Broadacres Housing Association Limited

Annual report and financial statements

for the year ended 31 March 2022

Registered number: 27656R

Broadacres Housing Association Limited

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Broadacres Housing Association Limited

Group Board Members, Management Team, Advisors and Bankers

Group Board Members

Helen Simpson (Chair)
Jacqui Bateson
Ian Foy
Luke Gallagher
Keith Holloway
June Mulroy
Ann O'Hanlon
Ruth Snell
Victoria Tolmie-Loverseed
Martin Warhurst

Co-opted Board Member

Justin Ives

Independent Members

Gail Monnickendam	Group Audit & Risk Committee
David Boyes-Watson	Group Asset & Development Committee
Ruth Dent	Group Asset & Development Committee
Peter Hammond	Group Customer Experience Committee
Robin Norton	Group Customer Experience Committee

Customer Members

Colin Fisher	Group Customer Experience Committee
Glyn Mucklow	Group Customer Experience Committee
David Dumbleton	Group Customer Experience Committee

Management Team

Gail Teasdale	Chief Executive
Chris Fawcett	Director of Business Transformation
Andy Powell	Director of Customer Experience
David Smith	Director of Resources
Joy Whinnerah (Left 11 Feb 22)	Director of Development and Investment
Helen Fielding (joined 1 Aug 22)	Director of Development and Investment

Company Secretary

Chris Fawcett

Broadacres Housing Association Limited

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Independent Internal Auditor

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Banker

Barclays Bank plc
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Chair's statement



I am pleased to present our annual report.

My second year as Chair has been no less turbulent than my first but the response of customers, colleagues and partners to the challenges has again been inspiring. Our customer satisfaction rated us 80.7 against a housing association median of 68. Our colleagues had a net promoter score of 50 which is again top quartile. Against the backdrop of these turbulent times this is fantastic.

During the year the pandemic continued and has essentially become our new normal. Our relationships with stakeholders, already strong before the pandemic, have continued to grow. However, like many organisations the pandemic was not our only challenge as we saw random supply shortages combined with price increases. This slowed our new home delivery and led to longer repair times. We expect these issues to continue but now have greater stocks of supplies so do not expect the impact to be as significant going forward. We have also seen an increased turnover of colleagues again due to the pandemic with a significant number retiring. This is now easing, and we are returning to normal levels of turnover.

We completed our review of borrowings to ensure it will support our aspirations. This meant renegotiating existing deals and opening new relationships. The outcome is a healthy funding position with strong cash balances which means we face the future with confidence.

The long-term sustainability of our homes is crucial as the climate changes and energy becomes more expensive. We started four pilots which will be used to inform our investment in our existing homes. The learning will deliver a detailed plan for each of our main home types.

We continue to develop high quality new homes and are particularly pleased to be working with partners to deliver 49 new homes in Sedbergh. This is the biggest development in the Yorkshire Dales National Park an area where affordability has significantly declined as house prices have increased while incomes have remained low. We have focussed on building relationships to deliver more affordable homes in the national parks and beyond including supporting the Rural Commission as we are acutely aware that without affordable housing our communities and the local economies will fail.

During the year we prepared for the transfer of our ABLE (Activity Based Learning Experience) business to Northdale Horticulture. This will join together two local charities with very similar aims and customers. It also means that Broadacres now only has services that are closely linked to accommodation. We have also expanded our mental health services and now operate in four districts of North Yorkshire.

As we look forward and begin to consider our new Corporate Strategy for 2023-28 we are conscious that the context we operate in is changing with Local Government Reform bringing our County Council and seven district/borough councils together to form the new North Yorkshire Council in April 2023 and then devolution with a mayor to be elected in May 2024. As the only housing association focussed on North Yorkshire we believe we are in a strong position to support the housing aspirations of these organisations.

Finally, I would like to say thank you to customers, colleagues and partners. During the year you continued to show adaptability. We know we will need more of this in the coming year, but Broadacres is well placed to deliver for North Yorkshire.

Helen Simpson

Chair

Broadacres Housing Association Limited
Strategic Report

Chief Executive's statement



As I write this statement, I am reflecting that last year I wrote that the pandemic had demonstrated starkly the importance of a SAFE, SECURE and WARM home and that our current corporate strategy supported this need.

This year it is the word WARM stands out as the price of energy escalates and the cost-of-living crisis deepens. Five years ago, our customers told us how difficult winters were and how they worried about bills even then. As a consequence, we focused on energy efficiency, and we are so pleased that we did. Since the start of 2018 we have spent £2m on our existing homes with 4,793 homes now at SAP C or above an improvement of 693. As we continue to build new homes, we ensure these homes are always at least a high SAP B. We plan that by 2028 all our homes will be at least SAP C which is two years ahead of the government policy. This work is underpinned by a specific home by home plan made possible by detailed information on every home. The challenges to achieving this are skills and supply shortfalls, finances and occasionally gaining access to homes to do the more intrusive works.

As we look forward, we know we cannot affect the unit price for energy, but we can do our best to reduce the amount of energy each home needs to use. Our focus for 2022/23 will be to continue to invest in our homes to make them more energy efficient, however, we are acutely aware that this will not be enough for some of our customers. Consequently, we have created a support fund which colleagues can use to alleviate customer needs in a way that is personalised to each customer. In addition, as part of our GREAT PLACE objective we are working with local partners from food banks to local charities to local government to see how we can together support our customers through the tough times ahead.

In the background the pandemic remains. The changes to our services and how we work are now embedded and we feel we are well prepared for the winter ahead.

Our plan for 2022/23 is to continue to focus on:

Great Homes

- Invest a further £2m in energy efficiency which will raise another 200 homes to SAP C or above. We continue to use all new lets as an opportunity to do the intrusive retrofit work that is required.
- We will install 50 air source heat pumps and associated new windows and doors and insulation so that 1 in 9 of our homes is heated this way.
- Invest £13m in our existing homes to ensure they meet our home standard
- Build 168 new homes

Great Customer Experience

- Our customer survey again ranked us in the top quartile of all organisations and for Housing Associations. We will continue to focus on the feedback customers give us and use this to drive improvements.
- Continue to invest in technology whilst ensuring that our customers can engage with us in a way that suits them. The ability to call and speak to a colleague will continue to be important as customers challenges are often complex and require the empathy of a conversation.

- Be agile in how we work using the principle that our ways of working have to work for customers and colleagues alike.

Great Place

- Review and develop our extra care and supported housing service.
- Build on the partnerships we have across North Yorkshire and beyond
- Continue to deliver our fantastic apprentice programme. We will welcome three new apprentices to join the nine we already have.

We know the year ahead will be hard, but our experience of the pandemic shows what a great team 'One Broadacres' is and we are confident that we have the agility to continue to deliver for our customers, colleagues and partners. Yet again demonstrating that Broadacres is the BEST RURAL HOUSING ASSOCIATION.

Gail Teasdale
Group Chief Executive

Association highlights, five-year summary

For the Year Ended (31 March)	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Statement of Comprehensive Income					
Total turnover	41,463	39,230	37,890	38,538	43,563
Operating Surplus from Lettings	6,152	6,217	6,407	8,944	11,687
(Deficit)/Surplus for the year before taxation	(1,163)	(784)	500	2,868	5,699
Statement of Financial Position					
Intangible and tangible fixed assets at valuation or cost net of depreciation	356,507	340,717	334,830	313,110	302,078
Investments	504	484	484	514	822
Net current assets	11,186	5,608	5,538	17,931	15,174
	368,197	346,809	340,852	331,555	318,074
Long term liabilities	184,290	162,070	155,254	146,789	137,736
Pension liability	4,390	9,686	5,423	7,247	3,516
	188,680	171,756	160,677	154,036	141,252
Reserves:					
Revaluation	42,176	42,176	42,176	42,176	42,176
Accumulated surplus	137,341	132,877	137,999	135,343	134,646
	179,517	175,053	180,175	177,519	176,822
	368,197	346,809	340,852	331,555	318,074
Accommodation (Homes at 31 March)	**2022**	**2021**	**2020**	**2019**	**2018**
	No.	**No.**	**No.**	**No.**	**No.**
General Needs **	6,041	5,997	5,884	5,812	5,705
Supported Housing **	258	274	344	342	344
Shared Ownership	260	245	187	162	114
	6,559	6,516	6,415	6,316	6,163
** 70 Homes recategorised in 2020/21 from Supported Housing to General Needs					
Statistics					
(Deficit)/Surplus for the year as a % of turnover	(3%)	(2%)	1%	7%	13%
Rent arrears (net arrears as % of rent and service charges receivable)	3.0%	2.5%	2.6%	1.8%	1.8%
Liquidity (current assets divided by current liabilities)	3.1	1.7	1.8	4.2	4.2

Group Financial Review

The year to 31 March 2022 has resulted in a Group deficit before tax of £(1,006)k (2021: (£1,661)k). The core business of providing affordable housing has produced a financial result in line with expectations for the Group. The principal reasons for the deficit are as follows:

- The Group's core affordable housing business made an operating surplus of £7,638k (2021: £6,217k).
- Sale of housing generated a surplus of £149K (2021: £731k).
- Knock on delays from the pandemic have continued to see operating costs increase as well as delays in the supply of new homes, both impacting income.
- Homes are shown at gross cost net of depreciation at a value of £352,183k (2021: £335,924k) and the Board consider that this valuation remains appropriate as at 31 March 2022.
- During the year the Group invested £8,293k (2021: £7,083k) in maintenance, improvements and enhancements, reflecting the continued focus on improving existing homes.
- During the year new homes, costing £10,573k (2021: £15,625k), were developed, with a further £28,492k held in work in progress (2021: £18,630k) reflecting the Group's continued focus on development. 79 new homes were added to the portfolio (2021: 112)
- Interest payable increased to £7,068k (2021: £6,849k) reflecting the additional borrowing in line with the treasury management strategy.
- The Group also conducted its annual impairment review of the value at which it carries its assets in its Statement of Financial Position. This review has resulted in a small impairment of £155k. (2021: £1,406k).

After the transfer of the total comprehensive surplus for the year, the Group's reserves amounted to £177,571k (2021: £172,911k).

The pension fund liability has decreased to £4,390k (2021: £9,686k) following an actuarial gain on both the SHPS and LPFA schemes resulting from decreased future liabilities based on actuarial assumptions.

Statement of Comprehensive Income

The main elements of the Group's financial results are:

Key Elements	2022 £000	2021 £000	Movement £000
Turnover on social housing lettings	35,381	33,372	2,009
Turnover from property sales	4,782	4,225	567
Supporting Peoples services income	934	985	(51)
Ability Based Learning Environment (ABLE)	43	112	(69)
Operating costs (including depreciation and impairment)	35,631	38,053	(2,422)
Housing depreciation	7,249	7,073	(176)
Impairment of housing	(155)	1,406	(1,251)
Interest payable and other financing costs	7,068	6,849	(219)

Key information about the results is explained as follows:

- Turnover from social housing lettings increased by £2,009k due to the annual rental increase and the number of available homes for letting increasing through the completion of development projects.
- Turnover from property sales increased by £567k, due to the timing of schemes coming to completion, despite the impact of COVID-19 slowing down sales in the early part of the year.
- Supporting People services include extra care, sheltered, women's refuge, mental health, physical disability, young homeless and learning disability schemes. The physical disability scheme transferred to another provider on 1 July 2021.
- ABLE is the Activity Based Learning Environment which provides daytime accommodation and diversionary craft activities for disabled people. In line with the Support Services review, ABLE was readied for transfer to a local, trusted third party during 2021-22 and moved from the Broadacres Group on 1 June 2022.

The majority of the Association's operating surplus (£5,673k) continues to be sourced from rental income.

Statement of Financial Position

At 31 March 2022, the Association's Statement of Financial Position showed total assets less current liabilities of £368,238k (2021: £346,809k). This is an increase from last year and the main points are:

- Expenditure on developments to deliver new social homes was £20,590k.
- At 31 March 2022 current assets include £1,052k of homes/land available for sale compared to £847k last year.

The Board consider that the results for the year have been as expected and that Broadacres has adequate resources to achieve the objectives set out in its Corporate Strategy and Business Plan.

Capital structure and treasury policy

Broadacres has an approved treasury policy which follows the revised CIPFA Code of Practice. The approach is that treasury management is a function to allow access to funds to carry on the business; it is not a separate activity that is expected to produce surpluses. As such, whilst the Group endeavours to borrow at as low a cost as possible, the objective is to primarily manage cash flow effectively and monitor the inherent risks in treasury activities by maintaining a reasonable split of fixed and variable loans. The Group borrowings and investments are with financial institutions that meet strict criteria and the objective is to keep fixed rate loan balances to at least 70% of total portfolio.

The Group existing loan facilities and borrowings at cash values are set out in the table on the following page.

	Rate	Nationwide	NatWest	Barclays	Hambleton	MorHomes	Housing Corp	Total Borrowing
		£000	£000	£000	£000	£000	£000	£000
Fixed interest rate loans:								
Facility A 30 Jun 2036	5.55%		21,250					21,250
Facility C 30 Jun 2036	5.73%		8,750					8,750
Facility 10 Oct 2048	5.78%			55,000				55,000
Housing Corporation Loan	9.50%						64	64
Tranches A to E								
Tranche B 8 December 2025	4.00%				2,000			2,000
Tranche C 8 December 2030	4.37%				3,000			3,000
Tranche D 10 January 2036	4.64%				4,000			4,000
Tranche E 8 May 2041	4.45%				15,000			15,000
Sub Tranche 2 15 December 2026	3.65%				800			800
Sub Tranche 3 7 March 2034	3.65%				1,200			1,200
Sub Tranche 4 7 March 2039	3.81%				1,600			1,600
Sub Tranche 5 7 March 2044	3.86%				6,000			6,000
MORhomes fixed to 2038	3.69%					16,100		16,100
Total Fixed Loans	**82%**	**-**	**30,000**	**55,000**	**33,600**	**16,100**	**64**	**134,764**
Variable interest rate loans (margin):								
Facility B Revolver	1.80%		20,000					20,000
Nationwide	1.25%	8,750						8,750
Total Variable Loans	**18%**	**8,750**	**20,000**	**-**	**-**	**-**	**-**	**28,750**
Total Loans Utilised	**100%**	**8,750**	**50,000**	**55,000**	**33,600**	**16,100**	**64**	**163,514**
Total Facilities		**10,000**	**80,000**	**55,000**	**33,600**	**16,100**	**64**	**194,764**

The NatWest loan will be repaid on a gradual basis commencing 2022. The Barclays loan, taken out in 2009, was a 40-year loan and repayments do not commence until 2038 and will thereafter be paid in ten equal instalments. The Hambleton District Council loan repayments commenced in October 2020 and are repayable between five and 25 years to HDC and its successor authority.

The Treasury Policy also dictates that Broadacres Housing Association should have access to at least 24 months of funds to meet operating requirements and this is monitored on a quarterly basis.

In May 2021, Broadacres restated loan agreements with Barclays and NatWest. These provided improved terms on covenants, including carve outs for expenditure relating to fire safety compliance and investment in energy efficiency. The agreement with NatWest provides access to £30m of additional funding to invest in existing homes and develop new homes.

In November, Tranche 2 funding requirements were met. Broadacres Housing Association signed a revised agreement with Nationwide (improving terms and obtaining access to an additional £1.25m) and tapped into a £16.1m bond issuance (with a value of £17.5m cash) with the aggregator MORhomes. Broadacres Housing Association now has funding in place for the ambitious development and investment plans through to 2027, and also an improved liquidity buffer.

The repayment profile of the loan balance is:

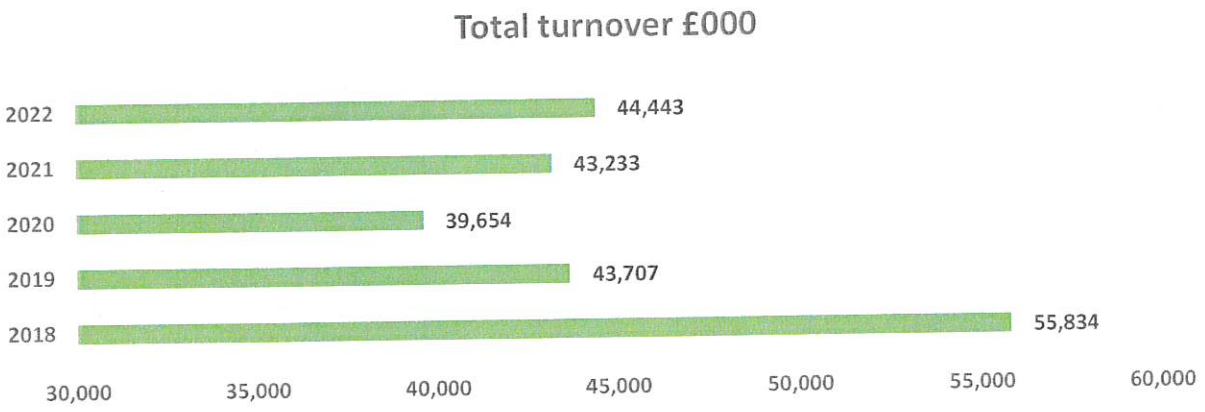
Current Loan Portfolio	**£000**
Repayments within 1 year or less	600
Repayments beyond 1 year but less than 2 years	1,000
Repayments within 2 years but less than 5 years	7,300
Repayments over 5 years	154,614
	163,514

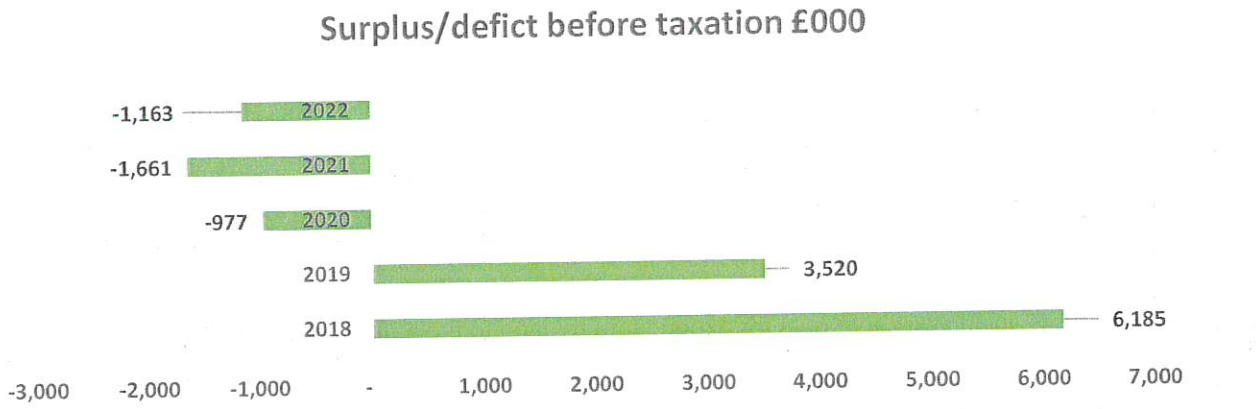
Average fixed interest rate is 5.11%. (2021: 5.22%)

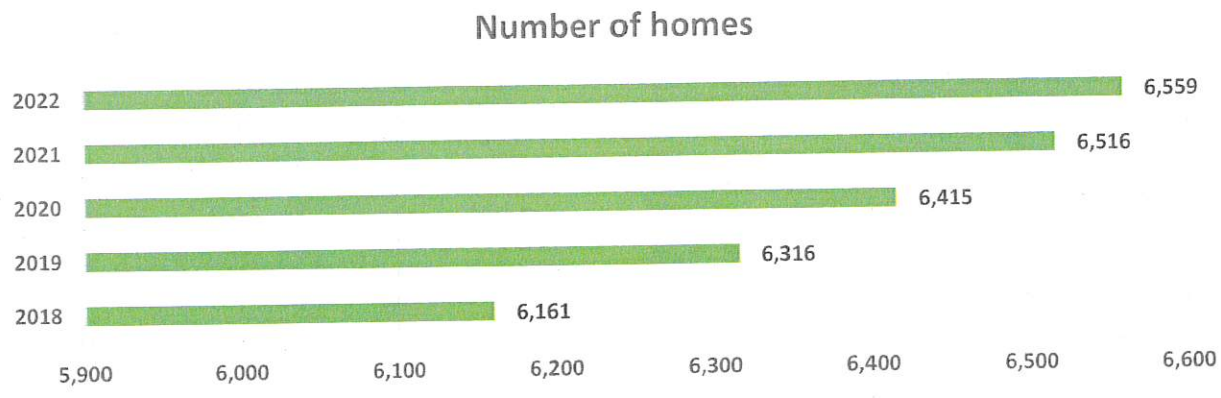
Cashflows
Cash inflows and outflows for the year ended 31 March 2022 are set out in the cashflow statement on page 43. The net cash inflow from operating activities was £10,900k (2021: £11,600k). At the year end the Group had £9,600k cash available (including an overdraft facility).

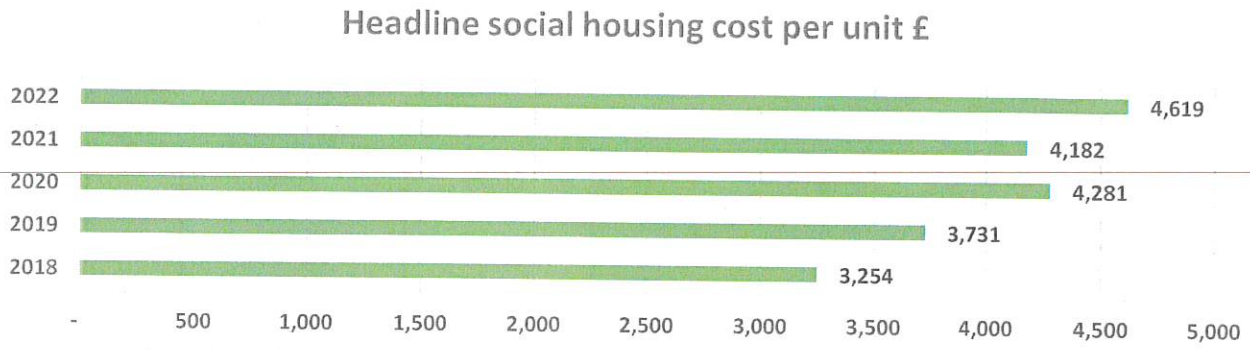
Group bank balances as at 28 October 2022 are £581k.

Group Performance
The following graphs show the year on year comparison for the main KPI's that look at the performance of the Group.

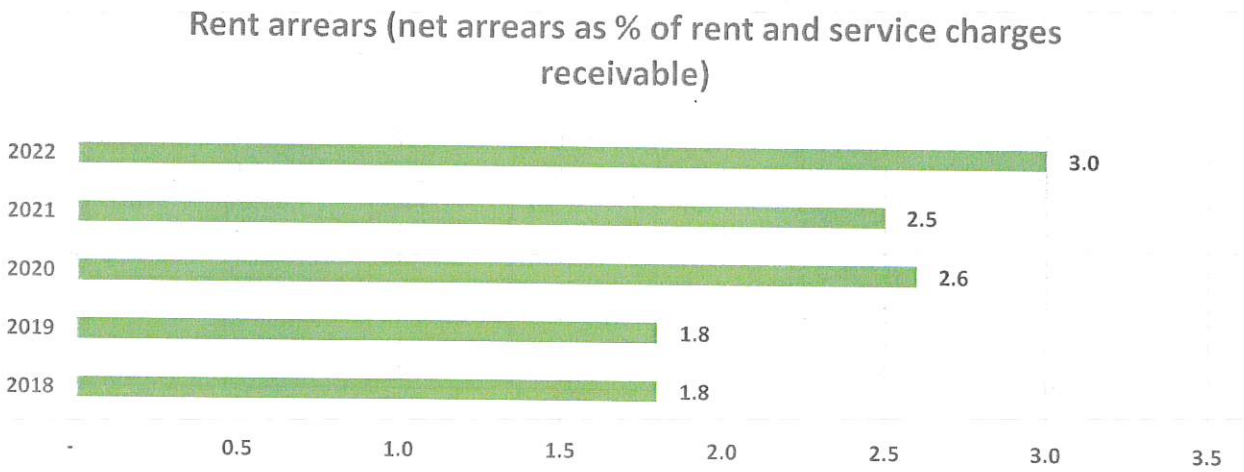












Performance of subsidiaries

Broadacres Services Limited (BSL) recorded a deficit of £(58,401) for the year (20-21: deficit of £314,708). The financial performance in year was in line with expectations. The remaining property at The Orchard sold on 1 April 2021.

Mulberry Homes Yorkshire Limited (MHYL) made a surplus of £464,704 for the year (20-21: deficit of £453,063). The financial performance in year has been in line with expectations as the year end position reflects development schemes commencing after the delays of the pandemic, along with profit recognised on a land sale.

Services to tenants and residents

Below are the 2021-22 survey results.

Performance Indicator	Broadacres	UK all Sector Jan 2021	Public Sector (Local)
Overall Satisfaction	80.7	76.8	74.4
Net promoter Score – "Likelihood a customer would recommend us to someone"	50.0	21.2	14.5
Customer Effort – "How much effort the customer had to make to complete transaction" out of 10	3.5	4.9	5.3

Customer Involvement / Community Investment KPIs	
Number of customers involved in informal/ formal consultation activities (including digital)	5,408
Number of customers affected by community investment activities	25,016

During 2021/22, assisted by the HQN, customers from the Group Customer Experience Committee and the Performance Improvement Panel continued to undertake a remote review of the consumer standards. They identified areas where improvements could be made to exceed compliance. The recommendations for improvement were accepted and are being implemented.

Repairs and maintenance

The following table shows the main key indicators:

Performance Indicator	2021/22	2020/21	2019/20	2018/19	2017/18
Average Time to complete a repair (days)	9.4	9.2	14.9	15.8	13.4
Percentage Appointments kept	96.76%	97.16%	98.00%	97.96%	96.41%
Percentage Satisfied with responsive repairs	89.05%	88.10%	98.25%	98.19%	98.15%
Percentage Gas Serviced	100.00%	100.00%	100.00%	100.00%	100.00%

Customer Service and Digital Inclusion

Customer compliments continue to be reported alongside complaints to provide a balanced view of customer service and service delivery. In 2021/22 there were 194 complaints. Two customers who had exhausted our complaints process asked the Housing Ombudsman to investigate their complaint. In case one, no maladministration was found, although it was determined that we had failed in our service around the installation of a new heating system. The second case is currently pending the Ombudsman's decision.

The following table shows the indicators for complaints and compliments:

Performance Indicator	2021/22	2020/21	2019/20	2018/19	2017/18
Complaints	194	203	206	66	34
Compliments	258	181	224	274	203

Housing Management

Void loss continues to be high due to homes taking longer to relet. This reflects the decision to undertake more intrusive work when homes are empty to improve their energy efficiency.

The following table shows the main key indicators:

Performance Indicator	2021/22	2020/21	2019/20	2018/19	2017/18
Current tenant rental arrears Gross %	2.96%	3.83%	3.4%	3.4%	3.5%
Total Net Arrears £000	925	849	816	816	566
Former rental arrears £000	426	295	337	337	230
Debts written off – Former Arrears	121	57	174	174	163
Voids loss £000	1,327	1,346	731	731	566
Average re-let times (days) Net re-lets days	80.2	110.0	39.4	39.4	28.5
Empty homes	3.3%	3.5%	1.9%	1.9%	1.1%
Evictions due to rent arrears	2	1	8	8	7
ASB Cases	168	201	140	140	130
Relets	512	610	662	366	366

Health and Safety

During the year there have been 34 incidents (2021:47), two (2021: seven) of which were reportable to the Health & Safety Executive (RIDDOR classifications). None of the incidents had a material impact on Broadacres. The Group Board has set a risk appetite for Health and Safety which is risk averse.

Growth Strategy

An ambitious growth strategy was approved by the Board in November 2017, for the period 2018 through to 2023. This is based upon clearly demonstrated housing need and the financial viability of investment proposals and focusses on developments principally within North Yorkshire. Through the development programme 79 new homes were completed in 2021/22 as follows:

Purchase & Repair	18	Huby	12
The Wealds	3	Stokesley Road	4
Riverside Mills	6	Ferrensby	4
Leeming Lane, Dishforth	10	Old Malton	4
West Witton	7	Burton Leonard	3
Market Weighton	8		

Homes continue to be sold through Right to Buy, although no homes were sold during this year. (2021: Six). There were five homes which were sold during the year through discount for sale and outright sales.

Performance indicators	2022	2021	2020	2019	2018
Unit completions	**79**	112	126	171	112
Right to Buy homes sold	**0**	6	1	4	6

Broadacres continues to have excellent relationships with local house builders and has been successful in purchasing homes under S106 requirements and it is expected that this will continue where planning arrangements require such provision. 46 homes were sold via various low-cost home ownership schemes (2021: 47).

Growth Strategy continued

Broadacres Services Limited and Mulberry Homes Yorkshire Limited continued to develop houses for private sale. Mulberry Homes did not sell any homes in the year, mainly due to site delays attributed to the pandemic (2021: zero). Broadacres Services Limited sold one home.

Broadacres are now in year four of a five-year Growth Strategy (2018-23). The Growth Strategy targets 1,250 new homes to be delivered by March 2023. Broadacres is currently undertaking a wide range of development activities which are contributing to this aim but the impact of Covid-19 has affected this target. In 2022/23 the forecast is to deliver a further 168 new homes with 100% of those homes already contracted for or being developed on land in the ownership of Broadacres.

The current programme includes a number of tenure types which will provide quality homes for a variety of communities and customers. Alongside the programme of Affordable and Socially rented homes a range of home ownership options is offered to customers across North Yorkshire with shared ownership and discount market sale home available to own from a 25% share. A ground-breaking Passivhaus scheme which will enable adults with learning difficulties the opportunity to live independently in homes which are highly efficient leading to lower energy bills and a bespoke property type which suits their individual needs is under development.

A purchase and repair programme continued in the year which allowed Broadacres to improve the standards and energy efficiency of existing homes within key communities. These are re-let as Affordable rented homes.

The Group Asset and Development Committee meets quarterly to scrutinise and challenge proposals for development and major asset investment across the Group. The Committee makes recommendations to the Board.

Asset Management

The Asset Management Strategy was updated in 2020/21 and will be externally reviewed in 2022/23. Broadacres survey homes every five years. Any component which fails and is due for replacement within 12 months of the decent homes lifetime is replaced. As a consequence, Broadacres will not achieve 100% compliance in year. This approach is a driven by value for money. As at 31 March 2022, 39 homes did not meet the standard as they had components that were older than the replacement cycle, resulting in 98.5% of homes being considered compliant.

As a registered provider Broadacres fund minor (disability) aids and adaptations for customers up to a value of £2,000. Simple fixings such as lever tap handles, grab rails, small step adaptations and handrails. These are normally undertaken on a self-assessment/referral basis direct from the customer. Other adaptations are based on referrals by an Occupational Therapist. During 2021/22 £202k (2021 - £97k) was spent on adaptations.

In 2021/22 22 homes were sold as they were generating a low return. This raised a surplus of £29k which will be used for future developments, 19 of these homes were at zero gain (2020/21 seven homes sold generating £359k surplus).

Value for Money (VfM) Reporting

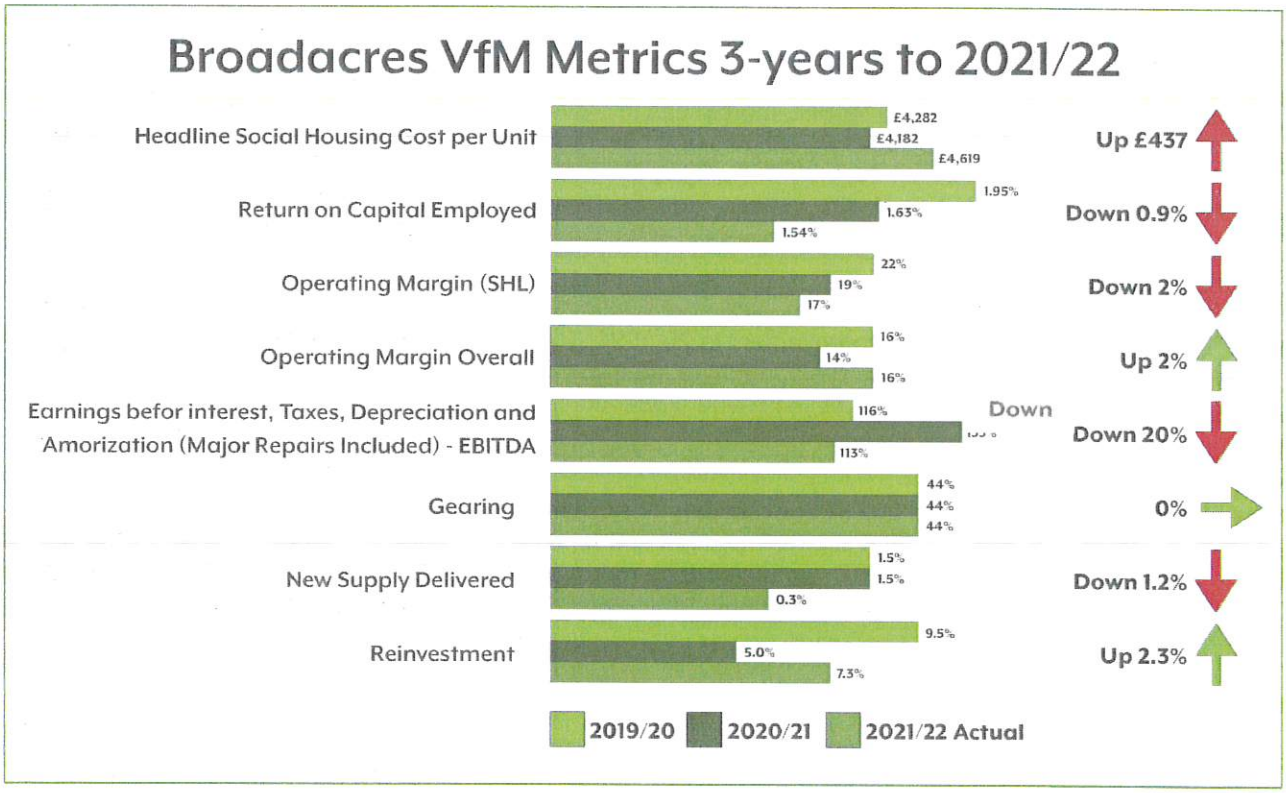
The annual report and financial statements for the Broadacres Group summarises the key value for money outcomes for the year to 31 March 2022 and how these compare against forecast targets. Comparisons with peer associations in the sector and a more detailed analysis can be found in the Annual Value for Money Statement, available on the website at www.broadacres.org.uk/performance

Regulator of Social Housing Technical Metrics

The measures included here, as well as the charts that follow, show the performance progress over the three years between 2018/19 and 2021/22 for the Group as a whole, consisting of Broadacres plus its subsidiaries, Broadacres Services Limited and Mulberry Homes Yorkshire Limited. Group subsidiaries contribute to VfM through generating their own returns on homes developed for sale as well as land sales.

VfM Area	Metric	2019/20	2020/21	2021/22 Target	2021/22 Actual
Economy	Headline Social Housing Cost per Unit	£4,281	£4,182	£3,888	£4,619
Efficiency	Return on Capital Employed	1.95%	1.63%	2.83%	1.54%
Efficiency	Operating Margin - SHL	22%	19%	28%	17%
Efficiency	Operating Margin – Overall	16%	14%	23%	16%
Efficiency	Earnings Before Interest, Taxes, Depreciation and Amortization (Major Repairs Included) - EBITDA (MRI)	116%	133%	159%	113%
Efficiency	Gearing	44%	44%	42%	44%
Effectiveness	New Supply Delivered	1.54%	1.55%	1.96%	1.2%
Efficiency	Reinvestment	9.46%	5.01%	4.57%	7.3%

This chart shows performance against the Regulator's VfM technical metrics for the past three years. The arrows on the right-hand side illustrate our direction of travel between last year and this.



Headline Social Housing Cost per Unit

The total cost of services by each home managed.

The high Social Housing Cost per Unit (SHCPU) reflects continuing investment in energy efficiency as well as continuing compliance spend, improvements to existing homes and repairs and capital works (kitchens, windows, roofs, doors etc.) to maintain decent homes. Whilst energy efficiency improvements will continue to be rolled out over the coming years, with added impetus as utility costs rise for customers, we believe we are ahead of the government's target completion date and envisage these programme costs plateauing.

Other Housing Associations are now seeing their measures and comparatives increase. Significantly more spend than forecast was incurred in year on new developments as construction plans recovered from the periods of pandemic lockdown.

The overall cost per unit is impacted by a delay in new homes being added to the total, with 12 to 18 months of build time impacted by the pandemic lockdowns and subsequent supplier difficulties. Broadacres added just 79 new homes to the overall total this year. For context in 2021 112 were added (2020: 126 and 2019:154)

Return on Capital Employed

Operating surplus to total assets less current liabilities.

A measure of 1.58% compares to 1.63% for 2020/21 and 1.95% for 2019/20 and whilst a marginal decrease on the prior year the metric is below target. Missing the target arises from continuing spend but not increasing the number of homes by as much as anticipated, for reasons identified in the SHCPU measure above. Costs have, and continue to, increase but that doesn't stop spend as new homes are completed and investment in existing homes is maintained. All of the expenditure falls within strictly controlled budgets and cost increases are managed as best they can, but undeniably these will impact margins.

Operating Margin

This measure reflects surplus, or profitability, of total income over expenditure.

Margins have been impacted by increased supplier costs against the willingness to continue investing and developing homes, all within approved affordability criteria. Coming out of the pandemic period the focus was to improve both Operating and Social House Letting (SHL) margin measures but supplier shortages and the geo-political factors in eastern Europe have all contributed to a tightening of the UK economy and inflation levels not seen for a generation. The SHL margin has improved on prior years and is ahead of both target and peer comparisons illustrating a focus on existing and new rental homes whilst developments were delayed.

Earnings Before Interest, Tax, Depreciation, Amortisation (Major Repairs Included): EBITDA (MRI)

This represents interest cover for Broadacres and is a key indicator for liquidity (access to money) and investment capacity.

EBITDA (MRI) saw a fall after an improvement in 2020-21. The reasons for which are also linked to the delay in new homes and catching up on Development spend following 18 months or more of delay. This decreased in 2021-22 to 113% against a target of 131% and a peer comparison, for last year, of 200%.

Reinvestment

Reinvestment level was high in 2021-22; exceeding prior year, target and peers wholly through efforts of colleagues and contractors maintaining replacement and renewal programmes in the year after lockdowns had been experienced. The year 2021-22 represented the fourth year of five of the Corporate Strategy (2018 – 23) and whilst there was no backlog of investment during the period of Covid there was a clear impact on New Supply Delivered in this time.

New supply delivered

This represents the number of new homes provided in the year.

Another measure that starkly reflects the impact of the pandemic not only on Broadacres, but peers as well. Whilst Developers managed to return to sites in 2021-22, having been almost prevented from building in the prior year, completed homes continue to be subject to delay through supplier shortages and difficulties. New Supply of 1.2%, equates to just 79 new homes for Broadacres in year with the target based on the delays post-pandemic anticipated. The supplier shortages, and scale of such, were unimaginable and in 2022 there has been difficulty in sourcing everything from windows and slates to bricks, cement and roof trusses. Hopes are that these shortages are addressed over the remainder of the year and new homes (and customers) are welcomed by Broadacres soon.

Gearing

This measure shows how borrowing compares to assets (homes) and the degree of dependence on debt finance.

The 3% increase on 2020-21 and being above budget in 2021-22 can be attributed to the refinancing exercise which completed in November 2021 that saw £17m, nearly half of the new funds, immediately drawn. Whilst these monies were not necessarily needed straight away it represented value for money to lock in the lower interest rate prior to the anticipated rises expected in early 2022. These funds will all be utilised in the programme through to 2026-27 and explains a marginally higher gearing than peers, as well as the Group's own target.

Understanding costs and comparisons

As well as reviewing performance over time against the metrics determined by the regulator Broadacres is a member of a number of benchmarking groups. It is recognised that these organisations vary considerably in terms of size and scope and this year performance is benchmarked again with an additional peer group that fits with Broadacres' vision to be the best rural housing association. Comparisons are made between Broadacres and 15 rural housing associations of similar scale and geographical constraints (National Parks, AONBs etc).

Broadacres					Rural Housing	
VfM Area	Metric	2019/20	2020/21	**2021/22**	2019/20	2020/21
Economy	Headline Social Housing Cost per Unit	£4,281	£4,182	**£4,619**	£4,114	£4,120
Efficiency	Return on Capital Employed	1.95%	1.63%	**1.54%**	3.7%	3.5%
Efficiency	Operating Margin - SHL	22%	19%	**17%**	27%	27%
Efficiency	Operating Margin – Overall	16%	14%	**16%**	24%	23%
Efficiency	Earnings Before Interest, Taxes, Depreciation and Amortization (Major Repairs Included) - EBITDA (MRI)	116%	133%	**113%**	180%	200%
Efficiency	Gearing	44%	44%	**44%**	45%	45%
Effectiveness	New Supply Delivered	1.54%	1.55%	**1.2%**	1.7%	1.4%
Efficiency	Reinvestment	9.46%	5.01%	**7.3%**	7.8%	6.6%

Comparisons of the seven regulatory VfM metrics, against the information available from 85 members of the Placeshapers benchmarking group using the 2020-21 Global Accounts for the Group as well as 14 rural housing associations, of similar size and scale that also have to work within the confines of either a National Park, Areas of Outstanding Natural Beauty or renowned rural areas.

Overall the Board believes it fully complies with the Value for Money Standard. It has continued to deliver improved value for money; however, it remains sufficiently challenging of itself to know there are opportunities to further improve in 2022-23.

Investment in energy efficiency and affordable warmth for customers has without doubt impacted Social Housing Cost per Unit measure over the duration of the Corporate Strategy to date. Peers and the sector benchmark are increasing more generally, aligning with the early investment whilst forecasts begin to show a decline in the measure.

In 2020/21 Broadacres was ranked 17th in the list of Sustainable Housing Providers, compiled by Housing Digital, which cited both the Corporate Strategy and 30-year Sustainability Strategy as a means to achieving SAP C levels of energy efficiency for homes in advance of the 2030 deadline and the 2050 carbon neutrality ambition.

More detailed analysis of the Value for Money performance and future plans can be found on the website www.broadacres.org.uk

Broadacres Housing Association Limited
Report of Board

The Board presents its report and the audited financial statements for the year ended 31 March 2022.

Definitions

Broadacres Housing Association Limited is the ultimate holding entity into which the results of all material subsidiary companies are consolidated. The term 'Group' in the report and financial statements refers to the consolidation of Broadacres Housing Association Limited, Broadacres Services Limited and Mulberry Homes Yorkshire Limited (its material subsidiaries). The term 'Association' refers to the statutory entity, Broadacres Housing Association Limited.

Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014. It is also registered with The Regulator of Social Housing (RSH), registration number LH4014. The Association has charitable rules registered with HM Revenue and Customs.

Principal Activities

The principal activity of the Association is to provide well managed and maintained homes for those in housing need including the elderly, the infirm, people with special needs and those that are financially unable to secure a home in the private market. The Association is one of the largest Registered Providers based in North Yorkshire with 6,559 homes under management as at 31 March 2022. The Association also has an ongoing development programme to provide additional housing, with 79 new homes developed in 2021/22 and a further 475 planned over the next two years.

The Association has three subsidiaries: Mulberry Homes Yorkshire Limited, which develops homes for private sale; Broadacres Services Limited, which provides development services and Marketgate Residential Management Company Limited which provides a property management service to the schemes at Blossomgate and Marshall Way, Ripon. Together these companies make up the Broadacres Group.

Management judgements and estimates

The preparation of the financial statements requires management to make significant judgements and estimates. These are referenced in more detail within Note 1 to the financial statements 'Accounting Policies', pages 41 to 49. The areas in the financial statements where these judgements and estimates have been made include:

- Impairment of social housing homes
- Classification of loans
- Carrying value of homes held for sale
- Defined benefit pension scheme
- Provision for bad and doubtful debts

Risks and uncertainties

In accordance with the RSH's Governance and Financial Viability Standards, the Board has responsibility for ensuring an effective risk management framework is in place. The Board receives an update at every meeting on key risks facing the organisation, takes risk into account when making key decisions, and reviews the effectiveness of the risk management framework on an annual basis.

The Group Audit and Risk Committee takes an active role in scrutinising the Group's Strategic Risk Register, considering the adequacy of controls in place to manage the risks identified.

The risk framework is made up of the following elements:

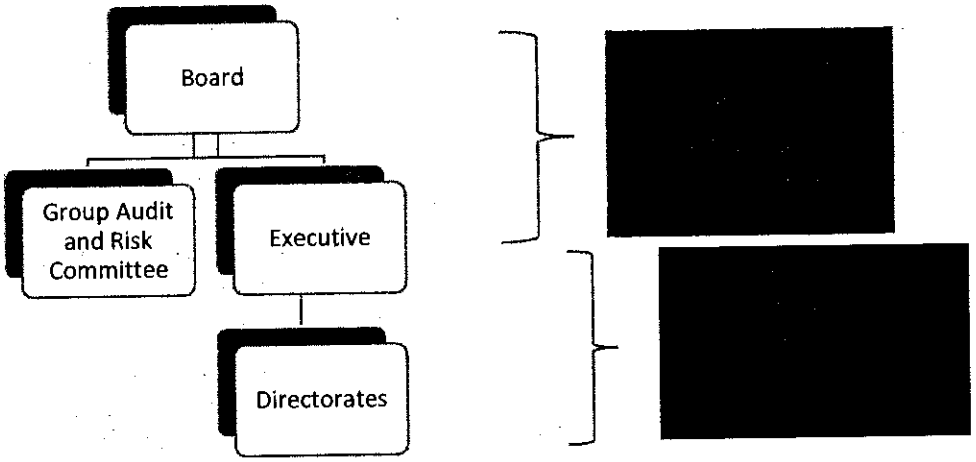
Managing Organisational Risks: Risk is defined as anything that can adversely affect the ability to deliver the organisation's vison and corporate strategy and compliance with regulatory standards.

Approach to Risk: Risk is inherent in operations and the decisions made to deliver the vision. The Board is responsible for the principal risks that are willing to be taken. It has undertaken a robust assessment of the principal risks to Broadacres achieving its vision and corporate strategy.

The Board is also responsible for ensuring that risk is effectively managed through the governance structure (see below) in accordance with the risk appetite.

It is also key that everyone at Broadacres is aware of the risks in their area of responsibility and manage those risks intelligently in their day to day activities. To enable this Broadacres has an active training programme tailored to each individuals' responsibilities.

Governance: The risk management governance structure is shown below.



Risk Appetite: The Group's risk appetite is set by the Board, which clearly articulates the amount of acceptable risk within which Broadacres operates. The risk is set across four risk areas faced by Broadacres; *Strategic, Operational, Financial and Compliance.*

The appetite for risk provides direction and boundaries for consistent, measured, risk aware decision making throughout the organisation, and guides the right level and type of risk to accept.

A scale of "risk averse" to "risk open" defines the risk appetite for each type of risk. For example, more risk is taken to deliver the strategic objectives but a minimal risk tolerance to compliance with regulatory standards.

It is important that *risks can also present opportunities* to the Group to grow and have a sustainable future.

The strong asset base means the overall financial position of the Group remains healthy and significant resources continue to be available to the organisation to facilitate the further development of services.

Broadacres' external auditors, having conducted their audit of the financial statements, have not identified any material internal control issues, which are required to be addressed.

The internal auditors', "Annual Opinion" in 2021-22 reads:

"In our opinion, based on the reviews undertaken, the follow-up audits completed during the period, and in the context of materiality:

- The risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, financial and internal control frameworks and governance arrangements for the period under review.
- Based on our sample testing, risk management, financial and internal control frameworks and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review."

Principal Strategic Risks

Key risk	Key controls in place, and actions being undertaken
A cyber-attack and a loss of data renders Broadacres unable to deliver its business suffering reputational damage, significant fines and service disruption.	• IT security awareness, confidentiality training, GDPR training given every 3 years and to all new starters. • Mandatory 'Ethics in the Workplace' training raises awareness around cyber fraud. • IT penetration test reports the risk to systems to offer opportunity to improve security measures. • CFC underwriting cyber support policy in place. • Change management procedures in place to ensure ICT changes are tested before made in the live environment. • Multi-factor authentication in place for remote access • ICT Data Breach Plan.
Broadacres growth strategy provides significant increase in costs and/or significant reduction in sales and rental income	• Financial Golden Rules, reported to each Board meeting, used to build the business and financial plan each year. • The updated 2018-2023 Growth Strategy was approved by the Asset and Development Committee in January 2020 and within the 5-year business plan. • The Growth Strategy limits outright sales (to 20%) to ensure that there is no reliance on such to maintain future operations surrounding social housing assets. • External financial checks by CreditSafe completed monthly for all key suppliers. • 5-year Business Plan and 30-year Financial Plan approved by Board in March 2022. • Single and multi-variate stress testing completed annually in March 2022 as part of the business planning process, with mitigation plans in place. • Stress testing is performed on schemes as part of the investment appraisal approval process, and at regular intervals thereafter to ensure the risk capacity continues to be understood. • Financial business plan does not rely on sales income.
Supplier failure, insolvency or delays in the supply chain result in service disruption, non-compliance with regulations, financial loss and/or reputational loss.	• Procurement policy manual, setting out tendering approach and due diligence requirements. • Maintaining bidders in reserve when appointing new suppliers. • Monitoring of spend on monthly, quarterly and annual basis. • External credit safe checks on all key suppliers monthly. • Insurance/bonds in place for developer insolvency. • Warranties for groundworks/foundations etc. • Monthly supplier meetings with key suppliers. • Panel of suppliers to reduce concentration and spread risk. • Frameworks in place. • Contract owners responsible for managing contract relationship. • Stress testing which includes scenarios for increasing costs of supplies. • Asset and Liability Register, including contract register.

Key risk	Key controls in place, and actions being undertaken
Weak Health and Safety arrangements lead to the harm or death of customers, employees and/or contractors.	• Landlord H&S Policy suite. • External review of H&S policy. • H&S Compliance Manager in situ. • Health and Safety training delivered at induction and repeated every three years, with the training programme being reported to the Group Audit and Risk Committee. • Accident and incident reporting to every Group Audit and Risk Committee. • Health and Safety Performance reports to all Boards. • H&S Liaison Committee meet quarterly, three Directors on the committee to escalate issues. • Whistleblowing policy (part of Probity policy).
There is a significant change within the economic climate (including the impact of Brexit) and Broadacres financial capacity becomes impaired.	• 5-year Business Plan and 30-year Financial Plan approved by Board in March 2022, based on financial golden rules. • Single and multi-variate stress testing completed annually in March 2022 as part of the business planning process, with mitigation plans in place. • Stress testing is performed on schemes as part of the investment appraisal approval process, and at regular intervals thereafter to ensure the risk capacity continues to be understood. • Monitor financial markets and validate business assumptions. • Lobby through the trade bodies to promote government support for social housing. • Asset & Liabilities register provides a comprehensive summary of all assets owned by Broadacres group and any liabilities arising. This is reviewed in the quarterly Asset and Liability Working Group meeting.
Significant increase in pension costs	• External pension, actuarial and legal advice taken, and options appraisal developed. • Board subgroup setup to assess pension options. • To undertake peer groups benchmarking to manage a consistent approach with the sector.
Government targets on energy efficiency and carbon neutral homes change significantly affecting Broadacres long-term investment plans in existing homes	• 2020-2023 Asset Management Strategy and • 2020-2023 Sustainability Strategy. • Quarterly statistics on the energy performance of assets. • Financial Golden Rules, reported to each Board meeting, used to build the business and financial plan each year. • External financial checks by CreditSafe completed monthly for all key suppliers. • 5-year Business Plan and 30-year Financial Plan approved by Board in March 2022. • Single and multi-variate stress testing completed annually in March 2022 as part of the business planning process, with mitigation plans in place. • Environmental Steering Group meets quarterly and Portfolio software captures and models assets energy performance. • Annual Environmental, Social and Governance report.

Key risk	Key controls in place, and actions being undertaken
Governance does not have customers at the heart of decision making, resulting in poor customer experience and reputational loss	• Customer Experience strategy in place 2020-2023. • Care and Support strategy in place. • Monthly complaints monitoring and reporting, including root cause analysis and lessons learnt. • Periodic customer journey mapping. • Customer satisfaction surveys issued following interaction with BHA. • Membership of the Institute of Customer Service and benchmarking customer performance. • Active review of Housing Ombudsman reports to assess the impact for Broadacres • Customers involved in governance arrangements, including two independent customer committee members on CEC, PIP members are all customers, customer liaison group and local monitors.
An inability to recruit and retain suitably qualified and skilled employees resulting in disruption to services and additional costs.	• People Strategy and Workforce planning processes • Flexible working practices • Annual and monthly surveys to gauge satisfaction • Exit interviews • Great Managers Programme • Reward Package • Succession planning • Recruitment checks prior to appointment • Links to organisational jobs boards (WISH, SCOPE, CTP) and targeted advertising via recruitment platform provider. • Adapting approach to job adverts • Attendance at job fairs • Apprenticeship programme • Refer a friend scheme • Business continuity plans

Performance for the year and future developments

The Board, in consultation with customers, sets out its review of the year in an Annual Report made available to all tenants and stakeholders. This includes information about customer services, support services, responsive and planned maintenance, together with development progress, performance and delivery of Value for Money. The current Corporate Strategy runs until July 2023.

Details of the Group's performance for the year and future plans are set out in the Strategic Report on pages 6 to 18.

Last year, the difficult but right decision to transfer Rockliffe Court, the only CQC registered care scheme, to St John of God Hospitaller Services was taken. St John of God HS were the original owners of Rockliffe and going forward are best placed to invest in the care of those customers and support the colleagues with their training. The transfer took place in June 2021.

At the time these accounts are being approved it is clear that the UK will face considerable economic uncertainty and the Board believe the Group are well placed to manage those affected risks. The Board is content that we have prepared for potential falls in income, increases in costs and a greater focus on supporting customers.

Broadacres Housing Association Limited
Report of Board

Going Concern

The Board reviewed the future financial plans in March 2022, as part of their normal annual review, complementing periodic assessments of our finances at regular Board meetings. Having reviewed our principal financial risks, they were satisfied that the Group had sufficient resources to continue operating for the foreseeable future and accounts have been prepared in the reasonable expectation that the Group is a financially viable organisation. The outcome of the recent treasury review and the provision of additional funds by lenders reaffirms this view. Agreements were signed in May 2021 securing an additional £30m and again in November 2021 separately providing £17.5m .

At the approval date of these accounts the Group holds £9.6m of cash in bank accounts with extensive forecasting and sensitivity analysis not highlighting a need for further funding in the foreseeable future, up to 31st March 2027.

Potential and extensive falls in income (sales and rent), increased costs and changes in inflation indices have all been stress-tested and scenario planned to provide Board with assurance over future finances and that sufficient resources exist to continue operations for the foreseeable future.

A going concern paper was presented to Group Audit and Risk Committee in June 2022 and subsequently to Board in July 2022. We have assessed the next three years with particular attention on the foreseeable future, being a period of at least 24 months following the year ending 31 March 2022.

The most significant areas that are likely to affect Broadacres' future financial performance and going concern assessment are rental income, extended periods of homes being empty, sales programme underperformance and an increase in the liabilities of the defined benefit pension scheme. In early 2022 the UK economy began experiencing rising inflation, with 9.4% being reached in July 2022. Our extensive planning and scenario stress testing, shared with the Board, illustrates that the Group can manage further economic shocks and the implications on our financial position and its potential impact on our customers. We have maintained contact with customers likely to be most affected by rising costs, impacting arrears, and will continue to support them, ensuring there is no detriment to our ongoing operations. Stress testing and sensitivity analysis have been carried out on an increase in empty homes and a reduction or delay in sales and Broadacres Board is confident in the continued robustness of Group finances in these scenarios.

As a key provider of affordable housing in North Yorkshire and beyond, the Board will ensure that we keep our customers safe by maintaining their homes and completing necessary health and safety works. We will work with our customers to enable them to pay their rent. This is an area of expertise for this organisation.

Broadacres is not over-burdened by its debt, reflected in its gearing measure being at, or even below, the sector median in 2021-22. The Board are of the opinion that, as demonstrated in the forecasts and sensitivity analysis, the Group has sufficient funding available under the agreed facilities and that there are no anticipated breaches in loan covenants over the term of the plan.

As such, the Board conclude that the Group remains a going concern and remains satisfied that we can continue operating for the foreseeable future (a period of at least 12 months following the signing of these accounts and up to 24 months to 31 March 2024) and accounts have been prepared in the reasonable expectation that the Group is a financially viable organisation.

Financial risk management objectives and policies

The Group's activities expose it to financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group only holds basic financial instruments. The loans held by the Association are largely at fixed interest rates.

Credit risk

The Group's principal financial assets are bank balances and cash, rent arrears and other receivables and investments.

The Group's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over several counterparties and customers.

Liquidity risk

To maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Group uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Transition from LIBOR to SONIA

The basis for calculating loan rates (the reference rate) changed from January 2022. Broadacres has proactively worked with funders to ensure that the transition was achieved in an equitable manner.

Board members and co-opted board member

The present Board members are shown on page 1.

The Board currently comprises the Group Chair, nine non-executive board members plus one co-opted board member. The experience and skills of the Board is reviewed annually to ensure that they are sufficient for the Group's needs. The biographies of the individual board members are available on the Group's website.

Board members are drawn from a wide background bringing together housing, development, local community and professional experience. Group insurance policies indemnify board members and officers against liability when acting in their professional capacity on Group business.

The Chief Executive and other Executive Directors are employed on the same terms as other colleagues. Executive Directors attend Board meetings, which are held at least six times a year for regular business.

The principal responsibilities of the Board to the Group are to:

- Demonstrate commitment to the values and objectives of the Group;
- Develop the Group's strategy;
- Uphold the National Housing Federation Code of Governance; and
- Represent the Group.

The performance of the Board, both individually and collectively, is formally appraised on an annual basis. The review process for individual board members involves self-assessment prior to a meeting with the Group Chair. This meeting appraises contribution, attendance, training and development needs. The Board Chair is appraised by the Chair of the Group Governance and Remuneration Committee and Chair of Group Audit and Risk Committee.

Board member attendance and total remuneration

The appraisal process produces an action plan and is reported back to the Group Governance and Remuneration Committee. All board members and committee members are required to provide an annual governance declaration, including declarations of interest, to ensure on-going independence. Day to day management and implementation of policy and strategic direction is delegated to the Chief Executive and the Executive Directors who meet regularly and attend board and committee meetings.

Broadacres Housing Association Limited
Report of Board

	Appointed (to Group Board or Committees)	Board Meetings	Asset & Development	Audit & Risk	Governance	Customer Experience	Fees £	Expenses £	TOTAL £
Helen Simpson (Chair)	10 Aug 20	6/6			2/2		11,769	-	11,769
Jacqui Bateson (Governance Chair)	27 Mar 17	5/6			2/2	1/1	6,448	-	6,448
Martin Warhurst (Audit Chair)	25 Sep 17	6/6		6/6	2/2		6,448	-	6,448
June Mulroy	20 Nov 17	6/6		6/6			3,994	-	3,994
Ann O'Hanlon	21 May 18	5/6	4/4	6/6			3,994	-	3,994
Ruth Snell	21 May 18	5/6	4/4	3/3			3,994	-	3,994
Ian Foy (Customer Experience Chair)	21 May 18	6/6		2/2	2/2	3/3	6,448	-	6,448
Luke Gallagher	07 Oct 19	6/6	4/4				3,994	-	3,994
Keith Holloway(Asset & Development Chair)	07 Oct 19	6/6	4/4		2/2		6,448	101	6,549
Victoria Tomlie-Loverseed	24 Sep 20	6/6				3/3	3,994	164	4,158
Justin Ives (Co-opted Board member)	21 May 18	5/6		4/6		3/3	3,994	-	3,994
Gail Monnickendam (Independent Audit Advisor)	01 Jan 18			6/6			2,164	-	2,164
Nigel Bell (Independent Asset Advisor)	28 Sep 15 Resigned 11 Oct 21		3/3				1,262	-	1,262
David Boyes-Watson (Independent CEC Advisor)	01 Dec 21		1/1				721	-	721
Ruth Dent (Independent Asset Advisor)	01 Sep 18		4/4				2,164	-	2,164
Glyn Mucklow (Independent CEC Advisor)	01 May 18					3/3	2,164	-	2,164
David Dumbleton (Independent CEC Advisor)	28 Sep 15					3/3	2,164	-	2,164
Colin Fisher (Independent CEC Advisor)	08 Feb 21					2/3	2,164	-	2,164
Pete Hammond (Independent CEC Advisor)	01 May 18					3/3	2,164	-	2,164
Robin Norton (Independent CEC Advisor)	24 Sep 20					3/3	2,164	-	2,164
Total							**78,656**	**265**	**78,921**

Committee Structure

The Board meets formally at least six times a year for regular business and once a year has a strategic session about future direction of the Group. The Board has four committees each of which has formal terms of reference which were last reviewed during 2020/21.

- The Group Audit and Risk Committee is responsible for providing independent scrutiny and challenge over risk management, financial viability and adequacy of internal controls. The committee comprises five board members and an independent member. The Committee also oversees the work of the Performance & Improvement Panel; an independent panel of customers who provide scrutiny and challenge on key topics.

- The Group Asset and Development Committee is responsible for scrutinising, overseeing and recommending property development opportunities to the relevant boards, monitoring landlord health and safety compliance, overseeing empty homes and property sales. The committee comprises four board members and two independent committee members.
- The Group Customer Experience Committee is responsible for promoting customer experience on all services provided and for putting the customer at the heart of decision making. The committee comprises four board members, two independent committee members and three customer committee members.
- The Group Governance and Remuneration Committee is responsible for reviewing, and approving governance arrangements, remuneration policies, board member recruitment and board member training. The committee comprises the chairs of each of the board committees and the Broadacres Chair.

Board Diversity

Category					
	Under 65	**Over 65**		**No Disability**	**Disability**
Age	14	5	**Disability**	19	0
	Male	**Female**		**White British**	**Withheld**
Gender	10	9	**Ethnicity**	19	0

Employee, diversity and inclusion

At Broadacres we understand that it's great people, providing great homes and great customer experiences across rural communities that will help us achieve the vision of being the best rural housing association in the country.

We aim to empower colleagues and do this by making sure we give all colleagues a voice to share what's important, enabling us to create a Broadacres where everyone is instrumental in achieving the mission and are contributing fully in the success of the Group.

We are an equal opportunities and disability confident employer who welcomes applicants from all sectors of the community, and we encourage applications from people who are underrepresented in areas of the Organisation.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety and detailed policies pertaining to such have been produced.

Colleagues receive the training and support they require to fulfil their roles and understand their personal responsibilities in making the Group a safe and healthy place to work with health and safety performance being reported to every board meeting.

Pensions

The Group participates in three pension scheme arrangements:

1. Employees across the Group are eligible to join the Social Housing Pension Scheme (SHPS) a defined benefit scheme operated by The Pensions Trust for Housing Associations in their first year of employment. Retirement benefits to the Group's employees are funded by contributions from all participating employers and employees in the scheme.
2. The Group also participates in the Social Housing Pension Scheme (SHPS) defined contribution (money purchase) scheme.
3. The Group also participates in the London Local Government Pension Scheme, a defined benefit scheme. The scheme is closed to new admission and has six members (2020: nine members). The Group and employees contribute to the scheme.

Payments to creditors

The Group has a policy to pay all suppliers and contractors in the next available payment run following the transaction being approved. This minimises the risk of the Group incurring additional charges in respect of interest on late payment but more importantly treats contractors fairly. The creditor days were on average 30 days (2021: 38 days).

Charitable donations and pledges

In addition to the time and support given by colleagues to local charities via the volunteering policy, donations of £1,058 (2021: £10,266) were made during the year to local groups. The donations were overseen by the Performance Improvement Panel within criteria agreed by the Board. The Group does not make political donations of any kind.

In 2021/22 £202k was spent adapting homes for disabled, elderly and infirm customers. We continue to work with family carers to meet their housing needs.

With the location in North Yorkshire and beyond being close to Defence establishments we are equally proud to pledge ongoing support to the Armed Forces Covenant. The Armed Forces Covenant is a promise by the nation ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly. Very high standards for customers and colleagues alike who have served in the nation's armed forces are maintained.

RSH Regulatory Standard: Governance and Financial Viability

The Group has the highest overall regulatory rating from the Regulator for Social Housing of G1 / V1 and this reflects the ongoing effort of the Board and colleagues to manage its risks and maintain optimum governance.

The Board confirms full compliance with the RSH regulatory standards on Governance and Financial Viability for the year 2021/22.

Corporate Governance

The Group fully complies with the National Housing Federation's (NHF) Code of Governance 2020. During this financial year in November 2020, the NHF published an updated Code of Governance. Broadacres played an active role in the NHF consultation and we were delighted to see the final outcome which gave increased prominence to resident focus and equality, diversity and inclusion. The Broadacres Board strive to set the highest standards of governance and on that basis the Board adopted the new NHF 2020 code on 22 March 2021. The latest NHF code is adopted by the Board as a formal framework to underpin its governance arrangements going forwards.

Broadacres regularly reviews its governance arrangements and takes independent assurance to ensure it has an appropriate Board comprising of the right composition, skills, duties and responsibilities. The Group Audit and Risk Committee reports directly to the Board. It manages the internal auditors and external auditors and monitors the effectiveness of controls designed to manage the risks of the business in accordance with the risk appetite, set by the Board. Clear working arrangements between the Board and Chief Executive ensure that effective discussions and decisions take place at board level.

The Board sets the strategic direction with appropriate external advice to align the remuneration and recruitment of board members and Executive Directors within the objectives of the Group. Together this provides an environment and culture where all board members, directors and colleagues operate to the highest ethical standards of probity and conduct. As at 31 March 2022 the Group Board of management comprised 11 non-executive board members (2021:11). Competence of the Board and its individual members are appraised annually. Any training and development identified as part of the assessment is then arranged."

Merger code

The Board has adopted the National Housing Federation's voluntary code; "Mergers, Group Structures and Partnerships". As a result, the Board is informed of merger, group structure or partnership opportunities at the earliest opportunity. A record is also kept of activity including any proposals reviewed or submitted along with outcome. There has been no activity in this area in the financial year ended 31 March 2022.

Broadacres Housing Association Limited
Report of Board

Statement of compliance

In preparing this Strategic Report and Board report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP) 2019.

Internal controls assurance

The Board is responsible for establishing and maintaining a system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives will be met. It also exists to provide reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests. The Board understands the system of internal control is designed to manage rather than eliminate all risks.

The Board delegates the review and independent scrutiny of internal controls to the Group Audit and Risk Committee. Activities of the Group Audit and Risk Committee are overseen by the Board, with an internal control report from the Group Audit and Risk Committee to the Board each year. The annual internal control report summarises the control activities and monitoring in operation, and assurances that have been obtained over the operation of key controls. Assurances include the Internal Audit reports, external specialist advice and support, and annual director certifications over internal control and compliance within their respective areas.

Broadacres Housing Association Limited
Report of Board

Statement of Boards responsibilities

The board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the board to prepare financial statements for each financial year. Under that law the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements, the board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2020, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

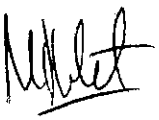
Annual general meeting

The Annual General Meeting (AGM) will be held on 24 November 2022.

Independent external auditors

Crowe UK LLP were appointed as auditors in January 2022.

The report of the Board was approved by the Board on 31 October 2022 and signed on its behalf by:

Martin Warhurst  Board Member

Ruth Snell  Board Member

Chris Fawcett  Secretary

Independent auditor's report to the members of Broadacres Housing Association Limited

Opinion

We have audited the financial statements of Broadacres Housing Association Limited (the "Association") and its subsidiaries (together, the "Group") for the year ended 31 March 2022 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated and Association Statements of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Association's affairs as at 31 March 2022 and the Group and Association's surplus or deficit for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board is responsible for the other information contained within the annual report. The 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 and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditor's report to the members of Broadacres Housing Association Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Group; or
- A satisfactory system of controls over transactions has not been maintained; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 30, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Statement of Recommended Practice for Registered Social Housing Providers 2018. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Association's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Association for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

Independent auditor's report to the members of Broadacres Housing Association Limited

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

31 October 2022

Broadacres Housing Association Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	**2**	44,443	43,233
Operating expenditure	**2**	(38,391)	(33,053)
Operating surplus		6,052	5,180
Finance income	**2,5**	10	8
Interest and finance costs	**2,6**	(7,068)	(6,849)
(Deficit) before tax	**7**	(1,006)	(1,661)
Taxation	**10**	-	-
(Deficit) for the year		(1,006)	(1,661)
Actuarial gain/(loss) in respect of pension schemes	**21**	5,667	(4,295)
Total comprehensive Income/(Loss) for the year		4,661	(5,956)

All activities derive from continuing operations.

The notes numbered 1 to 28 form part of these financial statements.

	Note	2022 £000	2021 £000
Turnover	**2,3,4**	41,463	39,230
Operating expenditure	**2,3,4**	(35,790)	(33,553)
Operating surplus		5,673	5,677
Finance Income	**2,5**	232	388
Interest and financing costs	**2,6**	(7,068)	(6,849)
(Deficit) before tax	**7**	(1,163)	(784)
Taxation	**10**	(41)	(43)
(Deficit) /Surplus for the year		(1,204)	(827)
Actuarial gain/(loss) in respect of pension schemes	**21**	5,667	(4,295)
Total comprehensive Income/(Loss) for the year		4,463	(5,122)

All results derive from continuing operations.

The notes numbered 1 to 28 form part of these financial statements.

Broadacres Housing Association Limited
Consolidated Statement of Financial Position
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Housing properties	11	352,183	335,924
Other property, plant and equipment	12	4,352	4,794
Fixed asset investments	13	577	595
		357,112	**341,313**
Current assets			
Inventories	15	426	573
Housing properties for sale	16	3,507	2,362
Debtors	17	1,859	2,564
Cash	18	9,605	4,789
Cash held in trust		52	60
		15,449	10,348
Creditors: Amount falling due within one year	19	(6,309)	(6,994)
Net current assets		9,140	3,354
Total assets less current liabilities		**366,252**	**344,667**
Creditors: Amounts falling due after more than one year	20	**(184,290)**	**(162,070)**
Defined benefit pension liability	21	(4,390)	(9,686)
Net assets		**177,572**	**172,911**
Capital and reserves			
Share capital	23	-	-
Revenue reserve		135,396	130,735
Revaluation reserve		42,176	42,176
Total reserves		**177,572**	**172,911**

The notes numbered 1 to 28 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R); on pages 41 to 79 and their related notes were approved by the Board on 31 October 2022 and were signed on its behalf by:

Martin Warhurst — Board Member

Ruth Snell — Board Member

Chris Fawcett — Secretary

Broadacres Housing Association Limited
Association Statement of Financial Position
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Housing properties	11	352,183	335,924
Other property, plant and equipment	12	4,324	4,794
Fixed asset investments	13	504	484
Investment in subsidiaries	14	-	-
		357,011	**341,202**
Current assets			
Inventories	15	426	573
Housing properties for sale	16	1,052	847
Debtors	17	6,663	8,669
Cash	18	9,253	3,084
		17,394	13,173
Creditors: Amounts falling due within one year	19	(6,208)	(7,566)
Net current assets		11,186	5,607
Total assets less current liabilities		**368,197**	**346,809**
Creditors: Amounts falling due after more than one year	20	**(184,290)**	**(162,070)**
Defined benefit pension liability	21	(4,390)	(9,686)
Net assets		**179,517**	**175,053**
Capital and reserves			
Share capital	23	-	-
Revenue reserve		137,341	132,877
Revaluation reserve		42,176	42,176
Total reserves		**179,517**	**175,053**

The notes numbered 1 to 28 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R); on pages 41 to 79 and their related notes were approved by the Board on 31 October 2022 and were signed on its behalf by:

Martin Warhurst — Board Member

Ruth Snell — Board Member

Chris Fawcett — Secretary

Broadacres Housing Association Limited

Consolidated Statement of Changes in Reserves

As at 31 March 2022

	Income and Expenditure Reserve	Revaluation Reserve	Total
	£000	£000	£000
At 1 April 2020	**136,690**	**42,176**	**178,866**
Deficit for the year	(1,660)	-	(1,660)
Actuarial gain/(loss) on pension scheme	(4,295)	-	(4,295)
At 31 March 2021	**130,735**	**42,176**	**172,911**
Deficit for the year	(1,006)	-	(1,006)
Actuarial gain/ (loss) on pension scheme	5,667	-	5,667
At 31 March 2022	**135,396**	**42,176**	**177,572**

Broadacres Housing Association Limited

Association Statement of Changes in Reserves

As at 31 March 2022

	Income and Expenditure Reserve	Revaluation Reserve	Total
	£000	£000	£000
At 1 April 2020	**137,999**	**42,176**	**180,175**
Deficit for the year	(827)		(827)
Actuarial gain/(loss) on pension scheme	(4,295)		(4,295)
At 31 March 2021	**132,877**	**42,176**	**175,053**
Deficit for the year	(1,204)		(1,204)
Actuarial gain/ (loss) on pension scheme	5,667		5,667
At 31 March 2022	**137,340**	**42,176**	**179,516**

Broadacres Housing Association Limited
Consolidated Statement of Cashflow
For the year ended 31 March 2022

	Note	£000	2022 £000	£000	2021 £000
Net cash generated from operating activities	18		**10,910**		**11,553**
Cash flows from investing activities					
Purchase of property, plant and equipment		(29,071)		(17,179)	
Purchase of Other Assets		(504)		(459)	
Proceeds from sale of fixed assets		657		3,597	
Proceed of Sales of other assets (including current assets)		7,339		4,217	
Proceeds from disposal of investment properties		-		-	
Grants received (SHG & other)		4,792		3,436	
Interest received		10		8	
Net cash outflow from investing activities			**(16,777)**		**(6,380)**
Cash flows from financing activities					
Interest paid		(6,912)		(6,845)	
New loans		17,995		7,000	
Repayments of borrowings		(400)		(2,250)	
Net cash (outflow) from financing activities			**10,683**		**(2,095)**
Net increase/(decrease) in cash and cash equivalents			**4,816**		**3,078**
Cash and cash equivalents at beginning of year			**4,789**		**1,711**
Cash and cash equivalents at end of year			**9,605**		**4,789**

Cash held in trust is included in the Creditors movement, within Note 18.

1. Accounting policies

The Registered Provider (RP) is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as an RP as defined by the Housing and Regeneration Act 2008.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

General information and basis of accounting

The financial statements of the Group and Association have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019 Broadacres Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The financial statements are presented in sterling (£).

FRS 102 Exemptions

The Association has taken advantage of the exemption from the requirement to prepare a cash flow statement set out in section 1.11 of FRS102

Going Concern

The Boards reviewed the financial plans in March 2022, as part of our normal annual review. Having reviewed our principal financial risks, they were satisfied that Broadacres had sufficient resources to continue operating for the foreseeable future and accounts have been prepared in the reasonable expectation that Broadacres is a financially viable organisation. Broadacres held £9.6m in cash at the year-end.

After benchmarking the market for more than 12 months Broadacres secured additional lending from existing funder NatWest, of £30m, in May 2021. At the same time improved borrowing terms were agreed with both NatWest and Barclays Bank on existing debt.

In November, Tranche 2 funding requirements were met. Broadacres Housing Association signed a revised agreement with Nationwide (improving terms and getting access to an additional £1.25m) and tapped into a £16.1m bond issuance (with a value of £17.5m cash) with the aggregator MORhomes. Broadacres Housing Association now has funding in place to fund ambitious development and investment plans through to 2027, and also an improved liquidity buffer. Potential and extensive falls in income (sales and rent), increased costs and changes in inflation indices have all been stress-tested and scenario planned to provide Boards assurance over future finances and that sufficient resources exist to continue operations for the foreseeable future.

The effect of the global pandemic and subsequent economic factors have been assessed by the Boards and various Committees and the potential impact presented throughout the financial year 2021/22, with revised financial plans reviewing the organisation's ongoing forecasts and projections to ensure that the organisation remains financially viable. A going concern paper concluding as much was presented to Group Audit and Risk Committee in June 2022, and Boards thereafter in July 2022. We have assessed the next three years with particular attention on the foreseeable future, being a period of at least 24 months following this accounting period, the year ending 31 March 2024.

The most significant areas that are likely to affect Broadacres' future financial performance and going concern assessment are rental income, extended periods of homes being empty, delays in the sales programme and an increase in the liabilities of the defined benefit pension scheme. The impact of rising living costs (including the increase in the energy price cap) on Broadacres customers has been modelled, with an increase in arrears predicted, and both income collection and money advice colleagues continue to proactively provide support to our financially vulnerable customers. Stress testing and sensitivity analysis have been carried out on an increase in empty homes and a reduction or delay in sales and Broadacres Board is confident in the continued robustness of Group finances in these scenarios.

In 2022-23 turnover is expected to increase slightly through the decision to increase rents by 4.1%, a pick-up in Shared Ownership first tranche sales and a start to open market sales in MHYL Costs will remain significant as we look to invest in the energy efficiency of homes, with a stated aim to achieve SAP C compliance by 2028. Potential inflationary increases in costs have also been factored in and stress tested.

1. Accounting policies (continued)

Going Concern (cont.)

As a key provider of affordable housing in North Yorkshire and beyond, the Boards will ensure that we keep residents safe by maintaining their homes and completing health and safety works. We will work with residents to enable them to pay their rent. This is an area of expertise for this organisation.

Broadacres is not over-burdened by its debt, reflected in its gearing measure being at, or even below, the sector median in 2020/21. Broadacres secured additional funding of £30m and improved terms with existing lenders in May 2021 and October 2021, despite being in the midst of a global pandemic. The Board are of the opinion that, as demonstrated in the forecasts and sensitivity analysis, the Group has sufficient funding available under the agreed facilities and that there are no anticipated breaches in loan covenants over the term of the plan.

As such, the Boards conclude that Broadacres Group remains a going concern and remains satisfied that we can continue operating for the foreseeable future (a period of at least 24 months to 31 March 2024) and accounts have been prepared in the reasonable expectation that Broadacres is a financially viable organisation.

Statement of compliance

This is the sixth year the Group has prepared its financial statements in accordance with FRS 102.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Association and its subsidiary undertakings drawn up to 31 March each year.

Details of the subsidiary undertakings are included on page 14 in the Report of the Boards, and details of transactions between the Group entities are given in note 25 to the financial statements. Intra-group turnover, surpluses and balances are eliminated fully on consolidation.

The Association also has a subsidiary undertaking Market Gate Residential Management Company Limited, a wholly owned subsidiary incorporated in the UK. The principal activity of Market Gate Residential Management Company Limited is the provision of property services, limited to a scheme containing 21 homes. The net assets as at 31 March 2021 were less than £x. This subsidiary has not been consolidated as it is not material for the purposes of giving a true and fair view.

Housing properties

Housing properties are homes held for the provision of social housing or to otherwise promote social benefit. Housing properties are principally properties available for rent and are stated at cost (and at deemed cost for assets held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, attributable development costs (including staffing) and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Work to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works which result on an increase in net rental income over the lives of the homes, thereby enhancing the economic benefits of assets, are capitalised as improvements. This includes works carried out under the Affordable Warmth project and the replacement of fire doors within schemes. Costs include staffing roles attributable to these works. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the Statement of Comprehensive Income.

Depreciation

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated.

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

1. Accounting policies (continued)

Depreciation (cont.)

Structure	75-100 years	Roofs	50 years
Doors and windows	30 years	Heating systems	30 years
Bathrooms	20 years	Kitchens	15 years
Boilers (and Air Source Heat Pumps)	10 years		

Shared ownership homes

Expenditure on shared ownership homes is split proportionally between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and included in housing properties at cost (less any provision needed for impairment or depreciation) and subsequent sales treated as sales of fixed assets.

Non-housing property, plant and equipment

Non-housing property, plant and equipment are stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold offices	50 years
Furniture, fixtures & fittings	5 years
Vehicles	5 years (in line with lease agreements)
Computer equipment	3-4 years

Investment properties

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property, plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment. Broadacres currently holds sites in its land bank valued at £0.4m. (£0.4m 2020-21) These properties are included in investments.

Impairment of social housing properties

Homes held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential. An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in the Statement of Comprehensive Income.

1. Accounting policies (continued)

Social Housing Grant and other Government grants

Where grants are received from government agencies such as Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source, this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below their market value from a third party that does not meet the definition of a government source the transaction is recognised as an asset in the Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset and income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not to be recognised as a provision. On subsequent stair casing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Restricted reserves

The Association maintains restricted reserves for specific purposes where their use is subject to external restrictions.

Revenue and expenditure is included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserve to the restricted reserve.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

1. Accounting policies (continued)

Leased assets (cont.)

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. A lease for the provision of vehicles over the next five years was entered into in 2018/19. This has been classified as a Finance lease. Assets are recognised initially at the lower of the fair value of the leased asset or the present value of minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Payments are split into principal and interest to reflect the repayment of the liability over the life of the vehicles, with depreciation being charged on the vehicle's useful life.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Homes for outright sale

Homes developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, attributable staffing costs and an attributable proportion of overheads based on normal levels of activity.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Taxation

The Association has charitable rules with effect from 9 June 1998, when charitable status was obtained; the Association is not liable to Corporation Tax except for specific transactions (outright sale of homes for profit, Renewable Heating Incentives and Feed- in – Tariffs).

The Association's subsidiaries Broadacres Services Limited and Mulberry Homes Yorkshire Limited are liable to taxation within the UK. Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date.

Timing differences are differences between the Group's taxable surpluses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

1. Accounting policies (continued)

Value added tax (VAT)

The Association is registered for VAT but a large proportion of its income, including rents, is exempt from VAT. The majority of expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Partial exemption has been obtained for some business activities and the VAT recovered is credited to the income and expenditure account in the year in which they occur.

Pensions

Multi-employer defined benefit pension scheme – Social Housing Pension Scheme (SHPS)

The Association participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK.

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

FRS 102 requires that an employer participating in a defined benefit scheme should recognise:

- a liability for its obligations under the scheme net of scheme assets; and
- the net change in that liability during the accounting period as the cost of the defined benefit scheme during the period.

Local Government Pension Scheme

The Group participates in a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Turnover

Turnover comprises:

- Rental income from tenants and leaseholder's receivable in the year is recognised as it becomes due and payable. (Net of void losses)
- Service charge income is recognised when the related expenditure is incurred.

Revenue grants recognised at the earlier of when due under a relevant contract or when received.

- Income from other services included at the invoice date (excluding VAT) of goods and services supplied in the year are recognised when they become due and payable.
- Income from the sale of shared ownership or other homes developed for sale is recognised when received.

Support income and costs including supporting people income and costs

Supporting People (SP), contract received from the administrating authorities, is accounted for as SP income in the turnover, note 2. The related support costs are matched against this income in the same note.

Investments

Investments in the Group balance sheet are held at the lower of cost and net realisable value and represent an equity share of homes sold by Broadacres Services Limited at less than 100%.

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Debtors

Short term debtors are measured at transaction price, less any impairment. Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Employee Benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they may be irrecoverable

Onerous Contracts

Where a loss is deemed to be certain in a contract, the Association will recognise this loss as outlined in FRS102. This will lead to a cost in the Statement of Comprehensive Income as well as a provision in the Statement of Financial Position relating to the estimated loss. This will then be unwound as the actual loss is realised.

Financial liabilities carried at amortised cost – "basic loans"

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income, discounting is omitted where the effect of discounting is immaterial. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

1. Accounting policies (continued)

Financing transactions – rent arrears – arrangements to pay

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are derecognised as a financial asset and a new financial asset measured at the present value of the future payments discounted at an appropriate market rate of interest.

Public benefit entity concessionary loans

Loans between the Group organisations are made at market rates and therefore classified as "basic loans" above.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Cash Held in Trust

At times, the subsidiary Broadacres Services Limited may hold cash balances for management companies pending expenditure on the upkeep of scheme sites. This balance is treated as an asset in Cash and a creditor balance in Other creditors.

Gift Aid payments

Donations received under the Gift Aid scheme to the parent association, BHA, from its subsidiaries are recognised as turnover upon receipt as it relates to the principle activities of the association. Payments from subsidiaries are made under a deed of covenant to the parent and therefore accounted for as distributions. Payments and receipts are eliminated on consolidation.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Group have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

The Board made the decision to increase rents by the maximum possible in 2022/23 to reflect the continued investment in homes. This results in a 4.1% increase for the majority of customers in 2022/23.

Broadacres reviews homes where it considers an indicator of impairment exists. The process is as follows:

a) Determined the level at which the recoverable amount is to be assessed (ie the individual asset level or at cash-generating unit (CGU) level. The CGU was determined to be at a scheme level

b) Estimated the recoverable amount of the CGU

c) Calculated the carrying amount of the CGU and

d) Compared the carrying amount to the recoverable amount to determine if an impairment loss had occurred.

1. Accounting policies (continued)

Significant management judgements (cont.)

Based on this assessment, Broadacres calculated the Depreciated Replacement Cost (DRC) of each social housing property and/or scheme, using appropriate construction costs and land prices

Carrying value of properties held for sale

Valuation of homes held for sale – The carrying value of homes held for sale is based on the fair value of the market sale properties held by the Group at 31 March 2022.

Classification of loans

Broadacres Housing Association entered into restated loan agreements with Barclays and NatWest in May 2021 and with Nationwide in December 2021.
Management have reviewed the terms of these agreements against terms of the existing loans. This review included both qualitative and quantitative measures. In both cases, management determined that the new loans did not represent a substantial modification in the loans terms, and therefore the loans remain classified as basic loans. The costs associated with these loans have been capitalised in line with accounting policy and the carrying values amended accordingly.

Broadacres Housing Association tapped into a bond issuance with the Social Housing aggregator MORhomes in November 2021. The terms of this loan are considered basic and the loan is therefore recognised in the accounts at amortised cost.

Estimation uncertainty

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

Fair value measurement

Management uses valuation techniques to determine the fair value of assets held for sale. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date. Note 17 provides detail of assets held for sale.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. Note 21 provides details of the pension schemes, with the current deficit being £4.4m (2021: £9.7m)

Provision for bad and doubtful debts

Broadacres Group makes a judgement on the recoverability of arrears of rental and other income. The provision made against potential bad debts is considered adequate in the light of current rent arrears position. The adjustment to the debt provision in year was £82k (2021: £124k), detailed in note 3.

2. Particulars of turnover, cost of sales, operating costs, operating surplus and disposal of property

Group	Turnover	2022 Operating Costs	Operating Surplus / (deficit)
	£000	£000	£000
Social housing lettings (Note 3)	34,055	(27,903)	6,152
Main operating activities			
Shared ownership First Tranche Sales (Association)	4,125	(2,413)	1,712
Gain on disposal or property, plant and equipment (Note 4)	657	(502)	155
Supported and Extra Care Schemes	933	(2,272)	(1,339)
ABLE day care	43	(206)	(163)
Cleaning services	23	(320)	(297)
Development services	-	(1,231)	(1,231)
Other	1,393	(983)	410
Open Market Sales	3,214	(2,561)	653
Turnover	44,443	(38,391)	6,052
Activities other than social housing activities:			
Interest receivable / (payable)	10	(7,068)	(7,058)
Total	**44,453**	**(45,459)**	**(1,006)**

Group	Turnover	2021 Operating Costs	Operating Surplus / (deficit)
	£000	£000	£000
Social housing lettings	33,372	(27,744)	6,311
Main operating activities			
Shared ownership First Tranche Sales (Association)	3,258	(1,494)	1,764
Gain on disposal or property, plant and equipment (Note 4)	747	(16)	731
Supported and Extra Care Schemes	985	(2,132)	(1,147)
ABLE day care	112	(189)	(77)
Cleaning services	4	(339)	(335)
Development services		(1,374)	(1,374)
Other	530	(1,005)	(475)
Open Market Sales	4,225	(4,349)	(124)
Turnover	43,233	(38,053)	5,182
Activities other than social housing activities:			
Interest receivable / (payable)	8	(6,849)	(6,841)
Total	**43,241**	**(44,902)**	**(1,660)**

2. Particulars of turnover, cost of sales, operating costs, operating surplus and disposal of property

Association	Turnover	2022 Operating Costs	Operating Surplus /deficit
	£000	£000	£000
Social housing lettings	34,055	(27,903)	6,152
Other social housing activities			
Shared ownership and current assets	4,125	(2,413)	1,712
Gain on disposal of property, plant & equipment (Note 4)	657	(502)	155
Supported and Extra Care Schemes	933	(2,271)	(1,338)
ABLE day care	43	(205)	(162)
Cleaning services	23	(320)	(297)
Development services	234	(1,191)	(957)
Other	1,393	(985)	408
Turnover	41,463	(35,790)	5,673
Activities other than social housing activities:			
Gift Aid / Taxation	-	(41)	(41)
Interest receivable / (payable)	232	(7,068)	(6,836)
Total	**41,695**	**(42,899)**	**(1,204)**

Association	Turnover	2021 Operating Costs	Operating Surplus / deficit
	£000	£000	£000
Social housing lettings	33,372	(27,155)	6,217
Other social housing activities			
Shared ownership and current assets	3,258	(1,494)	1,764
Gain on disposal of property, plant & equipment (Note 4)	747	(16)	731
Supported and Extra Care Schemes	985	(2,132)	(1,147)
ABLE day care	112	(189)	(77)
Cleaning services	4	(339)	(335)
Development services	222	(1,116)	(894)
Other	530	(1,112)	(583)
Turnover	39,230	(33,553)	5,676
Activities other than social housing activities:			
Gift Aid	-	.	.
Interest receivable / (payable)	388	(6,849)	(6,461)
Total	**39,618**	**(40,402)**	**(785)**

3. Particulars of Income and Expenditure from social housing lettings – Group and Association

The income from lettings in respect of shared ownership properties is included within general needs. The Association has 260 shared ownership homes (2021:245) generating £754k (2021: £673k) per annum in rent.

	General Needs (and Sheltered Housing) £000	Supported Housing £000	2022 Total £000	2021 Total £000
Income				
Rents receivable	31,727	690	32,417	31,961
Service charge income	1,910	928	2,838	2,762
Amortised government grant:				
Government grants taken to income	126		126	95
Void losses	(1,133)	(193)	(1,326)	(1,446)
Turnover from social housing lettings	**32,630**	**1,425**	**34,055**	**33,372**
Expenditure				
Services	(1,961)	(888)	(2,849)	(2,768)
Management	(2,795)	(153)	(2,948)	(3,051)
Routine maintenance	(5,759)	(315)	(6,074)	(7,830)
Planned maintenance	(843)	(46)	(889)	(1,145)
Major repairs expenditure	(7,257)	(398)	(7,655)	(3,758)
Rent loss from bad debts	(82)	(2)	(84)	(124)
Depreciation of housing	(6,873)	(376)	(7,249)	(7,073)
Impairment of housing	(155)	-	(155)	(1,406)
Operating costs	**(25,725)**	**(2,178)**	**(27,903)**	**(27,155)**
Operating surplus social housing lettings	**6,905**	**(753)**	**6,152**	6,217

During the year the Association made £16,141 (2021: £10,266) grants from the Community Development Fund to local groups and unfortunately due to the COVID pandemic the annual charity event had to be cancelled (2020: £5,000 for POSCH – Parents & Carers of Special Children).

4. Gain on disposal of property, plant and equipment

	Group and Association	
	2022 £000	2021 £000
Gain on disposal of property		
Right to buy sales	-	467
Staircasing shared ownership sales	230	273
Disposal of housing fixed assets	427	2,856
	657	3,596
Costs of sale	(502)	(2,849)
Profit on disposal	155	747

5. Finance Income

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Intercompany loan interest	-	-	222	380
Bank interest receivable	10	8	10	8
	10	8	232	388

6. Interest and finance costs

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Bank loans and overdrafts	7,116	6,836	7,116	6,836
Finance lease interest	21	19	21	19
Net interest on defined benefit liability (Note 21)	205	123	205	123
	7,342	6,978	7,342	6,978
Borrowing costs capitalised	(274)	(129)	(274)	(129)
	7,068	6,849	7,068	6,849

Borrowing costs have been capitalised based on a capitalisation rate of 2.7% (2021: 1.73%) which represents the marginal rate of funds available to the Association.

7. (Deficit) on ordinary activities before taxation

(Deficit) on ordinary activities before taxation is stated after charging/ (crediting):

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Depreciation of housing (Note 11)	7,249	7,073	7,249	7,069
Impairment of housing (Note 11)	155	1,406	155	1,406
Depreciation of other fixed assets (Note 12)	924	784	924	784
Government grants (Note 20)	126	94	126	94
(Gain) on disposal of fixed assets (Note 4)	155	(747)	155	(747)
Audit fees:				
- Statutory audit	44	56	35	42
- Taxation compliance services	6	6	6	6
- Other consultancy services		-		-
Operating lease rentals (Note 24)	-	-	-	-

8. Staff costs

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Wages and salaries	10,250	10,309	10,250	10,309
Agency Costs	130	197	130	197
Social security costs	980	924	980	924
Other pension costs (see note 21)	1,463	1,032	1,463	1,032
	12,823	12,462	12,823	12,462

The Association's employees are members of the Social Housing Pension Scheme (SHPS) or the Local Government Pensions Scheme (LGPS). Further information on each scheme is given in note 21.

The full-time equivalent number of staff who received remuneration greater than £60,000 (excluding directors):

Salary band including Employer's Pension and Employer's NI	2022 Number	2021 Number
£60,000 – 69,999	4	5
£70,000 – 79,999	2	2
£80,000 – 89,999	6	5
£90,000 – 99,999	-	-
£100,000 – 109,999	1	-
£110,000 – 119,999	-	-
£120,000 – 129,999	1	2
£130,000 – 139,999	2	2
£160,000 – 169,999	-	-
£170,000 – 179,999	1	1

8. Staff costs (continued)

	2022 Number	2021 Number
Average full-time equivalent employees:	353	344

9. Key management personnel

	2022 £000	2021 £000
Board members		
Wages and salaries	79	77
Expenses	-	1
Executive staff members		
Wages and salaries	544	555
Social security costs	69	70
Other pension costs	69	70
	761	773

Executive staff members are defined as the members of the Board, the Chief Executive and any other person who is a member of the Director Management team. (Chief Executive, Director of Business Transformation, Director of Customer Experience, Director of Development & Investment and Director of Resources)

	2022 £000	2021 £000
Remuneration of the highest paid director, excluding employer's pension contributions and employer's NI contributions	140	139
Employer's NI of the highest paid director	18	18
Pension contributions of the highest paid director	20	20

The pension arrangements of the Chief Executive are consistent with those offered to the Group's other employees. No enhanced or special terms apply.

10. Tax on deficit on ordinary activities

Group

The charge for the year can be reconciled to the deficit per the Statement of Comprehensive Income as follows:

	2022	2021
	£000	£000
Surplus for the year	(757)	(1,660)
Tax on surplus at standard UK tax rate of 19% (2020:19%)	(144)	(315)
Effects Of:		
Charitable activities	322	215
Income not taxable for tax purposes	-	-
Amounts charged/(credited directly to the STRGL or otherwise transferred	-	-
Adjust closing deferred tax to average rate of 19.00%	-	-
-Adjust opening deferred tax to average rate of 19.00%	-	-
Amounts relating to change in tax rates	(403)	
Deferred tax not recognised	225	100
Tax charge for the period	-	-

Notes to the accounts – Balance sheet amounts	**2022**	**2021**
	£000	**£000**
Current liabilities:		
Group relief creditor	-	-
	-	-

10. Tax on deficit on ordinary activities (continued)

Association

The charge for the year can be reconciled to the deficit per the Statement of Comprehensive Income as follows:

	2022	2021
	£000	£000
Surplus for the year	(1,163)	(784)
Tax on surplus at standard UK tax rate of 19.00% (2019:19.00%)	(221)	(149)
Effects Of:		
Expenses not deductible for tax purposes	316	194
Charitable activities	-	-
Group relief surrendered/(claimed)	(41)	(43)
Amounts relating to changes in tax rates	(32)	-
Deferred tax not recognised	19	(2)
Group relief creditor	41	43
Tax charge for the period	41	43

Notes to the accounts – Balance sheet amounts	2022	2021
	£000	£000
Current liabilities:		
Group relief creditor	41	43
	41	43

The Group has utilised tax losses in subsidiaries to offset income generated in the Association that is subject to corporation tax. This relates to income from "Renewable Heating Incentive" and "Feed In Tariff" scheme income, as well as homes developed for outright sale.

11. Housing properties

Group and Association	Housing properties held for letting £000	Housing properties under construction £000	Total £000
Cost			
At 1 April 2021	358,910	18,630	377,540
Additions	-	20,590	20,590
Components capitalised	4,917	-	4,917
Transferred on completion	10,573	(10,573)	-
Disposals	(2,200)	-	(2,200)
At 31 March 2022	372,200	28,647	400,847
Accumulated Depreciation			
At 1 April 2021	(41,616)	-	(41,616)
Charge for the year	(7,249)	-	(7,249)
Eliminated on disposal	356	-	356
Impairment	-	(155)	(155)
At 31 March 2022	(48,509)	(155)	(48,664)
Net book value At 31 March 2022	**323,691**	**28,492**	**352,183**
At 31 March 2021	317,294	18,360	335,924

The Group hold homes at cost less accumulated depreciation. Valuations of homes are still undertaken as a requirement of funding agreements and are considered against the value of homes held for impairment review purposes.

Under FRS102, following the adoption of the accrual method of accounting Social Housing Grant is held as a creditor and released to the Statement of Comprehensive Income over the useful life of the asset to which it relates. Homes have therefore been restated at gross (or deemed cost) less depreciation.

Housing property additions include £274k (2021: £129k) interest on development costs, based on 2.7% (2021: 1.73%) interest rate. Included within housing properties for letting are 260 (2021:245) Shared Ownership properties with a net value of £7.9m (2021: £7.4m).

Depreciation has been charged on major components based on their useful economic lives, the replacement of major components totalling £4,851k (2021: £3,810k) were capitalised in the year. £1,776k in the year was attributable to energy efficiency works on existing homes.

11. Housing properties (continued)

Expenditure on works to existing properties

	Group and Association 2022 £000	2021 £000
Components capitalised		
Energy Efficiency	1,776	1,405
Compliance	373	330
Major Components	2,768	2,075
	4,917	3,810
Amounts charged to the income and expenditure account	3,376	3,273
	8,293	7,083

Social Housing Grant

	Group and Association 2022 £000	2021 £000
Total accumulated social housing grant received or receivable as at 31 March:		
Capital grant	76,669	73,253

Finance Costs

	Group and Association 2022 £000	2021 £000
Aggregate amount of finance costs included in the cost of housing properties:	3,240	2,966

Housing Properties Held

	Group and Association 2022 Number of Homes	2021 Number of Homes
General Needs	5,972	5,927
Supported housing	327	344
Shared Ownership	260	245
	6,559	6,516

12. Other property, plant and equipment

	Freehold Offices	Computer & office equipment	Furniture fixtures & fittings	Vehicles	Leased Vehicles	Association Total	Group and Association Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2021	3,691	2,522	289	157	2,523	9,182	9,192
Additions	-	283	-	124	68	475	503
Disposals	(4)	(190)	(1)	-	(33)	(228)	(230)
At 31 March 2022	3,687	2,615	288	281	2,558	9,429	9,465
Depreciation							
At 1 April 2021	(972)	(2,070)	(213)	(157)	(976)	(4,388)	(4,398)
Charge for the year	(74)	(292)	(22)	(24)	(512)	(924)	(924)
Disposals	1	183	1	-	22	207	209
At 31 March 2022	(1,045)	(2,179)	(234)	(181)	(1,466)	(5,105)	(5,113)
Net book value At 31 March 2022	**2,642**	**436**	**54**	**100**	**1,092**	**4,324**	**4,352**
At 31 March 2021	2,719	452	76	-	1,547	4,794	4,794

13. Investments

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 April 2021	595	595	484	484
Additions	19		19	
Disposals	(37)	-	-	
31 March 2022	577	595	503	484

Commercial properties are held for rental generation purposes and held at market value.

Association addition in year refers to the purchase of ordinary shares in MORhomes as part of the financing process.

Disposals in year are in accounted for in subsidiary, Broadacres Services Ltd and are the sale of equity held in homes.

14. Investment in Subsidiaries

As at 31 March 2022, the Association has control of the following subsidiary organisations, the results of which are consolidated where required in these financial statements in accordance with Co-operative and Community Benefit Societies Act 2014. None of these subsidiaries are registered with the Regulator for Social Housing.

Subsidiary Name	Country of registration	Nature of Business	Registered Provider	Shares held by BHA	Basis of Control	Turnover 2022
Broadacres Services Limited	England	Development of building projects	No	£1	100% share ownership	£899k (2021: £6,711k)
Mulberry Homes Yorkshire Limited	England	Development of building projects	No	£100	100% share ownership	£15,132k (2021: £1,943k)
Marketgate Residential Management Company	England	Renting and operating of Housing Association real estate	No	£0	90% ownership of properties in the scheme	£5k (2021: £10k)

The registered office of all subsidiaries is Broadacres House, Mount View, Standard Way, Northallerton, North Yorkshire, DL6 2YD.

The financial statements of the Marketgate Residential Management Company Limited are not required to be consolidated as it is deemed to be immaterial.

15. Inventories

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Materials for repairs and adaptations	418	561	418	561
Catering services food stock	8	12	8	12
	426	573	426	573

16. Housing Properties for Sale

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Completed homes	1,052	1,061	1,052	847
Properties under construction / Land for sale	2,455	1,301	-	-
	3,507	**2,362**	**1,052**	**847**

17. Debtors

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Amounts falling due within one year:				
Rent & Service Charge receivable	1,553	1,746	1,553	1,746
Provision for bad and doubtful debts	(612)	(609)	(612)	(609)
	941	1,137	941	1,137
Amounts owed by Group undertakings		-	693	1,522
Other debtors	101	781	-	103
Prepayments and accrued income	815	646	815	640
	1,857	**2,564**	**2,449**	**3,402**
Amounts falling due after more than one year:				
Amounts owed by Group undertakings	-	-	4,212	5,265
Other debtors	2	2	2	2
	1,859	**2,568**	**6,663**	**8,669**

18. Cash flow

Consolidated Cash flow from operating activities	2022 £000	2021 £000
(Deficit) for the year	(1,006)	(1,660)
Adjustment for non-cash items:		
Depreciation of property, plant & equipment	7,249	7,220
Depreciation of other fixed assets	924	784
(Increase) in inventories	146	(231)
Decrease/(Increase) in debtors	711	570
(Increase) in creditors	(1,145)	(1,597)
Pension costs less contributions payable	360	(32)
Carrying amount of Housing Fixed Asset Disposals	502	2,849
Carrying amount of Other PPE Disposals	-	-
Carrying amount of Other Asset Disposals (including assets for sale)	4,234	6,710
Impairment loss on property, plant & equipment	155	1,260
	13,136	17,533
Adjustments for investing or financing activities:		
Income from the sale of property, plant & equipment	(7,996)	(11,072)
Government grants utilised in the year	(126)	(85)
Interest payable	6,912	6,845
Interest received	(10)	(8)
	(1,220)	(4,320)
Cash generated by operations	**10,910**	**11,553**

Analysis of movement in net debt

	1 April 2021	Cash	Non-Cash	31 March 2022
	£000	£000	£000	£000
Cash	4,789	4,816	-	9,605
Bank loans due less than 1 year	(2,250)	400	1,250	(600)
Bank loans due more than 1 year	(145,564)	(17,995)	155	163,404
Finance Lease Obligations	(1,077)	452	-	625
	(144,102)	**(12,327)**	**1,405**	**155,024**

19. Creditors: amounts falling due within one year

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Bank loans and overdrafts (see note 20)	600	2,250	600	2,250
Rents, service & support charges received in advance	500	398	500	398
Amounts owed to Group undertakings	-	-	1,582	1,099
Other taxation and social security	267	373	267	373
Other creditors	2,345	1,320	662	1,172
Government grants	194	144	194	144
Vehicle Leasing	334	318	334	318
Accruals and deferred income	2,069	2,191	2,069	1,812
	6,309	**6,994**	**6,208**	**7,569**

20. Creditors: amounts falling due after more than one year

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Other creditors				
Loans	163,404	145,565	163,404	145,565
Government grants (RCGF)	236	236	236	236
Government Grants	19,070	14,222	19,070	14,222
Service charge sinking fund	1,289	1,289	1,289	1,289
Vehicle Leasing	291	758	291	758
	184,290	**162,070**	**184,290**	**162,070**

Borrowings are repayable as follows:

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Bank loans				
Between one and two years	1,000	2,000	1,000	2,000
Between two and five years	7,300	7,700	7,300	7,700
After five years	155,104	135,864	155,104	135,864
	163,404	145,564	163,404	145,564
On demand or within one year	600	2,250	600	2,250
	164,004	**147,814**	**164,004**	**147,814**

20. Creditors – amounts falling due after more than one year (continued)

All loans are secured by way of a fixed charge over specified assets of the Association.

Broadacres Housing Association has a fully utilised facility of £55m with Barclays.

Broadacres Housing Association has a facility of £80m with RBS of which £50m is utilised (2021: £50m).

Broadacres Housing Association has a facility of £33.6m with Hambleton District Council (2021: £34m).

Broadacres Housing Association has a facility of £10m (2021: £8,750k) with Nationwide that has been refinanced into a bullet repayment loan, meaning that £1,250k no longer needs to be repaid each year and that Broadacres has the option to borrow a further £1,250k.

In November 2021, Broadacres tapped into a bond issuance with the aggregator MORhomes, generating £17.5m cash (net of fees) on a £16.1m debt.

Broadacres has a loan of £64k with Orchard Brook Finance Plc, formerly the Housing Corporation.

Broadacres weighted average fixed interest rate is 5.11% variable rate margins vary between 1.25% and 1.82% on SONIA.

Deferred Income - Government grants (analysis to be completed)	**Group and Association**	
	2022	**2021**
	£000	**£000**
As at 1 April 2021	(14,366)	(12,197)
Grants receivable	(5,024)	(2,263)
Amortisation of Statement of Comprehensive Income	126	94
As at 31 March 2022	**(19,264)**	**(14,366)**
Due within one year	**(194)**	**(144)**
Due after one year	**(19,070)**	**(14,222)**

The total accumulated amount of capital grant received at the balance sheet date is £76.7m (2021: £73m), the creditor of £19.2m relates to grant where the conditions have not yet been met.

Recycled Capital Grant Fund	**Group and Association**	
	2022	**2021**
	£000	**£000**
As at 1 April	236	146
Inputs	-	90
Recycling of grant	-	-
31 March	**236**	**236**
Grant due for repayment	-	-

20. Creditors – amounts falling due after more than one year (continued)

Obligations under finance leases	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Due < 1 year (Note 19)	334	318	334	318
Due > 1-2 years (Note 20)	291	325	291	325
Due > 2-5 years (Note 20)	-	434	-	434
	625	**1,077**	**625**	**1,077**

The obligations under finance leases are repayable by equal instalments in less than five years, Finance leases relate to vehicles used by the Association.

21. Pension schemes

The Group participated in a two industry-wide funded defined benefit retirement final salary schemes in the year.

Defined benefit retirement schemes.

The Group participates in two defined benefit retirement schemes for all qualifying employees. The schemes are operated by the Social Housing Pension Scheme (SHPS) and the London Pension Fund Authority (LPFA) and the assets of the schemes are held separately from those of the Group under the control of Trustees.

21.1 SHPS

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

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

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

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

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

21. Pension schemes (continued)

21.1. SHPS (cont.)

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus The defined benefit liability is calculated as per the below

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset

	2022 £000	2021 £000
Fair value of Plan Assets	18,327	14,929
Present Value of Defined Benefit Obligation	20,609	20,391
(Deficit)	(2,282)	(5,462)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	2022 £000	2021 £000
Defined Benefit Obligation at 1 April	**20,391**	**14,517**
Current Service Cost	1,122	776
Expenses	19	19
Interest Expense	466	349
Contributions by plan participants	357	333
Actuarial (gain) due to scheme experience	1,016	(548)
Actuarial loss (gain) due to changes in demographic assumptions	(287)	66
Actuarial loss (gain) due to changes in financial assumptions	(2,206)	5,015
Benefits paid and expenses	(269)	(136)
Defined Benefit Obligation at 31 March	**20,609**	**20,391**

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	2022 £000	2021 £000
Fair Value of Plan Assets at 1 April	**14,929**	**12,382**
Interest Income	344	302
Experience on plan assets (excluding interest income) – gain (loss)	1,937	1,048
Contributions by the employer	1,029	1,000
Contributions by plan participants	357	333
Benefits paid and expenses	(269)	(136)
Fair Value of Plan Assets at 31 March	**18,327**	**14,929**

21. Pension schemes (continued)

21.1. SHPS (cont.)

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 March 2022 was £2,281k (2021: £1,350k)

	2022 £000		2021 £000
Global Equity	3,517		2,379
Absolute Return	735		824
Distressed Opportunities	656		431
Credit Relative Value	609		470
Alternative Risk Premia	604		562
Fund of Hedge Funds	-		2
Emerging Markets Debit	533		603
Risk Sharing	603		543
Insurance-Linked Securities	427		359
Property	495		310
Infrastructure	1,306		995
Private Debt	470		356
Opportunistic Illiquid Credit	616		380
High Yield	158		447
Opportunistic Credit	65		409
Cash	62		-
Corporate Bond Fund	1,223		882
Liquid Credit	-		178
Long Lease Property	472		293
Secured Income	683		621
Liability Driven Investment	5,114		3,794
Currency Hedging	(72)		-
Net Current Assets	51		91
Total Assets	**18,327**		**14,929**

Defined Benefit Costs Recognised in the Statement of Comprehensive Income (SOCI)

	2022 £000	2021 £000
Current Service Cost	1,122	776
Expenses	19	19
Net Interest Expense	122	47
Costs recognised in SOCI	**1,263**	**842**

21. Pension schemes (continued)

21.1. SHPS (cont.)

Defined Benefit Costs Recognised in the Other Comprehensive Income

	2022	2021
	£000	£000
Experience on plan assets (excluding interest income) - gain (loss)	1,937	1,048
Experience gains and losses arising on plan liabilities	(1,016)	548
Changes in Demographic Assumptions	287	(66)
Changes in Financial Assumptions	2,206	(5,015)
Total amount recognised in other comprehensive income - (loss)/gain	**3,414**	**(3,485)**

Key Assumptions

	Valuation at 2022	2021
Key assumptions used:		
Discount rate	2.77%	2.22%
Inflation (RPI)	3.42%	3.20%
Inflation (CPI)	3.12%	2.87%
Salary Growth	4.12%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum	75% of maximum

	Valuation at 2022 years	2021 Years
Retiring today:		
Males	21.1	21.6
Females	23.7	23.5
Retiring in 20 years:		
Males	22.4	22.9
Females	25.2	25.1

21.2. The London Pension Fund Authority Pension Fund (LPFA).

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

The administering authority for the Fund is the London Pensions Fund Authority. The LPFA Board oversees the management of the Fund whilst the day to day fund administration is undertaken by the Local Pensions Partnership. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, the London Pensions Fund Authority, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

21. Pension schemes (continued)

21.2. LPFA (cont.)

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.
- Orphan risk. As many unrelated employers participate in each fund, there is an orphan liability risk where employers leave the fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers in that fund.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Valuation data

Data sources
In completing calculations for pension accounting purposes, we have used the following items of data, which we received from the London Pensions Fund Authority:

- The results of the valuation as at 31 March 2019 which was carried out for funding purposes and the results of the 31 March 2021 FRS102 report which was carried out for accounting purposes;
- Estimated whole Fund income and expenditure items for the period to 31 March 2022;
- Fund investment returns for the period to 31 March 2022 and market returns (estimated where necessary) thereafter for the period to 31 March 2022;
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 March 2022;
- Details of any new early retirements for the period to 31 March 2022 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost; and
- Details of any settlements for the period to 31 March 2022.

Although some of these data items have been estimated, we do not believe that they are likely to have a material effect on the results of this report. Further, we are not aware of any material changes or events since we received the data. The data has been checked for reasonableness and we are happy that the data is sufficient for the purposes of this advice.

21. Pension schemes (continued)

21.2. LPFA (cont.)

Employer membership statistics
The service cost for the year ended 31 March 2022 is calculated using an estimate of the total pensionable payroll during the year. From the contribution information provided by the employer, the estimated total pensionable payroll during the year is £208,000 (2021: £279,000). The projected service cost for the year ended 31 March 2023 has been calculated assuming the payroll remains at this level over the year.

Scheduled contributions
The minimum employer contributions due from Broadacres Housing Association Limited to the Fund over this inter-valuation period are 23.4% (2021:23.4%).

Broadacres Housing Association Limited may pay further amounts at any time and future periodic contributions, or the timing of contributions may be adjusted on a basis approved by us.

Early retirements
We requested data on any early retirements in respect of the Employer from the administering authority for the year ended 31 March 2022.

It is the understanding that there were no new early retirements over the year which were not allowed for at the previous accounting date.

Assets

The return on the fund for the year is estimated to be 15.54% (2021:15.60%). Broadacres share of the assets for the year is less than 1% (estimated at approximately 0.19%)

Actuarial methods and assumptions

Valuation approach
To value the employer's liabilities at 31 March 2022, we roll forward the value of the liabilities calculated for the latest full funding valuation using financial assumptions compliant with IAS19 and FRS102.

The full actuarial valuation involved projecting future cashflows to be paid from the fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2022 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2022 should not introduce any material distortions in the results provided that the actual experience of the employer and the fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

As required under the IAS19 and FRS102 accounting standards, we have used the projected unit credit method of valuation.

To calculate the asset share for an individual employer, we roll forward the assets allocated to each employer at the latest valuation date allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the fund by and in respect of the employer and its employees.

Experience items arise due to differences between the assumptions made as part of the roll forward approach and actual experience. This includes (but is not limited to) assumptions made in respect of salary increases, pension increases, mortality, and member transfers.

21. Pension schemes (continued)

21.2. LPFA (cont.)

Any experience items accounted for will be observed in the asset and/or defined benefit obligation reconciliation tables in the appendices in the individual employer's report.

The standard approach is to include actual pension increase experience up to the accounting date. The impact will come through as an experience item.

Demographic/Statistical assumptions
The standard approach is to use demographic assumptions in line with the latest actuarial valuation. For more information please see the latest valuation report. For the assumptions as at 31 March 2022, we propose adopting the CMI_2020 model, further details of which are set out below.

Mortality assumption

The key demographic assumption is the mortality assumption and there are two main steps in setting this assumption:

- Making a current assumption of members' mortality (the base mortality); and
- Projecting these current mortality rates into the future, allowing for further potential improvements in mortality. Future members' mortality is almost impossible to predict and therefore there is a lot of judgement involved and we naturally have to refine the view on this over time.

Base table mortality

The base table mortality assumptions adopted for the funds' latest triennial funding valuations were best estimate assumptions and we will, therefore, be using the same assumptions, as standard for accounting.

Future improvements to mortality

To project future improvements in mortality, we use a model prepared by the Continuous Mortality Investigation Bureau (CMI). The CMI update their model on an annual basis, incorporating the latest mortality data in the national population.

At the last accounting date, unless an employer opted out, we updated the demographic assumptions to use the CMI_2020 Model.

	Life Expectancy from Age 65 years	
	2022 years	2021 years
Retiring today:		
Males	23.3	23.2
Females	24.4	24.3
Retiring in 20 years:		
Males	22.9	22.9
Females	26.2	26.1

	Valuation at 2022	2021
Key assumptions used:		
Discount rate	2.60%	1.95%
Future pension increases	3.30%	2.85%
Salary increases	4.30%	3.85%

These assumptions are set with reference to market conditions at 31 March 2022.

Estimate of the Employer's past service liability duration is 15 years.

21. Pension schemes (continued)

21.2. LPFA (cont.)

The key financial assumptions required for determining the defined benefit obligation for accounting are the discount rate, linked to high quality corporate bond yields, and the rate of future inflation.
We set out the standard approach to the derivation of these assumptions and possible outcomes using market conditions at 31 March 2022.

Discount rate
Under both the IAS19 and FRS102 standards the discount rate should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The standard approach to derive the appropriate discount rate is known as the Single Equivalent Discount Rate (SEDR) methodology.

We use sample cashflows for employers at each duration year (from 2 to 30 years) and derive the single discount rate which results in the same liability value as that which would be determined using a full yield curve valuation (essentially each year's cashflows has a different discount rate). In carrying out this derivation we use the annualised Merrill Lynch AA rated corporate bond yield curve and assume the curve is flat beyond the 30 year point.

Inflation expectations
Whilst the change in corporate bond yields is an important factor affecting the valuation of the liabilities, so too is the assumed level of future inflation as this determines the rate at which the benefits increase. IAS19 suggests that in assessing future levels of long-term inflation we should use assumptions that would result in a best estimate of the ultimate cost of providing benefits whilst also giving consideration to the gilt market (in line with general price levels) to give us an indication of market expectation. FRS102 simply refers to a best estimate of the financial variables used in the liability calculation.

Pension increases in the LGPS are expected to be based on the Consumer Prices Index (CPI). As there is limited market information on CPI-linked assets, to derive the CPI assumption we first make an assumption on the Retail Prices Index (RPI) then make an adjustment.

Retail Prices Index (RPI) assumption
Similar to the SEDR approach described above we intend to adopt a Single Equivalent Inflation Rate (SEIR) approach in deriving an appropriate RPI assumption.

The SEIR adopted is such that the single assumed rate of inflation results in the same liability value (when discounted using the yield curve valuation described above) as that resulting from applying the BoE implied inflation curve. The BoE implied inflation curve is assumed to be flat beyond the 40 year point.

Following a recent review of the market, and in particular noting the muted market reaction to the likely alignment of RPI with CPIH (Consumer Prices Index with Housing) from 2030, the view is that gilt-implied inflation rates are currently distorted by supply and demand factors at medium and longer terms. We have therefore allowed for an Inflation Risk Premium (IRP) of 0.4% at medium and longer terms (from 10 years). This results in an overall IRP of between 0.0% p.a. and 0.3% p.a. depending on the term of the liabilities (for terms ranging from 2 years up to 30 years).

Consistent with the SEDR approach, assumptions are rounded to the nearest 0.05% and we intend to use sample cashflows for employers at each duration year (from 2 to 30 years) in deriving the assumptions for employers

Difference between RPI and CPI
It is expected that RPI will be on average 1.0% p.a. lower than it would have otherwise been from 2030 as a result of the proposed alignment of RPI to CPIH (and CPI) from that date. We have therefore assumed that the annual increase in CPI inflation will be 1.0% p.a. lower than the market implied increases in RPI for each year prior to 2030, and will be in line with RPI inflation thereafter. This results in an assumed gap between the two inflation measures of between 0.25% p.a. and 0.85% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years).

21. Pension schemes (continued)

21.2. LPFA (cont.)

Consumer Prices Index (CPI) assumption
Using a similar approach described above to calculate the SEIR for the RPI assumption, we have calculated a single equivalent rate of CPI increase that results in the same liability value as would be calculated by applying the implied CPI curve. The implied CPI curve at 31 March 2022 is higher at all durations. As a result, the assumed level of future pension increases will be higher than that assumed at the previous accounting date, particularly for employers with lower liability durations since this is where the greatest difference in the curves are.

Salary increases are based on the standard assumption from the last actuarial valuation.

Past service costs/gains
Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

We are not aware of any additional benefits which were granted over the year ending 31 March 2022.

Curtailments
We have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The Employer may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, we have only calculated the cost of curtailments which affect the Employer's LGPS pension liabilities.

We calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, we understand no employees were permitted by the Employer to take unreduced early retirement that they would not otherwise have been entitled to.

Settlements
We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2022 £000	2021 £000
Present value of defined benefit obligations	16,250	16,885
Fair value of scheme assets (bid value)	14,314	12,849
Deficit	1,936	4,036
Present value of unfunded obligation	173	188
Net liability recognised in the Statement of Financial Position	**2,109**	4,224

21. Pension schemes (continued)

21.2. LPFA (cont.)

Movements in the present value of defined benefit obligations were as follows:

	2022 £000	2021 £000
At 1 April 2021	17,073	14,729
Service cost	101	106
Interest cost	328	340
Change in financial assumptions – loss/(gain)	(573)	2,774
Change in demographic assumptions (gain)/loss	-	(154)
Experience (gain) on defined benefit obligation	35	(214)
Estimated benefits paid net of transfers in	(545)	(514)
Contributions by Scheme Participants	16	18
Unfunded pension payments	(12)	(12)
At 31 March 2022	**16,423**	17,073

Movements in the fair value of scheme assets were as follows:

	2022 £000	2021 £000
At 1 April 2021	12,849	11,441
Interest on assets	246	264
Return on plan assets (excluding amounts included in net interest cost)	1,715	1,596
Administration expenses	(17)	(15)
Contributions from the employer	62	71
Contributions from scheme participants	16	18
Estimated benefits paid plus unfunded net of transfers in	(557)	(526)
At 31 March 2022	**14,314**	12,849

Asset breakdown	2022 £000	%	2021 £000	%
Equities	8,148	57	7,134	56
Target Return Portfolio	3,083	22	2,948	23
Infrastructure	1,458	10	1,097	9
Property	1,284	9	1,133	9
Cash	341	2	537	3
Total	**14,314**	**100**	12,849	100

21. Pension schemes (continued)

21.2. LPFA (cont.)

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2022 £000	2021 £000
Current service cost	101	106
Net interest cost	82	76
Administration expenses	17	15
Total	200	197

Defined Benefit Costs Recognised in the Other Comprehensive Income

	2022 £000	2021 £000
Changes in Financial Assumptions	1,715	(2,774)
Changes in Demographic	573	154
Experience gain / (loss) arising on plan liabilities	(35)	214
Actuarial (decrease)/increase in fund assets	-	1,596
Total	**2,253**	(810)

Overall Accounting Impact of Both Schemes

The overall liability is reflected in the accounts as follows:

	2022 £000	2021 £000
SHPS	2,282	5,462
LPFA	2,109	4,224
	4,391	9,686

Defined Benefit Income / (Costs) Recognised in the Other Comprehensive Income

	2022 £000	2021 £000
SHPS	**3,414**	**(3,485)**
LPFA	**2,253**	**(810)**
Actuarial (loss) / gain on pension schemes	**5,667**	**(4,295)**

22. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Financial assets				
Measured at amortised cost				
Rent arrears and other debtors (see note 16)	1,047	2,635	1,751	1,880
Amounts due from related undertakings (See note 16)	-	-	4,905	6,788
Cash held (See note 18)	9,605	4,789	9,253	3,084
	10,652	7,414	15,909	11,752
Financial liabilities				
Measured at amortised cost				
Loans payable (see note 19 & 20)	164,004	147,814	164,004	147,814
Trade and other creditors (see note 19 & 20)	26,590	21,266	24,907	20,740
Amounts owed to related undertakings (see note 19)	-	-	1,582	1,099
	190,594	169,080	190,493	169,653

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Interest income and expense				
Total interest income for financial assets (note 5)	(10)	(8)	(232)	(388)
Total interest expense for financial liabilities (note 6)	6,864	6,845	6,864	6,845
Net Cost	6,854	6,837	6,632	6,457

23. Share capital

	2022 Number	2021 Number
At 1 April 2021	38	44
Joining during the year	-	2
Leaving during the year	(10)	(8)
At 31 March 2022	28	38

Each member is entitled to vote at general meetings but do not have any right to receive dividends or distributions on winding-up, and the shares are not redeemable.

24. Capital commitments

Capital commitments are as follows:

	Group		Association	
	2022 £000	2021 £000	2022 £000	2021 £000
Contracted for but not provided for	**17,410**	20,405	13,693	20,405
Approved by the Board but not contracted	**8,808**	11,044	7,057	11,044
	26,218	**31,449**	**20,750**	**31,449**

The above Commitments (£31m) will be funded through new borrowing secured in 2021 (£30m of liquidity funding from NatWest, £1m from Nationwide and £17.5m from MORhomes), as well as income from sales and grants.

25. Related party transactions

The Key financial transactions between the Group members are summarised below:

Intercompany Loans

As at 31 March 2022, Broadacres Housing Association Limited has loaned £3,894k (2021: £3,894k) to Mulberry Homes Yorkshire Limited and £0 (2021: £777k) to Broadacres Services Limited. These loans are excluded from the accounts on consolidation.

Intercompany Payments

Broadacres Housing Association Limited paid a development recharge to Broadacres Services Limited of £654k (2021: £2,674k).

Broadacres Housing Association Limited paid a development recharge to Mulberry Homes Yorkshire Limited of £12,163k (2021: £1,756k).

Broadacres Housing Association Limited recharged Broadacres Services Limited of £37k for salary costs (2021: £47k).

Broadacres Housing Association Limited recharged Mulberry Homes Yorkshire Limited of £196k (2021: £6k) for salary costs.

At the year end, Broadacres Services Limited owes Broadacres Housing Association £318k (2021: £1,522k) interest.

Mulberry Homes Yorkshire limited owes Broadacres Housing Association £694k (2021: £491k) interest. Broadacres Housing Association owes Broadacres Services Limited £212k for retentions and accrued expenditure. (2021: £581k). Broadacres Services Limited owes Broadacres Housing Association £0 (2021: £103k) for payments in advance. All transactions are at arms-length.

Hambleton District Council

Broadacres has a fully utilised loan facility with Hambleton District council of £33.6m (2021: £34m). Loan interest is based on market rates and the interest payable in year was £1.4m (2021: £1.3m).

26. Controlling party

The parent and the ultimate controlling party of the Group is Broadacres Housing Association Limited.

27. Guarantees

Royal Bank of Scotland on behalf of Mulberry Homes Yorkshire Limited has given guarantees in favour of North Yorkshire County Council and utility providers for the total sum of £0.4m (2021: £0.5m).

28. Post Balance Sheet Event

Mulberry Homes Yorkshire Limited recognised a debtor for a land option purchase of £488k in 2019. This was classified as an financial instrument under debtors. In July 2022 on the anniversary of the land option agreement management took the view that the debtor amounting to £488k, and recorded in 2021 as 'other assets', was unlikely to realise its true transaction value. Planning delays and an absence in extending the land purchase option sees the debtor derecognised through the SOCI in the financial statements for 2021-22.