

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 2022**

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

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FOR THE YEAR ENDED 31 MARCH 2022

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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 2022

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 2022.

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 T De'Ath (Chair)
Mr N MacPherson (Vice Chair)
Mr A Stott (Resigned 14 October 2021)
Mr I Knowles
Mrs P Warnock
Mr P Bayliss (Appointed 14 March 2022)

Co-opted member: Ms H Greig

Chief Executive: Mr A Stott

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 2022**

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 2022

Principle Activities

The Trustees, who are the non executive directors of the company, present their report including the strategic report with the audited financial statements of the charitable company for the year ended 31 March 2022.

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 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 2022

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.

Statement on internal control

The Board of Directors has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The Board of Directors recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the association's assets and interests.

In meeting its responsibilities, the Board of Directors has taken a risk-based approach to the adoption of internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of the risks to which the association is exposed and is consistent with recognised good practice.

Board Membership and Responsibilities

The members below have served in office from 1 April 2021 to the date of this report, except where otherwise indicated:

Mr T De'Ath (Chair)
Mr N Macpherson (Vice Chair)
Mr A Stott (Resigned 14 October 2021)
Mr I Knowles
Mrs P Warnock
Mr P Bayliss (Appointed 14 March 2022)
Ms H Greig (Co-opted)

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 2021/22 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.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2022

We have worked closely with Home 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.

For a second year the organisation had to work flexibly to ensure its services could be delivered. 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.

Action Housing was also successful in bidding and winning grants in conjunction with Rotherham Council to be part of the national Rough Sleeper Accommodation Program. As a result the organisation bought and refurbished five properties working against a very tight timetable in the final six months of the year.

The organisation returned a reasonable surplus for the second year in a row and continued to work to the board approved 3 business plan. This plan has subsequently been updated taking the organisation to 2025.

The plan focuses 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 18% 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, Derby City Council and Mansfield District Council.

As a result of the challenges previously outlined, overall, the organisation returned a £644,496 surplus on activities before taxation (2021 - £292,446). This included £118,000 (2021 - £75,000) for FRS 102 pension adjustments. Without these non-cash adjustments, the operating surplus would have been £762,496 (2021 - £367,446).

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2022

The closing net assets at 31 March 2022 were £584,655 (2021 - £1,561,841 liabilities) of which £403,254 (2021 - £362,884) was restricted funds and £4,027,401 (2021 - £3,305,275 was unrestricted reserves and £3,846,000 (2021 - £5,230,000) 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 2025. 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, associated bank loans and deferred capital grants. Due to our strategic commitment to develop properties, which generate long-term income, our free reserves remain relatively low at £749,796 (2021 - £133,896). 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.

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
- 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.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2022

Events since the Balance Sheet Date

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

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. During 2021/22, 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 2022/23 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:

	2022	2021
Metric 1 Reinvestment %	9%	3%
Metric 2 New supply delivered (social housing units)	4%	3%
Metric 3 Gearing %	8%	13%
Metric 4 Earnings before interest, tax and depreciation %	1,413%	806%
Metric 5 Headline Social cost per unit	£11,699	£10,329
Metric 6 Operating Margin % (social housing and overall the same)	11%	7%
Metric 7 Return on capital employed %	7%	4%

Reinvestment has increased from 3% to 9%, year on year, due to the purchase of five properties under the Rotherham Rough Sleepers project. The number of units has increased from 3% to 4%, due to plans to gradually increase stock year on year. Gearing has reduced from 13% to 8%, due to a reduction in long term debt and increase in cash. Earnings before interest, tax and depreciation has increased from 806% to 1413% due to improved management and control of the cost base. The social cost per unit has increased from £10,329 to £11,699 due to an increase in repairs cost per unit as the organisation works to improve its standard of accommodation. The operating margin has increased from 7% to 11% due to control of the cost base. The return on capital employed has increased from 4% to 7% due to an increase in the operating surplus.

Judgements and key estimates are included in the accounting disclosures on page 21. The key estimate is on property valuations. Properties are valued at cost and there is no impairment and therefore £nil impact on the financial statements. The impact of adjustments arising from the Association's accounting for defined benefit scheme is shown in the financial review on page 5.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

TRUSTEES' REPORT INCORPORATING THE OPERATIONAL AND FINANCIAL REVIEW

FOR THE YEAR ENDED 31 MARCH 2022

Governance and Financial Viability standard

The Board of Trustees has reviewed its compliance with the Governance and Financial Viability Standard and confirms that it complies with the requirements of the standard for the year.

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.

In approving the Board Report, we also approve the Strategic Report included therein, in our capacity as company directors.

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

and has been signed on its behalf by:



.....
T De'Ath – Trustee & Chair

13-09-22

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 2022

We have audited the financial statements of Action Housing and Support Limited (the 'association') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income (including income and expenditure account), the Statement of Total Recognised Surpluses and Deficits, the Balance Sheet, the Statement of Changes in Reserves, 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 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 2022, 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 2022

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 trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 trustees' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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.

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 2022

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

Date:

2 Rutland Park
Sheffield
S10 2PD

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	2	5,683,456	4,803,665
Cost of sales	3	(4,142,864)	(3,636,393)
Gross surplus		1,540,592	1,167,272
Administration Expenditure	3	(880,251)	(810,782)
Operating surplus		660,341	356,490
Surplus on sale of tangible fixed assets		43,566	-
Interest receivable and similar income	5	127	234
Bank loan interest payable	5	(59,538)	(64,278)
Surplus for the year before taxation	6	644,496	292,446
Tax on surplus		-	-
Surplus for the year		644,496	292,446

CONTINUING OPERATIONS

The results relate to wholly continuing activities.

Signed on behalf of the Board

A. De'Ath

N Macpherson

T De'Ath, Director

N Macpherson, Director

Date: 13-09-22

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Surplus for the year	6	644,496	292,446
Remeasurement gains / (losses) on defined benefit pension plan	17	1,502,000	(315,000)
Total comprehensive income for the year		<u>2,146,496</u>	<u>(22,554)</u>

Signed on behalf of the Board



T De'Ath, Director



N Macpherson, Director

Date: 13-09-22

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Housing properties	10	7,094,068	6,755,206
Other tangible fixed assets	10	796,677	816,829
		<u>7,890,745</u>	<u>7,572,035</u>
Current assets			
Debtors	11	750,140	532,534
Cash at bank and in hand		1,360,022	1,068,054
		<u>2,110,162</u>	<u>1,600,588</u>
Creditors: amounts falling due within one year	12	(900,742)	(966,117)
		<u>1,209,420</u>	<u>634,471</u>
Net current assets			
		<u>9,100,165</u>	<u>8,206,506</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	13	(4,669,510)	(4,538,347)
Defined benefit pension liability	17	(3,846,000)	(5,230,000)
		<u>584,655</u>	<u>(1,561,841)</u>
Total net liabilities			
Reserves			
Unrestricted reserves	15	4,027,401	3,305,275
Pension reserves	15	(3,846,000)	(5,230,000)
Restricted reserves	15	403,254	362,884
		<u>584,655</u>	<u>(1,561,841)</u>
Total Reserves			

The financial statements were approved and authorised for issue by the Board on

Signed on behalf of the board



T De'Ath, Director



N Macpherson, Director

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

Company registration number: 01548338

13-09-22

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

STATEMENT IN CHANGES OF RESERVES

FOR THE YEAR ENDED 31 MARCH 2022

	General reserve £	Pension reserve £	Restricted reserve £	Total £
At 1 April 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>3,305,275</u>	<u>(5,230,000)</u>	<u>362,884</u>	<u>(1,561,841)</u>
Surplus / (Deficit) for the year	722,126	(118,000)	40,370	644,496
Remeasurement gain on defined benefit pension plan	-	1,502,000	-	1,502,000
Total comprehensive income at 31 March 2022	<u>4,027,401</u>	<u>(3,846,000)</u>	<u>403,254</u>	<u>584,655</u>

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Net cash flow from operating activities	16	679,293	865,940
Cash flow from investing activities			
Purchase of tangible fixed assets		(843,638)	(364,982)
Sale of tangible fixed assets		234,028	-
Social Housing Grants received		353,279	41,250
Interest received		127	234
Net cash flow from investing activities		(256,204)	(323,498)
Cash flow from financing activities			
Proceeds from issue of new long-term loans		-	50,000
Repayment of long term loans		(71,084)	(65,622)
Interest paid		(60,037)	(64,278)
Net cash flow from financing activities		(131,121)	(79,900)
Net increase in cash and cash equivalents		291,968	462,542
Cash and cash equivalents at 1 April		1,068,054	605,512
Cash and cash equivalents at 31 March		1,360,022	1,068,054
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,360,022	1,068,054
Cash and cash equivalents at 31 March		1,360,022	1,068,054

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 assets of £584,655. This is a significant change from last years position of net liabilities of £1,561,841 and is largely due to the movement on the defined benefit pension liability of £1,384,000.

The trustees have prepared a three year financial plan showing forecasts of income, expenditure and cash flow for the period to 31 March 2025. 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.

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:

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

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 Homes England.

Grants

Government grants are received from Homes England in respect of housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

Social Housing Grants

Social Housing Grants (SHG) are made by Homes England to assist with acquisition or development. 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 plan for the benefit of its employees. A liability for the company's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

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.

Loans and borrowings

Loans and borrowings are initially recognised at the transactions price including transactions costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financial transaction it is measured at fair value.

Provisions

Provisions are recognised when the RP has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 Turnover

	2022 £	2021 £
Rental income	4,406,145	3,637,477
Contracted income	1,019,287	933,203
Other grants	16,000	13,190
Commercial premises	42,517	64,092
Other income	18,343	88,968
Homes England	181,164	66,735
Total	5,683,456	4,803,665

Rental Income is included in the accounts after providing bad debts of £152,123 (2021: £76,187) and net of rental voids incurred during the year to the value of £403,044 (2021: £258,862).

Homes England and other grants income contains £69,599 (2021: £64,232) of amortised grant, the remainder relates to non-capitalised grant income.

3 Operating costs

	Staff Costs £	Other £	Depreciation £	Total 2022 £	Total 2021 £
Housing and support	735,099	239,302	72,828	1,047,229	1,100,366
Housing management	115,002	55,097	4,162	174,261	164,246
Housing maintenance	183,452	2,131,608	234,475	2,549,535	2,023,214
Housing services	357,402	10,275	4,162	371,839	348,567
Client services:					
Project management	58,304	79,292	12,485	150,081	173,021
Administration expenditure	359,526	210,426	6,241	576,193	498,138
Governance costs	21,853	17,124	-	38,977	30,623
Pension finance costs	-	115,000	-	115,000	109,000
	1,830,638	2,858,124	334,353	5,023,115	4,447,175
2021	1,616,412	2,563,397	267,366		

Governance costs include the following:

	2022 £	2021 £
Salaries and office costs	21,583	13,011
Auditor's fees- audit services	17,124	15,612
Legal and professional fees	-	2,000
	38,977	30,623

4 Accommodation owned, managed and in development

	Number of units at start date 2022	Number of units at end date 2021
<i>Social housing</i>		
General needs housing	117	124
Sustainable tenancy	19	26
Supported housing	28	6
Total Social housing	164	156
<i>Non-social housing</i>		
General needs housing	18	30
Sustainable tenancy	102	147
Supported housing	151	89
Total Non-Social housing	271	266
Total owned and managed	435	422

5 Interest and other finance income and expenses

a) Interest receivable and similar income

	2022 £	2021 £
Deposit account interest	127	234

b) Interest payable and similar expenses

	2022 £	2021 £
Bank loans and overdrafts	59,538	64,278

c) Other finance costs

	2022 £	2021 £
Interest on net defined benefit pension liability	115,000	109,000

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6 Surplus/(deficit)

Surplus/(deficit) is stated after charging:

	2022 £	2021 £
Auditor's remuneration (including expenses and benefits in kind) for audit	17,124	15,612
Depreciation of housing properties and components	222,169	204,876
Depreciation of other tangible assets	112,184	62,490
Grants released against depreciation	(69,599)	(64,232)
Rent losses from bad debts	152,123	76,187
Operating lease rentals	<u>1,072,099</u>	<u>888,506</u>

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. They resigned as a Trustee on 14 October 2021. Remuneration for this period was £60,290 (2021: £111,305). Employer pension contributions for this period totalled £9,564 (2021: £15,570).

Trustee expenses

There were no travel expenses paid to Trustees (2021 - £401 to 1 Trustee).

8. Board and key management personnel remuneration

The total remuneration for key management personnel, including employer's national insurance amounted to £231,059 (2021 - £177,537).

During the year total pensions of £34,563 (2021 - £23,041) were payable to key management personnel.

The highest paid director received £99,835 (2021 - £90,200) remuneration. Employer pension contributions of £11,470 (2021 - £10,006) were paid into a personal pension scheme with no enhancements applied.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9 Staff costs

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

	2022 £	2021 £
Wages and salaries	1,485,435	1,230,143
Social security costs	130,113	98,920
Other pension costs	195,093	153,803
	<hr/>	<hr/>
	1,810,641	1,482,866
Agency costs	19,997	133,546
	<hr/>	<hr/>
Total	1,830,638	1,616,412
	<hr/>	<hr/>

Other pension costs include £3,000 (2021 - £36,000), 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 58 employees (2021 - 49). Full time staff work 39 hours per week and each correspond to 1 FTE. Part time staff have their hours pro-rated.

One member of staff received a redundancy payment of £1,454 during the year (2021 – 3 employees totalling £9,715).

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

In the band £90,000 - £100,000 – 1 (2021: 1).

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10 Tangible fixed assets – Housing properties for letting

	Land and buildings £	Leasehold improvements £	Total £
Cost:			
At 1 April 2021	6,841,905	1,103,620	7,945,525
Additions	565,507	181,047	746,554
Disposals	(239,440)	(2,746)	(242,186)
At 31 March 2022	7,167,972	1,281,921	8,449,893
Depreciation:			
At 1 April 2021	679,741	510,578	1,190,319
Charge for the year	100,429	121,740	222,169
Depreciation on disposals	(55,265)	(1,398)	(56,663)
At 31 March 2022	724,905	630,920	1,355,825
Net book value:			
At 31 March 2021	6,162,164	593,042	6,755,206
At 31 March 2022	6,443,067	651,001	7,094,068

Tangible fixed assets – other

	Freehold buildings £	Leasehold improvements £	Fixtures and fittings £	Total £
Cost:				
At 1 April 2021	901,568	70,165	1,349,790	2,321,523
Additions	5,090	-	91,996	97,086
Disposals	-	-	(14,592)	(14,592)
At 31 March 2022	906,658	70,165	1,427,193	2,404,017
Depreciation:				
At 1 April 2021	256,796	70,165	1,177,733	1,504,694
Charge for the year	18,097	-	94,087	112,184
Depreciation on disposals	-	-	(9,538)	(9,538)
At 31 March 2022	274,893	70,165	1,262,282	1,607,340
Net book value:				
At 31 March 2021	644,722	-	172,057	816,829
At 31 March 2022	631,765	-	164,911	796,677

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11 Debtors

	2022 £	2021 £
Trade debtors (gross social housing rent arrears)	393,366	248,686
Less: provision for doubtful debt	(210,716)	(97,496)
	182,650	151,190
Trade debtors (other)	156,962	89,660
Prepayments and accrued income	410,528	291,684
	<u>750,140</u>	<u>532,534</u>

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	94,662	71,702
Trade creditors	407,502	590,887
Other tax and social security	35,487	30,713
Other creditors	60,808	59,205
Accruals and deferred income	220,015	147,103
Deferred income capital grants	82,268	66,507
	<u>900,742</u>	<u>966,117</u>

Bank loans totalling £2,032,527 (2021 - £2,103,610) 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 2.5% 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 2022

13 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	1,937,865	2,031,908
Other creditors	233,300	275,900
Deferred income re capital grants	2,498,345	2,230,539
	<u>4,669,510</u>	<u>4,538,347</u>

Bank loans, other creditors and deferred income re capital grants include aggregate amounts of £3,798,614 (2021 - £3,756,167) 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:

	2022 £	2021 £
Not later than one year	727,581	734,766
Later than one and not later than five years	963,998	1,166,469
Later than five years	382,645	474,563
	<u>2,074,224</u>	<u>2,375,798</u>

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

15 Reserves

	BF 01.04.21 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	CF 31.03.22 £
Unrestricted reserves						
General reserves	3,305,275	5,493,999	(4,815,439)	-	43,566	4,027,401
Pension reserves	(5,230,000)	-	(118,000)	-	1,502,000	(3,846,000)
	(1,924,725)	5,493,999	(4,933,439)	-	1,545,566	181,401
Restricted reserves						
South Yorkshire Offender Partnership	7,036	-	-	-	-	7,036
Homes England	328,927	170,333	(139,956)	-	-	359,304
Derbyshire Domestic Abuse	14,668	-	-	-	-	14,668
Foundation Derbyshire	2,000	-	(270)	-	-	1,730
Open Gate Trust	200	-	73	-	-	273
Arbor PCC	260	625	-	-	-	885
Church on the Bus	123	-	-	-	-	123
Morrisons Foundation	4,670	-	(448)	-	-	4,222
Voluntary Action Rotherham	5,000	-	(5,000)	-	-	-
Anonymous	-	1,000	(987)	-	-	13
Mansfield District Council	-	15,000	-	-	-	15,000
RMBC Section 106	-	616	(616)	-	-	-
Land Aid	-	1,381	(1,381)	-	-	-
Derby City	-	629	(629)	-	-	-
	362,884	189,584	(149,214)	-	-	403,254
Total reserves	(1,561,841)	5,683,583	(5,082,653)	-	1,545,566	584,655

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.

Morrisons Foundation: Newbold Court clients to assist them to sustain a tenancy or engage in client activities.

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Voluntary Action Rotherham: Healthy eating.

Anonymous: To help individuals or families in need, due to hardship or distress, in Nottinghamshire.

Mansfield District Council: Works at the Carr Bank Pavillion to make the accommodation safe and comfortable.

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

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 01.04.20 £	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 Foundation	14,668	-	-	-	-	14,668
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
Morrisons 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)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16 Notes to the cash flow statement

Reconciliation of surplus for the year to cash flow from operating activities	2022 £	2021 £
Surplus for the year	644,496	292,446
Interest received	(127)	(234)
Interest paid	60,037	64,278
Depreciation and impairment of tangible fixed assets	334,353	267,366
Surplus on disposal of tangible fixed assets	(43,452)	-
Grants released	(69,712)	(66,733)
(Increase) / decrease in debtors	(217,606)	56,767
Increase / (decrease) in creditors	(146,696)	177,050
Defined benefit pension movements:		
- Net interest cost	115,000	109,000
- Admin expenses	-	2,000
- Current service cost (less employer contributions)	3,000	(36,000)
- Settlements	-	-
- Past service cost	-	-
Net cash flow from operating activities	679,293	865,940

Analysis of changes in net debt	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank	1,068,054	291,969	1,360,023
Debt due within 1 year	(65,621)	(6,081)	(71,702)
Debt due after 1 year	(2,053,610)	21,702	(2,031,908)
	(1,051,177)	307,589	(743,588)

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 2022. The corresponding figures for the start of the year have been calculated as at 31 March 2022. 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

	2022	2021
Rate of inflation	3.1%	2.70%
Rate of increase in salaries	4.2%	3.95%
Rate of increase in pensions	3.2%	2.80%
Discount rate	2.7%	2.20%

17 Pensions and other post-retirement benefits (continued)**Expected rate of return on assets:**

	2022 Expected rate of return	2022 Value of assets £000	2022 Split of assets	2021 Expected rate of return	2021 Value of assets £000	2021 Split of assets
Equities	6.5%	10,494	66%	6.5%	7,095	49.1%
Government bonds	2.2%	3,816	24%	2.2%	1,951	13.5%
Other bonds	2.9%	-	-	2.9%	1,185	8.2%
Property	5.9%	1,430	9%	5.9%	1,315	9.1%
Cash/liquid	0.5%	159	1%	0.5%	202	1.4%
Other	0.5%	-	-	6.5%	2,702	18.7%
Total market value of assets		15,899			14,450	
Present value of scheme liabilities		(19,745)			(19,680)	
Deficit in the scheme		(3,846)			(5,230)	

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

	2022	2021
Retiring today/current pensioners		
Males	22.6	22.5
Females	25.4	25.3
Retiring in 20 years/future pensioners		
Males	24.1	24.0
Females	27.3	27.2

Balance sheet items as at 31 March:

	2022 £000	2021 £000
Present value of funded benefit obligations	(19,725)	(19,661)
Present value of unfunded benefit obligations	(20)	(19)
	(19,745)	(19,680)
Fair value of plan assets	15,899	14,450
Deficit in the scheme	(3,846)	(5,230)

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

17 Pensions and other post-retirement benefits (continued)

Components of pension costs for the period:

	2022 £'000	2021 £'000
Current service cost	(201)	(147)
Employer contributions	181	183
Effect of curtailment or settlements	-	-
Past service cost	-	-
	20	36
Interest on pension liabilities	(318)	(387)
Expected return on assets	1,079	278
Administrative costs	-	(2)
	761	(111)

Amounts recognised in the income and expenditure account:

	2022 £'000	2021 £'000
Current service cost	(201)	(147)
Effect of curtailment or settlements	-	-
Past service cost	-	-
Net interest cost	(115)	(109)
Administrative costs	-	(2)
	(316)	(258)

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

	2022 £'000	2021 £'000
Actuarial gains / (losses)	1,502	(315)

ACTION HOUSING AND SUPPORT LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

17 Pensions and other post-retirement benefits (continued)

Change in benefit obligation during period to 31 March:

	Unfunded benefits 2022 £'000	All benefits 2022 £'000	All benefits 2021 £'000
Benefit obligation at 1 April	19	19,680	16,888
Current service cost	-	201	147
Interest on pension liability	-	433	387
Member contributions	-	36	28
Past service cost	-	-	-
Curtailments	-	-	-
Actuarial losses/(gains) on liabilities	-	-	2,371
Benefits/transfers paid	1	(182)	(141)
Remeasurements	-	(423)	-
	20	19,745	19,680

Change in plan assets during period:

	Unfunded benefits 2022 £'000	All benefits 2022 £'000	All benefits 2021 £'000
Fair value of assets plan at 1 April	-	14,450	12,048
Expected return of plan assets	-	1,397	278
Actuarial (gains)/losses on assets	-	-	2,056
Administration expenses	-	-	(2)
Employer contributions	1	197	183
Member contributions	-	36	28
Benefits/transfers paid	(1)	(181)	(141)
Fair value of plan assets at end of period	-	15,899	14,450
Actual return on plan assets	-	1,397	2,334
Experience gains on assets	-	318	410
Experience gains / (losses) on liabilities	-	(65)	(2,781)

The pension cost for the year was £430,000, (2021 - £390,000) excluding the adjustments required per FRS 102. The balance sheet includes £3,846,000 (2021 - £5,230,000) in respect of accrued pension costs.

18 Capital funding and commitments

	2022 £	2021 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	143,440

19 Related party transactions

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 A Stott, who was in post until 14 October 2021. Fees for this work totalled £2,023 (2021: £1,425). At the year end, the balance owed to WINTAI Services Ltd was £nil (2021: £nil).

Niall Macpherson Property Services, owned by Trustee N Macpherson, provided technical consultancy services, to review the property portfolio for impairment. Fees for this work totalled £1,650 (2021: £nil), which are included in accruals.

An annual membership fee was paid to Women in Social Housing (WISH). WISH was engaged to provide management training which was contracted out to Compassionate Leaders. A Trustee, H Greig, was the Managing Director of WISH and resigned from WISH on 31 January 2022. Fees for annual corporate membership totalled £996 (2021: £nil).