

Bournville Village Trust Group

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2022

Registered Charity No: 219260

Homes England Registered No: L0702

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Bournville Village Trust

Board Members, Executive Directors, Advisors and Bankers

BVT Trustees

Chair	Adrian Allen FCA - (Retired 08/12/22)
Vice Chair	Caroline Cadbury MA (Appointed Chair on 08/12/22)
Other Trustees	Nigel Cadbury BA, Barrister at Law Claire Bowman Alison McKittrick BA (Hons), MPhil Prof. Philip Lumley BDS, FDSRCPS, MDentSc, PhD, DSRCS (Appointed Vice Chair on 08/12/22) Matthew Cadbury MA, MSc, MBA, PhD Claudia Coulson BA (Hons) Alison Fisher Derek Douglas William Cadbury MA(Oxon), GCMA

Bournville Works Housing Society Trustees

Chair	Adrian Allen FCA (Retired 08/12/22)
Vice Chair	Caroline Cadbury MA (Appointed Chair 08/12/22)
Other Trustees	Nigel Cadbury BA, Barrister at Law Claire Bowman Alison McKittrick BA (Hons), MPhil Prof. Philip Lumley BDS, FDSRCPS, MDentSc, PhD, DSRCS (Appointed Vice Chair on 08/12/22) Matthew Cadbury MA, MSc, MBA, PhD Claudia Coulson BA (Hons) Alison Fisher Derek Douglas
Co-optee	William Cadbury MA(Oxon), GCMA

Bournville Village Developments

Director & Chair	Adrian Allen FCA - (Retired 08/12/22)
Director & Vice Chair	Caroline Cadbury MA (Appointed Chair on 08/12/22)
Director	Alison McKittrick BA (Hons), MPhil

Bournville Village Enterprises

Director & Chair	Adrian Allen FCA - (Retired 08/12/22)
Director & Vice Chair	Caroline Cadbury MA (Appointed Chair on 08/12/22)
Director	Alison McKittrick BA (Hons), MPhil

Executive Directors

Peter Richmond - Chief Executive
David Robinson BA (Hons), ACMA, CGMA, FRSA - Director of Finance & IT
Greg Lakin - MRICS, MCI0B, PG DMS – Director of Assets
Arthur Tsang – Director of Communities
Helen Harvey, BSc (Hons), MBA, FCIH, MCIPD- Director of People and Performance, and Company Secretary
Neil Ashford – MRICS – Director of Maintenance Services

Registered Office

350 Bournville Lane
Bournville
Birmingham
B30 1QY

Registered Number

Registered Charity Number - 219260
Registered with the Regulator for Social Housing - L0702

Auditor

RSM UK Audit LLP
Chartered Accountants
10th Floor
103 Colmore Row
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B3 3AG

Bankers

Lloyds Bank Plc
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B31 2NP

Solicitors

Eversheds LLP
115 Colmore Row
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B3 3AL

Report of the Board

The Board presents its report and audited Financial Statements for the year ending 31st December 2022. This report is about 2022, a year in which our customers, colleagues and partners were living through and operating within the cost-of-living crisis and a post-Covid landscape. Whilst 2022 was a challenging economic year, much was achieved with positive performance and progress in many areas. We continued to work hard to build financial and organisational strength and were pleased to again be awarded the highest gradings for governance (G1) and viability (V1), following an in-depth assessment by the Regulator for Social Housing. There is a lot to be proud of as we reflect on 2022 but much to do if we are to continue to work towards our mission of creating and sustaining communities where people can thrive.

The information contained in this report together with the Operating and Financial Review complies with the requirements of the Housing Statement of Recommended Practice (Housing SORP 2018).

The Directors of Bournville Village Trust are defined as the Board of Trustees. The Board's responsibilities are set out in these Financial Statements. The statements should be read in conjunction with the audit report on pages 35-38.

Bournville Village Trust ("the Trust") is a charity registered with the Charity Commission and a registered social housing provider regulated by the Regulator for Social Housing. (Registered Charity No: 219260, Regulator for Social Housing Registered No: L0702)

About BVT

BVT is a values-led charitable trust, established by George Cadbury in 1900, working to create and sustain communities where people can thrive. We holistically manage estates, provide great homes and deliver community-support services that help people live successful lives. We also seek to make surpluses from some of our activities, ploughing this money back into our communities in Central and South Birmingham, and Telford.

Our Structure

The Bournville Village Trust Group comprises; -

- Bournville Village Trust (BVT) - Bournville Village Trust is the parent body, based in Bournville, Birmingham. BVT provides a range of social housing in South Birmingham, Central Birmingham and Telford. We provide estate management in Bournville, Lawley and Lightmoor, to over 7,000 families. We run a number of offices, shops, and health care facilities in our neighbourhoods to ensure our communities have the amenities they need.

BVT also runs a small number of commercial premises outside our communities to provide a profit which we reinvest in our neighbourhoods. We manage around 3,000 acres of agricultural land that was gifted to BVT and that we use in line with the charitable aims of the original donation. We invest in, and work with, our communities to provide services and facilities which assist people to thrive. BVT also provides management and maintenance services to a few registered providers and other organisations.

- Bournville Almshouse Trust (BAT) - A linked charity, BAT is a charitable provider of social housing based in Bournville, Birmingham. BAT manages 97 properties in total, 33 of which are Almshouses. Preferential status is given to retired employees of Cadbury Brothers Limited (now known as Mondelez UK Limited), seeking affordable accommodation. The remaining 64 properties are Endowment Houses, surpluses from which help to support the contributions made by the residents of the Almshouses. BAT is accounted for as a restricted reserve within the BVT financial statements.
- Bournville Works Housing Society Ltd (BWHS) - BWHS is a Registered Provider owning 313 properties in Bournville. The Trustees of BVT are also the Trustees of BWHS. BWHS was founded in the same period as BVT and shares the values that BVT aspires to. The main difference between BVT and BWHS on founding was that the BWHS properties were specifically aimed at workers of Cadbury Brothers Limited (now known as Mondelez UK Limited). This remains the case today with priority given to current employees of the company and their families.
- Bournville Village Developments Ltd (BVD) – A wholly owned subsidiary of BVT. Bournville Village Developments Ltd is a company that is co-ordinating the development of a modern urban village at Lightmoor in Telford.
- Bournville Village Enterprises Ltd (BVE) – A wholly owned subsidiary of BVT. A commercial trading subsidiary set up to undertake market rent activities. BVE leases properties from BVT, lets the homes at a market rent and then returns the profits to BVT as a year-end donation to invest in our socially rented homes and wider charitable purposes.

Operating and Financial Review

- The operating and financial review has been prepared in accordance with the applicable Accounting Standards in the United Kingdom and the Housing Statement of Recommended Practice (SORP 2018).

Operating Review

As one of the Midlands' longest serving independent charitable trusts, we work to deliver six aims (see our Corporate Plan 2020 -29 for more detail):



Place-shaping: Creating and maintaining distinctive, environmentally sustainable places.



Community building: Building strong and inclusive communities.



Championing People: Removing barriers and helping people to achieve their true potential.



Providing great homes: Providing homes and delivering great services.



Building organisational and financial strength: Building a strong organisation driven by clear values.



Sharing our experience: Learning, sharing and influencing others.

Our Values



Partnership – we work with others to achieve great things



Fairness – we treat people as individuals by exercising the right approach at the right time



Quality – we are clear about what we do and we do it well



Integrity – we do the right thing



Innovation – we look for new and better ways of doing things.

More information about our aims and values is included within our corporate plan www.bvt.org.uk/publications/corporate-plan-summary-2020-29/

Our Key Strategic Objectives

1 Place-Shaping

To achieve our aim of creating and maintaining distinctive, environmentally sustainable places, we will:

1. Refresh and publish our vision for the design and development of distinctive and environmentally sustainable places.
2. Review the design, character and future environmental sustainability of each of our communities in partnership with residents; capturing and delivering outcomes through forward-looking design guides and neighbourhood plans.
3. Deliver stewardship services that are shaped by residents, valued by all customers and create clean and green neighbourhoods.
4. Ensure our community buildings are modern, well-maintained, efficiently operated and meet the needs of the community.
5. Make our parks and open spaces welcoming and accessible for the community to improve people's health and wellbeing. They will be environmentally-friendly and promote biodiversity.
6. Deliver our vision for places by successfully completing Lightmoor Village and College Green health village.
7. Create a long-term strategy for the use of our agricultural estate, making sure there is a strong financial and social return.

How did we do in 2022? (the number in brackets after each point allows the reader to cross reference to the aims listed above)

- Design Charter – there has been a great deal of activity to develop policy principals for a new Design Charter. This has led to a recognition that one Charter to cover our diverse neighbourhoods would not be effective. This project will be continued and will be a focus of our new Place Shaping Committee which will begin work in 2023. (2)
- Environmental Sustainability Strategy – much of the baseline research and analysis is now complete, with a detailed analysis of our housing stock, energy performance ratings, nature and biodiversity in place. We are now analysing our carbon footprint through the SHIFT environmental model and plan to complete the strategy in summer 2023. (2&3)
- Estates and Stewardship Service – a complete review of the Birmingham Estates Service was completed and with a full understanding of the service

standards required there will be more consultation and consideration in 2023. (2)

- Heritage Building Review – a review was undertaken and work with stakeholders has allowed us to gain a much deeper understanding of what is needed in future. (4)

2 Community building

To achieve our aim of building strong and inclusive communities, we will:

1. Support and champion opportunities for people to be involved in leading things that are important in their local community and deliver them.
2. Make sure people can, and are able to, be fully involved in shaping our services and projects.
3. Develop our role as a community anchor to facilitate partnerships that see people and agencies work together on issues that matter to the community.
4. Support and build capacity through volunteering to deliver programmes and activities that are important to the community, especially those that promote cohesion, community spirit and wellbeing.
5. Make sure there is a strong voluntary and community sector.
6. Support young people to have a voice and be involved in their community.
7. Make sure our community buildings are well run and provide opportunities for community activities.

How did we do in 2022?

- Community Strategy & Community Plans – following a great deal of work, research and consultation a Community Strategy was completed, with the March 2023 Board approving the strategy and its implementation. (1-7)
- Resident Involvement Strategy – responding to the white paper proposals we have developed a new strategy to set out BVT's approach to listening to the customer voice, ensuring residents have access to redress and shape how community members can shape services and where we can devolve decision making – such as stewardship services. This Strategy is due for Board review in Autumn 2023. (1&2)
- **3 Championing people**

To achieve our aim of removing barriers and helping people to achieve their full potential, we will:

1. Improve the health and wellbeing of people through community-based programmes, inspired by our founder's commitment to people.
2. Understand and tackle the root causes of poverty and promote access to services and support that is responsible and sustainable.
3. Seek funding and work in partnership with others to deliver programmes that champion people.
4. Understand and deliver services that improve the health and wellbeing of older people.
5. Take an evidence-based approach to our work to ensure we understand our impact and achieve value for money.
6. Understand and deliver services to enable young people to achieve their true potential, through education and exploration.

How did we do in 2022?

- Championing People Strategy – we developed a new strategy building on the outcome from a range of pilot programmes that researched and reviewed existing activities to identify the best future investment into services to help people thrive. This included the development of a clear social value methodology. This strategy was approved by Board review in March 2023. (1-6)

4 Providing great homes

To achieve our aim of providing homes and delivering great services, we will:

1. Provide new homes that meet the needs and aspirations of people and communities.
2. Make sure there is a supported housing offer within the communities that we work, through direct delivery and partnerships with specialist experts.
3. Deliver good quality and value for money housing and maintenance services, shaped by customers.
4. Actively manage our housing assets, making sure they continue to meet customer need, are well maintained and affordable to live in.
5. Renew our housing offer to meet the changing needs of older people.

6. Develop a pathway into housing that helps younger people get access to their first home.

7. Prevent homelessness by supporting customers to be financially resilient and sustain their tenancy.

How did we do in 2022?

- Comprehensive Review of Customer Services & development of a Customer Experience Strategy – we completed phase 1 of this extensive project in 2021. In 2022 we have developed and agreed a new strategy, which is now being implemented as part of the 2023 annual plan. (1-7)
- Maintenance Services – to take the growth of our in-house maintenance services to the next phase by developing and implementing a programme to deliver planned maintenance, such as fitting new boilers, kitchens and bathrooms, using our own staff. This project was completed and delivery commenced in 2022. (3)
- Cornfield Stock transfer – we planned to continue negotiations with Cornfield, a local Housing Co-Operative, for the transfer in of 50 homes to ensure the long-term sustainability of the scheme within BVT. The ballot of Cornfield residents returned a vote with 96% in favour of a transfer to BVT and this was subsequently completed in April 2023. (1)

5 Building organisational and financial strength

To achieve our aim of building a strong organisation driven by our values, we will:

1. Build financial strength and discipline and have a clear approach to value for money in everything we do.
2. Be an employer of choice, developing and investing in our staff.
3. Make sure our culture, approach and behaviour reflects our values.
4. Invest in technology to increase efficiency and effectiveness in everything that we do.
5. Deliver good governance, meeting legal and regulatory and health and safety compliance.
6. Build profit for purpose by strengthening our commercial offer to increase financial capacity to invest in our charitable activities.

How did we do in 2022?

- Governance Review - to ensure we have the most effective Governance in place we commenced phase 2 of our agreed governance review. Supported by an external facilitator, this focused on our committee structure and operating arrangements. A new structure was agreed by the Board in December 2022 and we believe this will build on the excellent Governance in place that saw BVT awarded the highest rating for Governance (G1) by the Regulator for Social Housing in March 2022. (5)
- Market Rented Portfolio - to improve our financial resilience and to ensure we have a range of housing options in our communities we embarked on a pilot market rented project in 2021. In 2022 we successfully developed all the necessary operating procedures and scaled up this portfolio. (6)

6 Sharing our experience

To achieve our aim of learning, sharing and influencing others, we will:

1. Recognise our strong heritage and solid socially guided foundations that have led to our success.
2. Promote the importance of garden villages and good urban design.
3. Promote study visits and take opportunities to share our unique story.
4. Revisit George Cadbury's inspiring Rules of Health document to influence a modern approach to the promotion of health and wellbeing.
5. Share what we learn from the work that we do to help people to thrive with others.
6. Deliver a heritage service through Selly Manor Museum, the Carillon, our archive library and visits.

How did we do in 2022?

- Heritage Service Review – we carried out a comprehensive service review that identified the future priorities and service model for Heritage. This allowed the Board to set the correct level of investment that they wish to make into Heritage Services going forward and also helped us deliver more whilst attracting new grants and increasing school visits. (6)

Financial Review

The Statement of Comprehensive Income for the year ended 31st December 2022, shows a group surplus of £23.3m compared to a group surplus of £10.5m for 2021. The main changes to note are: -

- In line with the requirements of the Housing SORP and in recognition that BVT has, through its subsidiary BVE, commenced letting some properties on a Market Rented Basis, we have reviewed all of our properties to confirm that the category they sit under in our accounts is a fair representation of their purpose. Through this exercise we have established the need to move the homes we are letting on a market rented basis to the category of Investment Properties. Alongside this, in reviewing our commercial and agricultural assets, we have identified 4 shops which we are holding for profit generation purposes, rather than to ensure our communities have access to important amenities in their neighbourhood. This means we have recategorised these 4 shops as Investment Properties too. All our other shops, offices and agricultural holdings remain in line with their original social purpose, but this review will be undertaken each year to ensure that remains the case. This review means that following an external revaluation exercise, we are now recognising £4.2m of assets as Investment Properties.
- Under accounting requirements, the Group has to account for the fair value of its portfolio of interest rate hedging instruments. Details of these hedging instruments are set out in note 17. The movement in the fair value of these hedging instruments over the course of the year is reflected in the Statement of Comprehensive Income. The movement for 2022 was a positive value of £17.69m compared to a positive movement of £7.67m for 2021. Such movements reflect the changing market expectations regarding future interest rates. This swing in the valuation of our hedging instruments causes a significant increase in our surplus for 2022.
- In 2022 we saw our profit share arrangement with the Extra Care Charitable Trust for operations at Bournville Gardens rise considerably to £461k, up from £219k in 2021. (see Note 1).
- In 2022 BVT sold fewer assets (housing properties, land and other assets), £754k compared to 2021 £2,083k. This was mainly due to the sale of Selly Wood House Nursing Home in 2021. BVT does not in the standard course of business sell assets, but we do undertake strategic disposals where assets no longer deliver against our strategic aims. (see Note 5a)

Whilst the above accounting action positively impacted our surplus position for 2022, we are happy that our operational performance was strong and in line with expectations and not significantly altered from previous years. In 2022 (£27,367) our

turnover was down on 2021 (£27,619), mainly due to the sale of Selly Wood House Nursing Home in November 2021, and our Group Operating surplus was up from £4.717m in 2021 to £4.962m in 2022 (see Note 1).

Treasury Management

Trustees have approved a Treasury Policy which sets out the key treasury management policies and practices for the Group. This policy was renewed in 2022. It sets out clear guidelines for BVT on all treasury matters.

The Group had total housing loans of £82.9 million at the end of 2022, compared to £85.5m at the end of 2021 (see Note 18). BVT also has further undrawn available facilities in place of £17m.

The BVT Group held a cash balance of £3.32m at the end of 2022, compared to £5.58m at the end of 2021. The Board were happy to reduce the cash holdings as the risks of sudden shocks associated with the pandemic reduced (see Note 18).

BVT uses stand-alone interest rate derivatives to manage the interest risk on the loan portfolio, having secured the required wider-range powers from our Regulator. All interest rate derivatives are authorised by the Finance Committee, in line with the overall strategy which is to hedge at least 1/2 of the portfolio, with the overall level of hedging to be at a level that best supports the delivery of the BVT business plan.

As at 31 December 2022 the balance of the loan portfolio was 87% hedged/fixed and 13% variable.

Our Treasury Policy requires that adequate funds are available at all times to enable BVT to meet its business and service objectives for at least the following 24 months. BVT utilise external treasury management support and advice to ensure we offer the best value for money possible in our Treasury Management. Having secured a new Rolling Credit Facility from Danske Bank in 2021, BVT has sufficient loan facilities in place to cover our business plan requirements until 2027, with a £5m contingency to cover unexpected events or unforeseen opportunities.

Cash Flow Management

Cash flows for the period are set out in the Statement of Cash Flows in the financial statements. The Group has a strong cash inflow from operating activities. This is used to service the interest payments on the loans that have been taken out and also to partly fund the capital improvement programme. The balance of the capital improvement programme as well as the development programme are funded from capital receipts and loans.

Covenants

All loan covenants were met and our 30 year financial forecast demonstrates that BVT can meet all future covenant requirements.

- ✓ Interest Cover on our tightest measure was 139% which exceeds the 110% requirement.
- ✓ Gearing was 53.16% against a maximum level of 66% (please note this calculation is different to the Gearing calculation required by the sector score card shown later in these accounts).
- ✓ Debt per unit was £24,408 per unit against a maximum of £35,426.

Principal Risks and Uncertainties

BVT has a mature risk management framework in action with the Board constantly horizon scanning and managing risk through a risk register. Risks are identified, quantified and managed through 1st line management actions, 2nd line internal oversight and 3rd line external assurance. This includes an extensive and robust internal audit programme delivered by Mazars.

All decisions made by BVT are in line with the Board's stated risk appetite;

Risk Appetite Statement - 'At BVT, our customers, staff and assets are of vital importance to the success of our organisation. We operate within a cautious risk range, which we consider to be appropriate for a charitable organisation. We have no appetite for landlord compliance risks or health and safety risks, nor breaches in regulation, which must be tightly controlled. We also have low risk appetite for financial loss and no appetite for covenant non-compliance. However, we wish to grow our business for the benefit of the vulnerable in our society, both now and in the future and are willing to accept some risk within this area, within acceptable financial parameters and strong internal controls'.

The Board of BVT consider the following to be significant risks faced by the Organisation, with significant control and mitigation actions having been brought to bear in these areas.

- Economic uncertainty and instability – the Board have plans and mitigation actions to help alleviate the impact of increased and long-term inflation, increasing interest rates, reduced access to and increased cost of funding and rent freezes or cuts implemented by Governmental policy. Mitigation includes hedging of loans, professional procurement, detailed 30-year financial plans, trigger points for mitigation actions and detailed mitigation plans that can strengthen financial resilience by altering corporate plans.
- Pressure on the financial resilience of customers – we recognise that fuel costs, food costs, low wage increases, and welfare benefit levels all impact on

our customers. BVT assist by identifying early those in financial distress, offering financial inclusion support to help maximise income, delivering energy use reduction assistance programmes, as well as working with partners, such as food banks.

- Failure in Landlord Health & Safety – Whilst BVT has a strong record in landlord health and safety delivery, we know that we can never rest on our laurels and that any failure is unacceptable. Please see the following section for further detail. Condensation, Damp and Mould are rightly high in the priority list of all Social Landlords, following recent tragic events and the highlighting of unacceptably poor practice in the sector. BVT takes the issue very seriously. We have reached out to our customers through our website and all social media channels to ask them to talk to us and report any issues with damp and mould in their homes. We have also instructed all of our in-house repair operatives to look for any indications of damp issues during their visits. When we gathered information to report to the Regulator for Social Housing in December 2022, we had identified a small number of homes where there was some issue with condensation, damp and mould. Where this is the case we triangulate against potential causation indicators, EPC rating, property build date, property location, property type and further categorise the severity of the issue. We then instigate action to identify the cause of the issue, develop and implement remedial action, monitor the situation and review if further action is needed. We are committed to ensuring we communicate effectively with any tenant who has concerns around damp and mould and in 2023 we have added additional resources to specifically manage this communication need.
- Failure to recruit and retain capable staff – employing and retaining skilled staff, especially in technical roles, is challenging in the current climate. BVT seeks to ensure we offer competitive pay and benefits, flexible recruitment, flexible working options and a culture that encourages staff engagement with our mission and apprenticeship schemes that train the next generation.

Health and Safety Compliance

BVT has no appetite to take any level of risk with health and safety compliance.

We require and monitor to ensure that (where applicable);

- 100% of properties have a valid electrical certificate completed with the last 5 years.
- 100% of fire risk assessment actions are carried out within the agreed timescale.
- 100% of properties have a valid Landlord Gas certificate in place.
- 100% of passenger lifts have a valid service certificate in place.
- 100% of properties have a legionella risk assessment in place and all legionella related actions are undertaken within the agreed timescale.

Environment Statement

BVT are committed to doing all possible to ensure our homes reach a minimum EPC rating of C by 2028 and we have financial plans in place to achieve this.

The Board see this as a minimum standard and we are working to fully detail our journey towards carbon neutrality, with estimated costs already included in our 30 year financial plan. Clearly the historic nature of large elements of BVTs housing stock and the strict conservation area rules we must adhere to add a level of complexity to this journey, but the Board of BVT are committed to making this a reality.

Value for Money Statement

Approach to VfM

As a charitable trust with competing demands on our finite resources, we recognise the importance of achieving Value for Money (VfM). Our VfM strategy sets out our definition:

'To BVT, Value for Money means achieving our Corporate Plan, by using our resources in the most effective, efficient, and economic way, whilst ensuring we live our values in all that we deliver.'

In 2022, we carried out a strategic review to update our existing 10-year Corporate Plan (2020 – 29). This was a vital component of our value for money approach as it enabled the Trustee Board to debate and reach agreement on the difficult trade-offs that need to be made between: business health, asset investment, future growth & development and the delivery of operational services.

VfM is also embedded into our operational services as part of our approach to continuous improvement. Over the past three years we have developed a suite of performance measures for each service area that enables us to measure the effectiveness and efficiency of their operation. We are continuing to develop and enhance our economy measures at a service level. All KPIs and economy measures are captured in our planning and performance framework with front line staff actively involved in setting targets for their service area.

VfM Metrics

To help drive VfM in BVT we use the nine metrics set by the Regulator for Social Housing together with additional metrics. These complement a range of performance measurement tools in operation across BVT .

The table on the following 2 pages sets out our trends on past performance, our performance against targets in 2022 and our targets for 2023. We usually set targets over a three-year period but due to the challenges offered by the UK and global economic position we found ourselves experiencing in late Autumn 2022, when targets

and budgets are set, along with the below inflation rent settlement, we had to completely recast the 2023 budget to reach an acceptable position, which prevented us from setting three-year budgets and targets. We will return to this detailed three-year planning in 2023.

Following a review of the appropriate Peer Group for BVT to Benchmark against, we have adopted a new Peer Group for 2023. We have opted to choose associations based on the following characteristics.

- At least 50% of their homes are in the West Midlands.
- They are a traditional housing association, or any local authority stock transfer occurred at least 12 years ago.
- They have between 1,500 and 15,000 homes.
- No more than 5% of their stock is supported housing.
- No more than 15% of their stock is housing for older people.

This gave us a group of nine local Housing Associations who are known to us and against who we believe we can fairly benchmark our performance. These Associations are.

Aspire Housing Limited
Black Country Housing Group Limited
Connexus Homes Limited
Honeycomb Group Limited
Rooftop Housing Group Limited
The Pioneer Housing and Community Group Limited
The Wrekin Housing Group Limited
Trent & Dove Housing Limited
WATMOS Community Homes

When reviewing the sector score card it is important to note that BVT is comparing our December 2022 year end to the March 2022 year end of our Peer Group and the Sector as a whole. This is the most up to date information available for BVT to benchmark against, but the time difference is an important consideration.

Metrics	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2022 Target	2022 Peers	2022 Sector	Target 2023	Corporate Aim
Business Health									
*Operating Margin (all BVT activities)	21%	19.35%	17.08%	18.19%	17.52%	18.4%	20.5%	16.6%	Org & Fin Health
*Operating Margin (social housing)	27%	24.76%	24.73%	27.61%	25.12%	21.3%	23.3%	27%	Org & Fin Health
*Interest cover (EBITDA MRI%)	181%	220.81%	181.2%	136.69%	149.6%	134%	146%	97.7%	Org & Fin Health
Development Capacity & Supply									
*New social housing supply delivered as % of current stock	0.8%	0.21%	0.27%	0.27%	0.25%	1.6%	1.4%	1.09%	Providing Great Homes
*New non-social housing supply delivered as % of stock	0%	0%	0%	0%	0%	0%	0.18%	0%	Providing Great Homes
*Gearing Ratio	59%	54.79%	52.15%	52.77%	48.8%	54%	44%	47%	Org & Fin Health
Effective Asset Investment									
*Return on capital employed	4%	2.99%	3.28%	3.09%	3.47%	3.2%	3.2%	3.7%	Org & Fin Health
Occupancy of social housing (%)	100%	100%	99.97%	99.97%	100%	99.81	99.45	100%	Providing Great Homes
Ratio of responsive repairs to planned maintenance	0.89	1.02	0.83	0.53	0.57	0.66	0.55	0.46	Providing Great Homes
Outcomes Delivered									
*Reinvestment %	1.9%	1.48%	2.28%	2.96%	2.81%	7.5%	6.3%	6.14%	Org & Fin Health
Overall satisfaction with BVT as a landlord	86%	Not Collected	Not Collected	80%	86%	88%	86%	88%	Providing Great Homes
Investment in Community Development (£)	533,000	553,000	727,000	960,000	553,131	10,000	397,000	973,189	Community Building
Satisfaction with most recent responsive repair	99%	99%	86.45%	86%	90%	86.6%	87.4%	90%	Providing Great Homes
% repairs completed at first visit	93%	84%	77.17%	80%	85%	89%	90.2%	85%	Providing Great Homes
Number of tenants losing their home due to rent arrears	0.1%	0%	0%	0.052%	0.05%	0.054%	0.074%	0.05%	Championing People
Operating Efficiencies									
*Headline social housing cost per unit (£)	3,878	3,855	4,281	4,527	3,808	4,177	4,150	5,043	Providing Great Homes
Management cost per unit (£)	868	918	988	1,065	1,012	968	1,176	1,110	Providing Great Homes
Service Charge cost per unit (£)	815	835	790	365	296	370	502	327	Providing Great Homes
Maintenance cost per unit (£)	1,276	1,286	1,445	1,436	1,236	745	1,313	1,374	Providing Great Homes

Metrics	2019 Actual	2020 Actual	2021 Actual
Major Repair cost per unit (£)	559	517	686
Overheads as % of turnover	11%	10.41%	10.14%
Rent Collected as a % of rent due	101%	99.76%	101.6%
Rent loss due to voids as a % of rent due	0.5%	1.75%	1.36%

*** Regulator of Social Housing VfM metrics**

2022 Actual	2022 Target
1,163	1,123
11.43%	11.1%
99.31	100%
1.36%	0.5%

2022 Peers	2022 Sector
797	929
14.7%	15.3%
99.77%	99.66%
0.95%	1.9%

Target 2023
1,853
10.58%
100%
0.7%

Corporate Aim
Providing Great Homes
Org & Fin Health
Providing Great Homes
Providing Great Homes

Review of Performance in 2022 and priorities for 2023

Overview of 2022

- 2022 was a challenging year for most organisations and BVT was no exception. We had hoped for a more settled period following the pandemic, which would have been more conducive with our aim of settling into delivering the priorities in the Corporate Plan.
- However, we quickly came to understand that the tight labour market, challenging supply chains, significant rises in inflation, spiralling energy costs and interest rate hikes would make this a difficult year.
- We saw higher levels of staff turnover than we have ever experienced and difficulty in recruiting staff, particularly in technical roles and skilled maintenance roles. We therefore had to enhance salaries, improve the flexibility of our employment offer, seek new and innovative ways of recruiting, and ensure that BVT remained an employer of choice to compete in a difficult market. All these changes and activities meant that, apart from some specialist technical posts in Asset Management, we have been able to retain and recruit the skilled and committed workforce we need.
- Demand for services from customers continued to increase, with the cost-of-living crisis and post pandemic catch up, driving higher levels of responsive repairs, increased voids, and general increased demand levels on our customer services.
- Our customers were severely impacted by the cost-of-living crisis and sought increasing levels of support from BVT, especially for the services we provide around financial advice, energy efficiency advice and emergency financial crisis funds.
- We took decisive action to ensure we could continue to deliver the services our customers needed and meet this increased demand, but this had an impact on our expenditure. We had targeted our overall social housing cost of per unit to be £3,808 in 2022 but ended the year with an actual of £4,527. Whilst there was a very careful approach to cost management, we did not believe that meeting our target by making service level cuts to off-set spiralling inflation and interest costs would have been value for money for our customers and instead decided that we must meet the increased demand we faced. Moreover, we recognised that making cuts in areas such as repairs and improvements to our homes was not in line with our customers' voice and would in the long-term bring dissatisfaction to them and increased costs to us.

Plans for 2023

- BVT usually sets budgets for a 3-year period as this helps us identify the right value for money targets and ensures we are making sure all we spend is furthering our Corporate Plan. However, the economic crisis we faced in late 2022 when the 2023 budgets were being set, with rapidly rising interest rates, spiralling inflation, supply chain

pressures, recruitment challenges and a need to set rent increases well below inflation meant we had to take immediate and significant action to ensure our 2023 budget was within our financial capacity. This action was needed to ensure that we could deliver both our vital services and meet our obligations to our Funders, as well as being certain we did not expose our tenants' homes to risk. This action meant we could not plan for 3 years in the usual way and that with many cost reduction measures introduced in a short space of time we would need to see how effectively we could operate, prior to setting further value for money targets.

- To reach a secure and acceptable 2023 budget we renegotiated some loan covenants and started the process of arranging additional loan facilities. This has allowed us to ensure we have the money and capacity to invest in our existing homes.
- We also had to cut expenditure in areas such as community development and restructure our housing teams to ensure we could still deliver this vital work, but at a lower cost.
- Across BVT we looked for savings, cutting posts where services could be delivered differently and saving on any activities that did not deliver the maximum return in terms of tenant satisfaction or social value.
- Clearly making such changes was only possible as we spent time refreshing our Corporate Plan and making the difficult trade off decisions between our competing priorities.
- This review of the Corporate Plan was supported by the outcome of several important service reviews in areas outside of our housing delivery: estate services on the Bournville Estates, Heritage Services and Community Development. These reviews allowed our Board the level of understanding and information that is necessary to make such challenging decisions.
- Overall, the Board decided that we must maintain our ambitious investment programme in our existing homes, make more money available for reactive repairs and customer services, as this was the clear message we received from listening to our tenants voice. To do this we had to make cuts in other areas and maintain our corporate overhead at a very low level. The Board also had to decide to look to dispose of some poorly performing assets, convert a small number of vacant properties to market rent, drive for increased returns from our commercial assets and maintain new development spending at a lower level.

Business Health

Performance in 2022

- Our operating margin for social housing improved in 2022, with it being close to our target and better than our Peers and the Sector weighted averages. The overall operating margin for all activities was below our Peers and the sector, but as BVT is a Charitable Trust and operates several loss-making activities such as the management of our historic estates, this is to be expected.
- Our EBITDA MRI Interest cover was slightly above our Peers, but a little below the sector median. The change in this measure from previous years was planned and expected as we invested more in our homes, with higher interest rates being the main reason we fell short of our target.
- This all indicates that BVT is in a positive business health position, despite the challenging year that 2022 turned out to be.

Priorities for 2023

- In setting our 2023 budget the Board of BVT accepted that our costs for repairs, investment in our homes and customer services would all rise, as we are determined to deliver what our customers want despite rising costs. This means we expect a slight reduction in our business health measures, but to stay well within parameters that are acceptable to our Board. As we have an extensive programme of investing in our homes for 2023 and beyond, we expect to see a significant reduction in Interest Cover (EBITDA MRI), but have ensured this is well within our Bank Covenants and Golden Rules.

Development Capacity & Supply

Performance in 2022

- Our new development is centred on the completion of our Lightmoor urban village. In 2022 nine homes were completed, of which three were transferred to BVT for social/affordable rent.

Priorities for 2023

- We expect to see 137 completions in Lightmoor in 2023, of which 39 will be for BVT social rent.

Effective Asset Management

Performance in 2022

- BVT again demonstrated a solid return on capital employed and maintained a very high occupancy level. In 2022 we did have more tenant turnover than is usual for BVT as we saw a catch up of moves following the pandemic, which meant we had higher numbers of voids to deal with. However, despite supply chain and staffing challenges

we still maintained very high occupancy levels. The ratio of responsive repairs to planned maintenance changed, as expected, as we saw our investment in our existing homes increase as planned. Due to inflation, we did, however, see responsive repairs cost far more than planned.

Priorities for 2023

- In 2023 we will be driving hard to keep the number of days properties are empty at or below our target of 32 days. Whilst this has limited financial impact on BVT due to our low social rents, it has a huge impact on families in housing need who want to move into new homes as soon as possible. We will also ramp up our planned maintenance spend again in 2023, in line with our 30-year plan and in response to our tenants' voice.

Outcomes delivered

Performance in 2022

- We were pleased that in 2022, despite significant supply chain challenges, we delivered on our reinvestment programme, ensuring we delivered promised improvements to our tenants' homes.
- Coming out of the pandemic we find our overall satisfaction rating at 80%. This remains lower than our standing when we went into the pandemic, and we will be pushing hard to listen to our tenants and ensure this improves.
- We regularly survey our tenants and one question we ask, is "how satisfied were you with your most recent repair". The answer to this question leaves us short of our target, with us falling short on getting repairs done right first time certainly contributing to this. Whilst we had a backlog of repairs coming out of the pandemic and faced some staffing issues in 2022, we will not accept lower than target performance and will be working to reach our targets in 2023.

Priorities for 2023

- We will be looking to invest more than ever in improving our existing homes and we will overcome the challenges we have with recruiting and retaining specialist asset management staff to ensure this is achieved.
- We will focus on getting more repairs completed first time and will learn from our tenants to ensure we achieve a higher satisfaction rating with each repair undertaken.

Operating Efficiencies

Performance in 2022

- Our headline social housing cost per unit rose in 2022 and we were some way (£719 per property) above our target. However, we believed we must deliver the services our tenants required despite spiralling inflation causing rapidly rising costs. We ended 2022 with a cost £350 per property above our Peers and £377 above the sector median, but we do believe all similar organisations will see rising prices push up their cost per unit, so a like-for-like measure at 2022 year-end is likely to show we are closer to the sector average that we appear to be from these figures.
- Our service charge costs are lower than average, but here we recognise that we are not charging for some services we deliver and that there are some service level improvements our tenants may find beneficial if we were to charge for and deliver them, such as additional communal cleaning and gardening.
- Our maintenance cost per unit is high against our peers and the sector and whilst we accepted this in 2022 as we sought to catch up with a pandemic backlog and ensure improving satisfaction levels, it is an area we continue to work on through training, performance monitoring and recruitment and retention of high quality staff.

Priorities for 2023

- We will allow our headline social housing cost per unit and management cost per unit to rise as we seek to offer the enhanced service levels our communities need during this economic crisis.
- We will seek to implement service charges for new tenants where we have identified that services and satisfaction could be improved by moving nearer to the sector average for service charge costs.
- Our management cost per unit was slightly above our Peers but below the sector median. We expect to see this rise only slightly in line with general cost increases in 2023.
- As we delivered more planned maintenance in 2022, we saw some costs shifting from revenue to capital, this trend will continue in 2023 so whilst we will invest more in our homes we will see our maintenance cost per unit, as calculated under this measure, reduce slightly.
- In 2023 we have investment in our existing homes as a major priority so we will see our major repairs cost per unit rise from £1,163 in 2022 to £1,853 in 2023.
- With cost pressures on BVT at very high levels and to ensure we have sufficient funds to deliver our priorities we will again keep our overheads as a percentage of turnover very low. Our Target for 2023 is well below both our Peers and the sector medians.
- Whilst financial pressure on our tenants is extremely high we still expect to maintain rent collection levels in 2023 and to keep void loss low.

Constitution and Governance

BVT is governed by its Deed of Foundation which was amended in June 2021 to enable access to a wider pool of potential trustee candidates by reducing the number of family trustees from 9 to 6, removing the nominated positions from The University of Birmingham, The Society of Friends and Birmingham City Council and creating positions for up to 6 independent trustees (2 co-opted) to help to increase the diversity of BVT's trustees and to bring in the skills required by the board.

The board meets at least 4 times each year and is supported by a range of committees with delegations clearly set out in a suite of Terms of Reference approved by the board. There are a number of governance policies and documents in place to support effective governance across the group.

BVT adopted the National Housing Federation Code of Governance 2020 in March 2021 and completed an annual self-assessment of compliance with the new Code in early 2022. There is one key area of non-compliance with the Code relating to the terms of office of family trustees. The Deed of Foundation does not apply set terms of office for family trustees but the 6-year rule is applied to independent trustees in compliance with the Code of Governance. Family trustees are subject to annual re-appointment after serving 9 years on the board which takes into consideration individual trustee's performance and the skills requirements of the board and committees.

BVT assesses its group compliance with the Regulator for Social Housing's Governance and Financial Viability Standard on an annual basis and certifies that it is compliant with this standard.

Employee Involvement

To provide for consultation between management and employees on matters of concern to employees, a Joint Consultative Committee (JCC), comprising staff members and managers, including the Chief Executive, meets around 3 times per year. In 2022 the JCC discussed areas such as employee wellbeing, hybrid working, cost of living crisis, personal and professional development and health and safety.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of BVT and in planning future activities. The Trustees have concluded that the BVT's aims and objectives contribute benefits in many ways, including the following:

- provision of rented housing accommodation to those in housing need
- provision of community facilities and services
- provision of advice and support to residents.

Statement of Board's Responsibilities in respect of the Board's report and the financial statements

Registered Provider legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and BVT as at the end of the financial year and of the income and expenditure of the Group and BVT for that period. In preparing those financial statements, suitable accounting policies have been used, framed to the best of the Trustees' knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. The Trustees prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Applicable accounting standards have been followed. The Trustees are also required to indicate where the financial statements are prepared other than on the basis that the Group and BVT are going concerns.

The Trustees are responsible for ensuring that arrangements are made for keeping proper accounting records with respect to the Group's and BVT's transactions and assets and liabilities, and for maintaining a satisfactory system of control over the Group's and BVT's books of account and transactions. The financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The Trustees are also responsible for ensuring that arrangements are made to safeguard the assets of the Group and BVT 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 group and financial information included on the Bournville Village Trust website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Political and Charitable Donations

BVT is a charitable organisation and as such we made no contributions to political organisations. To further the charitable aims of BVT we made charitable donations to other Charitable Organisations who have a connection to the Group, of £29,482 (2021: £36,800).

Alongside this BVT offered Partner Organisations, who furthered our charitable aims, accommodation that equals a benefit in kind donation valued at £7,800 (2021: £15,800).

Disclosure of Information to the Auditor

Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

Following a formal tender exercise, the Trustees resolved that Beever & Struthers LLP be appointed as auditor for the BVT Group for the 2023 accounting year.

Annual Controls Assurance Statement 2022

Introduction

Annual Internal Controls Assurance Statement

This statement sets out the evidence officers have collated on the effectiveness of BVT's system of internal controls and encompasses a number of elements that together facilitate an effective and efficient business, enabling BVT to respond to a variety of operational, financial, and commercial risks. These elements are:

- Policies and Procedures
- Data Breaches
- Business Planning, Budgeting and Performance Management/ Regular Reporting
- Strategic Risk & Assurance Register
- Operational Risk & Assurance Registers
- Audit & Risk Committee
- Internal Audit Programme
- External Audit Programme
- Third Party Reports
- Compliance with relevant legislation

Policies and Procedures

A series of policies and other documents underpin the internal control process and written procedures support these policies and documents where appropriate. These include rules, standing orders and financial regulations that are regularly reviewed and approved by the Board. They are supported by other major documents and practices such as the Corporate Plan, codes of conduct, a performance management framework, management delegation systems, employment contracts, appraisals and monitoring processes and one-to-one reviews.

During 2022 we continued to review a significant number of policies, with a particular focus on health and safety policies and these policies are all up to date

at year-end apart from the Fire Safety Policy as the current (and fit for purpose policy) will be included in a review of all BVT's core building safety compliance policies to produce one overarching Building Safety Policy that will encompass the cross-cutting themes of the Building Safety Act. This refreshed document will enable a greater degree of standardisation regarding the varied range of building portfolios BVT operates in.

We continue to carry out process mapping to identify where efficiency and effectiveness could be increased. This was particularly applied to aspects of BVT's payroll, complaints, HR system and financial inclusion activities during 2022.

Data Breaches

BVT's Data Protection Officer manages and records all data breaches, both internal and external, that occur. On average, since we began recording, we have 6/7 data breaches each year. The process for reporting data breaches is set out in the Data Breach Notification Procedure.

Of the 32 data breaches reported since 2018, 59% (19) relate to email usage with the use of Autofill specifically causing 28% (9) of those breaches. Most of these breaches were disclosure of information to the wrong recipient and all were considered easily preventable.

We are seeing a slight increase in cyber-attacks/spam; 5 in total, 2 of those in the past 18 months. We have now achieved Cyber Essentials Plus accreditation and online training has been delivered to all staff to increase awareness of the issues that spam emails can cause.

We are continually learning from data breaches. There is no blame associated with breaches and we actively encourage staff to report all instances they are involved in.

All staff continue to receive Data Protection and IT Security training which has given them a good understanding of our Data Protection policies and processes and also their responsibilities when managing personal data, as well as useful information on IT Security.

This training is valid for two years. New staff will undergo the training during their induction.

Business Planning, Budgeting and Performance Management/ Regular Reporting

The annual business planning and budgeting process for 2022 was based on achieving the strategic objectives in the Corporate Plan and managing the key risks that might impact on achieving this.

There was regular reporting of both risk and performance across BVT throughout the year. Standardised report templates are in place to ensure that information is presented clearly and consistently across key issues.

A robust, business-led approach to a quarterly performance reporting cycle and reporting from a suite of KPI measures is firmly established and includes a specific suite of KPIs for landlord health and safety compliance.

In 2022 BVT again enhanced financial planning, with a complete rebuild of the 30-year financial plan. This included new assumptions to better reflect the likely long-term impact of the pandemic, economic crisis and war in Europe. The complete automation of BVT's financial covenants allowed the 30-year plan to be used by Trustees at their Strategy Days to review a range of financial outcomes, drawn from different delivery options. This comparison tool helped the Board choose between competing options for BVT's finite financial resources, thereby assisting them in setting the business plan for BVT's medium term future.

The advanced stress testing we have been running for some years was updated, in line with our annual cycle. The detailed stress testing run has enabled Trustees to understand BVT's financial position clearly and also understand the impact of various financial scenarios on its financial viability and has resulted in very clear indicators for ensuring:

- a. there is access to sufficient liquidity at all times.
- b. financial forecasts are based on appropriate and reasonable assumptions.
- c. effective systems are in place to monitor and accurately report on the delivery of our plans.
- d. the financial and other implications of risks to the delivery of plans are considered.
- e. we monitor, report on and comply with our funders' covenants.

Strategic Risk & Assurance Register

A Strategic Risk & Assurance Register is compiled and updated by the Executive Team to help to facilitate the identification, assessment and ongoing monitoring of risks significant to the organisation, also considering the need for further mitigation.

The Register has been presented each quarter in 2022 to the Audit & Risk Committee and to Trustees.

Operational Risk & Assurance Registers

Operational Risk & Assurance Registers are in place and are updated quarterly by the relevant director to help to facilitate the identification, assessment and ongoing monitoring of risks significant to the service, also considering the need for further mitigation. The registers are reviewed by the relevant committees in accordance with our Risk & Assurance Strategy.

Audit & Risk Committee

The Audit & Risk Committee alerts Trustees to any emerging issues or concerns it has. In addition, the committee oversees internal audit, external audit and management responses as required in its review of internal controls. The committee is therefore well-placed to provide advice and assurance to Trustees on the effectiveness of the internal control system, including the organisation's system for the management of risk including the scope and effectiveness of the strategy, policies and procedures.

Since the Committee was set up in 2017 it has developed its role and has become an established part of the oversight of internal controls. It met 4 times during 2022 and also held a joint meeting with the Finance Committee. The minutes of all these meetings have been presented to the Board of Trustees.

As part of good governance, the Chair of this committee has met with both our External and Internal Auditors outside of the committee meetings to gain independent assurance on BVT's controls over its business.

Internal Audit Programme

Internal audit is an important element of the internal control process. Apart from its normal risk driven programme of work, including recommending improvements to service areas, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the organisation, giving an independent objective assessment of the effectiveness of the risk management and control processes operating at BVT.

The internal audit programme for 2022 was fully delivered and an Annual Internal Audit Assurance Report was presented to the Audit & Risk Committee in January 2023 and to the Board of Trustees in March 2023.

Mazars audit opinion was as follows: -

On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. We noted some areas in which the control environment could be improved, for instance we raised one Highly Important recommendation as part of the cyclical Compliance Review recommendations. Of the four strategic audits conducted in 2022, in each case an Adequate assurance level was provided and it was noted there were no reports in 2022 with Limited assurance or where critical recommendations were raised. This and all other matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports.

The Audit & Risk Committee took a robust role in terms of ensuring scrutiny and oversight of both the tracking and implementation of internal audit recommendations through regular and more detailed reporting of any outstanding fundamental recommendations as part of the quarterly Risk & Assurance reports.

External Audit

External audit provides feedback to the Trustees on the operation of the internal financial controls reviewed as part of the annual audit.

In April 2023, RSM UK issued their latest Audit Findings Report, based on BVT's 2022 financial statements. BVT received a clean audit opinion and there have been no disagreements with management regarding financial reporting for the purpose of issuing the audit report.

BVT, BVD and BWHS all received a clean audit opinion and there have been no disagreements with management regarding financial reporting for the purpose of issuing the audit report.

Third Party Reports

External assessments and advice provide additional and useful assurance. Major sources include regulatory judgements and independent advice around governance, treasury management, health and safety and supported housing.

External expertise and impartiality play an important role in supporting BVT to review aspects of its work. During 2022 BVT used external parties to support the following:

- Preparation for BVT's regulatory In-Depth Assessment
- Review of the HR structure
- Advice on delivery of leadership and management development
- Structural Surveys and Assessments
- Expert Witnesses to defend Legislative Claims (Section 11 and 82 EPA)
- Agricultural Valuations
- Architects - Planning Applications and Advice (Conservation Areas)
- Planning and Sustainability experts (Design Charter)
- Environmental and Sustainability Consultants (Savills and SHIFT Environmental)
- External Auditors
- Retained Independent Health and Safety Consultant (PEMCO)
- EPC inspections
- Review of an older persons scheme
- Treasury – Chatham Financial
- Legal Advice for Rent Setting & Regulatory Compliance
- Legal Advice for Treasury & Land Registry
- Technical Financial Accounting Advice (Tax, VAT, SDLT, Investment Recording)
- Cyber Security
- ICT Infrastructure
- Regulatory Compliance
- Commercial valuations

- Commercial sales & marketing advice
- Commercial rents, lease terms and lettings
- Commercial dilapidations valuations and negotiations
- Commercial estate reinstatement valuations and a stock condition survey
- Market rent valuation and marketing

BVT built on achieving Cyber Essentials Accreditation in December 2021, by achieving Cyber Essentials Plus in 2022. This is an externally verified accreditation that BVT's ICT security arrangements met the standards expected of the highest performing organisations in our industry sector.

A regulatory In-Depth Assessment took place in Q1, 2022 and BVT retained its G1/V1 ratings.

A financial stability check in Q4, 2022 confirmed BVT's V1 rating.

Compliance with relevant legislation

We confirm our compliance with relevant legislation in a number of ways:

- monthly KPI monitoring (a number of KPI targets are set to achieve legal compliance)
- regular review of policies to ensure they reflect current legislation
- constant scanning of trade press for updates and attendance at major conferences
- horizon scanning as part of monthly risk discussions to identify any new legislation
- internal and external audits
- relevant employees are required to maintain professional accreditation, which includes remaining up to date with relevant statutory requirements
- use of legal advisors for more complex legal issues that are either beyond the professional capacity of BVT employees, or to seek an opinion on our interpretation of legislation and attendance at legal briefings
- external competent advisor for health and safety
- lists of relevant legislation provided annually to support this statement are provided to BVT's Audit & Risk Committee and Board.

There is a section for compliance with relevant legislation in BVT's standard report template so that any issues or concerns are clearly highlighted to Trustees and Committees.

BVT submitted a self-referral of non-compliance with the Smoke and Carbon Monoxide Alarm Regulations 2022 in November 2022 with a detailed action plan to meet compliance by 30th September 2023. The Regulator confirmed that taking into account the information provided, BVT had not breached any of the regulatory standards.

Effectiveness of Controls

Our risk and control mechanisms are generally effective. This annual internal controls certification process has not highlighted any issues that were not previously identified through normal management processes.

The Executive team has reviewed the effectiveness of the system of internal controls, including the sources of assurance agreed by the Board. There is sufficient evidence to confirm that adequate systems of internal control are in place and operated throughout the year.

Reserves

All surpluses generated are reinvested to meet the Group's principal objectives, therefore, the reserves that the Group has accumulated have been largely invested in its housing and other properties and are not represented by cash balances. The rationale for certain restricted reserves is explained within the Accounting Policies section.

Fixed Assets

Details of the changes in fixed assets are set out in Notes 7A and 7B to the financial statements.

By order of the Trustees



Helen Harvey
Secretary
8th June 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BOURNVILLE VILLAGE TRUST

Opinion

We have audited the financial statements of Bournville Village Trust (the 'Association') for the year ended 31 December 2022 which comprise the Consolidated and Trust Statements of Comprehensive Income, the Consolidated and Trust Statements of Financial Position, the Group and Trust Statements of Changes in Reserves, the Consolidated and Trust Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement [set out on pages 27-34, the Trustees 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 Trustees determine are 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 Trustees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the

assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and Association operates in and how the Group and Association are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, the Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and care and other income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and detailed substantive sampling testing for revenue.

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

Use of our report

This report is made solely to the RSL charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the group and charity's trustees 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 RSL group and charity and the RSL group and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
West Midlands
B3 3AG

Date: 13 June 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Bournville Village Trust Group

CONSOLIDATED AND TRUST STATEMENTS OF COMPREHENSIVE INCOME for the year ended 31 December 2022

	Notes	Group		Trust	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
TURNOVER	1	27,367	27,619	26,469	26,726
Operating expenditure	1	(22,405)	(22,902)	(21,954)	(22,310)
OPERATING SURPLUS	1	4,962	4,717	4,515	4,416
Surplus on sale of housing and other properties	5a	360	866	360	866
Surplus on the sale of land	5a	398	537	398	537
Surplus on sale of other fixed assets	5a	(4)	680	(4)	680
Interest receivable	3	47	7	218	171
Interest and financing costs	4	(3,927)	(3,960)	(3,978)	(3,963)
Movement in fair value of financial instruments	17	17,695	7,670	17,695	7,670
Movement in fair value of investment properties	8	3,808	0	3,808	0
SURPLUS ON ORDINARY ACTIVITIES	22	23,339	10,517	23,012	10,377

Bournville Village Trust Group

CONSOLIDATED AND TRUST STATEMENTS OF FINANCIAL POSITION as at 31 December 2022

	Notes	Group		Trust	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets					
Housing properties - Cost	7A	188,932	189,459	177,246	177,990
- Depreciation	7A	(39,967)	(37,541)	(36,056)	(33,901)
		<u>148,965</u>	<u>151,918</u>	<u>141,190</u>	<u>144,089</u>
Other fixed assets	7B	22,503	18,844	22,503	18,844
Investment properties	8	4,164	0	4,164	0
Fixed asset investments	9	0	0	8,400	8,400
Restricted cash	10	1,040	1,041	1,040	1,041
		<u>176,672</u>	<u>171,803</u>	<u>177,297</u>	<u>172,374</u>
CURRENT ASSETS					
Stock	11	879	831	64	24
Debtors	12	2,125	1,568	4,215	3,477
Cash at bank and in hand		3,320	5,582	2,955	5,331
		<u>6,324</u>	<u>7,981</u>	<u>7,234</u>	<u>8,832</u>
CREDITORS: Amounts falling due within one year	13	(10,440)	(9,598)	(13,422)	(12,148)
		<u>(4,116)</u>	<u>(1,617)</u>	<u>(6,188)</u>	<u>(3,316)</u>
NET CURRENT ASSETS					
		<u>172,556</u>	<u>170,186</u>	<u>171,109</u>	<u>169,058</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts falling due after more than one year	14	(108,708)	(111,666)	(107,944)	(110,894)
Provisions for liabilities - pensions	19	(322)	(638)	(322)	(638)
Financial instruments at fair value	17	(4,071)	(21,766)	(4,071)	(21,766)
		<u>59,455</u>	<u>36,116</u>	<u>58,772</u>	<u>35,760</u>
TOTAL NET ASSETS					
CAPITAL AND RESERVES					
Restricted reserves	20	7,825	7,218	7,825	7,218
Endowments		696	696	696	696
Income and expenditure reserve	21	50,934	28,202	50,251	27,846
		<u>59,455</u>	<u>36,116</u>	<u>58,772</u>	<u>35,760</u>

The financial statements on pages 39 to 75 were approved by the Trustees and authorised for issue on 8 June 2023 and were signed on its behalf by:

C Cadbury - Chair

P Lumley - Vice Chair

P Richmond - Chief Executive

Bournville Village Trust Group

STATEMENT OF CHANGES IN RESERVES as at 31 December 2022

Group	Income and expenditure reserve	Restricted reserve	Endowments	Total
	£ £'000	£ £'000	£ £'000	£ £'000
Balance at 1 January 2021	18,068	6,835	696	25,599
Surplus for the year	10,517	0	0	10,517
Transfer of restricted expenditure from unrestricted reserve	<u>(383)</u>	<u>383</u>	<u>0</u>	<u>0</u>
Balance at 31 December 2021	28,202	7,218	696	36,116
Surplus for the year	23,339	0	0	23,339
Transfer of restricted expenditure from unrestricted reserve	<u>(607)</u>	<u>607</u>	<u>0</u>	<u>0</u>
Balance as 31 December 2022	<u>50,934</u>	<u>7,825</u>	<u>696</u>	<u>59,455</u>

Trust	Income and expenditure reserve	Restricted reserve	Endowments	Total
	£ £'000	£ £'000	£ £'000	£ £'000
Balance at 1 January 2021	17,862	6,835	696	25,393
Surplus for the year	10,367	0	0	10,367
Transfer of restricted expenditure from unrestricted reserve	<u>(383)</u>	<u>383</u>	<u>0</u>	<u>0</u>
Balance at 31 December 2021	27,846	7,218	696	35,760
Surplus for the year	23,012	0	0	23,012
Transfer of restricted expenditure from unrestricted reserve	<u>(607)</u>	<u>607</u>	<u>0</u>	<u>0</u>
Balance as 31 December 2022	<u>50,251</u>	<u>7,825</u>	<u>696</u>	<u>58,772</u>

Bournville Village Trust Group

CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS for the year ended 31 December 2022

	Notes	Group		Trust	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
OPERATING ACTIVITIES					
Net cash generated from operations	22	9,625	10,315	8,267	9,296
Interest paid		(3,965)	(4,053)	(3,937)	(3,977)
NET CASH FROM OPERATING ACTIVITIES		5,660	6,262	4,330	5,319
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition and construction of tangible fixed assets		(6,001)	(4,091)	(5,690)	(3,978)
Net proceeds on disposal of tangible fixed assets		886	3,057	886	3,148
Capital grants repaid		(30)	(102)	(30)	(99)
Interest received		47	19	218	183
NET CASH USED IN INVESTING ACTIVITIES		(5,098)	(1,117)	(4,616)	(746)
CASH FLOW FROM FINANCING ACTIVITIES					
Loans received		1,000	0	1,000	0
Loan principal repayments		(3,595)	(13,500)	(3,595)	(13,500)
NET CASH USED IN FINANCING ACTIVITIES		(2,595)	(13,500)	(2,595)	(13,500)
NET DECREASE IN CASH AND CASH		(2,033)	(8,355)	(2,881)	(8,927)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,878	13,233	1,479	10,406
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	2,845	4,878	(1,402)	1,479

Bournville Village Trust Group

ACCOUNTING POLICIES

LEGAL STATUS

Bournville Village Trust is an unincorporated charity and is an English registered social housing provider, and is a public benefit entity.

The principal activities and operations are disclosed in the Report of the Board of Trustees.

The address of the Trust's registered office and principal place of business is

350 Bournville Lane
Bournville
Birmingham
B30 1QY

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. They are prepared under the historical cost convention, modified to include certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of the Trust and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2022.

All intra group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

GOING CONCERN

Under the governance requirements, the Trustees confirm that the 30 year financial plan they have in place, along with no refinancing concerns and positive robust stress testing and mitigation plans, means they have reasonable expectation that the Group and Trust have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

TURNOVER AND REVENUE RECOGNITION

Turnover represents rents and service charges receivable in respect of tenanted leasehold and freehold properties, and amounts invoiced in respect of the provision of services to third parties (net of VAT). It also includes turnover from shared ownership first tranche sales, donations, proceeds from land sales, income for release of covenant restrictions, revenue grants receivable in the period, income from community activities and income from Selly Manor Museum.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and land sales is recognised at the point of legal completion of the transaction. Services to third parties are recognised at the point of service delivery.

OTHER INCOME

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Profit Share

BVT worked with the Extra Care Charitable Trust to develop an extra care scheme for older people on land owned by BVT in Bournville. The scheme is managed and run by the Extra Care Charitable Trust, but as part of the development arrangement BVT is entitled to a share of the profits on care provision within the scheme and of the surplus on property buy back and sales.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

Housing properties are properties for the provision of social housing and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. Agriculture, commercial, community, communal, and office buildings are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs;
- A significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of properties, these are included in fixed assets only.

SOCIAL HOUSING AND OTHER GOVERNMENT GRANTS

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

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

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

DEPRECIATION OF HOUSING PROPERTIES

Housing properties are split between land, structure and other major components that require replacement over time. The land element of housing properties and housing under the course of construction are not depreciated.

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

	Years
Structure	100 -150
Kitchen	20
Bathroom	30
Windows	30
Central Heating	30
Boilers	15
Rewiring	30
Front/Rear Doors	30
Roofs	60
Door Entry Systems	15
Sewerage	20

BVT considers each commercial and agricultural property and asset individually and applies the most appropriate depreciation rate to the asset, based on a fair assessment of its useful economic life.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

In 2020 the Group reviewed its depreciation policy and changed the useful economic lives of kitchens, windows, central heating and boilers. This was part of a complete review of our asset management strategy encompassing best practice and reviewing life cycles of components based on changes in technology and product quality. We also listened to the views of our tenants which led to a decision to replace components on a more frequent basis. This means that depreciation on these components replaced prior to 2020 is calculated on net book value at 31st December 2019 on a straight line basis over the remaining useful economic life.

IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

OTHER TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life as follows:

Computer Equipment	4 years
Fixtures and Fittings	4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Properties classed within agricultural estates, commercial buildings, community buildings and offices are split between land, structure and other major components that require replacement over time. The land element of these properties is not depreciated. The group separately identifies the major components of these properties and charges depreciation on these in line with the depreciation of housing properties.

The 2020 review of depreciation policy and change in useful economic lives of kitchens, windows, central heating and boilers also applied to these assets. This means that depreciation on these components replaced prior to 2020 is calculated on net book value at 31st December 2019 on a straight line basis over the remaining useful economic life.

PROPERTIES UNDER CONSTRUCTION

Properties in the course of construction are carried at cost, less any identifiable impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

BORROWING COSTS

Borrowing costs are expensed as incurred unless they are capitalised if directly attributable to a development scheme. Borrowing costs are capitalised from the start of construction through to the time the development is completed and handed over as available for occupation. Costs directly connected with the raising of finance are deducted from loans and written off evenly over the life of the loan in the income and expenditure account.

INVESTMENT PROPERTIES

Investment properties consist of commercial properties and market rented properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by qualified valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

FIXED ASSET INVESTMENTS

There are two elements to fixed asset investments. Investment of Subsidiary represents the fair value of the proceeds for the acquisition of BWHS as at 4 January 2011 when the organisation became a subsidiary of BVT. This became deemed cost going forward. The THFC Interest Service Reserve equates to an investment required under the terms of our THFC loan and the funds are currently invested in bank deposit accounts. The interest reserve is stated at cost with any accrued interest being credited to the statement of comprehensive income.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value.

Long-term projects, notably the Lightmoor project undertaken through Bournville Village Developments are assessed on a contract-by-contract basis and reflected in the Income and Expenditure Account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for surplus earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors; to the extent that payments on account exceed relevant turnover, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks.

VALUE ADDED TAX

Bournville Village Trust and Bournville Village Developments Ltd are both registered for VAT purposes. BWHS and BVE are not VAT Registered.

Bournville Village Trust is only able to recover a relatively small percentage of VAT on its expenditure, as the majority of its income is exempt for VAT purposes. Therefore, expenditure is shown inclusive of VAT with the input VAT recovered deducted from relevant expenditure.

Bournville Village Developments Limited is able to recover all VAT on its expenditure. As a result, expenditure is shown net of VAT and VAT recoverable shown as a debtor.

Bournville Works Housing Society is not registered for VAT purposes and is therefore unable to recover any VAT on its expenditure. Therefore, expenditure is shown inclusive of VAT.

LEASES

OPERATING LEASES

Annual rentals are charged to income and expenditure on a straight line basis over the lease term.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

Defined contribution plans

For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

The group does not participate in any active defined benefit plans.

BVT is a member of the closed Cadbury Mondelez Pension Fund, there are no active members and no contributions are paid. A liability is recognised for payments arising from an agreement with the multi-employer plan that determines how the group will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end. The rate used to discount the contributions to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those at the end benefit obligations.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS

BVT has elected to apply the provisions of sections 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Debtors

Rental and trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rental debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with rental or trade debtors constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the rental or trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

FINANCIAL LIABILITIES

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but the control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised through income and expenditure.

PROVISIONS

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

RESERVES

The group establishes restricted funds for the specific purposes where their use is subject to restrictions imposed by third parties.

RESTRICTED RESERVES (NOTE 20)

- i) **SUPPORTED HOUSING FUND**
This restricted reserve represents funds to cover the replacement of furniture and equipment and any major repairs needed in any of the Trust's supported housing schemes.
- ii) **FUTURE MAINTENANCE RESERVE**
This reserve represents the combined total of all the sinking funds that BVT holds to fund our future maintenance commitments in the areas in which we work.
- iii) **BAT RESERVE**
This reserve represents the net assets of Bournville Almshouse Trust, which under a Uniting Direction from the Charity Commission, is now accounted through this restricted reserve.
- iv) **ELIZA BEECH FUND**
This reserve represents funds to provide residents of BAT with excursions and other entertainment.
- v) **SHROPSHIRE PROJECT RESERVE**
Some community events generate income to fund specific projects or events that otherwise wouldn't happen.
- vi) **COMMUNITY INFRASTRUCTURE RESERVE**
This is a fund holding funds that may only be used for the advancement of Lawley Village.
- vii) **EILEEN HEWER RESERVE**
This fund is used to pay for activities the resident representatives of Lawley select for community advancement.
- viii) **LVCA RESERVE**
The Lawley Village Community Association may call on this fund to support community activity.
- ix) **LIGHTMOOR VAN RESERVE**
Lightmoor Village are funding a van purchased by BVT.
- x) **BOURNVILLE HOUSE RESERVE**
This fund holds a donation given to Bournville House to provide gym equipment. The project will be undertaken during 2023.
- xi) **BIO-DIVERSITY RESERVE**
This fund holds a donation for the advancement of bio-diversity in Bournville
- xii) **LIBRARY FUND RESERVE**
This fund holds a donation received to support the BVT Library and Archive.

ENDOWMENT RESERVES

This reserve represents the permanent endowment of the charity as bequeathed by the Founder.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives as per the accounting policy note. The useful economic lives of property components are in line with the current maintenance programme and are re-assessed annually to take into account technological innovation and product life cycles.

Impairment of non-financial assets

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

Development expenditure

Development expenditure is capitalised in line with the accounting policy. Initial capitalisation of costs is based on management's judgement that a development scheme is likely to proceed. Costs capitalised in this way are regularly reviewed and any cost identified as abortive are charged in the Statement of Comprehensive Income.

Pension Discount Factor

The discount factor used in the calculation of the pension fund liability is based on the yield for a bond taken out by THFC with a maturity date of 2023, which co-incides with the final year in which the Trust is required to make a deficit contribution.

Debtors

Debtors are based on the amounts outstanding in our ledgers at the end of the financial year, less any provision for bad debts. The provision for rent arrears is based on all former tenants arrears plus 75% of all current tenant arrears that remain outstanding for more than 8 weeks.

Balances due from group undertakings are assessed at the end of each year to ensure that the debt is recoverable in full. If there is any doubt that the debt will be fully recovered, a provision would be made, to reduce the debt to the anticipated recoverable amount.

Valuation of Stand Alone Financial Derivatives

BVT holds Stand Alone Financial Derivatives (Swaps) for the purposes of hedging interest rates on our loans. These Swaps are required to be included in these accounts at their "Fair Value". To calculate this "Fair Value" we use our independent Treasury Advisors Chatham Financial, who are industry experts in their field. It is this "Fair Value" calculated by Chatham Financial that included in these accounts.

Treatment of Agricultural Estates, Properties let to Commercial Organisations and Market Rented Homes

BVT was gifted, by Cadbury Family members, over many years sections of land and properties that now make up our Agricultural Estates. Whilst there are no detailed records of the expectations of the donors in relation to BVT's use of much of these holdings, we believe that we understand through our continued relationship with members of the Cadbury Family that the purpose behind the donation was that BVT would hold and use the land not for simple commercial gain, but to prevent the inappropriate use of the land and the unsympathetic development of green belt. As simple commercial gain is not our primary purpose for holding this land, we do not treat this land as Investment Holdings.

BVT also owns property we lease to Tenants who use these sites to provide "commercial" services, such as shops, health care centres, offices. The reason BVT owns these properties is to ensure our communities have access to important amenities in their neighbourhood. This means BVT do not simply seek the maximum income from these holdings, but instead prioritises the benefit any prospective Tenants' business can bring to our communities. As this is the case, we do not treat these properties as Investment Properties in these accounts. Following a review of all "commercial" assets in 2022, it was decided that 4 shops owned by BVT were no longer held for direct social benefit reasons, as we no longer owned homes in the community which forms the shops local catchment area. We have, therefore, revalued this shops and moved them to Investment Properties in these accounts.

BVT also owns a small number (58) Market Rented homes, which it operates directly and not through BVE. These homes are let to Tenants at a weekly rent that is above our standard Social Rent, but well below the true market rent for the area. As we are not operating these homes on a fully commercial basis, but instead to give people access to affordable high quality homes and to increase the tenure types in our communities, and given that the number is not material in relation to our overall rented homes numbers, we do not treat these as Investment Properties in our accounts. In relation to those homes BVT does let at a full market rent, these are leased to BVE and accounted for as Investment Properties in these accounts.

Bournville Village Trust Group

ACCOUNTING POLICIES (continued)

In 2022 BVT continued to lease some void properties that were formally socially rented to BVE, these properties were then rented at market rates to people seeking to live in the communities supported by BVT, who did not wish to buy a home and did not qualify for one of BVTs socially rented homes. Whilst this was done in part to ensure all sections of society have access to BVTs vibrant communities, it is also done to increase income to BVT and allow increased investment in our socially rented homes. As this is the case, we have revalued this properties and recorded them as Investment Properties in these accounts.

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Continuing activities - Group

	2022			2021		
	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Activities						
Income and expenditure from social housing lettings	21,592	(15,712)	5,880	22,963	(17,360)	5,603
Other Social Housing Activities						
First tranche shared ownership sales	0	0	0	0	0	0
Services to third parties	612	(892)	(280)	487	(690)	(203)
Profit share arrangement	486	(25)	461	244	(25)	219
Community activities	160	(960)	(800)	98	(727)	(629)
Non Social Housing Activities						
Market renting	598	(315)	283	493	(183)	310
Agricultural lettings	606	(508)	98	545	(459)	86
Estate management	1,620	(2,790)	(1,170)	1,481	(2,331)	(850)
Commercial lettings	1,408	(610)	798	958	(511)	447
Business Development	0	(281)	(281)	0	(243)	(243)
Selly Manor museum	117	(202)	(85)	104	(197)	(93)
Land transactions	103	0	103	103	0	103
Pension fund costs	0	(33)	(33)	0	(33)	(33)
Services to third parties	65	(77)	(12)	143	(143)	0
TOTAL	27,367	(22,405)	4,962	27,619	(22,902)	4,717

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Continuing activities - Trust

	2022			2021		
	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing Activities						
Income and expenditure from social housing lettings	20,070	(15,268)	4,802	21,525	(16,768)	4,757
Other Social Housing Activities						
First tranche shared ownership sales	0	0	0	0	0	0
Services to third parties	1,210	(892)	318	1,002	(690)	312
Profit share arrangement	486	(25)	461	244	(25)	219
Community activities	162	(960)	(798)	98	(727)	(629)
Non-Social Housing Activities						
Market renting	591	(308)	283	493	(183)	310
Agricultural lettings	606	(508)	98	545	(459)	86
Estate management	1,651	(2,790)	(1,139)	1,511	(2,331)	(820)
Commercial lettings	1,408	(610)	798	958	(511)	447
Business development	0	(281)	(281)	0	(243)	(243)
Selly Manor museum	117	(202)	(85)	104	(197)	(93)
Land transactions	103	0	103	103	0	103
Pension fund costs	0	(33)	(33)	0	(33)	(33)
Services to third parties	65	(77)	(12)	143	(143)	0
TOTAL	26,469	(21,954)	4,515	26,726	(22,310)	4,416

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS (continued)

Particulars of income and expenditure from social housing lettings - Group

	General needs housing £'000	Supported housing accommodation £'000	2022 Housing for older people £'000	Shared ownership accommodation £'000	Total £'000
TURNOVER FROM SOCIAL HOUSING LETTINGS					
Rent receivable net of voids	18,506	0	1,207	407	20,120
Service charges receivable	240	0	840	4	1,084
Care and support charges	0	91	0	0	91
NET RENTAL INCOME	18,746	91	2,047	411	21,295
Social housing grant amortisation	183	0	110	4	297
TURNOVER FROM SOCIAL HOUSING LETTINGS	18,929	91	2,157	415	21,592
EXPENDITURE ON SOCIAL HOUSING LETTINGS					
Management	3,442	71	446	160	4,119
Service charge costs	368	0	883	0	1,251
Care and support costs	0	159	0	0	159
Routine maintenance	3,270	26	183	0	3,479
Planned maintenance	2,011	0	62	0	2,073
Major repairs expenditure	470	0	0	0	470
Bad debts	14	0	4	0	18
Depreciation of properties	3,593	11	397	95	4,096
Depreciation of fixtures and fittings	11	1	2	0	14
Other costs	33	0	0	0	33
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	13,212	268	1,977	255	15,712
OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS	5,717	(177)	180	160	5,880
Rent loss due to voids	130	15	91	0	236

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS (continued)

Particulars of income and expenditure from social housing lettings - Group

	2021				Total £'000
	General needs housing £'000	Supported housing accommodation £'000	Housing for older people £'000	Shared ownership accommodation £'000	
TURNOVER FROM SOCIAL HOUSING LETTINGS					
Rent receivable net of voids	17,827	0	1,141	399	19,367
Service charges receivable	263	0	828	4	1,095
Care and support charges	0	2,198	0	0	2,198
NET RENTAL INCOME	18,090	2,198	1,969	403	22,660
Social housing grant amortisation	184	0	110	9	303
TURNOVER FROM SOCIAL HOUSING LETTINGS	18,274	2,198	2,079	412	22,963
EXPENDITURE ON SOCIAL HOUSING LETTINGS					
Management	2,921	268	506	160	3,855
Service charge costs	298	0	699	0	997
Care and support costs	0	2,085	0	0	2,085
Routine maintenance	3,465	119	196	0	3,780
Planned maintenance	1,813	2	45	0	1,860
Major repairs expenditure	663	0	0	0	663
Bad debts	45	5	3	0	53
Depreciation of properties	3,518	38	402	97	4,055
Depreciation of fixtures and fittings	10	1	1	0	12
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	12,733	2,518	1,852	257	17,360
OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS	5,541	(320)	227	155	5,603
Rent loss due to voids	189	4	66	0	259

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS (continued)

Particulars of income and expenditure from social housing lettings - Trust

	2022				Total £'000
	General needs housing £'000	Supported housing accommodation £'000	Housing for older people £'000	Shared ownership accommodation £'000	
TURNOVER FROM SOCIAL HOUSING LETTINGS					
Rent receivable net of voids	16,992	0	1,207	407	18,606
Service charges receivable	240	0	840	4	1,084
Care and support charges	0	91	0	0	91
NET RENTAL INCOME	17,232	91	2,047	411	19,781
Social housing grant amortisation	175	0	110	4	289
TURNOVER FROM SOCIAL HOUSING LETTINGS	17,407	91	2,157	415	20,070
EXPENDITURE ON SOCIAL HOUSING LETTINGS					
Management	3,332	71	446	160	4,009
Service charge costs	368	0	883	0	1,251
Care and support costs	0	159	0	0	159
Routine maintenance	3,382	26	183	0	3,591
Planned maintenance	1,969	0	62	0	2,031
Major repairs expenditure	430	0	0	0	430
Bad debts	16	0	4	0	20
Depreciation of properties	3,227	11	397	95	3,730
Depreciation of fixtures and fittings	11	1	2	0	14
Other Costs	33	0	0	0	33
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	12,768	268	1,977	255	15,268
OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS	4,639	(177)	180	160	4,802
Rent loss due to voids	123	15	91	0	229

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS (continued)

Particulars of income and expenditure from social housing lettings - Trust

	2021				Total £'000
	General needs housing £'000	Supported housing accommodation £'000	Housing for older people £'000	Shared ownership accommodation £'000	
TURNOVER FROM SOCIAL HOUSING LETTINGS					
Rent receivable net of voids	16,397	0	1,141	399	17,937
Service charges receivable	263	0	828	4	1,095
Care and support charges	0	2,198	0	0	2,198
NET RENTAL INCOME	16,660	2,198	1,969	403	21,230
Social housing grant amortisation	176	0	110	9	295
TURNOVER FROM SOCIAL HOUSING LETTINGS	16,836	2,198	2,079	412	21,525
EXPENDITURE ON SOCIAL HOUSING LETTINGS					
Management	2,793	268	506	160	3,727
Service charge costs	298	0	699	0	997
Care and support costs	0	2,085	0	0	2,085
Routine maintenance	3,492	119	196	0	3,807
Planned maintenance	1,731	2	45	0	1,778
Major repairs expenditure	626	0	0	0	626
Bad debts	43	5	3	0	51
Depreciation of properties	3,148	38	402	97	3,685
Depreciation of fixtures and fittings	10	1	1	0	12
Other	0	0	0	0	0
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	12,141	2,518	1,852	257	16,768
OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS	4,695	(320)	227	155	4,757
Rent loss due to voids	175	4	66	0	245

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

2 ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

	Group		Trust	
	2022 Number	2021 Number	2022 Number	2021 Number
UNITS OWNED AT YEAR END:				
General needs housing	3,310	3,327	2,997	3,014
Shared ownership	139	142	139	142
Supported Housing	9	20	9	20
Housing for older people	262	262	262	262
Market rented	58	58	58	58
	<u>3,778</u>	<u>3,809</u>	<u>3,465</u>	<u>3,496</u>
UNITS IN MANAGEMENT AT YEAR END:				
General needs housing	3,456	3,478	3,456	3,478
Shared ownership	139	142	139	142
Supported Housing	9	20	9	20
Housing for older people	262	262	262	262
Market rented	58	58	58	58
	<u>3,924</u>	<u>3,960</u>	<u>3,924</u>	<u>3,960</u>

The above numbers include 44 (2021:44) units owned by BVT but managed by other associations.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest on bank deposits	47	19	47	19
Interest on intercompany loans	0	0	171	164
Other interest receivable	0	(12)	0	(12)
	<u>47</u>	<u>7</u>	<u>218</u>	<u>171</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest arising on:				
Bank loans and overdrafts	3,913	3,943	3,964	3,946
Interest & Financing Costs - Pensions	14	17	14	17
	<u>3,927</u>	<u>3,960</u>	<u>3,978</u>	<u>3,963</u>

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

5 OPERATING SURPLUS

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Operating surplus is stated after charging /(crediting)				
Depreciation of other tangible fixed assets owned	129	148	129	148
Depreciation of housing properties	4,004	4,020	3,645	3,656
Net book value of component disposals of housing properties	92	35	85	29
Depreciation of non-housing properties	459	400	459	400
Operating lease rentals	198	156	198	156
Amortisation of capital grant	(299)	(306)	(291)	(298)

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

Audit services - statutory audit of the company	68	57	43	38
Other services:				
All other non-audit services	1	0	1	0

5a SURPLUS ON SALE OF FIXED ASSETS

Group & Trust	2022			2021		
	Sale of Housing Properties £'000	Sale of Land £'000	Sale of Other Fixed Assets £'000	Sale of Housing Properties £'000	Sale of Land £'000	Sale of Other Fixed Assets £'000
Disposal proceeds	488	398	0	1,908	537	750
Carrying value of fixed assets	(127)	0	(4)	(1,034)	0	(38)
Cost of sales	(1)	0	0	(8)	0	(32)
Surplus/(deficit)	360	398	(4)	866	537	680

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

6 EMPLOYEES

The average monthly number of persons (including directors) employed by the Trust and Group expressed in full time equivalents during the year was:

	Group		Trust	
	2022 No.	2021 No.	2022 No.	2021 No.
Office and management	137	124	137	124
Housing support and care	2	52	2	52
Maintenance	73	65	73	65
	212	241	212	241

The above figures are calculated on the number of staff employed in the Group and Trust, working a standard 37 hour working week for the majority of staff and a standard 39 hour week for maintenance staff. The calculation has been done on a month by month basis and then averaged out over the course of the year.

Staff costs for the above persons:

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	7,984	8,287	7,984	8,287
Redundancy Payments	230	156	230	156
Social security costs	815	783	815	783
Defined benefit pension cost	314	604	314	604
Defined contribution pension cost	489	382	489	382
Other pension costs	33	33	33	33
	9,865	10,245	9,865	10,245

The full time equivalent number of staff who received remuneration over £60,000 (including directors):

	Group		Trust	
	2022 No.	2021 No.	2022 No.	2021 No.
£60,000 - £70,000	7	12	7	12
£70,001 - £80,000	3	3	3	3
£80,001 - £90,000	3	2	3	2
£90,001 - £100,000	0	4	0	4
£100,001 - £110,000	4	2	4	2
£110,001 - £120,000	1	1	1	1
£120,001 - £130,000	2	0	2	0
£140,001 - £150,00	0	1	0	1
£150,001 - £160,00	1	0	1	0

The bandings above include redundancy payments as detailed in staff costs above.

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

Executive Team Members

In respect of the directors (BVT executive team) who are considered to be the key Management Personnel of Bournville Village Trust:

Executive Team Members

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Remuneration and fees	676	648	676	648
Company contributions to pension schemes	62	52	62	52
Compensation for loss of office	38	0	38	0
Money value of benefits in kind	55	54	55	54
	<u>831</u>	<u>754</u>	<u>831</u>	<u>754</u>

	Group		Trust	
	2022 No.	2021 No.	2022 No.	2021 No.

The number of Executive Team Members to whom retirement benefits are accruing under:

Defined contribution schemes	7	7	7	7
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

	Highest paid employee	
	2022 £'000	2021 £'000
Remuneration	138	134
Company contributions to pension schemes	12	10
	<u>150</u>	<u>144</u>

The highest paid Executive Team Member in 2022 was the Chief Executive.

The Chief Executive is a member of the BVT Pensionsaver scheme and BVT made pension contributions of £12,367 in 2022 (2021: £10,083).

No other payments are made to Trustees other than expenses (travel and subsistence) as detailed below:

	2022 £	2021 £
Trustee payments comprise of:		
Trustee expenses	<u>6,146</u>	<u>4,322</u>

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

7A TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (Predominantly freehold) - GROUP

	Housing properties held for letting £'000	Shared ownership properties £'000	Properties in the course of construction £'000	2022 Total £'000
Cost				
At 1 January	180,744	7,971	744	189,459
Additions	0	0	21	21
Component replacements and improvements	4,028	0	0	4,028
Properties acquired	374	0	0	374
Component disposals	(1,121)	0	0	(1,121)
Property disposals	0	(145)	0	(145)
Transfer to other fixed assets	(2,700)	0	(659)	(3,359)
Transfer to investment properties	(325)	0	0	(325)
	<u>181,000</u>	<u>7,826</u>	<u>106</u>	<u>188,932</u>
Depreciation and impairment				
At 1 January	(36,603)	(938)	0	(37,541)
Charge for year	(3,909)	(95)	0	(4,004)
Component disposals	907	0	0	907
Property disposals	0	18	0	18
Transfer to other fixed assets	578	0	0	578
Transfer to current assets	75	0	0	75
	<u>(38,952)</u>	<u>(1,015)</u>	<u>0</u>	<u>(39,967)</u>
NET BOOK VALUE				
At 31 December 2022	<u>142,048</u>	<u>6,811</u>	<u>106</u>	<u>148,965</u>
At 31 December 2021	<u>144,141</u>	<u>7,033</u>	<u>744</u>	<u>151,918</u>

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

7A TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (Predominantly freehold) - TRUST

	Housing properties held for letting £'000	Shared ownership properties £'000	Properties in the course of construction £'000	2022 Total £'000
Cost				
At 1 January	169,275	7,971	744	177,990
Additions	0	0	21	21
Component replacements and improvements	3,717	0	0	3,717
Properties acquired	374	0	0	374
Component disposals	(1,027)	0	0	(1,027)
Property disposals	0	(145)	0	(145)
Transfer to other fixed assets	(2,700)	0	(659)	(3,359)
Transfer to investment properties	(325)	0	0	(325)
At 31 December	169,314	7,826	106	177,246
Depreciation and Impairment				
At 1 January	(32,963)	(938)	0	(33,901)
Charge for year	(3,550)	(95)	0	(3,645)
Component disposals	819	0	0	819
Property disposals	0	18	0	18
Transfer to other fixed assets	578	0	0	578
Transfer to investment properties	75	0	0	75
At 31 December	(35,041)	(1,015)	0	(36,056)
NET BOOK VALUE				
At 31 December 2022	134,273	6,811	106	141,190
At 31 December 2021	136,312	7,033	744	144,089

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

7A EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Improvement work capitalised	65	135	48	123
Components capitalised	3,963	1,878	3,669	1,777
Amounts charged to income and expenditure	6,281	6,489	6,052	6,211
	<u>10,309</u>	<u>8,502</u>	<u>9,769</u>	<u>8,111</u>

TOTAL GRANTS RECEIVED

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Total cumulative amounts received or receivable at 31 December:				
Capital grant	<u>35,964</u>	<u>36,002</u>	<u>35,010</u>	<u>35,048</u>

FINANCE COSTS

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Aggregate amount of finance costs included in the cost of housing properties and communal areas in note 7b	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

7B TANGIBLE FIXED ASSETS - OTHER

Group & Trust	Agricultural estates £'000	Commercial buildings £'000	Community buildings £'000	Offices £'000	Communal areas £'000	Computer £'000	Fixtures and fittings £'000	2022 Total £'000
Cost								
At 1 January	4,900	9,419	2,870	4,735	2,185	1,118	1,074	26,301
Component replacements	82	0	0	0	0	0	0	82
Additions	0	10	104	0	0	82	26	222
Disposals	0	0	0	0	0	(58)	(29)	(87)
Component disposal	0	(5)	0	0	0	0	0	(5)
Property Acquisitions	0	1,274	0	0	0	0	0	1,274
Transfer from housing properties	659	2,700	0	0	0	0	0	3,359
Transfer to investment properties	0	(160)	0	0	0	0	0	(160)
Transfer between classifications	0	26	(26)	0	0	0	0	0
At 31 December	5,641	13,264	2,948	4,735	2,185	1,142	1,071	30,986
Depreciation and impairment:								
At 1 January	(1,416)	(2,782)	(427)	(862)	0	(990)	(980)	(7,457)
Charge for year	(115)	(215)	(32)	(97)	0	(76)	(53)	(588)
Released on disposal	0	0	0	0	0	56	26	82
Component disposal	0	4	0	0	0	0	0	4
Transfer from housing properties	0	(578)	0	0	0	0	0	(578)
Transfer to investment properties	0	54	0	0	0	0	0	54
Transfer between classifications	0	(8)	8	0	0	0	0	0
At 31 December	(1,531)	(3,525)	(451)	(959)	0	(1,010)	(1,007)	(8,483)
Carrying amount:								
At 31 December 2022	4,110	9,739	2,497	3,776	2,185	132	64	22,503
At 31 December 2021	3,484	6,637	2,443	3,873	2,185	128	94	18,844

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

8 INVESTMENT PROPERTIES

Group & Trust

	Commercial Properties £'000	Market Rented Properties £'000	Total £'000
At 1 January 2022	0	0	0
Transfer from commercial properties	106	0	106
Transfer from housing properties	0	250	250
Revaluations	334	3,474	3,808
	<hr/>	<hr/>	<hr/>
At 31 December 2022	440	3,724	4,164
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Group's commercial investment properties are valued annually on 31 December at fair value by Savills, an independent, professionally qualified valuer. The valuations were undertaken in accordance with the current RICS Valuation – Global Standards, incorporating the IVS, and the RICS Valuation – Global Standards – UK National Supplement published by the Royal Institution of Chartered Surveyors (commonly known as the "Red Book"). In valuing investment properties, a discounted cash flow methodology was adopted with the following key assumptions:

Discount rate	7%
Exit yield	8.5%

The Group's market rented investment properties are valued annually on 31 December at fair value by Savills, an independent, professionally qualified valuer. The valuations were undertaken in accordance with the current RICS Valuation – Global Standards, incorporating the IVS, and the RICS Valuation – Global Standards – UK National Supplement published by the Royal Institution of Chartered Surveyors (commonly known as the "Red Book"). In valuing investment properties, a discounted cash flow methodology was adopted with the following key assumptions:

Discount rate	7%
Exit yield	5%
Level of long term annual rent increases	4.5% years 1 & 2 and 3.5% in subsequent years

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

Group & Trust - 2022

	Commercial Properties £'000	Market Rented Properties £'000	Total £'000
Historic cost	160	325	485
Accumulated depreciation	(57)	(83)	(140)
	<hr/>	<hr/>	<hr/>
	103	242	345
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

8 INVESTMENT PROPERTIES Cont.

Group & Trust - 2021

	Commercial Properties £'000	Market Rented Properties £'000	Total £'000
Historic cost	0	0	0
Accumulated depreciation	0	0	0
	0	0	0
	0	0	0

9 FIXED ASSET INVESTMENTS

Group

Investment in subsidiary

Trust

Investment in subsidiary

2022
£'000

2021
£'000

0

0

8,400

8,400

10 RESTRICTED CASH

Group & Trust

At 1 January
Interest credited

At 31 December 2022

2022
£'000

2021
£'000

1,041
(1)

1,053
(12)

1,040

1,041

11 STOCK

Group

Materials and consumables
Work in progress

Trust

Materials and consumables
Work in progress

Materials and consumables

2022
£'000

2021
£'000

21
858

24
807

879

831

21
43

24
0

64

24

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

12 DEBTORS	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year:				
Gross Rental Arrears				
Housing	1,036	967	980	913
Non-housing	383	394	383	394
Market rented	14	12	14	12
Supported housing	38	44	38	44
Shared ownership	16	10	16	10
Less: Provision for bad and doubtful debts	(588)	(636)	(584)	(630)
	<u>899</u>	<u>791</u>	<u>847</u>	<u>743</u>
SHG receivable	0	0	0	0
Balance due from managed associations	1	0	1	0
Balance due from group undertakings	0	0	2,143	1,957
Prepayments and accrued income	183	145	183	145
Other debtors	1,042	632	1,041	632
	<u>2,125</u>	<u>1,568</u>	<u>4,215</u>	<u>3,477</u>
<hr/>				
13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Housing loans (note 18)	3,600	3,595	3,600	3,595
Rent and service charges received in advance	860	855	735	830
Recycled capital grant funds (note 15)	41	59	41	59
Deferred capital grants (note 16)	305	306	297	298
Trade creditors	170	162	170	159
Balances due to managed associations	475	704	475	704
Balance due to group undertakings	0	0	3,884	3,150
Other taxation and social security costs	210	172	210	172
VAT	146	136	144	133
Other creditors	266	354	266	354
Accruals and deferred income	4,367	3,255	3,600	2,694
	<u>10,440</u>	<u>9,598</u>	<u>13,422</u>	<u>12,148</u>

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Debt (note 18)	79,264	81,864	79,264	81,864
Loan arrangement fees	(592)	(646)	(592)	(646)
Deferred Income	205	308	205	308
Recycled Capital Grant Fund (note 15)	63	36	63	36
Deferred capital grant (note 16)	29,768	30,104	29,004	29,332
	108,708	111,666	107,944	110,894

Included in creditors are the following debt related items:

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts repayable by instalments falling due in less than five years	17,976	17,943	17,976	17,943
Amounts repayable by instalments falling due after more than five years	44,888	47,516	44,888	47,516
Amounts repayable other than by instalments falling due after more than five years	20,000	20,000	20,000	20,000
Less amounts repayable in less than one year	(3,600)	(3,595)	(3,600)	(3,595)
	79,264	81,864	79,264	81,864

15 RECYCLED CAPITAL GRANT FUND

Funds pertaining to its activities within areas covered by:	Group		Trust	
	HCA 2022 £'000	HCA 2021 £'000	HCA 2022 £'000	HCA 2021 £'000
Opening balance				
Inputs to RCGF:				
As at 1 January	95	172	95	169
Grants recycled	38	25	38	25
Interest accrued	0	0	0	0
Grants repaid	(30)	(102)	(30)	(99)
Closing balance	103	95	103	95
Amounts 3 years old or older where repayment may be required:	28	15	28	15

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

16 DEFERRED CAPITAL GRANTS

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
As at 1 January	30,411	30,919	29,630	30,130
Grant transferred on sale of property	0	(177)	0	(177)
Amortisation in year	(299)	(306)	(291)	(298)
Transfer to recycled capital grant fund	(38)	(25)	(38)	(25)
As at 31 December	30,074	30,411	29,301	29,630

17 FINANCIAL INSTRUMENTS

Group and Trust	2022 £'000	2021 £'000
Financial liabilities:		
Measured at fair value through profit or loss		
At 1 January	21,766	29,436
Movement during year	(17,695)	(7,670)
At 31 December	4,071	21,766

Interest rate swaps

The Group has taken out a number of interest rate hedging arrangements as part of the Treasury Management Strategy which seeks to achieve a mix of fixed and variable rate loans within the overall portfolio. All of the hedging instruments are stand alone interest rate swaps which have been taken out over the last 15 years and which have fixed rates of interest varying between 4.14% and 5.81%. At 31 December 2022, the total nominal value of interest rate hedging instruments was £51.5m (2021 £51.5m).

The fair value of these hedging instruments has been calculated by BVT's Treasury Management advisors, Chatham Financial.

17a Financial assets

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Debt instruments measured at amortised cost:				
Rent debtors	1,489	1,432	1,429	1,374
Other debtors	1,071	608	1,074	611
Cash	3,320	5,582	2,955	5,331
	5,880	7,622	5,458	7,316
Financial liabilities				
Measured at amortised cost:				
Housing loans	82,864	85,459	82,864	85,459
Trade Creditors	170	162	170	159
Balances Due to Managed Associations	475	704	475	704
Balances Due to Group Companies	0	0	3,884	3,150
Other Creditors	3,616	2,608	2,887	2,048
	87,125	88,933	90,280	91,520

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

18 BORROWINGS

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Creditors: amounts falling due within one year: Relating to housing loans	3,600	3,595	3,600	3,595
	<u>3,600</u>	<u>3,595</u>	<u>3,600</u>	<u>3,595</u>
Creditors: amounts falling after more than one year: Relating to housing loans	79,264	81,864	79,264	81,864
	<u>79,264</u>	<u>81,864</u>	<u>79,264</u>	<u>81,864</u>
Total	<u>82,864</u>	<u>85,459</u>	<u>82,864</u>	<u>85,459</u>

Housing loans are secured by specific charges on the Group's housing properties and are repayable at rates of interest between 0.383% and 12.86%. The net book value of assets secured to lenders is £83,048,000.

Of the amounts due in more than five years or more, £20,000,000 (2021: £20,000,000) is wholly repayable by lump sum in more than five years. The remainder is repayable by instalments.

19 PROVISIONS FOR LIABILITIES Group and Trust

	2022 Pension £'000	2021 Pension £'000
As at 1 January	638	742
Utilised in year	(330)	(121)
Unwinding of discount	14	17
Increase in payment obligation	0	0
As at 31 December	<u>322</u>	<u>638</u>

In 2019 BVT agreed with the Trustees of the Cadbury Mondelez Pension Fund to make payments, against a schedule ending in 2023, to assist in de-risking the historic pension scheme. We have retained a provision of a sufficient amount to cover these agreed payments.

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

20	RESTRICTED RESERVES GROUP AND TRUST	Supported Housing Fund £'000	Future Maintenance Reserve £'000	BAT Reserve £'000	Eliza Beech Fund £'000	Shropshire Project Reserve £'000	Community Infrastructure Reserve £'000	Eileen Hewer Reserve £'000	LVCA Reserve £'000	Lightmcor Van Reserve £'000	Bournville House Reserve £'000	Bio Diversity Reserve £'000	Library Fund Reserve £'000	2022 Total £'000	2021 Total £'000
	At 1 January	(1)	3,766	3,081	(7)	45	278	24	5	11	0	8	7	7,218	6,835
	Income	1	900	574	15	0	2	12	5	0	(20)	0	10	1,499	1,767
	Expenditure	0	(469)	(398)	(1)	0	0	(11)	(5)	(4)	0	0	(4)	(892)	(1,384)
	Net transfer from Income and Expenditure Reserve	1	431	176	14	0	2	1	0	(4)	(20)	0	6	607	383
	At 31 December	0	4,197	3,257	7	45	280	25	5	7	(20)	8	13	7,825	7,218

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

21	INCOME AND EXPENDITURE RESERVE	Group		Trust	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
	At 1 January	28,202	18,068	27,846	17,862
	Surplus for the year	23,339	10,517	23,012	10,367
	Transfer to restricted reserves	(607)	(383)	(607)	(383)
	At 31 December	50,934	28,202	50,251	27,846

22	RECONCILIATION OF SURPLUS / (DEFICIT) TO NET CASH GENERATED FROM OPERATIONS	Group		Trust	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
	Surplus for the year	23,339	10,517	23,012	10,367
	Adjustments for:				
	Depreciation of tangible fixed assets	4,807	4,728	4,442	4,358
	Amortisation of capital grant	(299)	(306)	(291)	(298)
	Surplus on sale of tangible fixed assets	(754)	(2,083)	(754)	(2,073)
	Interest receivable	(47)	(7)	(218)	(171)
	Interest and financing costs	3,927	3,960	3,978	3,963
	Movement in value of financial instruments	(17,695)	(7,670)	(17,695)	(7,670)
	Movement in fair value of investment properties	(3,808)	0	(3,808)	0
	Operating cash flows before movements in working capital	9,470	9,139	8,666	8,476
	Movement in stocks	(48)	607	(40)	(20)
	Movement in debtors	(556)	356	(738)	655
	Movement in creditors	759	213	379	185
	Cash generated from operations	9,625	10,315	8,267	9,296

CASH AND CASH EQUIVALENTS

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash and cash equivalents represent:				
Cash at bank	3,320	5,582	2,955	5,331
Demand deposits included within creditors falling due in less than one year (note 13)	(475)	(704)	(4,359)	(3,854)
	2,845	4,878	(1,404)	1,477

Demand deposits represent amounts owed to managed associations (Group and Trust) and group companies (Trust).

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

23 ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 Jan 2022 £'000	Cash flows £'000	Other non cash changes £'000	At 31 Dec 2022 £'000
Cash and cash equivalents:				
Cash at bank	5,582	(2,262)	0	3,320
Demand deposits included within creditors falling due in less than one year (note 13)	(704)	229	0	(475)
	<u>4,878</u>	<u>(2,033)</u>	<u>0</u>	<u>2,845</u>
Borrowings:				
Debt due within one year	(3,595)	3,595	(3,600)	(3,600)
Debt due after one year	(81,864)	(1,000)	3,600	(79,264)
	<u>(85,459)</u>	<u>2,595</u>	<u>0</u>	<u>(82,864)</u>
Total	<u>(80,581)</u>	<u>562</u>	<u>0</u>	<u>(80,019)</u>

Trust	At 1 Jan 2022 £'000	Cash flows £'000	Other non cash changes £'000	At 31 Dec 2022 £'000
Cash and cash equivalents:				
Cash at bank	5,331	(2,376)	0	2,955
Demand deposits included within creditors falling due in less than one year (note 13)	(3,854)	(505)	0	(4,359)
	<u>1,477</u>	<u>(2,881)</u>	<u>0</u>	<u>(1,404)</u>
Borrowings:				
Debt due within one year	(3,595)	3,595	(3,600)	(3,600)
Debt due after one year	(81,864)	(1,000)	3,600	(79,264)
	<u>(85,459)</u>	<u>2,595</u>	<u>0</u>	<u>(82,864)</u>
Total	<u>(83,982)</u>	<u>(286)</u>	<u>0</u>	<u>(84,268)</u>

24 CAPITAL COMMITMENTS

	Group		Trust	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Capital expenditure contracted for but not provided for in the financial statements	<u>5,112</u>	<u>5,328</u>	<u>5,112</u>	<u>5,328</u>
Expenditure authorised by Trustees but not contracted	<u>7,201</u>	<u>4,549</u>	<u>6,959</u>	<u>4,318</u>

The above commitments will be funded through revenue surpluses and capital receipts.

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

25 OTHER FINANCIAL COMMITMENTS - GROUP AND TRUST

The total future minimum lease payments under non-cancellable operating leases for fixed assets are as follows:

Group and Trust	Other 2022 £'000	Other 2021 £'000
Amounts due:		
Within one year	99	48
Between one and five years	256	119
More than five years	0	0
	<u>355</u>	<u>167</u>

26 RETIREMENT BENEFITS

Historically BVT staff were able to join the Cadbury Mondelez Pension Scheme, a multi employer defined benefit scheme. This offer of membership ended on April 2010, new staff are eligible to join the BVT Pensionsaver scheme, which is a defined contribution scheme set up through Legal & General.

In July 2021 all versions of the Cadbury Mondelez pension fund closed. BVT allowed current staff members to transfer to the defined contribution scheme with Legal and General. This means BVT no longer pay any contributions to the Cadbury Mondelez Pension Scheme on behalf of staff. A triennial valuation of the scheme was conducted as at 5th April 2022 and the scheme was found to be in surplus (£143m)

In 2019 all scheme members agreed to follow the Principal Employer in making additional payments into the scheme to allow the Trustees to further de-risk the scheme for the protection of all Employers and Members. BVT made additional contributions of £121,000 in 2021, £330,000 in 2022 and will make a final contribution of £330,000 in 2023. BVT has not been asked to make any further contributions.

For the BVT Pensionsaver scheme, the Group paid contributions at the rate of 10% of pensionable pay for the year, with members contributing as much as they liked subject to a minimum contribution of 4% of pensionable pay.

The best estimate of contributions to be paid to the schemes for 2023 is £878,000 plus the £330,000 deficit contributions detailed above.

It is not possible to identify the share of underlying assets and liabilities of the Cadbury Mondelez Pension Fund belonging to individual participating employers.

Due to the nature of the schemes, the Income and Expenditure account charge for the year under FRS102 represents the employer contribution payable.

Bournville Village Trust Group

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

27 CONTINGENT LIABILITIES

There are no contingent liabilities known at the balance sheet date.

28 RELATED PARTY TRANSACTIONS

BVT owns 100% of the issued share capital amounting to £100, of Bournville Village Developments Limited (BVD), a company incorporated in England and Wales. BVD is engaged in the co-ordination and construction of an urban village at Lightmoor in Telford. BVT helps to fund some of the working capital requirements of BVD and has agreed a loan facility for this purpose. As at 31/12/22, the outstanding balance on the loan stood at £2.14m (2021 £1.96m).

Each BVT Trustee owns 1 share out of the total 324 shares in issue of Bournville Works Housing Society Ltd (BWHS), a charitable Registered Provider of social housing, registered under the Cooperative and Community Benefit Societies Act 2014. BWHS became a subsidiary of BVT in 2011 and in 2016 put in place a coterminous board arrangement whereby the Trustees of BVT took over from the BWHS Management Committee.

BVT owns 100% of the issued share capital amounting to £100, of Bournville Village Enterprises Limited (BVE), a company incorporated in England and Wales. BVE is engaged in the market renting of properties leased from BVT.

Exemption has been taken under FRS102 from the requirement to disclose transactions with subsidiaries.

BVT gives regular annual grants to Avoncroft Museum, a Registered Charity, from surpluses made on rental income from commercial properties granted to BVT by the Croft Trust, which previously owned Avoncroft Museum. This support has continued in 2022 and is £15,000 per annum. Also in 2020 following a request for urgent financial support and support at the Board level made by Avoncroft Museum to BVT, Pete Richmond (Chief Executive) and David Robinson (Finance Director) joined the Trustee Board of Avoncroft in unpaid positions.