

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

**Richardsons
Statutory Auditors**

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

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THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

BOARD MEMBERS, STAFF, ADVISERS AND BANKERS

FOR THE YEAR ENDED 31 MARCH 2022

Board Members

Chairman Mr N A Tonge

Vice Chairman Cllr A Midwinter

Other members Mrs J Bowden (co-opted resident)
Mr D Butler
Mr J Ellison
Cllr L Emery
Mr B Lipscombe
Mr C Miniati
Ms S Peplow
Mrs W Tonge

Chief Executive and Secretary Mr M Mellors

Treasurer Mr P Phillips

Registered office Pearce Court
Windmill Road
Thame
Oxon OX9 2DJ

Auditors **External**
Richardsons
30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

Internal
The Risk Management Business Ltd
White House, 94 Wolfreton Lane
Willerby
East Riding Of Yorkshire
HU10 6PT

Principal solicitors Lightfoots
1-3 High Street
Thame
Oxon OX9 2BX

Principal bankers CAF Bank
125 Kings Hill Avenue
Kings Hill, West Malling
Kent ME19 4JQ

HSBC Ltd
14 Upper High Street
Thame
Oxon OX9 2DW

Regulator of Social Housing Registration Number: L1537

Co-operative and Community Benefit Societies Act 2014 Registration Number: MS16683R

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

1. Principal Activities

- 1.1. The Association provides rented sheltered accommodation for older people on three sites in Thame, Oxfordshire and one in Waddesdon, Buckinghamshire. Accommodation is in self-contained flats (83) and bedsits (13). There are also 14 leasehold sheltered flats for older people at Summersbee Court, Windmill Road, Thame, Oxfordshire.
- 1.2. The Association continues to let a two-bedroom semi-detached house at 30 Windmill Road in Thame. It is intended that the premises should, in due course, be used for development.

2. Board Members

During the year the following have been Board members:

Chairman:	Mr N A Tonge
Vice Chairman:	Cllr A Midwinter
Other members:	Mrs J Bowden (co-opted resident) Mr D Butler Mr K Calcutt (resigned June 2021) Mr J Ellison Cllr L Emery Mr B Lipscombe Mr C Miniati Ms S Peplow Mrs W Tonge

3. Review of Business in the Year

- 3.1. A deficit of £18,708 was generated from the ordinary activities of the Association during the year, though an overall surplus of £44,292 achieved following actuarial adjustments.
- 3.2. This deficit was as a direct result of the substantial expenditure on refurbishing Croft Court to modernise the scheme and make the studio flats there more lettable and better quality. Income was also reduced due to the void periods required to undertake this work as it could not be done whilst properties were occupied.
- 3.3. Coronavirus generally lead to longer void times, certainly in the first half of the year, as our client group – older people – were understandably reluctant to move during and around lockdown periods. Two flats at Anstey Court were also help empty awaiting planning permission for remodelling work to make them more accessible to older people. This has now been gained and a contract awarded, which starts on site in April 2022.
- 3.4. Increasing costs for many products and services, due to causes such as Brexit, Covid-19, or the war in Ukraine, have affected us, particularly in the latter half of the year. We have reviewed a number of suppliers and continue to endeavour to maximise value without jeopardising quality of services.
- 3.5. £217,857 was spent on maintenance, planned and major works to our properties. The level of response on maintenance continues to be high, with 100% (2021: 100%) of emergency, 96% (2020: 100%) of urgent jobs, and 100% (2020:91.84%) of routine jobs completed within the targets set. The 96% figure for urgent repairs amounts to 1 job that was 1 day 1 late due to awaiting parts.
- 3.6. Seventeen lettings were made during the year, a very high number for us, and these were mostly concentrated in the latter half of the year. This resulted in substantial extra work for both administrative and maintenance teams. Flats are redecorated and refurbished, as required, prior to being re-let and we aim to have properties re-let within 28 days of becoming void. The pandemic impacted average relet times as mentioned above, and some scheduled viewings and moves had to be postponed due to Covid-19 infections. The average void period for the year was just under 37 days after taking into account major repairs and holding properties empty pending planning permissions and works.
- 3.7. Rent arrears stood at 1.03% (2021: 1%), the majority of which is due to timing on housing benefit payments made direct to the Association. A repayment agreement is in place for one household in significant arrears with repayments being made irregularly. Further missed payment will lead to the commencement of legal action in this case.
- 3.8. Following the sale of land next to Anstey Court last year, Aylesbury Vale Housing Trust (now Fairhive housing) are well under way with building a new housing scheme for elderly people next to Anstey Court.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

Whilst this is causing some disruption to our residents, we are pleased to be facilitating the development of more social housing with colleagues in the sector and will work to ensure our services are complementary and mutually beneficial once the scheme is completed in 2022.

- 3.9. Development of five new flats adjacent to Pearce Court has been much delayed due to planning issues and the Covid pandemic. Planning consent conditions have now been fully complied with and we hope to begin this development in the coming year. We have now applied to both South Oxfordshire District Council and Homes England for funding to complete this development. Both organisations have been helpful in guiding us through this process, and we also thank Sovereign Housing who have provided assistance with technical aspects of the grant application.
- 3.10. We continue to support and encourage the Residents' Association, which is run by residents. The Chief Executive communicates regularly with the group and ideas are shared in both directions. Covid19 restrictions meant that the Residents' Association annual general meeting had to be postponed once again and we were only able to conduct one 'live' residents meeting each at Thame and Waddesdon with residents during the year.
- 3.11. The application of defined benefit accounting for the Social Housing Pension Scheme (SHPS) impacts the Association's reserves as shown under Other Comprehensive Income on page 9. Following an external review of pensions' provision, and consideration by Officers and the Board, the Association reluctantly decided to end our membership of the Defined Benefit pension scheme with SHPS from 31st March 2022. We are committed to providing good retirement benefits to our staff, within our resource limits, and so have increased our matched contribution rate to mitigate the loss of the DB scheme to staff. The financial impact of this will not filter through until the next financial year.
- 3.12. The year began with significant restrictions in place to minimise the spread of Covid19, and these were only largely ended, from a legal standpoint, at the very end of the year. Understandably, a number of residents are still concerned about the risks of Covid-19 infection. Most communal activities have now been reintroduced, whilst still being mindful of numbers and hygiene. Staff have worked from home periodically, and almost all have had Covid-19 during the year, and thankfully all have now recovered well. We continue to restrict office visitors, wear PPE as situations necessitate and work from home occasionally. Residents have been kept updated with regular newsletters. In addition to their normal support role, the Scheme Managers have cooked meals and delivered them to the most vulnerable people, and all staff have worked flexibly to maintain a high-quality service to resident during this difficult time.

4. Value for Money

- 4.1. The Regulator requires that Housing Associations publish their performance against a range of metrics set out by the Regulator. Housing Association Boards must also set, monitor and report on a suite of performance indicators. We report here performance against the indicators set by the Board, and our performance on the Regulator's metrics.
- 4.2. Regulatory metrics showing the Association's performance alongside the Housing for Older People benchmarking group.

Metric	2021-22		2020-21	
	TDHA	Peergroup median	TDHA	Peergroup median
Reinvestment %	11	2.6	10	2.6
New supply delivered (Social housing units)	-	-	-	-
New supply delivered (Non-social housing units)	-	-	-	-
Gearing	-20	5.36	-9	5.36
EBITDA MRI (as a percentage of interest)	382.61	168	2,817.12	168
Headline social housing cost per unit	5,777.35	4,814.97	4,783.36	4,814.97
Operating margin (social housing lettings)	-1.72	10.56	13.25	10.56
Operating margin (overall)	-1.72	6.55	16.26	6.55
Return on Capital Employed (ROCE) %	-0.59	1.5	4.91	1.5

- 4.3. Achievement against performance indicators set and monitored by the Board:

Indicator	Target	2022	2021
Average number of days to complete a repair	5	3.25	4.43
% of tenants satisfied with repairs service	95%	100%	100%
% properties with a valid gas safety certificate	100%	100%	100%
Rent arrears of current tenants as a proportion of the rent roll	1%	1%	1%

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

Rent collected as a proportion of rent available	99%	99.41%	98.74%
Average number of days to relet a void property	28	40	78
% of rent lost due to void properties	1.4%	1.7%	2.4%
% dwellings meeting the Decent Homes standard	100%	100%	100%

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

5. Statement of the Board's Responsibilities in Respect of the Financial Statements

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the Income and Expenditure for the period of account.

5.1. In preparing these financial statements the Board is required to:-

- a) Select suitable accounting policies and then apply them consistently,
- b) Make judgements and estimates that are reasonable and prudent,
- c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

5.2. The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, and the Accounting Direction for Private Registered Providers of Social Housing 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

6. Code of Governance

6.1. The Board has adopted the recommendations of and substantially complies with the National Housing Federation's Excellence in Governance - Code for Members, 2015. There are areas where the Association has not fully complied with the code:

- Although no formal role profile is given to Board members, there is a broad range of specialities among Board members which provide the Association with a range of contributions on matters considered.
- An assessment of the competence and effectiveness of the Board is undertaken annually and the Board is of the opinion this is adequate.
- There are members who have served for longer than the recommended maximum of nine years. The Board has considered this and decided that the flexibility to retain the skills and experience of members for a longer period is in the best interests of the Association.

7. Public Benefit Entity

7.1. As a public benefit entity, the Association has complied with the applicable paragraphs of FRS 102.

8. Statement of the Association's System of Internal Control

8.1. The Board is responsible for the Association's management and internal control systems. These are designed to provide reasonable but not absolute assurance regarding:

- The safeguarding of assets against unauthorised use or disposition;
- and the maintenance of proper accounting records
- and the reliability of financial information used within the business or for publication

8.2. The Board discharges its responsibilities for internal financial control through the following key procedures:-

- A commitment to quality and competence and appropriate organisational structure with clearly defined lines of responsibility and delegation of authority which combine to create an appropriate control environment.
- Information systems for detailed financial reporting, budgeting and planning against which performance is monitored. The Board has set key performance indicators which are used to identify trends in current financial and non-financial data, as reported above.
- Financial control procedures based upon clearly defined responsibilities and authorities of the Board, the Committees, and delegation to staff members.
- Internal audit designed to cover key control systems, giving assurance to the Board, Audit Committee and Management that key financial and administrative systems have been the subject of an independent testing and review process. During the year we planned once again to use the services of The Risk Management Business Ltd to provide additional assurance on matters of internal control, however lockdown meant this has had to be rescheduled and is now expected to be carried out during the late spring/early summer.

8.3. The Board monitors that there are appropriate control procedures in place and that these procedures are being followed through the work of internal and external audit and Board member reviews.

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BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

8.4. The Board has reviewed the effectiveness of the systems of internal control for the period from 1 April 2021 to the date on which these accounts were approved. The review revealed no material weaknesses in internal financial control that required disclosure.

9. Statement as to Disclosure of Information to Auditors

9.1. The Board members who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

10. Statement of Compliance

10.1. The Board confirms that this report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers.

By Order of the Board:-


Mr N A Tonge
Chairman

Date: 8th August 2022

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED
REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD MEMBERS OF
THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Thame and District Housing Association Limited for the year ended 31 March 2022 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for Registered Social Housing Providers 2018, and the Accounting Direction for Social Housing in England 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board Report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

**THAME AND DISTRICT HOUSING ASSOCIATION LIMITED
REPORT OF THE INDEPENDENT AUDITORS**

TO THE BOARD MEMBERS OF

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

Responsibilities of the Board Members

As explained more fully in the Statement of Board's Responsibilities set out on page 5, the Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

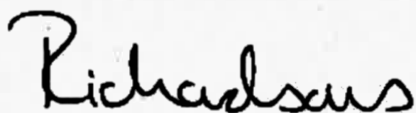
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of the Association's staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 Board Members, as a body, in accordance with regulations made under Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's Board 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 Board Members as a body, for our audit work, for this report or for the opinions we have formed.



Richardsons Chartered Accountants
Statutory Auditors
30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

Date: 9 August 2022

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

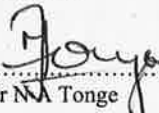
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

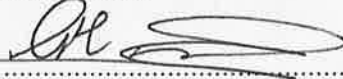
	Notes	2022 £	2021 £
Turnover	2	624,733	628,371
Operating expenditure	2	(639,526)	(526,170)
Operating surplus/(deficit)		<u>(14,793)</u>	<u>102,201</u>
Interest receivable		85	124
Interest and financing costs	4	<u>(4,000)</u>	<u>(1,000)</u>
Surplus/(deficit) on ordinary activities		<u>(18,708)</u>	<u>101,325</u>
 Other comprehensive income			
Gain on disposal of land	5	-	528,586
Actuarial gains/(losses) in respect of pension schemes	14	<u>63,000</u>	<u>(120,000)</u>
Total comprehensive income/(deficit) for the year		<u><u>44,292</u></u>	<u><u>509,911</u></u>

The financial statements on pages 10-23 were approved and authorised for issue by the Board on and were signed on its behalf by:

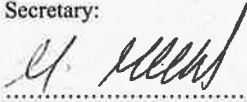
Chairman:


Mr N Tonge

Board Member:


Mr C Miniati

Secretary:


Mr M Mellors

The results relate wholly to continuing activities and the notes on pages 14 to 23 form an integral part of these accounts.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2022

	Income & Expenditure reserve £	Restricted reserve £	Total reserves £
Balance as at 1 April 2021	1,591,137	85,654	1,676,791
Surplus from Statement of Comprehensive Income	44,292	-	44,292
Transfer between reserves	-	-	-
Balance at 31 March 2022	<u>1,635,429</u>	<u>85,654</u>	<u>1,721,094</u>

The notes on pages 14 to 23 form an integral part of these accounts.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible fixed assets	5	1,746,440	1,616,889
Current assets			
Trade and other debtors	6	136,603	623,534
Cash and cash equivalents		551,562	354,395
		<u>688,165</u>	<u>977,929</u>
Less creditors			
Amounts falling due within one year	7	(79,542)	(160,157)
Net current assets		<u>608,623</u>	<u>817,772</u>
Total assets less current liabilities		<u>2,355,063</u>	<u>2,434,661</u>
Creditors			
Amounts falling due after more than one year	8		
Deferred capital grant		(361,553)	(395,581)
CAF Bank loan		(153,416)	(178,277)
SHPS pension - defined benefit liability		(119,000)	(184,000)
		<u>(633,969)</u>	<u>(757,858)</u>
Total net assets		<u>1,721,094</u>	<u>1,676,803</u>
Capital and reserves			
Share capital	10	11	12
Income and expenditure reserve	11	1,635,429	1,591,137
Restricted reserve	11	85,654	85,654
Total Reserves		<u>1,721,094</u>	<u>1,676,803</u>

The financial statements on pages 10 to 23 were approved and authorised for issue by the Board on and were signed on its behalf by:

Chairman:


Mr N A Tonge

Board Member:


Mr C Miniati

Secretary:


Mr M Mellors

The notes on pages 14 to 23 form an integral part of these accounts.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022	2021
		£	£
Net cash generated from operating cash flows (see Note 1)		225,870	103,996
Cash flow from investing activities			
Interest received	85	85	124
		<u>85</u>	<u>124</u>
Cash flow from financing activities			
Interest paid	(4,162)	(4,537)	
New secured loans	-	-	
Repayments of borrowings	(24,628)	(23,933)	(28,470)
		<u>(28,790)</u>	<u>(28,470)</u>
Net change in cash and cash equivalents		197,165	75,650
Cash and cash equivalents at beginning of the year		354,395	278,745
Cash and cash equivalents at the end of the year		<u>551,560</u>	<u>354,395</u>

Note 1

Cash flow from operating activities

Surplus/(deficit) for the year		(18,708)	101,325
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	5	62,078	59,523
Share capital movement in year		(1)	-
Amortisation of government grants	9	(34,028)	(34,028)
Decrease/(increase) in debtors		484,924	(573,380)
Increase/(decrease) in creditors		(80,848)	73,491
Pension costs less contributions payable		-	(18,000)
Adjustments for investing or financing activities:			
Purchases of Property, Plant, and Equipment		(191,623)	(97,934)
Disposal of land		-	60,000
Gain on disposal of land		-	528,586
Shares issued		-	-
Interest payable		4,162	4,537
Interest received		(85)	(124)
		<u>225,870</u>	<u>103,996</u>

The notes on pages 13 to 22 form an integral part of these accounts.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Legal Status

Thame and District Housing Association is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

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. The accounts are prepared on the historical cost basis of accounting.

The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared in compliance with FRS 102.

Social Housing Pension Scheme (SHPS): For the SHPS, the Association has been able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and therefore has applied defined benefit accounting from this date onwards. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the Statement of Financial Position. As at the year ended 31 March 2022, the net defined benefit pension deficit liability was £119,000 (2021: £184,000). The current service cost is charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to Note 14 for more details.

Going Concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operation for the foreseeable future. The impact of Covid19 on the Association's business has been assessed and reviewed. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Pension benefits. The Association is a member of the Social Housing Pensions Scheme (SHPS), a multi-employer scheme, and details of their actuarial valuations are given in note 14. Since 2019 the Association has accounted for SHPS as a defined benefit scheme. There is no impact on the Association from GMP equalisation. See also the Statement of other Comprehensive Income, the Statement of Financial Position and in note 14.

Turnover

Turnover comprises rental income receivable, amortised capital grant, service charge income receivable, gains on sale of assets and other income. Rental income is recognised when the property is available for let, net of voids.

Service Charges

Service charge income and costs are recognised on an accruals basis. The Association operates fixed service charges on rental schemes and variable on its leasehold scheme.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is stated at cost and is not depreciated.

Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Furniture and fittings	-	10% to 20%
Office equipment	-	20%
Other equipment	-	10%
Computers	-	33 ¹ / ₃ %
Housing properties	-	2%
Car parks	-	6 ² / ₃ %
Motor vehicles	-	25%

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Housing property and social housing grants

Where developments have been financed wholly or partly by Social Housing Grant, the amount of the grant is included as deferred income and recognised in turnover over the expected useful life of the structure of the properties, under the accruals model.

Social Housing Grant (SHG) can be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases the SHG can be used for projects approved by the Regulator of Social Housing (RSH). However, SHG may have to be repaid if certain conditions are not met. If a grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover.

Other grants

Revenue grants received from government (including local authorities) are recognised as income in the period received or are deferred until the costs they are awarded to cover are incurred.

Sale of land and housing properties

The Association has a policy to sell land and/or housing properties where it is considered investment would be better in alternative properties.

Short-term debtors and creditors

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

Pension costs

The aggregate cost of providing retirement pensions and related benefits through SHPS is charged to expenses over the periods benefiting from the employees' services.

The disclosures in the accounts follow the requirements of Section 28 of FRS 102 in relation to defined benefit schemes in which the Association has a participating interest and in accordance with FRED 71.

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2022		
	Turnover	Operating costs	Operating Surplus
	£	£	£
Social housing lettings	624,733	639,526	(14,793)
Other activities			
Summersbee Court sinking fund contribution	-	-	-
Cancelled shares	-	-	-
Total	624,733	639,526	(14,793)

	2021		
	Turnover	Operating Costs	Operating Surplus
Social housing lettings	606,546	526,170	80,376
Other activities			
Summersbee Court sinking fund contribution	21,825	-	21,825
Cancelled shares	-	-	-
Total	628,371	526,170	102,201

2A. TURNOVER AND OPERATION EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2022	2021
	£	£
Income		
Rents	362,538	351,331
Service charge income (including support)	228,167	221,187
Amortised government grants	34,028	34,028
Turnover	624,733	606,546
Operating expenditure		
Services	120,340	105,528
Management	144,086	122,778
Support	54,964	46,711
Routine maintenance	61,200	42,359
Planned and major repairs	196,858	149,271
Depreciation of housing properties	62,078	54,566
Other depreciation	-	4,957
Operating expenditure	639,526	526,170
Operating surplus/(deficit)	(14,709)	80,376
Void Losses (being rental income lost as a result of property not being let, although it is available for letting)	26,226	14,646

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3.	SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES				2022	2021
					£	£
	The operating surplus/(deficit) is stated after charging:					
	Depreciation				62,078	59,523
	Auditors' remuneration for audit services				3,950	4,620
4.	INTEREST AND FINANCE COSTS				2021	2021
					£	£
	Net interest payable on defined benefit pension				4,000	1,000
	Interest payable on bank loan				-	-
	Interest on bank loan capitalised				4,162	4,537
					8,162	5,537
5.	TANGIBLE FIXED ASSETS	Freehold land and buildings £	Property furnishings & equipment £	Office equipment & fittings £	Motor Vehicles £	Total £
	Cost					
	At 1 April 2021	3,238,781	48,156	14,874	11,974	3,313,785
	Additions	191,629	-	-	-	191,629
	Disposals	-	-	(14,431)	-	(14,431)
	At 31 March 2022	3,430,411	48,155	443	11,974	3,490,982
	Depreciation					
	At 1 April 2021	1,646,078	32,702	14,874	3,243	1,696,896
	Charge for the year	57,121	1,964	-	2,993	62,709
	Disposals	-	-	(14,431)	-	(14,431)
	At 31 March 2022	1,703,198	34,666	443	6,236	1,744,543
	Net Book Value					
	At 31 March 2022	1,727,212	13,489	-	3,243	1,746,440
	Net Book Value					
	At 31 March 2021	1,592,705	15,453	-	8,731	1,616,889
During the year office equipment with historic cost of £14,431, was disposed of.						
6.	TRADE AND OTHER DEBTORS				2022	2021
	Amounts falling due within one year:				£	£
	Trade receivables				4,712	6,117
	Other debtors and prepayments				10,348	19,983
	Balance of land sale proceeds due 05/08/2021				-	450,000
	Work in progress				121,543	147,434
					136,603	623,534

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7. CREDITORS: amounts falling due within one year:	2022	2021
	£	£
Trade payables	3,179	59,793
Other creditors	6,079	6,241
Accruals and deferred income	11,395	35,467
Deferred capital grant (Note 9)	34,028	34,028
CAF Bank loan	24,860	24,628
	<u>79,542</u>	<u>160,157</u>
8. CREDITORS: amounts falling due after more than one year:	2022	2021
	£	£
Deferred capital grant (Note 9)	361,553	395,581
SHPS pension - defined benefit liability	119,000	184,000
CAF Bank loan	153,416	178,277
	<u>633,669</u>	<u>757,858</u>
9. DEFERRED CAPITAL GRANT	2022	2021
	£	£
At start of the year	429,609	463,637
Released to income in the year	(34,028)	(34,028)
At the end of the year	<u>395,581</u>	<u>429,609</u>
Amount due to be released in less than one year (Included in Creditors, note 7)	34,028	34,028
Amount due to be released in more than one year (Included in Creditors, note 8)	361,553	395,581
	<u>395,581</u>	<u>429,609</u>
10. SHARE CAPITAL		
Allotted, issued and fully paid £1 shares:	2022	2021
	£	£
At the start of the year	12	12
Cancelled during the year	(1)	-
At the end of the year	<u>11</u>	<u>12</u>

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11. RESERVES

	I&E reserve	Restricted reserve	Total reserves
	£	£	£
Balance as at 1 April 2021	1,591,137	85,654	1,676,791
Surplus for the year	48,310	-	48,310
Transfer between reserves	-	-	-
Balance as at 31 March 2022	<u>1,639,447</u>	<u>85,654</u>	<u>1,725,101</u>

Reserves are retained with the intention of pursuing further developments for social housing and for the upkeep and improvement of existing social housing stock.

The restricted reserve relates to a sinking fund set up for Summersbee Court for future planned and major repairs. Funds are transferred to the sinking fund whenever a flat is sold and transferred from the sinking fund when major repairs are carried out.

12. EMPLOYEE INFORMATION

The average number of persons employed by the Association during the year was:

	2022 Number	2021 Number
Office staff	5	4
Scheme managers	2	2
Maintenance	4	4
	<u>11</u>	<u>10</u>
Full time equivalent	6.50	6.28
Staff costs for the above persons	2022 £	2021 £
Wages and salaries	205,146	183,492
Social security costs	12,925	10,300
Pension costs - Social Housing Pension Scheme	39,443	26,332
Pension costs - NEST	-	-
	<u>257,515</u>	<u>220,124</u>

During the year ended 31 March 2021 a two-year interest-free loan of £2,640 was provided to one employee. The extent of the loan remaining at 31 March 2022 was nil.

13. DIRECTORS' REMUNERATION

	2022 £	2021 £
The aggregate emoluments paid to or receivable by non-executive directors, being support charges rebated by the Association for a tenant Board member under an agreement with all tenants at the scheme at a date which predates their membership of the Board.	483	483
Total emoluments paid to key management personnel of the Association.	75,143	59,780
The aggregate compensation paid to or receivable by directors (key management personnel)	Nil	Nil

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

13. DIRECTORS' REMUNERATION (continued)

No employee's remuneration exceeded £60,000 in the period.

The Chief Executive Officer is an ordinary member of the Social Housing Pension Scheme as detailed in note 14. The pension scheme is a final salary scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements.

Directors (key management personnel) are defined as the members of the Board, the Treasurer, and the Chief Executive Officer.

14. PENSION OBLIGATIONS

The Pensions' Trust – Social Housing Pension Scheme

The company 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 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.

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.

On 1 April 2018, sufficient information became available for the Association in respect of SHPS to account for its obligation on a defined benefit basis. This change on transition resulted in a re-measurement difference of £56,000, which was recognised at the relevant date of application, on 1 April 2018, in other comprehensive income, and was therefore reflected in the year ended 31 March 2019. The most recent formal actuarial valuation was completed as at 30 September 2017 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2020 by a qualified independent actuary. The net defined benefit liability at the year ended 31 March 2022 is £119,000 (2021: £184,000). The 2017 triennial valuation of the scheme for funding purposes revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Fair value of plan assets	782	790
Present value of defined benefit obligation	901	974
Surplus (deficit) in plan	(119)	(184)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(119)	(184)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(119)	(184)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from
	31 March 2021 to
	31 March 2022
	(£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2021 to 31 March 2022 (£000s)
Defined benefit obligation at start of period	974
Current service cost	33
Expenses	2
Interest expense	21
Member contributions	8
Actuarial losses (gains) due to scheme experience	6
Actuarial losses (gains) due to changes in demographic assumptions	(15)
Actuarial losses (gains) due to changes in financial assumptions	(69)
Benefits paid and expenses	(59)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	901

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2021 to 31 March 2022 (£000s)
Fair value of plan assets at start of period	790
Interest income	17
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(15)
Contributions by the employer	41
Contributions by plan participants	8
Benefits paid and expenses	(59)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	782

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £2,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SoCI)

	Period from 31 March 2021 to 31 March 2022 (£000s)
Current service cost	33
Expenses	2
Net interest expense	4
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	39

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

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FOR THE YEAR ENDED 31 MARCH 2022

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period from 31 March 2021 to 31 March 2022 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(15)
Experience gains and losses arising on the plan liabilities - gain (loss)	6
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	15
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	69
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	63
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	63

ASSETS

	31 March 2022 (£000s)	31 March 2021 (£000s)
Global Equity	150	126
Absolute Return	31	43
Distressed Opportunities	28	23
Credit Relative Value	26	25
Alternative Risk Premia	26	30
Fund of Hedge Funds	-	-
Emerging Markets Debt	23	32
Risk Sharing	26	29
Insurance-Linked Securities	18	19
Property	21	16
Infrastructure	56	53
Private Debt	20	19
Opportunistic Illiquid Credit	26	20
High Yield	7	24
Opportunistic Credit	3	22
Cash	3	-
Corporate Bond Fund	52	47
Liquid Credit	-	9
Long Lease Property	20	15
Secured Income	29	33
Liability Driven Investment	218	200
Currency Hedging	(3)	-
Net Current Assets	2	5
Total assets	782	790

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	31 March 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.79%	2.17%
Inflation (RPI)	3.59%	3.28%
Inflation (CPI)	3.20%	2.86%
Salary Growth	4.20%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

THAME AND DISTRICT HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

15. RELATED PARTIES

The Board has tenant members who hold tenancy agreements/leases on normal terms and cannot use their position to their advantage. Rent and service charges charged to the tenant Board members was £5,906 (2021: £5,796). There were no arrears on their tenancies at the reporting period end (2021: £Nil).

16. SOCIAL HOUSING UNITS

	2022	2021
Number of units of accommodation in management	111	111

17. CAPITAL COMMITMENTS

There were capital commitments totalling £52,092 as at 31 March 2022 (2021: £57,027).

18. PUBLIC BENEFIT ENTITY

As a public benefit entity, the Association has complied with the applicable paragraphs of FRS 102.