts recognised in the statement of total recognised gains and losses:

	2021 £'000	2020 £'000
Actuarial gains / (losses)	(315)	1,343

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

17 Pensions and other post-retirement benefits (continued)

Change in benefit obligation during period to 31 March:

	Unfunded benefits 2021 £'000	All benefits 2021 £'000	All benefits 2020 £'000
Benefit obligation at 1 April	19	16,888	18,525
Current service cost	-	147	240
Interest on pension liability	-	387	461
Member contributions	-	28	51
Past service cost	-	0	119
Curtailments	-	0	21
Actuarial losses/(gains) on liabilities	1	2,371	(2,252)
Benefits/transfers paid	(1)	(141)	(277)
	19	19,680	16,888

Change in plan assets during period:

	Unfunded benefits 2021 £'000	All benefits 2021 £'000	All benefits 2020 £'000
Fair value of assets plan at 1 April	-	12,048	12,597
Expected return of plan assets	-	278	316
Actuarial (gains)/losses on assets	-	2,056	(909)
Administration expenses	-	(2)	(4)
Employer contributions	1	183	274
Member contributions	-	28	51
Benefits/transfers paid	(1)	(141)	(277)
Fair value of plan assets at end of period	-	14,450	12,048
Actual return on plan assets	-	2,334	(375)
Experience gains on assets	-	410	1,927
Experience gains / (losses) on liabilities	-	(2,781)	325

The pension cost for the year was £390,000, (2020 - £529,000) excluding the adjustments required per FRS 102. The balance sheet includes £5,230,000, (2020 - £4,840,000) in respect of accrued pension costs.

18 Capital funding and commitments

	2021 £	2020 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	143,440	60,413

19 Related party transactions

Following the resignation of the Director of Assets, H3 Design (Andrew Hopton – Trustee) was engaged to ensure continuity of corporate memory and to boost senior staff level capacity. Fees for this role totalled £51,058 (2020: £20,844). At the year end, the balance owed to H3 Design was £0 (2020: £8,562).

WNTAI Services Ltd was engaged to provide interim data protection consultancy until this work could be absorbed by the new IT Manager. A Director of WINTAI Services Ltd is a close family member of a Trustee. Fees for this work totalled £1,425 (2020: £nil). At the year end, the balance owed to WINTAI Services Ltd was £nil (2020: £nil).