

# **Bournville Village Trust Group**

## **CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended

31 December 2023

Registered Charity No: 219260

Regulator of Social Housing No: L0702

<b>INDEX</b>	<b>Page/s</b>
Information	2-4
Report of the Board of Trustees	5-6
Operating and Financial Review	6-40
Independent Auditor's Report to the Trustees	41-44
Consolidated and Trust Statements of Comprehensive Income	45
Consolidated and Trust Statements of Financial Position	46
Statement of Changes in Reserves	47
Consolidated and Trust Statements of Cash Flows	48
Accounting Policies	49-56
Notes to the Financial Statements	57-81

## **Bournville Village Trust**

### **Board Members, Executive Directors, Advisors and Bankers**

#### **BVT Trustees**

Chair	Caroline Cadbury MA
Vice Chair	Prof. Philip Lumley BDS, FDSRCPS, MDentSc, PhD, DSRCS
Other Trustees	Nigel Cadbury BA, Barrister at Law Claire Bowman Alison McKittrick BA (Hons), MPhil Matthew Cadbury MA, MSc, MBA, PhD Claudia Coulson BA (Hons) Alison Fisher Derek Douglas William Cadbury MA(Oxon), CGMA

#### **Bournville Works Housing Society Trustees**

Chair	Caroline Cadbury MA
Vice Chair	Prof. Philip Lumley BDS, FDSRCPS, MDentSc, PhD, DSRCS
Other Trustees	Nigel Cadbury BA, Barrister at Law Claire Bowman Alison McKittrick BA (Hons), MPhil Matthew Cadbury MA, MSc, MBA, PhD Claudia Coulson BA (Hons) Alison Fisher Derek Douglas
Co-optee	William Cadbury MA(Oxon), CGMA

#### **Bournville Village Developments**

Director & Chair	Caroline Cadbury MA (Resigned 8 <sup>th</sup> June 2023)
Director	Alison McKittrick BA (Hons), MPhil (Resigned 8 <sup>th</sup> June 2023)
Director & Chair	Peter Richmond (Appointed 9 <sup>th</sup> June 2023)
Director	David Robinson BA (Hons), ACMA, CGMA, FRSA (Appointed 9 <sup>th</sup> June 2023)
Director	Greg Lakin - MRICS, MCIQB, PG DMS (Appointed 9 <sup>th</sup> June 2023)

Director	Arthur Tsang (Appointed 9 <sup>th</sup> June 2023)
Director & Company Secretary	Helen Harvey, BSc (Hons), MBA, FCIH, MCIPD (Appointed 9 <sup>th</sup> June 2023)
Director	Neil Ashford – MRICS (Appointed 9 <sup>th</sup> June 2023)

### **Bournville Village Enterprises**

Director & Chair	Caroline Cadbury MA (Resigned 8 <sup>th</sup> June 2023)
Director	Alison McKittrick BA (Hons), MPhil (Resigned 8 <sup>th</sup> June 2023)
Director & Chair	Peter Richmond (Appointed 9 <sup>th</sup> June 2023)
Director	David Robinson BA (Hons), ACMA, CGMA, FRSA (Appointed 9 <sup>th</sup> June 2023)
Director	Greg Lakin - MRICS, MCIQB, PG DMS (Appointed 9 <sup>th</sup> June 2023)
Director	Arthur Tsang (Appointed 9 <sup>th</sup> June 2023)
Director & Company Secretary	Helen Harvey, BSc (Hons), MBA, FCIH, MCIPD (Appointed 9 <sup>th</sup> June 2023)
Director	Neil Ashford – MRICS (Appointed 9 <sup>th</sup> June 2023)

### **Executive Directors**

Peter Richmond - Chief Executive  
David Robinson BA (Hons), ACMA, CGMA, FRSA - Director of Finance & IT  
Greg Lakin - MRICS, MCIQB, 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**

Beever and Struthers LLP  
The Colmore Building  
20 Colmore Circus Queensway  
Birmingham  
B4 6AT

**Bankers**

Lloyds Bank Plc  
798 Bristol Road South  
Birmingham  
B31 2NP

**Solicitors**

Eversheds LLP  
115 Colmore Row  
Birmingham  
B3 3AL

## **Report of the Board**

The Board presents its report and audited Financial Statements for the year ending 31<sup>st</sup> December 2023. This report is about 2023, a year in which our customers, colleagues and partners were living through and operating within the cost-of-living crisis, high inflation and constantly rising interest rates. Whilst 2023 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 grading for governance (G1). In November 2023 the Regulator of Social Housing regraded BVT to the compliant V2 viability rating. The Board accept that this regrading reflects the challenging economic environment in which BVT is operating and the level of investment the Board is making and will continue to make into our homes. Whilst BVT will continue to operate with less financial headroom than we have had in the past, the Board are committed to acting on our customers voice and doing the right thing. This means continuing to invest in our homes and communities to create and sustain 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 42-45.

Bournville Village Trust ("the Trust") is a charity registered with the Charity Commission and a registered social housing provider regulated by the Regulator of Social Housing. (Registered Charity No: 219260, Regulator of 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 other registered providers and 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 used to co-ordinate 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**

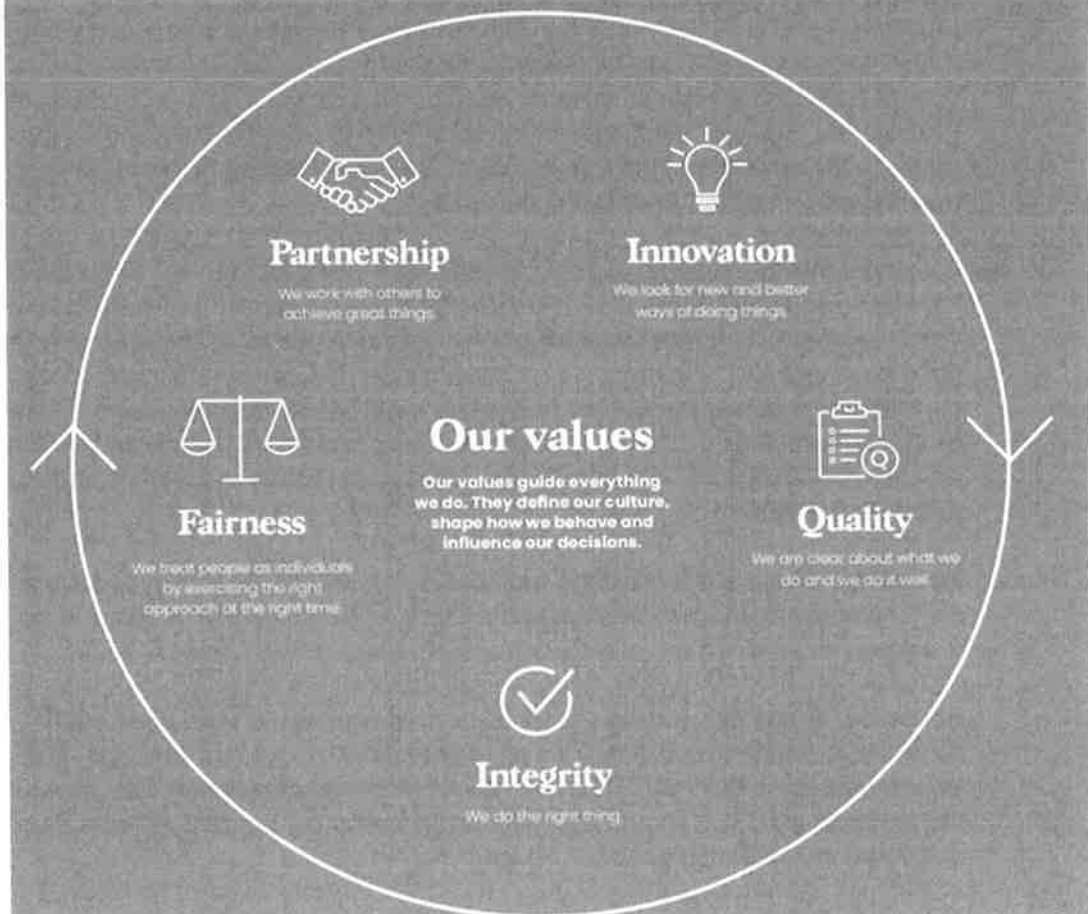
- The operating and financial review has been prepared in accordance with the applicable Accounting Standards in the United Kingdom and the Housing Statement of Recommended Practice (SORP 2018).

## Operating Review

# Our mission

## Creating and sustaining communities where people can thrive.

At Bournville Village Trust, we want everyone to thrive and reach their full potential, and building a strong, values-led organisation is key to achieving our mission. We're now more resilient, focused and inspired than ever before, developing partnerships and co-creating with groups and organisations that share our values. Since 2020, we've spent time exploring and refreshing what we do and are now determined to deliver consistently great services and a great customer experience.



As one of the Midlands' longest serving independent charitable trusts, we work to deliver six aims (see our Corporate Plan 2023 -32 for more detail):

# Our aims

All our work is focused on achieving six core aims.



## Place-shaping

Creating and sustaining thriving, well-designed and connected neighbourhoods that are well-managed and sustainable.



## Community building

Connecting people and organisations together to develop diverse, strong and engaged communities.



## Championing people

Delivering support services and working in partnership with others, to help all people thrive.



## Providing great homes

Providing safe and sustainable homes that meet people's needs and aspirations now and in the future.



## Inspiring learning and sharing

Sharing our heritage and experience to inspire others, and listening and learning from those around us.



## Building organisational strength

Building a strong, focused, and resilient organisation driven by our values.

More information about our aims and values is included within our corporate plan <https://www.bvt.org.uk/publications/corporate-plan-summary-2023-32/>

## Our Key Strategic Objectives

### 1. Place Shaping

To achieve our aim of creating and sustaining thriving, well-designed and connected neighbourhoods that are well-managed and sustainable, we will:

1. Deliver estate and stewardship services that continue to be shaped by customers and meet the needs and expectations of their neighbourhoods.
2. Maintain the quality and design of neighbourhoods using modern and responsive design guides that reflect best practice and are developed with customers and communities.

3. Ensure our parks and open spaces are welcoming and accessible, support people's health and wellbeing, and boost biodiversity.
4. Invest and protect the unique heritage found in the buildings and spaces in Bournville Village, ensuring they meet the needs of communities today and in the future.
5. Work in partnership with key place-shaping organisations to proactively influence regional and national agendas.
6. Realise the potential of parts of our agricultural estate to create great homes and new neighbourhoods.
7. Complete the development of Lightmoor Village in Telford.

#### **How did we do in 2023?**

- Design Guide – Innovative work was undertaken to include opportunities for solar panels in the design guide. The service to residents seeking to get alterations approved was also improved, although fees had to rise to better reflect the amount of time and costs involved in BVT processing such applications. A resident led design guide review was undertaken at Lawley and Lightmoor making sure the guides reflect resident's needs.
- Environmental Sustainability Strategy – further work was undertaken on the new strategy, and it will be finalised in early 2024. We maintained all our parks in 2023 and ensured access to the public.
- Estates and Stewardship Service – In Lawley we have procured a new grounds maintenance service, led by BVT and Lawley residents through the wholly resident led Lawley Management Committee. In Birmingham we continue to work with the Bournville Freehold and Leasehold Association following the completion of the forensic review of the service there. A number of smaller projects have also been delivered including the work to secure some of our parkland from unlawful incursions through the use of more bio-diverse interventions that ensure they remain safe and accessible for residents.
- Heritage – we invested £80k into the Carillion to maintain a key heritage asset in Bournville. We worked in alliance with Mondelez on the Bournville Heritage Programme. We worked with the Trustees of Woodbrooke to bring a historic asset back into the control of BVT and to allow us to work to ensuring the site has an appropriate future that benefits Bournville and the wider community. We continued to support Avoncroft Museum and to grow the impact of our own Selly Manor Museum to ensure heritage learning and enjoyment is available to as wide a range of people as possible. Further external funding was achieved to support the Heritage Engagement Officer role which delivers across our Bournville Education Programme alongside a number of innovative partnership programmes. A further private donation was secured to deliver a travel subsidy

grant programme to increase the number of schools able to engage with our heritage services at Selly Manor.

- Partnerships – we hosted the 125<sup>th</sup> Town and Country Planning Association Conference, welcoming the TCPA back to Bournville where their first conference was held and continuing our work with them since their foundation. We also worked with the National Trust on the potential Eight Hills Regional Park.
- We saw the development of Lightmoor continue and more homes were made available to buy and to let as social homes, through both BVT and others.

## **2. Community Building**

To achieve our aim of connecting people and organisations together to develop diverse, strong and engaged communities, we will:

1. Understand the strengths, needs and aspirations of all the communities we work with through the production of bespoke neighbourhood plans.
2. Act as a neighbourhood facilitator by connecting and building strong partnerships to deliver a wide range of services and activities.
3. Establish local hubs where people from all backgrounds and partners can work together, build capacity and deliver or use services.
4. Provide a diverse range of opportunities for customers to be involved, influence and shape the services we provide.
5. Make sure there is a strong voluntary and community sector.
6. Support and develop capacity to community build across the whole organisation, nurturing new groups and accessing grant funding.
7. Ensure we have the skills within BVT to enable customers to shape our services.

### **How did we do in 2023?**

- Community Building Strategy & Neighbourhood Profiles and Plans – The Community Building Strategy has been delivered across 2023, resulting in activities across our neighbourhoods and in our Community Places that are important to our communities including an Eid event and our annual Christmas celebrations in Birmingham and Telford. We produced Neighbourhood Profiles and associated plans for each of our distinct neighbourhoods, using data alongside feedback from stakeholders and residents.

- Neighbourhood Forums - Work has now started on developing Neighbourhood Forums across Shenley and Bournville, with a youth partnership in Bournville already established.
- 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 influence how community members can shape services and where we can devolve decision making – such as stewardship services.
- Convening and Networking – BVT worked as an enabler to assist the Bournville Network, Nechells EG Litter Pick and other community groups.
- Partnership - we supported the Bournville Hub into a new phase of operation, supported our staff to volunteer for festivals and other events, opened part of our head office as a community hub and worked with the SEND Group at Shenley.
- Social Value – through 2023 we worked with HACT to develop a model to measure BVT social value in many of our activities and this project will be complete in 2024.

### **3. Championing People**

To achieve our aim of delivering support services and working in partnership with others to help all people thrive, we will:

1. Take an evidence-based approach to the work we do to champion people, using our bespoke neighbourhood plans.
2. Deliver services and programmes that support financial wellbeing to help reduce the impact of poverty.
3. Work in partnership with other agencies to deliver and develop services for families and young people.
4. Develop a range of youth services across our neighbourhoods in Birmingham and Telford.
5. Expand our work with older people beyond our sheltered schemes to support wider communities.

### **How did we do in 2023?**

- **Championing People Strategy** – we rolled out the new strategy working to the Neighbourhood Profiles and Plans across each of our neighbourhoods. Working with partners we have identified and secured additional funding to deliver some of our activities including funding to support our Money Matters team to address cost of living challenges. In Telford we have launched a number of activities responding to issues of youth diversion, loneliness and physical wellbeing with a new gym established in Bournville House which has improved physical wellbeing for our residents
- **Programmes** – BVT delivered the NNS (Neighbourhood Network Schemes – for young adults) funded programme in 2023, supporting people in Selly Oak and surrounding areas.
- **Staff** – during 2023 BVT offered a raft a health and wellbeing support to staff, such as breast cancer awareness, men's mental health and menopause awareness, continuing to recognise that they are our greatest resource.

## **4. Providing Great Homes**

To achieve our aim of providing safe and sustainable homes that meet people's needs and aspirations now and in the future, we will:

1. Ensure our homes are great places to live by listening to customers and investing the right resources into improving and maintaining our homes.
2. Manage our assets well including developing/redeveloping and disposing of properties to ensure we are offering the right types of homes to meet people's needs.
3. Develop our understanding of the best route to carbon neutrality for BVT and increase the speed of our journey towards a lower carbon future.
4. Work with customers to understand how they want us to deliver housing management and ensure we offer quality, value-for-money services.
5. Develop pathways to housing for groups who may find access to quality homes challenging, including innovative models such as community-led housing.

## How did we do in 2023?

- Review of Customer Services & development of a Customer Experience Strategy – we have implemented the first full year of the Customer Experience Strategy which included a rollout of corporate customer service training programme, updated complaints procedure and development of a complaints learning workshop. The Customer Service team has also rolled out a number of service improvements including overflow systems to improve call answering and satisfaction measures.
- BVT have invested over £6.6m on improvements to customers' homes and building safety this year, mobilising a variety of complex contracts that will continue to run for over five years. These include replacing boilers, fitting new kitchens, installing new front doors, upgrading homes with new windows & doors and 130 new fire doors.
- Throughout 2023 BVT have responded to changes in Building Safety Fire legislation by upgrading fire Doors and fire compartmentation measures at Christopher Taylor Court, Rowheath House and Rosefields. This work will continue to many of BVT's buildings into 2024. Making sure our homes are secure and safe.
- BVT have listened to customers by working with them to improve the customers journey regarding any major installations within their home. Resident groups have been especially active regarding the mobilisation of the window and door replacement project within Bournville's conservation area and influencing choices for new fire doors within BVT's low rise communal flats.
- BVT wherever possible aim to utilise their buildings for our core purpose of supporting people and the wider community, during this year we have succeeded in doing just that by partnering with Spring Housing to make use of a building that was no longer in use. The old Beeches conference centre will be used to support homeless families for the next 5 years. Making a real difference to people's lives.
- 2023 has seen the development of Lightmoor continue with 21 new homes being bought by BVT to make available as socially rented family homes.
- Maintenance Services – we grew our in-house maintenance team to deliver much of our home improvement programme, ensuring that we had full control of the delivery and that Tenants could influence the service they received. Our Team delivered new kitchens, bathrooms, boilers, as well as routine maintenance, and gas & electrical safety tests and repairs. During 2023 we also responded to a rise in the number of reported cases of damp, condensation

and mould, creating a new Team to focus on reacting rapidly and effectively in this area.

- Cornfield Stock transfer – following the vote by Cornfield tenants to transfer to BVT, we took over their 50 homes in early 2023 and have secured their long term housing security.

## 5. Inspiring Learning and Sharing

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 reflect 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 2023?

- Heritage Service Review – we produced a new Heritage Forward Plan 2024-26 which was approved by Committee in September 2023. The new plan identified the future priorities and growth for our Heritage offer. We have generated significant external investment to deliver new activities and grow our education offer which has seen school children attending Selly Manor exceed targets for 2023
- Working with Partners - We have engaged with the TCPA to deliver the Bournville 125 conference which has re-started the conversation on the future of the garden city movement. We have also hosted a number of visits to our Birmingham estate to promote the work we do, including filming opportunities with Channel 5 and Songs of Praise and our Director of Communities has been asked to speak at a number of events on the topic of stewardship and design.
- University of Birmingham partnership – We have worked with the UoB (University of Birmingham) on a programme of undergraduate and postgraduate studies under the title of *Utopias in Crisis*. The project looks back

to BVT's founding, to George Cadbury's vision for good, well-built housing, affordable to working people, and how this shapes our future work and changing mission and involves study visits, seminars, specialist projects and will culminate in a series of policy papers.

## 6. Building Organisational and Financial Strength

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

1. Be an employer of choice, ensuring our recruitment, support, learning and development, and culture allow us to attract and keep the best.
2. Embed and clearly evidence our values in our colleagues' performance.
3. Provide staff with the technology and skills that enable us to deliver improved services.
4. Embed our continuous improvement model across BVT and clearly evidence value for money.
5. Implement our formal governance review and ensure the voice of customers is heard and influences decision-making.
6. Review and restate our risk appetite and continue to build our financial resilience.
7. Continue to operate and grow commercial activities in line with our values to generate a surplus that can be ploughed back into our communities.

### How did we do in 2023?

- Be an employer of choice - We continue to attract and retain staff, filling most of our vacancies. Some specialist and technical roles have been more difficult to fill and we are looking at ways to provide in-house support and learning to help grow and develop less experienced candidates into these roles. The percentage of staff leaving voluntarily in 2023 reduced to 13.2% from 15.7% in 2022. The 2023 staff satisfaction survey again produced positive results for BVT, 99% of staff said they understood BVT's corporate aims, with 97% inspired by them. More staff felt valued for the work they do, with 90% saying this, up from 81% in 2022. Overall 98% of staff said they were satisfied with BVT as an employer.

- Embed and clearly evidence our values in in our colleague's performance - Our annual Personal & Professional Development (PPD) reviews are based on our values and provide an opportunity for all employees to evidence how they have demonstrated our values in their work.
- Embed our continuous improvement model across BVT and clearly evidence value for money - Work has started to achieve this. The model has been used to carry out a damp and mould service review and will be used in 2024 for the responsive repairs and customer offer service reviews. The concept of a continuous improvement board was developed in 2023 and will begin to operate in 2024.
- Implement our formal governance review and ensure the voice of customers is heard and influences decision making - The governance review carried out in 2022 has been implemented. The main change has been a revised committee structure that has operated throughout 2023. Both the Board of Trustees and the Customer & Neighbourhoods Committee have heard the customer voice via tenant satisfaction data and this data has influenced service review priorities for 2024.
- Review and restate our risk appetite and continue to build our financial resilience - Our risk appetite has been reviewed and re-stated in our Risk & Assurance Strategy. We now have a clearer understanding of our risk appetite across a range of themes, which, as well as our strengthening our risk management, will also help inform our strategic decision making,

### **Financial Review**

The Statement of Comprehensive Income for the year ended 31st December 2023, shows a group surplus of £3.8m compared to a group surplus of £23.3m for 2022. 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, continued 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 confirmed that all the homes we are letting on a market rented basis should be categorised as Investment Properties. Alongside this, in reviewing our commercial and agricultural assets, we have identified 4 shops which we continue holding for profit generation purposes, rather than to ensure our communities have access to important amenities in their neighbourhood. This means we have continued to categorise 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 £7m of assets as Investment Properties, up from £4.2m in 2022.

- 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 2023 was a negative value of £1.3m compared to a positive movement of £17.7m for 2022. Such movements reflect the changing market expectations regarding future interest rates. This swing in the valuation of our hedging instruments causes a significant decrease in our surplus for 2023.
- In 2023 BVT sold fewer assets (housing properties, land and other assets), £420k compared to 2022 £754k. 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 negatively impacted our surplus position for 2023, we are happy that our operational performance was strong and in line with expectations and not significantly altered from previous years. In 2023 (£29.86m) our turnover was up on 2022 (£27.367m), mainly due to rent increases in a year of high inflation, and our Group Operating surplus was up from £4.962m in 2022 to £6.661m in 2023 (see Note 1). In line with our strategic plan, we saw the surplus from Market Rented homes rise from £283k in 2022 to £597k in 2023. Due to significant financial pressures driven by the cost-of-living crisis and a below inflation rent increase, we had to cut our charitable community spend from £800k in 2022 to £630k in 2023 (see Note 1) and we cut of corporate costs, by removing the Business Development Team from our structure, saving £281k in expenditure (see Note 1). These actions helped increase our operating surplus from continuing activities, despite the challenging environment (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 2023. It sets out clear guidelines for BVT on all treasury matters.

The Group had total housing loans of £86.3m at the end of 2023, compared to £82.9m at the end of 2022 (see Note 18). BVT also has further undrawn available facilities in place of £10m.

The BVT Group held a cash balance of £4.6m at the end of 2023, compared to £3.32m at the end of 2022.

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 and Investment Committee, in line with the overall strategy which is to hedge or fix at least 65% 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 84% hedged/fixed and 16% variable.

Our Treasury Policy requires that adequate access to funds is available 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 230% which exceeds the 110% requirement.
- ✓ Gearing was 49.72% 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 £26,293 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 1<sup>st</sup> line management actions, 2<sup>nd</sup> line internal oversight and 3<sup>rd</sup> line external assurance. This includes an extensive and robust internal audit programme delivered by Mazars.

The Board of BVT have agreed the following levels of risk appetite.

<b>Averse</b>	Avoidance of any risk exposures
<b>Minimal</b>	Ultra-safe, leading to only minimum risk exposure as far as practicably possible; a negligible/low likelihood of occurrence of the risk after application of controls
<b>Cautious</b>	Preference for safe, though accept there will be some risk exposure: a low/medium likelihood of occurrence of the risk after application of controls
<b>Open</b>	Willing to consider all potential options, subject to continued application and/or establishment of controls: recognising there could be a high risk of exposure
<b>Hungry</b>	Eager to be innovative and take on a very high level of risk, but only in the right circumstances.

All decision-making risks are considered in the context of the BVT's risk appetite. To assist this further the Board has identified a number of risk appetite themes, driven by the organisation values, mission and corporate aims, against which they have assigned a risk appetite level. With this knowledge the Board is more easily able to determine how it responds to risks associated with a decision and so make best use of mitigation resources.

BVT's risk appetite themes and descriptions were determined by the Board after considering key negative and positive events that might affect the achievement of the corporate aims. These are presented, in no particular order of priority, in the following statements.

- We have a **minimal** appetite for **legal and regulatory** risk and will take a comply or explain approach as appropriate as we consider the impact of legislation and/or regulation in decision making around all of our activities.
- We have a **cautious** appetite for **customer experience and service quality** risk. We want to innovate to drive improvements but will take a balanced approach to reduce any potential risk of damage to our existing customer services.
- We have a **minimal** appetite for **business transformation & change** risk and will focus on embedding our continuous improvement model to improve and transform what we do now.
- We have a **cautious** appetite for **asset management risk** and will focus our

resources on investment in our existing stock with appropriate appraisal of disposal or replacement options. We will not seek development opportunities that could undermine this investment.

- We have a **cautious** appetite for **ICT/digital transformation** risk and will invest to protect data and systems. Where possible we will enhance service delivery through modest investment and smaller scale projects. We will be a follower rather than a leader in digital transformation.
- We have an **open** appetite for **profit for purpose** risk and are open to this where it could improve our financial position and where the opportunity aligns to our mission and aims values.
- We have a **cautious** appetite for **development & growth** risk whilst we focus our resources on existing asset investment and will only respond to nurturing future pipeline opportunities.
- We have a **cautious** appetite for **environmental sustainability** risk and will take incremental steps towards improving sustainability and reducing our carbon footprint. We will do this primarily through component renewals, low-carbon technology and bio-diversity projects. We will be a follower rather than a leader in this field.
- We have a **cautious** appetite for **financial resilience** risk and want to ensure our long-term future. We will consider investment e.g. in projects or existing assets where these deliver our mission and aims but will use our Financial Golden Rules to control risk exposure.
- We have a **cautious** appetite for **reputation** risk and will focus on delivering good quality services and achieving high levels of customer satisfaction. Our reputation includes being innovative and we will not be afraid to innovate to push forward to further our mission and aims.
- We have an **open** appetite for **people (employee)** risk and will innovate to remain an employer of choice, driven by our values and with a competitive offer but won't be afraid to make tough decisions in service of our mission and aims.

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

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. Not all of these risks have been mitigated, avoided or transferred to the levels the Board believes is appropriate, so they remain live on our risk register, with on-going work monitored.

- **Access to Labour and Skills** – BVT has identified that access to labour and skills is a key risk. BVT has many strategies to recruit and retain the right staff, including competitive benchmarked pay and rewards, innovative recruitment and training, flexible employment options and apprenticeships.
- **Data Security** – BVT has a range of measures in place to keep data secure. This includes being Cyber Security Plus accredited, staff training, third party

monitoring and support, quality and up to date firewall and authentication systems and cyber insurance.

- Data Integrity - BVT has developed a data governance framework, KPI data integrity checks and deployed restrictions on who can access and amend data.
- Landlord Health and Safety - BVT has a range of measures to ensure compliance with the highest standards of landlord health and safety. These include a suite of KPI's, clear organisational responsibility and accountability for H&S, dedicated staff for building compliance, a separate category for damp and mould cases with correlation undertaken to match potential causation within our housing stock. BVT ensures regular independent Internal Audits are run against all aspects of landlord health and safety and takes learning from such audits with the utmost seriousness.
- Existing Stock Quality - BVT has many systems in place to ensure stock quality, including customer satisfaction feedback, regular monitoring, systematic stock condition surveys and regular feedback from BVT staff who cross the threshold of one of our Group's Homes.
- Delivering services to customers and meeting expectations - the Group gathers customer insight data regularly (including STAR surveys). A customer Scrutiny Panel operates across the Group and there are many opportunities offered to engage with BVT in shaping services.
- Counterparty Risk -. BVT directly delivers all housing management, asset management and repairs services so quality can be more easily assured and counter party risk is reduced. BVT also considers counter party risk in all financial arrangements, with detailed requirements set out in the Treasury Management Policy. Alongside this BVT seeks to reduce counter party risk in supply chains and support providers through quality procurement practices and business continuity planning.
- Differential costs and Inflation – BVT has a system of 30 year financial planning, early warning systems, trigger points for action and mitigation plans, along with clear procedures to ensure this plans are followed by Officers, Committees and the Board. Budget compliance is monitored monthly, with the Board supported by a dedicated Finance and Investment Committee ensuring financial plans remain on track.
- Failure to comply with legal and regulatory requirements - BVT runs a compliance calendar, a legislation compliance list, has standing orders in place and seeks legal advice where necessary.

## **Health and Safety Compliance**

BVT has minimal appetite to take any level of risk with general health and safety compliance.

In relation to landlord health and safety risks BVT will ensure all possible action is taken to minimise risk and ensure BVT is fully compliant with all health and safety requirements placed on landlords.

## **Environment Statement**

BVT is committed to doing what we can to ensure our homes reach a minimum EPC rating of C by 2030 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 2023, we worked in line with our updated 10-year Corporate Plan (2023 – 32). Developing and updating this plan 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 four 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 2023 and our targets for 2024.

We reviewed our Peer Group in 2022 and are using the same Peer Group in 2023 to ensure consistence and we are confident they remain a fair and balanced group to judge ourselves against.

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 2023 year end to the March 2023 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, especially in a period of rapidly rising costs and increasing investment in existing stock levels being seen across the sector.

In our comparisons we use the median value of our Peers and the Sector as a whole. The only exception to this is Investment in Community Development. In this area many of our Peers and many in the sector as a whole make no investment. This would give us zero as a comparator. We, therefore, use the mean number as a comparator in this area.

Metrics	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Target	2023 Peers	2023 Sector	Target 2024	Corporate Aim
<b>Business Health</b>									
*Operating Margin (all BVT activities)	19.35%	17.08%	18.19%	22.31%	19.6%	15.55%	18.20%	21%	Org & Fin Health
*Operating Margin (social housing)	24.76%	24.73%	27.61%	29.95%	27%	19.93%	19.78%	29%	Org & Fin Health
*Interest cover (EBITDA MRI%)	220.81%	181.2%	136.69%	112.06%	97.7%	113.77%	128.40%	92%	Org & Fin Health
<b>Development Capacity &amp; Supply</b>									
*New social housing supply delivered as % of current stock	0.21%	0.27%	0.27%	0.56%	1.09%	1.44%	1.28%	0.29%	Providing Great Homes
*New non-social housing supply delivered as % of stock	0%	0%	0%	0%	0%	0%	0.0%	0%	Providing Great Homes
*Gearing Ratio	54.79%	52.15%	52.77%	53.02%	47%	56.8%	45.28%	53%	Org & Fin Health
<b>Effective Asset Investment</b>									
*Return on capital employed	2.99%	3.28%	3.09%	3.78%	3.7%	3.07%	2.84%	3.4%	Org & Fin Health
Occupancy of social housing (%)	100%	99.97%	99.97%	99.97%	100%	99.10	99.47	100%	Providing Great Homes
Ratio of responsive repairs to planned maintenance	1.02	0.83	0.53	0.44	0.46	0.57	0.76	0.44	Providing Great Homes
<b>Outcomes Delivered</b>									
*Reinvestment %	1.48%	2.28%	2.96%	5.87%	6.14%	10.08%	6.73%	6.4%	Org & Fin Health
Overall satisfaction with BVT as a landlord	Not Collected	Not Collected	80%	77%	88%	82.70%	78.15%	80%	Providing Great Homes
Investment in Community Development (£) (Mean)	553,000	727,000	960,000	927,000	973,189	3,000	826,000	437,120	Community Building
Satisfaction with most recent responsive repair	99%	86.45%	86%	89%	90%	81.3%	73.2%	90%	Providing Great Homes
% repairs completed at first visit	84%	77.17%	80%	81%	85%	89.0%	89.2%	85%	Providing Great Homes
Number of tenants losing their home due to rent arrears	0%	0%	0.052%	0%	0.05%	0.11%	0.08%	0%	Championing People
<b>Operating Efficiencies</b>									
*Headline social housing cost per unit (£)	3,855	4,281	4,527	5,131	5,043	4,665	4,586	6,213	Providing Great Homes
Management cost per unit (£)	918	988	1,065	1,073	1,110	1,013	1,200	1,336	Providing Great Homes
Service Charge cost per unit (£)	835	790	365	381	327	734	534	374	Providing Great Homes

Metrics	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Target	2023 Peers	2023 Sector	Target 2024	Corporate Aim
Maintenance cost per unit (£)	1,286	1,445	1,436	1,561	1,374	1,214	1,321	1,672	Providing Great Homes
Major Repair cost per unit (£)	517	686	1,163	1,699	1,853	902	1,029	2,691	Providing Great Homes
Overheads as % of turnover	10.41%	10.14%	11.43%	11.61%	10.58%	15.97%	11.99%	11.6%	Org & Fin Health
Rent Collected as a % of rent due	99.76%	101.6%	99.31%	101.01%	100%	100%	100%	100%	Providing Great Homes
Rent loss due to voids as a % of rent due	1.75%	1.36%	1.36%	0.65%	0.7%	0.98%	1.36%	0.7%	Providing Great Homes

**\* Regulator of Social Housing VfM metrics**

## **Review of Performance in 2023 and priorities for 2024**

### **Overview of 2023**

- 2023 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, slowly falling inflation, high energy costs and interest rate hikes would again make this a difficult year.
- We saw relatively high levels of staff turnover and there remained some 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. Our drive to remain an employer of choice was rewarded with our staff survey results showing that 98% of our staff were satisfied with BVT as an employer, 99% understood and 97% were inspired by our corporate aims.
- Demand for services from customers continued to increase, with the cost-of-living crisis and newly identified damp, mould and condensation issues, driving higher levels of responsive repairs and general increased demand levels on our customer services. The increase in reports of damp, mould and condensation required additional investment and the development of a specialist team to deal with this issue occur during 2023 and beyond.
- Our customers continued to be 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.
- The action we needed to undertake to ensure we met our customers' needs did impact on our costs. Our headline social housing cost per unit was £5,131 per unit against our target of £5,043, with additional repairs spending, especially on damp and mould action being the main driver of the increase.

### **Plans for 2024**

- In line with our Corporate Plan 2023-2032 we will spend 2024 and 2025 focusing on ensuring all of our services are great quality and improving our customer's experience. This means our VfM actions are generally focused on service improvements, not financial savings. This is not to say we will not continue to ensure all the services we offer and the goods and services we buy are the best value we can achieve, but to

highlight that we are not seeking to cut costs and reduce services, where doing so, would lower our service quality or lessen our ability to identify, develop and deliver improvements.

- Along with most other social housing providers and charitable trusts the Board of BVT have had to make some hard decisions and reach trade-offs between competing priorities. 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 tenant's voice. We have also had to invest in a specialist Team to identify and deal with any issues related to damp, mould, and condensation. Alongside this we are continuing our drive to improve our environmental standing and planning our journey to carbon neutrality. To do this we had to keep costs low in other areas and maintain our corporate overhead at a very low level. The Board have also decided to strategically dispose of some poorly performing assets as they become vacant. This will be around £2.25m worth of properties in 2024, which may equate to around 7 homes. This is fewer homes than BVT will add to its social housing numbers in 2024. We will choose the small number of homes we will dispose of after considering how well they can meet our future environmental expectations. How they sit in our geographic spread of homes, with our focus remaining on pepper potting tenure types to ensure social housing tenants are seen as equal members of our wider community. We will also consider the likely future use of any homes we sell, and whilst we cannot guarantee future use, we will seek to sell homes that are most likely to be attractive to owner occupiers and less likely to attract investors who may not be completed in sync with the wider community. Alongside this the Board will continue to convert a small number of vacant properties to market rent, further their drive for increased returns from our commercial assets and maintain new development spending at a lower level.

## **Business Health**

### **Performance in 2023**

- Our operating margin for social housing improved in 2023, with it being better than our target and better than our Peers and the Sector median.
- Our EBITDA MRI Interest cover has fallen below our Peers, but this is in line with our strategic plan, as we continue our heavy investment in our homes. In 2023 we produced an EBITDA MRI percentage above our target, as we performed better than budget in operational activities and were unable to fully deliver our capital improvements programme due to supply line issues. We anticipate EBITDA MRI

falling in 2024 and we expect our Peers to also show falls as investment and costs rise.

- This all indicates that BVT is in a positive business health position, despite the challenging year that 2023 turned out to be. Although we accept we have less headroom to absorb new financial shocks that we have had in the past.

#### **Priorities for 2024**

- In setting our 2024 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 further reduction in Interest Cover (EBITDA MRI) but have ensured this is well within our Bank Covenants and Golden Rules.

#### **Development Capacity & Supply**

##### **Performance in 2023**

- Our new development is centred on the completion of our Lightmoor urban village. In 2023 eighty-two homes were completed, of which twenty-one were transferred to BVT for social rent.
- These twenty-one homes were below the level we anticipated purchasing as the Developers building Lightmoor Village did not complete as many homes as planned due to concerns about the housing market and the sales they are required to make. There will be future catch up in development and the overall number of homes BVT finishes the development with will be the same.
- As BVT purchased less homes at Lightmoor than planned we borrowed less in 2023 than expected, so we saw our Gearing ratio fall below the rise in our original plans.

#### **Priorities for 2024**

- We expect to see twenty-six completions in Lightmoor in 2024, of which eighteen will be for BVT social rent.

#### **Effective Asset Management**

##### **Performance in 2023**

- BVT again demonstrated a solid return on capital employed and maintained a very high occupancy level. 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 and increased demand, we did, however, see responsive repairs cost more than planned.

#### **Priorities for 2024**

- In 2024 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 2024, in line with our 30-year plan and in response to our tenants' voice.

#### **Outcomes delivered**

##### **Performance in 2023**

- We were pleased that in 2023, despite supply chain and recruitment challenges, we delivered on the vast majority of our reinvestment programme, ensuring we delivered promised improvements to our tenants' homes.
- In common with most of the sector we find our overall satisfaction rating falling, with a reduction from 80% in 2022 to 77% in 2023. With our focus on service improvement and the customer experience we plan to see this rise back to 80% in 2024.
- 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 just slightly short of our target, although we are above the median of our Peers and the sector as a whole. We believe we can improve further if we get repairs done right first time and we plan a "complete service review" of our repairs service in 2024.

#### **Priorities for 2024**

- 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 2023**

- Our headline social housing cost per unit rose in 2023 and we were marginally (£88 per property) above our target. However, we believed we must deliver the services our tenants required despite high inflation causing rising costs. We ended 2023 with a cost £466 per property above our Peers and £457 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 2023 calendar year-end is likely to show we are closer to the sector average than 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. We did see our expenditure on service charges go above target in 2023, but this is reflective of our drive to offer an improved service.
- Our maintenance cost per unit is high against our peers and the sector median, although we accept that our historic housing stock and the dated nature of our Peer comparison both contribute to this. In 2023 we worked hard to encourage tenants to highlight any concerns around damp, mould, and condensation to us, as we accepted this has been a hidden issue across the sector. Reacting to these reports drove up our costs in 2023 and will add even more expenditure in 2024 but we are determined to get this right and ensure our tenants have their issues identified and dealt with.
- In 2023 our major repairs cost per unit was £1,699 against a target of £1,853. This underspend was partly due to our challenges in recruiting qualified technical staff to run delivery programmes and also partly due to supply chain challenges. All work not delivered in 2023 will be caught up in our revised plan for future years.
- Overheads as a percentage of turnover in 2023 was higher than target, although broadly in line with 2022. In this area inflationary cost rises for goods and services meant we could not find cost reductions as planned.

### **Priorities for 2024**

- 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 2024.
- In 2024 we continue have investment in our existing homes as a major priority so we will see our major repairs cost per unit rise from £1,699 in 2023 to £2,691 in 2024.
- 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 2024 is well below our Peers and below the sector medians.
- Whilst financial pressure on our tenants is extremely high, we still expect to maintain rent collection levels in 2024 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 2023. 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. 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 of 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 at least 3 times per year. In 2023 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 2022. 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 £34,430 (2022: £29,482).

Alongside this BVT offered Partner Organisations, who furthered our charitable aims, accommodation that equals a benefit in kind donation valued at £7,800 (2022: £7,800).

### **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**

The Trustees resolved that Beaver & Struthers LLP be reappointed as auditor for the BVT Group for the 2024 accounting year.

### **Annual Controls Assurance Statement 2023**

#### **Introduction**

This statement sets out the evidence officers have collated on the effectiveness of BVT's system of internal controls. These controls encompass 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
- Corporate Risk & Assurance Register

- Operational Risk & Assurance
- Audit & Assurance Committee
- Internal Audit Programme
- External Audit Programme
- Third Party Reports
- Compliance with key laws and regulation

### **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, group 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, code of conduct, a performance management framework, management delegation systems, employment contracts, appraisals and monitoring processes and one-to-one reviews.

During 2023 we continued to a review a significant number of policies, with a particular focus on health and safety policies which were all up to date at year-end. Audit and Assurance Committee and Board reviewed the approval delegations in place for policies in quarter 4 2023 to align delegations to the new governance structure following the governance review.

We continue to carry out process mapping to identify where efficiency and effectiveness could be increased. This was particularly applied to damp, mould and condensation processes during 2023.

### **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 data breaches each year and over the last 2 years we have seen a reduction. The process for reporting data breaches is set out in the Data Breach Notification Procedure.

There were no data breach incidents in 2023 that required informing the Information Commissioner's Office (ICO).

Spam emails are ever-present and do continue to pose a risk. 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, with a key focus on learning from breaches to reduce the likelihood of further breaches occurring.

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

This training is valid for two years and is automatically sent to staff when it is due. New staff undergo the training during their induction.

### **Business Planning, Budgeting and Performance Management/Reporting**

The annual business planning and budgeting process for 2023 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. The standardised report templates were updated in 2023 and 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 specific suites of KPIs for employer and landlord health and safety compliance.

In 2023 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 economic crisis, inflation, wars in Europe and the Middle East and increasing requirements around energy efficiency and continued significant investment in homes.

The advanced stress testing we have been running for some years was updated in line with our annual cycle. The detailed stress testing completed 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.

### **Risk & Assurance**

The Risk and Assurance Strategy was refreshed in 2023 and new risk appetite statements were developed jointly by the Executive team and the Board.

A 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 was presented to the Audit and Assurance Committee and to the Board of Trustees each quarter in 2023.

### **Audit & Assurance Committee**

The Audit and Assurance 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 original Audit and Risk Committee was set up in 2017, it has developed its role and has become an established part of the oversight of internal controls, most recently in 2023 following the 2022 governance review where the committee became the Audit and Assurance Committee and refocused its role.

Recruitment took place in 2023 and a new independent committee member was recruited who brings valuable skills and experience to the committee.

The Committee met 4 times during 2023 and also held a joint meeting with the Finance and Investment Committee to review the annual financial statements and external audit report. The minutes of all these meetings were presented to the Board of Trustees.

As part of good governance, the Chair and members of the Audit and Assurance Committee have regularly met with both our External and Internal Auditors without officers present 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 2023 was fully delivered and an Annual Internal Audit Assurance Report will be presented to the Audit and Assurance Committee and to the Board of Trustees in March 2024. The Internal Audit opinion rating for BVT in 2023 was 'moderate' in terms of the overall adequacy and effectiveness of

its framework of governance, risk management and control. This rating is on a scale of unsatisfactory, limited, moderate and substantial.

The Audit and Assurance 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 and Assurance reports.

### **External Audit**

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

In May 2023, RSM UK issued their last Audit Findings Report based on BVT's 2022 financial statements. RSM made one significant control recommendation and three other control recommendations which are being actively tracked by the Audit and Assurance Committee.

BVT, BVD, BVE 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.

Beever and Struthers were appointed as BVT's External Auditors in 2023 following a procurement exercise and will complete their first Audit Findings Report based on BVT's 2023 financial statements.

### **Third Party Reports**

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

External expertise and impartiality play an important role in supporting BVT to review and provide support to aspects of its work. During 2023 BVT used external parties to support the following:

- Delivery of Trustee essentials training (David Tolson Partnership)
- Delivery of Chair's training (David Tolson Partnership)
- Delivery of report writing training and development of guidance (David Tolson Partnership)
- Consultants to support with agricultural estate opportunities, particularly the development of Groveley and Weatheroak (Comberton Management & Consultancy Limited)
- Bournville Future Heritage project and master planning (Consultants Ifor Jones, Ruth Miller, Donald Insall Associates and Burrell Foley Fischer)
- Development related support (Aecom, Thornton & Firkin, Gowlings Solicitors and BG Projects)
- Cyber Essential Accreditation support (D2NA)

- Industry expertise for the housing management system options appraisal, cloud infrastructure procurement and strategic IT Review (Shaw Consulting)
- Support with the rent increase system (Aareon)
- Advice on market rent tenancies (Capsticks solicitors)
- Support with Scheme of Management review (Williams Solicitors)
- Advice on Design Guide changes (BDP)
- Treasury Advice (Chathams)
- Organisational Development support, senior leadership development and management development training delivery
- Customer Service training delivery (Big Picture Training)
- Structural Surveys and Assessments including Reinforced Autoclaved Aerated Concrete (RAAC) inspections
- Environmental Sustainability Consultants (Savills and SHIFT Environmental)
- Fire Risk Assessments
- EPC inspections
- Stock Condition Consultants
- External Auditors (RSM)
- Internal Auditors (Mazars)
- Retained Independent Health and Safety Consultant (PEMCO)
- 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 through Estate Agents.

BVT built on achieving Cyber Essentials Accreditation in December 2021, by achieving Cyber Essentials Plus in 2022 and maintained this accreditation in 2023. 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.

BVT's last In Depth Assessment (IDA) by the Regulator of Social Housing was completed in quarter 4 2021 and published in March 2022.

### **Compliance with key laws and regulation**

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 Executive team 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 & Assurance 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 the Board and Committees.

In November 2022, BVT submitted a self-referral to the Regulator of Social Housing of non-compliance with the Smoke and Carbon Monoxide Alarm Regulations 2022. A detailed action plan was also provided to the Regulator who confirmed that taking into account the information provided, BVT had not breached any of the regulatory standards. In 2023, BVT met the compliance requirements by the 30<sup>th</sup> September 2023 internal deadline.

A self-assessment of compliance with the Regulatory Standards was completed in quarter 1 2023. There was one area of non-compliance with the standards which is within the Governance and Financial Viability Standard. BVT does not fully comply with its adopted Code of Governance as there are no set terms of office for family trustees, but this does comply with BVT's Deed of Foundation. The self-assessment was approved by the Board of Trustees in March 2023.

The Regulator of Social Housing completed a financial stability check in quarter 4 2023 and subsequently regraded BVT from a V1 to a V2 rating. The regulator advised that the continued high levels of investment in BVT's existing stock had reduced the EBITDA MRI interest cover metric significantly and as set out in our 30 year plan, would continue to keep BVT at a reduced level for several years to come. The Regulator explained that their internal working group recognised that BVT had put in place a treasury position that fully supported the business plan and that this was a clear indication of good governance and strong financial management. The Regulator made clear that they hold no concerns about BVT's ability to manage debt or maintain the investment levels we have set out. BVT is one of a number of registered providers who have been regraded to a V2 rating, which is still deemed as compliant by the regulator. Learning from regulatory downgrades in the sector is included in the quarterly risk reports at Audit and Assurance Committee.

Preparations for the new Regulator of Social Housing consumer regulation regime coming into effect in April 2024 are well under way, with a December 2023 workshop facilitated by the Head of Governance and attended by the Executive team reviewing progress and further plans. Further preparations will continue in quarter 1 2024.

All regulatory returns were submitted to the Regulator of Social Housing in compliance with the set deadlines, including new returns regarding damp and mould and buildings above 11m in height. All regulatory returns were submitted

to the Charity Commission and Financial Conduct Authority (FCA) within the required deadlines. Ofsted compliance was confirmed for both The Holdings and the Shenley Out of School Club. There is ongoing monitoring of BVT's activities to ensure compliance with Charity Commission charitable activity rules.

### **Effectiveness of Controls**

Our risk and control mechanisms are generally effective. This annual internal controls certification process has highlighted no 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  
13th June 2024

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOURNVILLE VILLAGE TRUST**

### **Opinion**

We have audited the financial statements of Bournville Village Trust ("the Trust") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the consolidated and trust statement of comprehensive income, the consolidated and trust statement of financial position, the consolidated and trust statement of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Trust's affairs as at 31 December 2023 and of the Group's and the Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 2022.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and its environment obtained during the course of the audit, we have not identified any material misstatements in the Report or the Board, including the operating and financial review.

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

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

### **Responsibilities of the Board**

As explained more fully in the statement of responsibilities of the Board set out on page 33, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and the Trust, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there

remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

**Use of our report**

This report is made solely to the members of the Trust, as a body, in accordance with the Housing and Regeneration Act 2008 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Cartwright (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, statutory auditor  
20 Colmore Circus  
Queensway  
Birmingham  
B4 6AT  
Date:

## Bournville Village Trust Group

### CONSOLIDATED AND TRUST STATEMENTS OF COMPREHENSIVE INCOME for the year ended 31 December 2023

	Notes	Group 2023 £'000	2022 £'000	Trust 2023 £'000	2022 £'000
TURNOVER	1	29,860	27,367	29,081	26,469
Operating expenditure	1	(23,198)	(22,405)	(22,686)	(21,954)
<b>OPERATING SURPLUS</b>	<b>1</b>	<b>6,662</b>	<b>4,962</b>	<b>6,395</b>	<b>4,515</b>
Surplus on sale of housing and other properties	5a	156	360	156	360
Surplus on the sale of land	5a	248	398	248	398
Surplus on sale of other fixed assets	5a	16	(4)	16	(4)
Interest receivable	3	184	47	367	218
Interest and financing costs	4	(4,544)	(3,927)	(4,727)	(3,978)
Movement in fair value of financial instruments	17	(1,346)	17,695	(1,346)	17,695
Movement in fair value of investment properties	8	2,395	3,808	2,395	3,808
<b>SURPLUS ON ORDINARY ACTIVITIES</b>	<b>22</b>	<b>3,771</b>	<b>23,339</b>	<b>3,504</b>	<b>23,012</b>

## Bournville Village Trust Group

### CONSOLIDATED AND TRUST STATEMENTS OF FINANCIAL POSITION as at 31 December 2023

	Notes	Group		Trust	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets					
Housing properties - Cost	7A	195,982	188,932	184,170	177,246
- Depreciation	7A	(42,994)	(39,967)	(38,813)	(36,056)
		<u>152,988</u>	<u>148,965</u>	<u>145,357</u>	<u>141,190</u>
Other fixed assets	7B	22,358	22,503	22,358	22,503
Investment properties	8	6,994	4,164	6,994	4,164
Fixed asset investments	9	0	0	8,400	8,400
Restricted cash	10	1,040	1,040	1,040	1,040
		<u>183,380</u>	<u>176,672</u>	<u>184,149</u>	<u>177,297</u>
<b>CURRENT ASSETS</b>					
Stock	11	1,454	879	1,261	64
Debtors	12	2,521	2,125	4,576	4,215
Cash at bank and in hand		4,605	3,320	4,273	2,955
		<u>8,580</u>	<u>6,324</u>	<u>10,110</u>	<u>7,234</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	(11,430)	(10,440)	(15,446)	(13,422)
<b>NET CURRENT LIABILITIES</b>		<u>(2,850)</u>	<u>(4,116)</u>	<u>(5,336)</u>	<u>(6,188)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>180,530</u>	<u>172,556</u>	<u>178,813</u>	<u>171,109</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
Provisions for liabilities - pensions	19	0	(322)	0	(322)
Financial instruments at fair value	17	(5,417)	(4,071)	(5,417)	(4,071)
<b>TOTAL NET ASSETS</b>		<u>63,236</u>	<u>59,455</u>	<u>62,275</u>	<u>58,772</u>
<b>CAPITAL AND RESERVES</b>					
Restricted reserves	20	8,379	7,825	8,379	7,825
Endowments		696	696	696	696
Income and expenditure reserve		54,161	50,934	53,200	50,251
		<u>63,236</u>	<u>59,455</u>	<u>62,275</u>	<u>58,772</u>

The financial statements on pages 46 to 83 were approved by the Trustees and authorised for issue on 13 June 2024 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 2023

Group	Income and expenditure reserve	Restricted reserve	Endowments	Total
	£ £'000	£ £'000	£ £'000	£ £'000
Balance at 1 January 2022	28,202	7,218	696	36,116
Surplus for the year	23,339	0	0	23,339
Transfer of restricted expenditure from unrestricted reserve	(607)	607	0	0
Balance at 31 December 2022	50,934	7,825	696	59,455
Surplus for the year	3,771	0	0	3,771
Transfer of restricted expenditure from unrestricted reserve	(555)	555	0	0
Gift aid received	11		0	11
Balance as 31 December 2023	54,161	8,380	696	63,237

Trust	Income and expenditure reserve	Restricted reserve	Endowments	Total
	£ £'000	£ £'000	£ £'000	£ £'000
Balance at 1 January 2022	27,846	7,218	696	35,760
Surplus for the year	23,012	0	0	23,012
Transfer of restricted expenditure from unrestricted reserve	(607)	607	0	0
Balance at 31 December 2022	50,251	7,825	696	58,772
Surplus for the year	3,504	0	0	3,504
Transfer of restricted expenditure from unrestricted reserve	(555)	555	0	0
Balance as 31 December 2023	53,200	8,380	696	62,276

## Bournville Village Trust Group

### CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS for the year ended 31 December 2023

	Notes	Group		Trust	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>OPERATING ACTIVITIES</b>					
Net cash generated from operations	21	11,318	9,625	10,487	8,267
Interest paid		(4,475)	(3,965)	(4,658)	(3,937)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>6,843</b>	<b>5,660</b>	<b>5,829</b>	<b>4,330</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Acquisition and construction of tangible fixed assets		(9,441)	(6,001)	(9,238)	(5,690)
Net proceeds on disposal of tangible fixed assets		503	886	503	886
Capital grants repaid		0	(30)	0	(30)
Interest received		184	47	367	218
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(8,754)</b>	<b>(5,098)</b>	<b>(8,368)</b>	<b>(4,616)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Loans received		7,000	1,000	7,000	1,000
Loan principal repayments		(3,600)	(3,595)	(3,600)	(3,595)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>3,400</b>	<b>(2,595)</b>	<b>3,400</b>	<b>(2,595)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,489</b>	<b>(2,033)</b>	<b>861</b>	<b>(2,881)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>2,845</b>	<b>4,878</b>	<b>(1,402)</b>	<b>1,479</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	21	<b>4,334</b>	<b>2,845</b>	<b>(541)</b>	<b>(1,402)</b>

# **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 2022. 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 2023.

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.

## **Bournville Village Trust Group**

### **ACCOUNTING POLICIES (continued)**

#### **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.

#### **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.

## Bournville Village Trust Group

### ACCOUNTING POLICIES (continued)

#### 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.

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.

## Bournville Village Trust Group

### ACCOUNTING POLICIES (continued)

#### 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.

#### 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.

## **Bournville Village Trust Group**

### **ACCOUNTING POLICIES (continued)**

#### **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.

Bournville Village Enterprises 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.

##### **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.

## **Bournville Village Trust Group**

### **ACCOUNTING POLICIES (continued)**

#### **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.

#### *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

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

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

##### Continuing activities - Group

	2023			2022		
	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social Housing Activities</b>						
Income and expenditure from social housing lettings	23,016	(16,211)	6,805	21,592	(15,712)	5,880
<b>Other Social Housing Activities</b>						
Services to third parties	980	(644)	336	612	(892)	(280)
Profit share arrangement	505	(25)	480	486	(25)	461
Community activities	297	(927)	(630)	160	(960)	(800)
<b>Non Social Housing Activities</b>						
Market renting	794	(197)	597	598	(315)	283
Agricultural lettings	597	(584)	13	606	(508)	98
Estate management	1,958	(3,158)	(1,200)	1,620	(2,790)	(1,170)
Commercial lettings	1,348	(1,072)	276	1,408	(610)	798
Business Development	0	0	0	0	(281)	(281)
Selly Manor museum	186	(266)	(80)	117	(202)	(85)
Land transactions	108	(5)	103	103	0	103
Pension fund costs	0	(33)	(33)	0	(33)	(33)
Services to third parties	71	(76)	(5)	65	(77)	(12)
<b>TOTAL</b>	<b>29,860</b>	<b>(23,198)</b>	<b>6,662</b>	<b>27,367</b>	<b>(22,405)</b>	<b>4,962</b>

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

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

##### Continuing activities - Trust

	2023			2022		
	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social Housing Activities</b>						
Income and expenditure from social housing lettings	21,383	(15,426)	5,957	20,070	(15,268)	4,802
<b>Other Social Housing Activities</b>						
Services to third parties	1,821	(937)	884	1,210	(892)	318
Profit share arrangement	505	(25)	480	486	(25)	461
Community activities	297	(927)	(630)	162	(960)	(798)
<b>Non-Social Housing Activities</b>						
Market renting	768	(182)	586	591	(308)	283
Agricultural lettings	597	(584)	13	606	(508)	98
Estate management	2,002	(3,158)	(1,156)	1,651	(2,790)	(1,139)
Commercial lettings	1,348	(1,072)	276	1,408	(610)	798
Business development	0	0	0	0	(281)	(281)
Selly Manor museum	186	(266)	(80)	117	(202)	(85)
Land transactions	103	0	103	103	0	103
Pension fund costs	0	(33)	(33)	0	(33)	(33)
Services to third parties	71	(76)	(5)	65	(77)	(12)
<b>TOTAL</b>	<b>29,081</b>	<b>(22,686)</b>	<b>6,395</b>	<b>26,469</b>	<b>(21,954)</b>	<b>4,515</b>

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 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	2023 Housing for older people £'000	Shared ownership accommodation £'000	Total £'000
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>					
Rent receivable net of voids	19,534	0	1,313	426	21,273
Service charges receivable	278	0	963	5	1,246
Care and support charges	0	197	0	0	197
<b>NET RENTAL INCOME</b>	<b>19,812</b>	<b>197</b>	<b>2,276</b>	<b>431</b>	<b>22,716</b>
Social housing grant amortisation	183	0	110	7	300
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>	<b>19,995</b>	<b>197</b>	<b>2,386</b>	<b>438</b>	<b>23,016</b>
<b>EXPENDITURE ON SOCIAL HOUSING LETTINGS</b>					
Management	3,389	90	518	160	4,157
Service charge costs	418	0	943	0	1,361
Care and support costs	0	114	0	0	114
Routine maintenance	3,646	30	174	0	3,850
Planned maintenance	1,829	0	366	0	2,195
Major repairs expenditure	196	0	0	0	196
Bad debts	(27)	3	0	0	(24)
Depreciation of properties	3,827	11	418	91	4,347
Depreciation of fixtures and fittings	11	1	3	0	15
<b>OPERATING COSTS ON SOCIAL HOUSING LETTINGS</b>	<b>13,289</b>	<b>249</b>	<b>2,422</b>	<b>251</b>	<b>16,211</b>
<b>OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS</b>	<b>6,706</b>	<b>(52)</b>	<b>(36)</b>	<b>187</b>	<b>6,805</b>
Rent loss due to voids	120	12	16	0	148

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

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

##### Particulars of income and expenditure from social housing lettings - Group

	2022				Total £'000
	General needs housing £'000	Supported housing accommodation £'000	Housing for older people £'000	Shared ownership accommodation £'000	
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>					
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
<b>NET RENTAL INCOME</b>	<b>18,746</b>	<b>91</b>	<b>2,047</b>	<b>411</b>	<b>21,295</b>
Social housing grant amortisation	183	0	110	4	297
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>	<b>18,929</b>	<b>91</b>	<b>2,157</b>	<b>415</b>	<b>21,592</b>
<b>EXPENDITURE ON SOCIAL HOUSING LETTINGS</b>					
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
<b>OPERATING COSTS ON SOCIAL HOUSING LETTINGS</b>	<b>13,212</b>	<b>268</b>	<b>1,977</b>	<b>255</b>	<b>15,712</b>
<b>OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS</b>	<b>5,717</b>	<b>(177)</b>	<b>180</b>	<b>160</b>	<b>5,880</b>
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 2023

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

##### Particulars of income and expenditure from social housing lettings - Trust

	2023				
	General needs housing £'000	Supported housing accommodation £'000	Housing for older people £'000	Shared ownership accommodation £'000	Total £'000
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>					
Rent receivable net of voids	17,909	0	1,313	426	19,648
Service charges receivable	278	0	963	5	1,246
Care and support charges	0	197	0	0	197
<b>NET RENTAL INCOME</b>	<b>18,187</b>	<b>197</b>	<b>2,276</b>	<b>431</b>	<b>21,091</b>
Social housing grant amortisation	175	0	110	7	292
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>	<b>18,362</b>	<b>197</b>	<b>2,386</b>	<b>438</b>	<b>21,383</b>
<b>EXPENDITURE ON SOCIAL HOUSING LETTINGS</b>					
Management	3,216	90	518	160	3,984
Service charge costs	418	0	943	0	1,361
Care and support costs	0	114	0	0	114
Routine maintenance	3,471	30	174	0	3,675
Planned maintenance	1,757	0	366	0	2,123
Major repairs expenditure	177	0	0	0	177
Bad debts	(25)	3	0	0	(22)
Depreciation of properties	3,479	11	418	91	3,999
Depreciation of fixtures and fittings	11	1	3	0	15
<b>OPERATING COSTS ON SOCIAL HOUSING LETTINGS</b>	<b>12,504</b>	<b>249</b>	<b>2,422</b>	<b>251</b>	<b>15,426</b>
<b>OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS</b>	<b>5,858</b>	<b>(52)</b>	<b>(36)</b>	<b>187</b>	<b>5,957</b>
Rent loss due to voids	115	12	16	0	143

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 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	
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>					
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
<b>NET RENTAL INCOME</b>	<b>17,232</b>	<b>91</b>	<b>2,047</b>	<b>411</b>	<b>19,781</b>
Social housing grant amortisation	175	0	110	4	289
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>	<b>17,407</b>	<b>91</b>	<b>2,157</b>	<b>415</b>	<b>20,070</b>
<b>EXPENDITURE ON SOCIAL HOUSING LETTINGS</b>					
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	33	0	0	0	33
<b>OPERATING COSTS ON SOCIAL HOUSING LETTINGS</b>	<b>12,768</b>	<b>268</b>	<b>1,977</b>	<b>255</b>	<b>15,268</b>
<b>OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS</b>	<b>4,639</b>	<b>(177)</b>	<b>180</b>	<b>160</b>	<b>4,802</b>
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 2023

#### 2 ACCOMMODATION IN MANAGEMENT AND DEVELOPMENT

	Group		Trust	
	2023 Number	2022 Number	2023 Number	2022 Number
UNITS OWNED AT YEAR END:				
General needs housing	3,367	3,310	3,054	2,997
Shared ownership	137	139	137	139
Supported Housing	9	9	9	9
Housing for older people	262	262	262	262
Market rented	84	58	84	58
	<u>3,859</u>	<u>3,778</u>	<u>3,546</u>	<u>3,465</u>
UNITS IN MANAGEMENT AT YEAR END:				
General needs housing	3,462	3,456	3,485	3,456
Shared ownership	137	139	137	139
Supported Housing	9	9	9	9
Housing for older people	262	262	262	262
Market rented	84	58	84	58
	<u>3,954</u>	<u>3,924</u>	<u>3,977</u>	<u>3,924</u>

The above numbers include 44 (2022:44) units owned by BVT but managed by other associations.

#### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest on bank deposits	184	47	173	47
Interest on intercompany loans	0	0	194	171
	<u>184</u>	<u>47</u>	<u>367</u>	<u>218</u>

#### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest arising on:				
Bank loans and overdrafts	4,537	3,913	4,720	3,964
Interest & Financing Costs - Pensions	7	14	7	14
	<u>4,544</u>	<u>3,927</u>	<u>4,727</u>	<u>3,978</u>

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

5 OPERATING SURPLUS	Group		Trust	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000

Operating surplus is stated after charging /(crediting)

Depreciation of other tangible fixed assets owned	134	129	134	129
Depreciation of housing properties	4,139	4,004	3,793	3,645
Net book value of component disposals of housing properties	208	92	206	85
Depreciation of non-housing properties	452	459	452	459
Operating lease rentals	191	198	191	198
Amortisation of capital grant	(305)	(299)	(297)	(291)

Fees payable to Beevers and Struthers and its associates in respect of both audit and non-audit services are as follows:

Audit services - statutory audit of the company	60	68	46	43
Other services:				
All other non-audit services	0	1	0	1

#### 5a SURPLUS ON SALE OF FIXED ASSETS

Group & Trust	2023			2022		
	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	236	248	19	488	398	0
Carrying value of fixed assets	(80)	0	(3)	(127)	0	(4)
Cost of sales	0	0	0	(1)	0	0
Surplus/(deficit)	156	248	16	360	398	(4)

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 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	
	2023 No.	2022 No.	2023 No.	2022 No.
Office and management	154	137	154	137
Housing support and care	0	2	0	2
Maintenance	79	73	79	73
	<u>233</u>	<u>212</u>	<u>233</u>	<u>212</u>

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages and salaries	8,841	7,984	8,841	7,984
Redundancy Payments	18	230	18	230
Social security costs	872	815	872	815
Defined benefit pension cost	0	314	0	314
Defined contribution pension cost	800	489	800	489
Other pension costs	33	33	33	33
	<u>10,564</u>	<u>9,865</u>	<u>10,564</u>	<u>9,865</u>

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

	Group & Trust	
	2023 No.	2022 No.
£60,000 - £70,000	7	7
£70,001 - £80,000	7	3
£80,001 - £90,000	2	3
£90,001 - £100,000	1	0
£100,001 - £110,000	1	4
£110,001 - £120,000	3	1
£120,001 - £130,000	0	2
£130,001 - £140,000	1	0
£140,001 - £150,000	0	0
£150,001 - £160,000	1	1

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 2023

#### 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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Remuneration and fees	629	676	629	676
Company contributions to pension schemes	63	62	63	62
Compensation for loss of office	0	38	0	38
Money value of benefits in kind	52	55	52	55
	<u>744</u>	<u>831</u>	<u>744</u>	<u>831</u>

	Group		Trust	
	2023 No.	2022 No.	2023 No.	2022 No.
Defined contribution schemes	7	7	7	7
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

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	
	2023 £'000	2022 £'000
Remuneration	143	138
Company contributions to pension schemes	13	12
	<u>156</u>	<u>150</u>

The highest paid Executive Team Member in 2023 was the Chief Executive.

The Chief Executive is a member of the BVT Pensionsaver scheme and BVT made pension contributions of £13,439 in 2023 (2022: £12,367).

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

Trustee payments comprise of:	2023 £	2022 £
Trustee expenses	<u>4,908</u>	<u>6,146</u>

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 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	2023 Total £'000
<b>Cost</b>				
At 1 January	181,000	7,826	106	188,932
Additions	0	0	119	119
Component replacements and improvements	6,386	0	0	6,386
Properties acquired	2,482	0	0	2,482
Component disposals	(1,359)	0	0	(1,359)
Property disposals	0	(87)	0	(87)
Transfer to investment properties	(491)	0	0	(491)
<b>At 31 December</b>	<b>188,018</b>	<b>7,739</b>	<b>225</b>	<b>195,982</b>
<b>Depreciation and impairment</b>				
At 1 January	(38,952)	(1,015)	0	(39,967)
Charge for year	(4,048)	(91)	0	(4,139)
Component disposals	1,032	0	0	1,032
Property disposals	0	7	0	7
Transfer to investment properties	73	0	0	73
<b>At 31 December</b>	<b>(41,895)</b>	<b>(1,099)</b>	<b>0</b>	<b>(42,994)</b>
<b>NET BOOK VALUE</b>				
At 31 December 2023	146,123	6,640	225	152,988
At 31 December 2022	142,048	6,811	106	148,965

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 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	2023 Total £'000
<b>Cost</b>				
At 1 January	169,314	7,826	106	177,246
Additions	0	0	119	119
Component replacements and improvements	6,183	0	0	6,183
Properties acquired	2,482	0	0	2,482
Component disposals	(1,282)	0	0	(1,282)
Property disposals	0	(87)	0	(87)
Transfer to investment properties	(491)	0	0	(491)
<b>At 31 December</b>	<b>176,206</b>	<b>7,739</b>	<b>225</b>	<b>184,170</b>
<b>Depreciation and Impairment</b>				
At 1 January	(35,041)	(1,015)	0	(36,056)
Charge for year	(3,702)	(91)	0	(3,793)
Component disposals	956	0	0	956
Property disposals	0	7	0	7
Transfer to investment properties	73	0	0	73
<b>At 31 December</b>	<b>(37,714)</b>	<b>(1,099)</b>	<b>0</b>	<b>(38,813)</b>
<b>NET BOOK VALUE</b>				
At 31 December 2023	138,492	6,640	225	145,357
At 31 December 2022	134,273	6,811	106	141,190

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 7A EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Improvement work capitalised	190	65	173	48
Components capitalised	6,196	3,963	6,010	3,669
Amounts charged to income and expenditure	6,242	6,281	5,975	6,052
	<u>12,628</u>	<u>10,309</u>	<u>12,158</u>	<u>9,769</u>

#### TOTAL GRANTS RECEIVED

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Total cumulative amounts received or receivable at 31 December:				
Capital grant	35,949	35,964	34,995	35,010

#### FINANCE COSTS

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Aggregate amount of finance costs included in the cost of housing properties and communal areas in note 7b	2,800	2,800	2,800	2,800
	<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 2023

#### 7B TANGIBLE FIXED ASSETS - OTHER

Group & Trust	Agricultural estates £'000	Commercial buildings £'000	Community buildings £'000	Offices £'000	Communal land £'000	Computer £'000	Fixtures and fittings £'000	2023 Total £'000
<b>Cost</b>								
At 1 January	5,641	13,264	2,948	4,735	2,185	1,142	1,071	30,986
Component replacements	120	0	0	0	0	0	0	120
Additions	0	48	169	0	0	51	66	334
Disposals	0	0	0	0	0	(28)	(127)	(155)
Component disposal	(10)	(16)	0	0	0	0	0	(26)
<b>At 31 December</b>	<b>5,751</b>	<b>13,296</b>	<b>3,117</b>	<b>4,735</b>	<b>2,185</b>	<b>1,165</b>	<b>1,010</b>	<b>31,259</b>
<b>Depreciation and impairment:</b>								
At 1 January	(1,531)	(3,525)	(451)	(959)	0	(1,010)	(1,007)	(8,483)
Charge for year	(119)	(199)	(37)	(97)	0	(76)	(58)	(586)
Released on disposal	0	0	0	0	0	26	126	152
Component disposal	6	10	0	0	0	0	0	16
<b>At 31 December</b>	<b>(1,644)</b>	<b>(3,714)</b>	<b>(488)</b>	<b>(1,056)</b>	<b>0</b>	<b>(1,060)</b>	<b>(939)</b>	<b>(8,901)</b>
<b>Carrying amount:</b>								
At 31 December 2023	4,107	9,582	2,629	3,679	2,185	105	71	22,358
At 31 December 2022	4,110	9,739	2,497	3,776	2,185	132	64	22,503

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 8 INVESTMENT PROPERTIES

##### Group & Trust

	Commercial Properties £'000	Market Rented Properties £'000	Total £'000
At 1 January 2023	440	3,724	4,164
Transfer from housing properties	0	417	417
Capital Improvements	0	18	18
Revaluations	(10)	2,405	2,395
	430	6,564	6,994
At 31 December 2023	430	6,564	6,994

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 - 2023

	Commercial Properties £'000	Market Rented Properties £'000	Total £'000
Historic cost	160	825	985
Accumulated depreciation	(60)	(172)	(232)
	100	653	753
	100	653	753

##### Group & Trust - 2022

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

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

9	FIXED ASSET INVESTMENTS	2023 £'000	2022 £'000
	Group		
	Investment in subsidiary	0	0
	Trust		
	Investment in subsidiary	8,400	8,400
10	RESTRICTED CASH		
	Group & Trust		
		2023 £'000	2022 £'000
	At 1 January	1,040	1,041
	Interest credited	0	(1)
	At 31 December 2023	1,040	1,040
11	STOCK	2023 £'000	2022 £'000
	Group		
	Materials and consumables	16	21
	Work in progress	1,438	858
		1,454	879
	Trust		
	Materials and consumables	16	21
	Work in progress	1,245	43
	Materials and consumables	1,261	64



## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debt (note 18)	82,747	79,264	82,747	79,264
Loan arrangement fees	(541)	(592)	(541)	(592)
Deferred Income	103	205	103	205
Recycled Capital Grant Fund (note 15)	15	63	15	63
Deferred capital grant (note 16)	29,553	29,768	28,797	29,004
	<u>111,877</u>	<u>108,708</u>	<u>111,121</u>	<u>107,944</u>

Included in creditors are the following debt related items:

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts repayable by instalments falling due in less than five years	18,013	17,976	18,013	17,976
Amounts repayable by instalments falling due after more than five years	40,250	44,888	40,250	44,888
Amounts repayable other than by instalments falling due after more than five years	28,000	20,000	28,000	20,000
Less amounts repayable in less than one year	(3,516)	(3,600)	(3,516)	(3,600)
	<u>82,747</u>	<u>79,264</u>	<u>82,747</u>	<u>79,264</u>

#### 15 RECYCLED CAPITAL GRANT FUND

Funds pertaining to its activities within areas covered by:

	Group		Trust	
	HCA 2023 £'000	HCA 2022 £'000	HCA 2023 £'000	HCA 2022 £'000
<b>Opening balance</b>				
<b>Inputs to RCGF:</b>				
As at 1 January	103	95	103	95
Grants recycled	15	38	15	38
Interest accrued	0	0	0	0
Grants repaid	0	(30)	0	(30)
Grants Withdrawn	(103)	0	(103)	0
	<u>15</u>	<u>103</u>	<u>15</u>	<u>103</u>
<b>Closing balance</b>				
	<u>15</u>	<u>103</u>	<u>15</u>	<u>103</u>
Amounts 3 years old or older where repayment may be required:	0	28	0	28

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 16 DEFERRED CAPITAL GRANTS

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
As at 1 January	30,074	30,411	29,301	29,630
Amortisation in year	(305)	(299)	(297)	(291)
Transfer from/(to) recycled capital grant fund	91	(38)	91	(38)
<b>As at 31 December</b>	<b>29,860</b>	<b>30,074</b>	<b>29,095</b>	<b>29,301</b>

#### 17 FINANCIAL INSTRUMENTS

##### Group and Trust

	2023 £'000	2022 £'000
<b>Financial liabilities:</b>		
Measured at fair value through profit or loss		
At 1 January	4,071	21,766
Movement during year	1,346	(17,695)
<b>At 31 December</b>	<b>5,417</b>	<b>4,071</b>

##### 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 2023, the total nominal value of interest rate hedging instruments was £51.5m (2022 £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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debt instruments measured at amortised cost:				
Rent debtors	1,512	1,489	1,459	1,429
Other debtors	1,446	1,071	1,449	1,074
Cash	4,605	3,320	4,273	2,955
<b>Total</b>	<b>7,563</b>	<b>5,880</b>	<b>7,181</b>	<b>5,458</b>
<b>Financial liabilities</b>				
Measured at amortised cost:				
Housing loans	86,263	82,864	86,263	82,864
Trade Creditors	215	170	215	170
Balances Due to Managed Associations	261	475	261	475
Balances Due to Group Companies	0	0	4,553	3,884
Other Creditors	4,861	3,616	4,059	2,887
<b>Total</b>	<b>91,600</b>	<b>87,125</b>	<b>95,351</b>	<b>90,280</b>

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 18 BORROWINGS

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Creditors: amounts falling due within one year: Relating to housing loans	3,516	3,600	3,516	3,600
	<u>3,516</u>	<u>3,600</u>	<u>3,516</u>	<u>3,600</u>
Creditors: amounts falling after more than one year: Relating to housing loans	82,747	79,264	82,747	79,264
	<u>82,747</u>	<u>79,264</u>	<u>82,747</u>	<u>79,264</u>
Total	<u>86,263</u>	<u>82,864</u>	<u>86,263</u>	<u>82,864</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 £83,724,000.

Of the amounts due in more than five years or more, £20,000,000 (2022: £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

	2023 Pension £'000	2022 Pension £'000
As at 1 January	322	638
Utilised in year	(329)	(330)
Unwinding of discount	7	14
As at 31 December	<u>0</u>	<u>322</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. A provision of a sufficient amount to cover these agreed payments was retained during this period.

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

20	RESTRICTED RESERVES GROUP AND TRUST	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	Lightmoor Van Reserve £'000	Bournville House Reserve £'000	Bio Diversity Reserve £'000	Library Fund Reserve £'000	2023 Total £'000	2022 Total £'000
	At 1 January	4,197	3,257	7	45	280	25	5	7	(20)	8	13	7,824	7,218
	Income	1,030	726	1	0	11	5	0	0	20	0	15	1,808	1,499
	Expenditure	(588)	(549)	0	0	(97)	(5)	0	(4)	0	0	(10)	(1,253)	(892)
	Net transfer from Income and Expenditure Reserve	442	177	1	0	(86)	0	0	(4)	20	0	5	555	607
	At 31 December	4,639	3,434	8	45	194	25	5	3	0	8	18	8,379	7,825

## Bournville Village Trust Group

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

#### 21 RECONCILIATION OF SURPLUS / (DEFICIT) TO NET CASH GENERATED FROM OPERATIONS

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Surplus for the year	3,771	23,339	3,504	23,012
Adjustments for:				
Depreciation of tangible fixed assets	5,062	4,807	4,715	4,442
Amortisation of capital grant	(305)	(299)	(297)	(291)
Surplus on sale of tangible fixed assets	(420)	(754)	(420)	(754)
Interest receivable	(184)	(47)	(367)	(218)
Interest and financing costs	4,544	3,927	4,727	3,978
Movement in value of financial instruments	1,346	(17,695)	1,346	(17,695)
Movement in fair value of investment properties	(2,412)	(3,808)	(2,412)	(3,808)
Operating cash flows before movements in working capital	11,402	9,470	10,796	8,666
Movement in stocks	(575)	(48)	(1,197)	(40)
Movement in debtors	(397)	(556)	(361)	(738)
Movement in creditors	888	759	1,249	379
Cash generated from operations	11,318	9,625	10,487	8,267

#### CASH AND CASH EQUIVALENTS

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents represent:				
Cash at bank	4,605	3,320	4,273	2,955
Demand deposits included within creditors falling due in less than one year (note 13)	(261)	(475)	(4,814)	(4,359)
	4,344	2,845	(541)	(1,404)

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 2023

#### 22 ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 Jan 2023 £'000	Cash flows £'000	Other non cash changes £'000	At 31 Dec 2023 £'000
<b>Cash and cash equivalents:</b>				
Cash at bank	3,320	1,285	0	4,605
Demand deposits included within creditors falling due in less than one year (note 13)	(475)	214	0	(261)
	<u>2,845</u>	<u>1,499</u>	<u>0</u>	<u>4,344</u>
<b>Borrowings:</b>				
Debt due within one year	(3,600)	3,600	(3,516)	(3,516)
Debt due after one year	(79,264)	(7,000)	3,517	(82,747)
	<u>(82,864)</u>	<u>(3,400)</u>	<u>1</u>	<u>(86,263)</u>
<b>Total</b>	<u>(80,019)</u>	<u>(1,901)</u>	<u>1</u>	<u>(81,919)</u>

Trust	At 1 Jan 2023 £'000	Cash flows £'000	Other non cash changes £'000	At 31 Dec 2023 £'000
<b>Cash and cash equivalents:</b>				
Cash at bank	2,955	1,318	0	4,273
Demand deposits included within creditors falling due in less than one year (note 13)	(4,359)	(455)	0	(4,814)
	<u>(1,404)</u>	<u>863</u>	<u>0</u>	<u>(541)</u>
<b>Borrowings:</b>				
Debt due within one year	(3,600)	3,600	(3,516)	(3,516)
Debt due after one year	(79,264)	(7,000)	3,517	(82,747)
	<u>(82,864)</u>	<u>(3,400)</u>	<u>1</u>	<u>(86,263)</u>
<b>Total</b>	<u>(84,268)</u>	<u>(2,537)</u>	<u>1</u>	<u>(86,804)</u>

#### 23 CAPITAL COMMITMENTS

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Capital expenditure contracted for but not provided for in the financial statements	<u>3,600</u>	<u>5,112</u>	<u>3,600</u>	<u>5,112</u>
Expenditure authorised by Trustees but not contracted	<u>9,895</u>	<u>7,201</u>	<u>9,157</u>	<u>6,959</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 2023

#### 24 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 2023 £'000	Other 2022 £'000
Amounts due:		
Within one year	99	99
Between one and five years	168	256
More than five years	0	0
	267	355

#### 25 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 £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 2024 is £1.004m.

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 2023

#### 26 CONTINGENT LIABILITIES

There are no contingent liabilities known at the balance sheet date. (2022: nil)

#### 27 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 31/12/23, the outstanding balance on the loan stood at £1.73m (2022 £2.14m).

Each BVT Trustee owns 1 share out of the total 284 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 continued in 2023 at £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, Peter Richmond (Chief Executive) and David Robinson (Finance Director) joined the Trustee Board of Avoncroft in unpaid positions.

## Bournville Village Trust Group

### INCOME AND EXPENDITURE ACCOUNT FOR BAT RESERVE for the year ended 31 December 2023

INCOME	2023 £'000	2022 £'000
<b>Income from lettings</b>		
Rental income	534	502
Service charge income	47	24
	581	526
Market rent	553	503
Interest receivable	135	38
Other income	29	23
Grant Amortisation	9	9
	726	573
<b>EXPENDITURE</b>		
Services	58	53
Management	257	61
Routine maintenance	92	95
Planned maintenance	44	93
Rent (recoveries)/losses from bad debts	0	2
Depreciation of housing properties	98	93
Depreciation of other fixed assets	0	0
	549	397
Surplus for the year	177	176

This page is for the information of the committee only and does not form part of the statutory accounts.

