



Financial Report and Accounts

Year ended 31 March 2020

Contents

3	Executives and advisors
4	Chair and Chief Executive's review
6	Strategic report
19	Value for money statement
21	Governance
26	Independent auditor's report
28	Consolidated and Association Statement of Comprehensive Income
29	Consolidated and Association Statement of Financial Position
30	Consolidated Statement of Changes in Reserves
31	Association Statement of Changes in Reserves
32	Consolidated Statement of Cash Flows
36	Notes to the Financial Statements



www.carbonbalancedpaper.com
Resource Reg. No. 2110



Board of Directors and Executive

Board of Directors

Chair

Chris Ewbank BA MBA

Vice Chair

Jonathan Barber BSc (Hons) MSc MBA MCIEH FCMI

Dr Simon Hibberd BM FRCGP MRCP

Andrew Hill (resigned June 2020)

Michael Newey D.Sc (Hon) BSc FRICS FCIH FRSA MAHI

Helen Skoyles BA (Hons) CIHCM

Kate Slack MA

Paul Slyfield FCCA

Gavin Tempest BSc (Hons)

Siobhan Trice

Executive Directors

Group Chief Executive

Michael Newey DSc (Hon) BSc FRICS FCIH FRSA MAHI

Executive Property Director

Louise Archer BSc FRICS CIHCM

Executive Housing Director

Catherine Little MBA CIHCM

Executive Development Director

Andrew Savage MSc MRICS

Executive Finance Director

Julian Foster MA (Hons) ACA FCT (to 30 November 2019)

Iain Grieve BSc FCCA CMIIA (from 21 October 2019)

Group Audit and Risk Committee

Jonathan Barber BSc (Hons) MSc MBA MCIEH FCMI CIHM (Chair)

Gavin Tempest BSc (Hons)

Martin Clark MRICS MCIOB

Paul Slyfield FCCA

Secretary and registered office

Sarah Wyatt MA ACIS

NCFC

Carrow Road

Norwich

NR1 1HU

Professional advisors

External auditors

RSM UK Audit LLP

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk

IP32 7FA

Internal auditors

KPMG LLP(UK)

Dragonfly House

2 Gilders Way

Norwich

NR3 1UB

Principal solicitors

Birketts LLP

24-26 Museum Street

Ipswich

Suffolk

IP1 1HZ

Bankers

NatWest Bank

21 Gentlemen's Walk

Norwich

NR2 1NA

Chair and Chief Executive's review

This Financial Review is primarily a backwards look at Broadland's performance during the 2019-20 financial year, providing not just our financial statements, but also a commentary on our service delivery and strategic achievements during that period.

Each year, we write that the Association and Group have had a busy year and, as can be seen in this report, 2019-20 was no exception. Our introduction will not repeat the facts and numbers found later in this document, except to say that 2019-20 was a year of continued investment – investment in our tenants' homes to ensure that they are decent places in which to live; investment in new homes to help provide homes for families and individuals in housing need; investment in our services to support our tenants and help them to sustain their tenancies; and investment in our digital infrastructure to improve organisational productivity and our tenants' access to services.

One of the highlights of 2019 was the adoption of a new corporate strategy that presented our strategic ambitions for the subsequent four years. This strategy was extensively consulted upon with tenants, employees and external stakeholders, but understandably failed to envisage the Coronavirus pandemic and the lockdown that occurred in the final days of the financial year.

By the middle of March, it became apparent that the risks of community transmission of the virus meant that we had to adapt our working practices and had to prioritise reducing the health risks for both staff and tenants.

We closed our offices on Thursday 19 March and moved our office-based staff to home working overnight. As we had already invested in the technology to enable effective agile working, there was no significant business interruption, although obviously staff, tenants and prospective tenants had to become used to meeting via video links rather than face to face.

The following week, the Prime Minister announced a full lockdown and we had to make some difficult decisions on our services. We reduced our repairs service to emergency and urgent only; we massively enhanced our cleaning and sanitising services, redirecting staff from across the organisation (including the executive team) to help keep our schemes, especially those for older people, safe; and we maintained our estate services, recognising the impact of our gardens on the mental wellbeing of tenants. We worked with our local authority partners and neighbouring housing associations to help ensure that homeless people were housed.



Chris Ewbank, Chair



Michael Newey, Chief Executive

The Board adapted quickly to the new situation, transitioning immediately to meetings via video. During March and April, the Board met weekly to ensure that all non-executive directors were not just fully informed but could consider any urgent formal decisions promptly. One of these decisions was to adopt an interim corporate strategy that focused primarily on what needed to be done during the lockdown and to put on the backburner projects that were temporarily not a priority. During June and July, the Board met fortnightly and has now resolved to meet monthly until the pandemic is behind us. As restrictions are being lifted, and subject to any new restrictions being introduced by the Government, we are reviewing each of our medium and longer term priorities as detailed in the Corporate Strategy approved in 2019, and restarting our work on them, where possible.

As mentioned earlier, we had to suspend our routine repairs service at the end of March and were delighted that we could restart this work at the beginning of July. We recognised that there was likely to be a significant backlog and consulted our tenants on how we would catch up, by adopting new priority targets and adapting the way we work to increase the number of repairs that we could complete each day. We have significantly increased the capability of Tenants Online to enable our tenants to report repairs when it is convenient to them using their mobile phone, tablet or computer.

The past six months have been a serious test of Broadland's resilience and our relationships with tenants. We are both proud of the way our staff responded to the challenge: the concern they have all shown for our tenants; the care they have shown for each other; and the commitment they have shown to Broadland itself. Many staff went considerably more than the extra mile and we would like to use this introduction to formally thank them and to acknowledge our pride in them.

Another key event of 2019-20 was the retirement of Julian Foster as Executive Finance Director and the appointment of Iain Grieve as his successor. Julian joined us in 2016, after an extensive career at Director level in several larger housing associations. During his term, Julian significantly helped us both in increasing our development capacity and in raising our £50 million private placement. We wish him well for the future, especially in his new role as Chair of the Audit Committee at the Norfolk and Norwich University Hospital. Iain joined us from Catalyst Housing in London in October 2019 and is both a Chartered Accountant and Chartered Internal Auditor.

This AGM will see the retirement of two longstanding non-executive directors – Kate Slack and Jon Barber. Both have played a significant part in guiding the Group over the past nine years and both will be missed. The Remuneration and Nomination Committee have undertaken extensive and robust recruitment campaigns over the summer to identify their potential successors. It was particularly encouraging that we had many well qualified applicants for both roles, which reflects upon the reputation of Broadland externally.

“The past six months have been a serious test of Broadland's resilience and our relationships with tenants. We are both proud of the way our staff responded to the challenge: the concern they have all shown for our tenants; the care they have shown for each other; and the commitment they have shown to Broadland itself.”

Sadly, we also had to accept the resignation of Andy Hill in June 2020, one of our tenant board members, when for the happiest of reasons he moved on from his Broadland home. We wish his partner, their new baby and him our very best wishes for the future. We were again delighted with the number of tenants who applied to join the Board as his successor and are pleased that the Remuneration and Nomination Committee are nominating two tenants as new Board members.

Obviously, with potentially four new non-executive directors joining the Board at the AGM, there is considerable change, which is healthy. One of the priorities over the months ahead is to ensure that Broadland continues to have a strong and effective Board, working as a team, benefiting from each other's skills and experience, challenging and supporting the Executive appropriately and helping to determine our strategic future in line with our mission and values.

As is evident from this introduction to the report, Broadland's success is determined by the many people who contribute to our work, whether as employees, non-executives, or as active tenant volunteers. Our progress last year was down to these many people and our thanks go to each and every one of them.

Chris Ewbank Chair
Michael Newey Chief Executive

Strategic report

Principal activities and review of the business



Homes across
the region

5,241



Number of
tenants

6,268



Number of
employees

238

About us

Broadland Housing Association was established in 1963, initially to provide affordable rented homes in the Norwich area. Since then, we have expanded to help families and individuals in housing need across Norfolk and north Suffolk. Today we provide more than 5,000 quality homes across this region, improving the lives of 6,268 tenants and their families.

Our primary purpose is to use our resources to provide high-quality affordable homes to those who cannot afford a home without our help. We also provide a range of support services to tenants and vulnerable people across our communities to enhance their life opportunities.

Business model

Our business model involves undertaking development and delivering landlord services in a way that supports our social purpose.

As a developer, our core activity is building affordable homes that are either let at sub-market levels or that offer low-cost home ownership opportunities. We also develop market sale properties and use the proceeds generated from sales to fund both improvements to existing homes and new affordable homes.

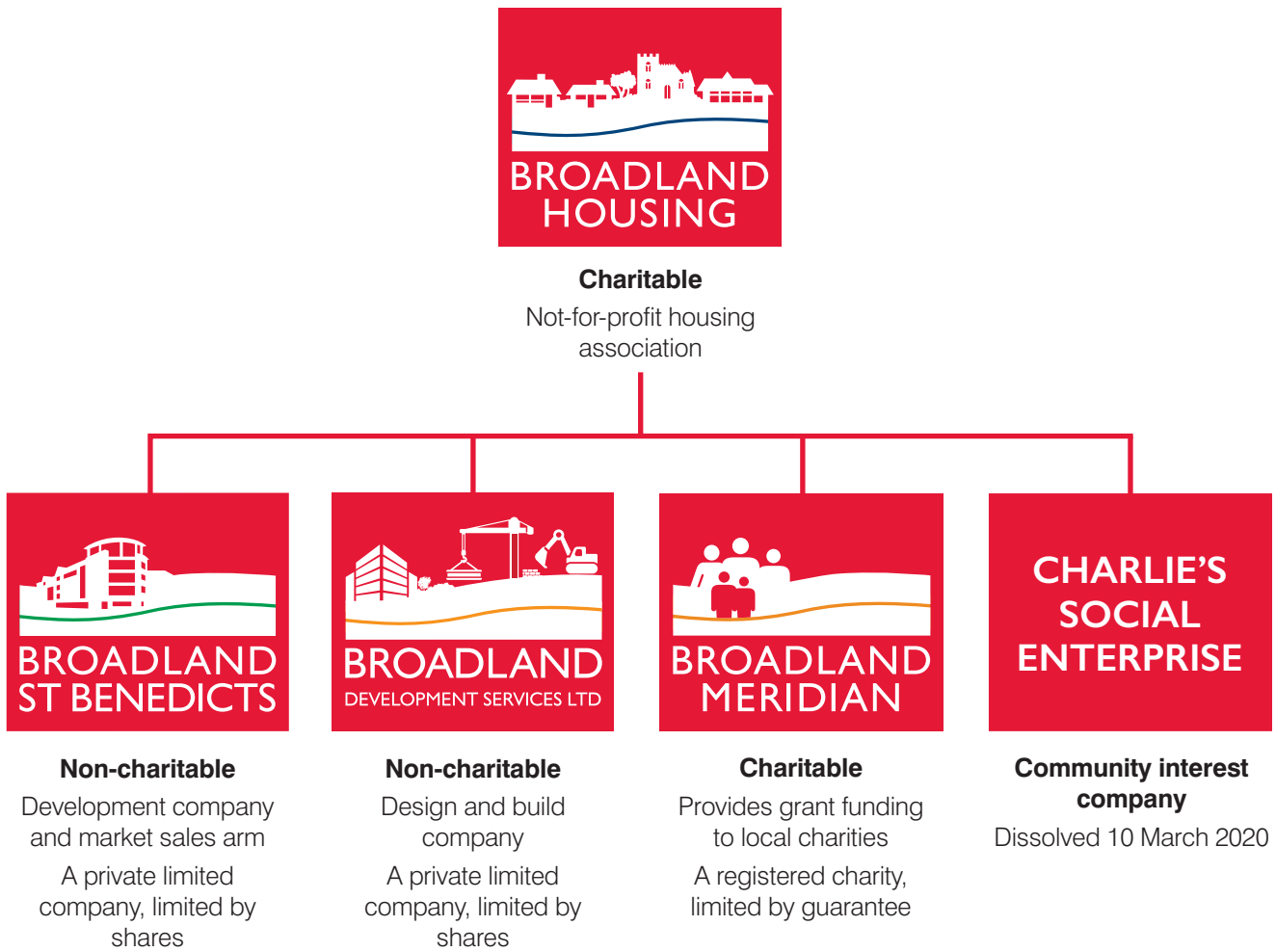
As a landlord, we deliver a number of services, including housing and tenancy management, repairs and maintenance and income collection. All of our services are delivered in consultation with our tenants and with a view to achieving the best outcomes for our tenants.

In addition to our core activities, Broadland Meridian, our charitable arm, provides funding to charities doing important work in Norfolk and north Suffolk.

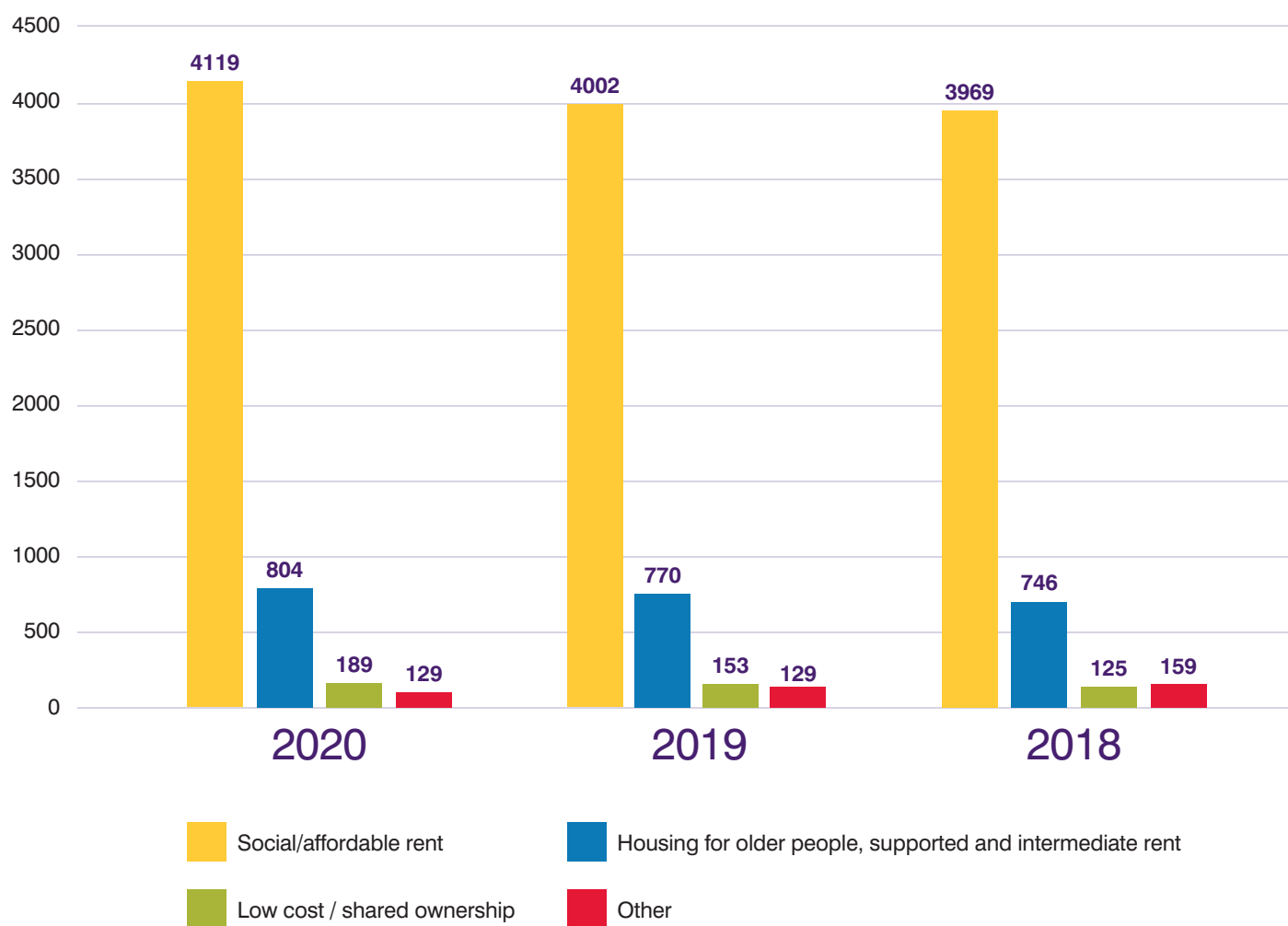
“Our primary purpose is to use our resources to provide high-quality affordable homes to those who cannot afford a home without our help”

Group structure

Our Group structure and operating companies are set out below:



Our homes



The graph above shows our commitment to investing in the development of affordable homes, and providing supported housing, across Norfolk and north Suffolk.

Our Corporate Strategy 2019-2023

Our primary purpose is to provide high-quality, affordable homes in Norfolk and north Suffolk. A founding cornerstone of our strategy is to help people access support they may need to maintain their tenancy.

Our overall priorities are to provide **good services, manage and maintain** our properties, **support our tenants** to stay living in their home, and **involve tenants** in holding us to account and helping us to improve services. We are committed to **reducing the number of homeless people** in our region and **building as many new homes as**

possible, and also to **cut our carbon footprint**, both in our operations and our properties.

We want to ensure value for money in all areas of our business, which is why we continue to build and strengthen our digital offering to both our tenants and staff.

Governance and compliance continue to be the golden thread running through our strategy and help us ensure we deliver our priorities. The 11 statements below are the commitments we have made to deliver our priorities.



Principal risks and uncertainties

During the financial year, we designed and implemented a new Risk and Assurance Framework which has:

- provided greater clarity in respect of the governance arrangements around risk management
- enhanced our focus on how we manage assurances that the actions we take to mitigate risks are effective
- transitioned our manual risk process to 'Reisgo', our new risk app.

The implementation of this framework has served to further enhance our focus on ensuring that key risks and assurances impacting on the delivery of our strategic objectives are both understood and effectively managed.

Our principal risks and uncertainties to delivering our strategic risks at the reporting date are set out below:

Risk	Corporate Strategy strand	Key mitigating controls
Covid-19 impacts business-as-usual operations and results in the inability to progress the delivery of our Corporate Strategy	All strands	<ul style="list-style-type: none"> • Regular leadership meetings to address key strategic/operational issues arising from Covid-19 • Re-setting of budget and stress-testing of business plan to provide assurance over financial resilience • Creation, review and response to 'Covid-19 KPIs' that monitor performance across all areas of the business • Fortnightly meetings with Board members to update them on strategic and operational delivery during Covid-19 and provide an open forum for challenge and scrutiny • Clear communication and guidance across the organisation.
Unanticipated changes to Government policies/ economic conditions results in business failure	Regulatory compliance	<ul style="list-style-type: none"> • Involvement in/regular monitoring of changes to Government policy • Monitoring forecast economic conditions • Stress-testing of business plan to ensure financial resilience against changes to Government policy and economic conditions.
A breach of loan covenants results in a significant increase in interest payments or removal of funding, leading to weakened viability and potential bankruptcy	Managing our money	<ul style="list-style-type: none"> • Monitoring compliance with loan covenants and loan agreements • Maintaining good working relationships with our funders • Driving value for money across the organisation • Stress-testing our business plan to consider how adverse scenarios impact on our ability to achieve loan covenants.
Insufficient investment in our properties results in a breach of decent homes standards and/or a reduction in the demand for our homes	Investing in our homes	<ul style="list-style-type: none"> • Clear proposal to invest in the quality and energy efficiency of our homes • Regular survey of the condition of our homes and investment to achieve in excess of minimum Decent Homes requirements • Regular monitoring of planned works undertaken.

Broadland in numbers



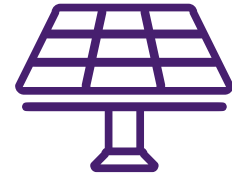
Number of new homes built

288



Number of repairs carried out

20,385



Solar PV panels installed

55



Average number of days to re-let

18



Number of new kitchens fitted

242



Number of homeless people housed

82



We supported

51

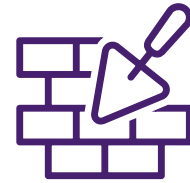
tenants back into work or volunteering



We supported

131

tenants to get better energy deals



We spent

£27.0m

on building and improving our homes



365

tenants worked with us to improve our services



We installed

38

aids and adaptations in tenants' homes



We carried out

3,845

gas services

Performance highlights

Record number of new homes

In 2019-20 we delivered 288 new homes - the highest number ever built in Norfolk by Broadland. A further 183 homes were under construction. Until the Coronavirus lockdown started in March 2020, we were on target to build 85 in 2020-21, 92 in 2021-22 and 249 in 2022-23. We aim to get back on track as safely and quickly as possible.

Thanks to strong working partnerships with architects, structural engineers, builders, architects and local councils, we have created stunning new rural developments at Binham, Erpingham, Edgefield and in the market town of Watton.

These exemplary schemes are sensitively designed to complement the existing village architecture. A mix of affordable rent, shared ownership and open market properties on these sites is helping to meet the desperate need for affordable housing in rural Norfolk.

At Erpingham, for example, demand for shared ownership was so high that we converted 2 market sales into shared ownership. At Watton the need identified was a mix of rent and shared ownership.

We have also continued to work with local housebuilders in purchasing section 106 properties (the legal requirement on developers with the local planning authority to provide affordable housing on new schemes) throughout Norfolk.

With more Broadland schemes in the pipeline at Great Hockham, Roughton, Happisburgh and Northrepps, we are finding that the key to success is good communication with local residents. We consult with people who are already living in the neighbourhood through the design process to explain our proposed build, address their concerns, and also gain invaluable local knowledge about the area. We often amend our designs following these consultations.

In March 2020 we completed Phase 2 of our Canary Quay development in central Norwich, comprising 34 intermediate

rent and 55 open market properties. Phase 3 of Canary Quay is already under construction and 73 affordable rent apartments will be completed in 2021.

This former industrial site on the riverside will eventually include a total of 323 stylish 1 and 2-bedroom apartments.



Number of homes completed 2019-20

288



Number of homes under construction (to June 2020)

183

Number of homes in 3-year pipeline



Total	426
2020-21	85
2021-22	92
2022-23	249



New affordable homes at Erpingham, Norfolk

Homes for Cathy



As a Homes for Cathy member, Broadland is very proud of the work it has done over the last year to help reduce homelessness in the region.

Michael Newey, Chief Executive, is a board member of Homes for Cathy, which became a charity in 2020.

Building strong partnerships across the region with other housing associations, charities and local authorities is the

most effective way to end homelessness, and Broadland has hosted two regional workshops with high-profile speakers to support this in 2019-20.

The 9 Homes for Cathy commitments have given Broadland a renewed focus to tackle homelessness. We are publishing indicators in relation to this. We aim to absolutely minimise the number of evictions and only to follow this route if there is no alternative.

Homes for Cathy indices	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual
Number of homeless households rehoused	75	102	n/a	n/a	82
Evictions - rent arrears	n/a	18	18	11	3
Evictions - anti-social behaviour	n/a	6	3	2	2

Tenancy Support

Our investment into a Tenancy Support team of nine staff, including a dedicated Employment and Training Coach, has supported 348 people. One of the posts was funded by the European Social Fund and National Lottery Community Fund.



Number of tenants Tenancy Support team worked with

348

Amount that tenants' benefits payments were increased by

£277,529

Reduction in tenants' rent arrears

£45,821

Number of tenants supported to get a better energy deal

131

Tenants referred to Education & Training Coach **70**

(**33 supported** into education/skills training, **18 supported** into paid employment)

Number of enrolments on to New Horizons project (employment and budgeting support)

70
(project target 46)

Broadland's digital offering



We continued to develop our Tenants Online portal. More than 1,200 tenants have now signed up to manage their accounts online. In 2019-20 we improved the security of tenant password recovery and added a new Direct Debit set-up function for rent payments. In January 2020 our tenants trialled some new functionality for scheduling repairs and gave us valuable feedback.



Number of tenants signed up to Tenants Online

1,200+



Social impact award for Patricia Hollis House

Patricia Hollis House, Phase 1 of Canary Quay in Norwich, is 100% affordable rent and provides 60 1- and 2-bedroom apartments. The first tenants moved in during October 2019. In February 2020, the building was shortlisted for a RICS (Royal Institution of Chartered Surveyors) Positive Social Impact Award, recognising its positive and transformational contribution to society.



Fire safety event at Boundary Close, Dereham

Protecting tenants most at risk from fire

Broadland is installing misting systems that disperse more than 100 litres of water in 10 minutes, enough to completely extinguish a fire in most cases. This gives vulnerable tenants, such as those with poor mobility, valuable time to control or escape the situation. The misting systems also help reduce the fire risk in cases of hoarding. The first was installed in a sheltered housing tenant's flat at Samford Court.

Brian Walshe, Fire Safety Manager, said: "The misting systems have a great capacity to absorb heat energy from a fire and the rapid cooling keeps the air relatively clean, resulting in minimal water damage. The systems enable people to live independently and safely at home for longer."



Mental Health Champions

Engaging with our staff

Being a good employer is a key strand of our Corporate Strategy. We encourage staff to engage with us through various channels:

Challenge and Change is our staff development programme, which runs three times a year. We get consistently positive feedback from this equality and diversity event. Our employees have told us they enjoy learning new skills, understanding their local community better, and raising their awareness of challenging issues through our changing programme of staff talks and workshops.

CARE is our staff association and leads on our charity fundraising. Each year Broadland employees vote for their staff charity. In 2019 they raised more than £3,800 for MIND (mental health charity) through various fundraising activities, including cake sales and a sponsored bike ride.

The **Environmental Champions** are a team of employees from across Broadland, including directors, who act as ambassadors for sustainability. The champions focus on small changes in everyday behaviour that can have a big impact, from water saving to recycling or repurposing of waste materials. They work closely with staff and tenants.

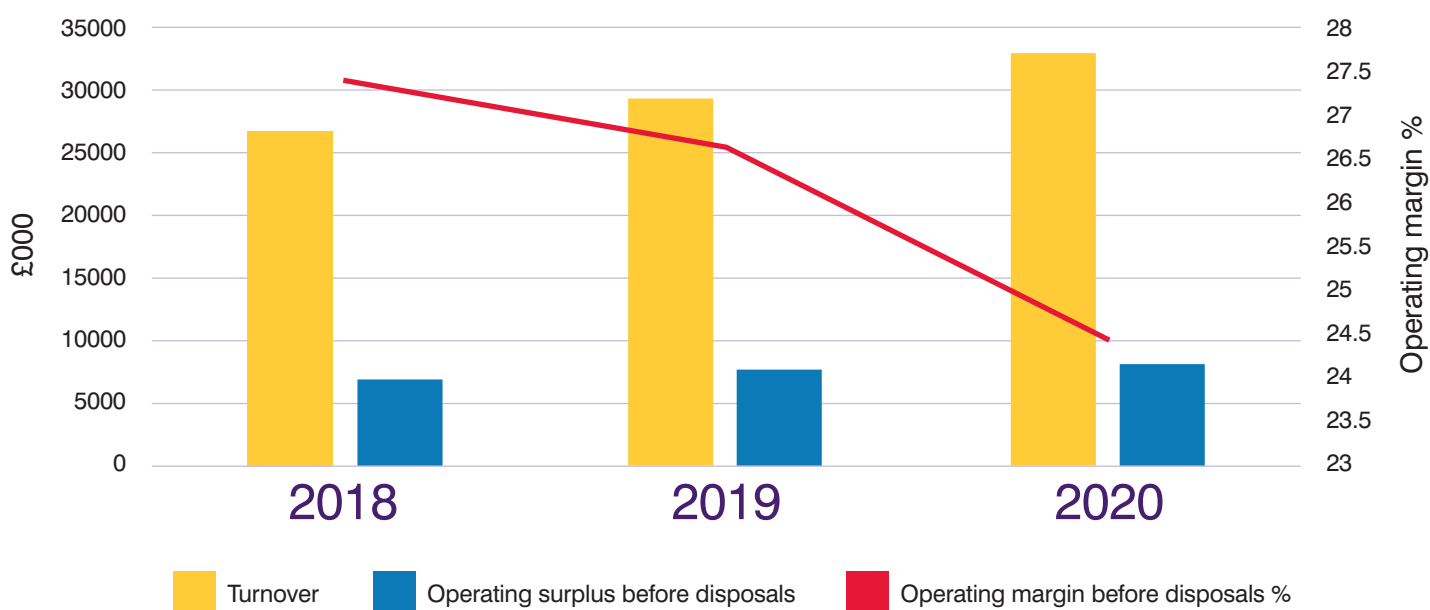
The **Mental Health Champions** are fully trained to provide a confidential support service to colleagues and raise awareness of mental wellbeing throughout Broadland. The champions work alongside Broadland's free EAP (employee assistance programme) that offers staff confidential support 24/7. In 2019 Broadland signed the Time to Change mental health pledge for employers.

Financial review

Extract from consolidated statement of comprehensive income

	2018 £'000	2019 £'000	2020 £'000
Total turnover	27,488	29,599	33,113
Operating surplus before disposals	7,250	7,729	7,950
Net interest & other charges	5,557	5,945	6,089
Surplus before tax	2,300	2,005	2,235
Operating margin before disposals %	27.4	26.6	24.5

Turnover, operating surplus and operating margin trend



Turnover increased by £3.5m compared to last year as a result of more market sale and first tranche shared ownership proceeds. In addition, we saw an increase in rental income due to developed homes being handed over. Market sales at two of our north Norfolk sites, Binham and Edgefield, were delayed during the year and sales that were expected to be made prior to year end did not occur because of the onset of Covid-19 and the resultant slowing down of the conveyancing and mortgage valuation process. At 31 March 2020, we had 17 reservations across our four active market sale schemes that will generate income of c£4.6m.

Our operating surplus before disposals and surplus before tax both increased in real terms year-on-year; however, our operating margin fell. This is predominantly due to steps being taken to ensure that our homes meet enhanced fire safety and health and safety standards.



Estates Services team members with tenants at Shipfield, Norwich

BROADLAND HOUSING

Shipfield
Community Room



Treasury

Broadland is financed by a combination of cash reserves, a private placement, committed loan facilities and grant income. Debt is secured against a proportion of our homes.

Our Treasury Strategy provides an overview of how we intend to source funding for the business in light of current economic conditions. Our Treasury policy outlines how we undertake operational treasury activities, such as cash management and compliance with lender loan covenants.

Cash flows

Our principal cash outflows support activities related to the development of new homes and improvement of existing homes. During the year ended 31 March 2020, we expended £24.4m (2019: £24.5m) in cash on these activities, demonstrating our commitment to our social purpose.

Current liquidity

On 31 March 2020, we had £29.1m of cash and facilities available, which is sufficient to keep the business running for well in excess of 18 months (the minimum amount of liquidity required by our Treasury Strategy).

Going concern

There was an outbreak of Covid-19 in China during the winter of 2019-20, which spread to become a global pandemic. In March 2020, the British Government introduced significant restrictions on daily life for the entire UK population, which resulted in significant changes to the way we operate as a business, including:

- Temporary closure of our Head Office and all three area offices
- All office-based staff working from home
- A reduction in our maintenance service meaning that we only undertook emergency and urgent repairs, as well as gas servicing and other health and safety checks
- A reduction in estates services (e.g. grounds maintenance) to maintain acceptable standards
- All face-to-face business meetings, including Board and committee meetings, taking place over video conference
- Where possible, engaging with tenants and prospective tenants via telephone or online.



Philip Yates, Tenancy Support Advisor, working from home

Our Leadership Group formed a taskforce which, as well as implementing the above changes to our operating model:

- Met daily (changing to three times a week following easing of lockdown restrictions) to discuss the operational impacts of Covid-19
- Reset our budget to consider the potential impact of Covid-19
- Led on operational guidance, support and communications to staff
- Developed and reviewed KPIs that allowed us to monitor the ongoing impact of Covid-19 on all areas of the business
- Met regularly with our Board to update them on performance and actions taken in light of Covid-19.

One of our key considerations was the long-term viability of the business in light of Covid-19, as well as other scenarios that could adversely impact Broadland Housing Association. As part of our business planning process, we designed six 'stress-test' scenarios and applied them to our 30-year business plan. The key conclusions from this exercise were as follows:

- Even in the most adverse of scenarios, we have sufficient cash facilities to keep the business running for over two years (our Treasury Strategy requires facilities of at least 18 months)
- Our business plan can withstand our most extreme Covid-19 scenario with minimal mitigating actions required
- Our 'perfect storm' scenario (which includes the impact of Covid-19, Brexit, adverse changes to economic conditions, adverse changes to Government legislation and a fall in the housing market) can be mitigated through a combination of adapting our planned maintenance programme and reducing 'discretionary' operational spend.

In light of the above, we have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, we continue to adopt the going concern basis of preparation for these financial statements.

Post balance sheet events

Following the year end, Covid-19 restrictions have eased slightly but do however continue to impact our operational activities. Key points to note are:

- From 1 July, we reactivated our non-urgent responsive repairs process
- Housing market reports published by JLL and Savills have provided assurance that the value in use of our homes is likely to remain stable
- We have seen sales of both our market sale and shared ownership homes over and above what we budgeted.

There are no adjusting or non-adjusting post balance sheet events likely to materially impact on these financial statements.

Value for money statement

Our Corporate Strategy sets out our focus on financial management and maximising efficiencies across all parts of the organisation. In maximising efficiencies, we aim to utilise more of our financial resources building high-quality new homes, improving existing homes and enhancing the level of service we provide to our tenants.

In particular we:

- prioritise spending for the benefit of our tenants and people in housing need
- look to reduce operating costs by finding ways to save money without impacting the services we deliver to tenants
- undertake competitive procurement and consider quality and social value as key aspects of our procurement process
- work with local organisations to explore the potential benefits of sharing services.

Earlier in the financial year, we went through the process of considering who we benchmark our value for money against. We decided that we wanted to benchmark against two peer groups:

- Independent East - a group of five independent housing providers operating in East Anglia that have come together to share good practice. We are an active member of this group.
- A 'bespoke peer group' made up of nine housing providers that share similar organisational characteristics, such as number of homes owned, tenure of homes and geographical area covered.

Below we set out our performance against the Regulator for Social Housing (RSH) value for money metrics, comparing our performance to the above two peer groups:

Metric	2019/20	2018/19	Independent East (2018/19)	Bespoke peer group (2018/19)
Reinvestment %	8.41	8.81	8.02	5.36
New supply delivered %	3.79	1.22	1.81	1.76
Gearing %	54.12	51.94	46.18	45.1
EBITDA MRI %	120.27	144.84	201.44	163.3
Headline social housing cost per unit (£)	3,557	3,356	4,090	4,392
Operating margin %	24.42	26.61	25.96	21.19
Return on capital employed %	2.54	2.55	3.2	2.95

Metric	Meaning
Reinvestment %	Our investment in building new homes, and improving existing homes, as a % of the total value of homes owned
New supply delivered %	Number of new homes developed as a % of homes owned
Gearing %	The proportion of our assets that are funded by debt
EBITDA MRI %	Our ability to cover interest costs with the surplus we generate from running the business
Headline social housing cost per unit (£)	The cost of running our social landlord operation divided by the number of affordable homes owned
Operating margin %	The surplus that we generate from operating our business as a % of the income generated
Return on capital employed %	Our operating surplus as a % of our capital resources

Our reinvestment in building new homes and improving our existing homes is broadly in line with last year and higher than our peers. This, along with our high % of new homes delivered, demonstrates our commitment to our core purpose of providing high quality affordable homes.

Our ambitious development programme has resulted in us borrowing funds within Broadland Housing Association resulting in higher gearing than our peers. Our gearing % will reduce as homes are completed and the value of our assets increases.

Our EBITDA MRI cover appears low compared to our peer group; however, we are comparing our current year performance to their 2018-19 figures. During 2019-20, the country experienced a flat property market due to uncertainty surrounding Brexit and, more recently, delays to mortgage valuations and conveyancing as a result of Covid-19. Lower than anticipated surpluses from market sales resulted in a fall in our EBITDA MRI in year. It should be noted, however, that we had 17 reservations at year end, which will generate sales income of c£4.6m and that a number of these have completed in the new financial year.

Our headline social housing cost per unit is significantly below our peers, demonstrating our commitment to achieving value for money in our core landlord business.

While increasing in real terms, our operating margin %, as noted in the financial review above, fell largely as a result of increased investment in enhanced fire safety and health and safety measures in our homes. This also impacted on our return on capital employed for the year.



Governance

Compliance with the RSH Governance and Financial Viability Standard

As required by the Accounting Direction, the Board has completed an annual self-assessment of Broadland Housing Association's compliance with the Governance and Financial Viability Standard as the only Registered Provider within the Group. As part of this review, the Board have considered legal compliance through management reports on changes to legislation informed by legal circulars. Health and safety compliance has been specifically monitored through the management reporting of compliance with specific areas of legislation impacting on the business. With regular management reports on data protection, we confirm compliance with new data protection legislation while continuing to improve alignment of our policies and procedures with good practice. Following this review the Board can confirm compliance with the Governance and Viability Standard with no qualifications. In addition, the Board carries out a yearly self-assessment against the RSH Economic and Consumer Standards to ensure that we are compliant and that any plans for continuous improvement are documented.

Compliance with the NHF Merger Code

The Board has agreed to adopt the NHF Mergers, Group Structures and Partnerships Voluntary Code for Housing Associations to guide its approach to future opportunities.

Compliance with the NHF Code of Conduct and NHF Code of Governance

All entities within Broadland Housing Group have adopted the NHF Code of Governance and the NHF Code of Conduct. A Group-wide self-assessment of compliance with the Codes is conducted annually and reported to the Broadland Housing Association Board as parent. Broadland Housing Association, a Registered Provider with the Regulator of Social Housing, and its subsidiaries complied with all aspects of the NHF Code of Conduct during the financial year covered by these financial statements. Broadland Housing Association complied with all aspects of the NHF Code of Governance during the period in question, while its commercial subsidiaries complied with all material aspects of the Code applicable to them as non-Registered Providers.

Governance

BHA has a G1 rating and remains committed to continuously reviewing and improving its governance arrangements to ensure they are fit for purpose while maintaining a Board with the necessary skills and experience to determine the strategic direction of the organisation. Our viability rating of V2 reflects our development of homes for outright sale, which understandably carries an increased degree of risk. We believe we have the ability to manage this additional risk and our business plan stress testing incorporates scenarios that include serious changes to the housing market.

The Group remains committed to upholding the highest standards of governance and works within the requirements of the Code of Governance to this end. We undertake a

review of the effectiveness of our Boards and individual Board member appraisals annually. Our governance arrangements are reviewed externally every three years. Recommendations for improvement identified through these processes are documented in our Governance Action Plan, which is monitored by the BHA Board. We regularly assess the skills required to oversee our business activities, along with our board recruitment and succession plan, in order to ensure that our Boards remain fit for purpose and consist of individuals with the right expertise.

Although Covid-19 impacted only the last few weeks of the financial year, in light of its far reaching and ongoing implications, measures put in place by BHA are set out below. These were introduced to help ensure business continuity, provide additional oversight and assurance to our Board, and to support our staff and tenants during the Covid-19 crisis:

- introduction of home working for all staff where possible and conduct of all meetings via video calls
- introduction of daily video calls with Executive Directors and Director of People and Culture
- interim blanket extension of HR timelines
- weekly video calls between BHA Chair and Group Chief Executive
- introduction of weekly video calls with Executive Directors and all senior managers in their team
- introduction of weekly video calls with the Board, including all Executive Directors, Director of People and Culture and Head of Governance
- review and adaptation where appropriate of Business Continuity Plans for each area of the business
- adoption of revised Corporate Strategy
- adaptation of KPIs to give Board members additional real-time information on all areas of the business
- introduction of an interim Complaints Policy to reflect the restrictions placed on BHA
- dynamic risk register to capture all Covid-19 related risks
- revisions to the business plan and stress testing scenarios
- revisions to 2020-21 budget
- record of all decisions taken outside of policy/procedure/standing order and likely impact on other areas of business
- digital Board member recruitment campaign, including virtual interviews.

Whistleblowing

The Group operates a whistleblowing policy. There were no reported instances of whistleblowing in the period.

Broadland Housing Association Board

This Board is the ultimate governing body of the Group. It comprises up to 11 non-Executive Directors and the Group Chief Executive and meets approximately every eight weeks for formal business meetings. It holds Board Away Days at least annually in order for the BHA Board, and where appropriate Board members from across the Group, to come together to discuss wider strategic issues.

Our Board members receive remuneration to compensate them for the time they devote fulfilling their role and the valuable contribution they make. Remuneration has also helped to attract the skills that the Board requires.

Members are drawn from a broad range of professional and business backgrounds to ensure there is an optimum mix of skills and expertise present on the Board. We are also keen there is a tenant voice on the Board, and at the time of writing have one tenant Board member and have recruited two others who will start later in the year.

Board delegation

The Board delegates some of its responsibilities to the Group Audit and Risk Committee and the Group Remuneration and Nomination Committee. These Committees have clear terms of reference and delegated authority, which are set out in the Group Standing Orders and the Group Delegation Scheme. They report back to the Board regularly and, where necessary, their recommendations are fully considered and approved. These Committees are chaired by a non-executive member of the parent company Board and have a Group-wide remit. Matters which fall outside of the remit of these two Committees and need consideration outside of the formal Board meeting may be dealt with on an ad hoc basis by a Task and Finish Group, comprising of both non-executive and executive directors.

Group Audit and Risk Committee

The role of this Committee is to oversee the work of both the internal and external audit function and to oversee the risk management framework and internal control framework for the Group. The Committee reviews the audited financial statements for all parts of the Group and recommends them to the relevant Board for approval. It submits an annual report on internal controls to the parent company board. Through the reports it receives, the Group Audit and Risk



Celebrating opening of Trunch with Board, tenants and North Norfolk District Council and partners

“It has been a privilege to serve as Chair of the Group Audit and Risk Committee for the last 7 years. The assurance provided by internal and external audit is vital to ensure the organisation remains financially viable and delivers the outcomes sought by the ambitious corporate strategy (Jon Barber)”

Committee gains comfort that the Group has appropriate systems of internal control and is able to comply with the RSH's expectations in this area.

Group Remuneration and Nomination Committee

Previously named the Group Remuneration and Membership Committee, this Committee amended its name during the course of the financial year and revised its terms of reference to better reflect its role in nominations to the BHA Board.

The Committee supports the Board in the discharge of its duties relating to establishing and reviewing the remuneration package and terms and conditions of the Executive Team. The Committee also considers salary and terms and conditions for other employees as appropriate and approves applications for shareholding membership. In addition, the Group Remuneration and Nomination Committee oversees the process for Board member appraisal and makes recommendation to the Board in relation to Board member appointments.

Towards the end of the financial year, the Committee oversaw the recruitment of a new Chair of Group Audit and Risk Committee to replace the outgoing Chair, standing down at the next AGM after serving the maximum term of service. As part of its succession planning role, the Committee is also due to oversee recruitment of new tenant Board members ahead of the AGM.

Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing, and has been in place throughout the period commencing 1 April 2019 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board-approved terms of reference and delegated authority for Group Audit and Risk Committee
- annual report to the Board from the Group Audit and Risk Committee on risk management and internal controls throughout the year

- clearly defined management responsibilities for the identification, evaluation and control of significant risks, at an appropriate level
- annual management assurance statements signed by each Executive Director, and members of the Senior Management Team, confirming that effective controls have operated in respect of their areas of responsibility
- robust strategic and business planning processes, with detailed financial budgets and forecasts
- formal recruitment, retention, training and development policies for all staff
- established authorisation and appraisal procedures for significant new initiatives and commitments
- a sophisticated approach to treasury management, subject to external review
- regular reporting to the appropriate Committee on key business objectives, targets and outcomes
- Board-approved fraud policy, covering prevention, detection and reporting, together with recoverability of assets
- regular monitoring of loan covenants and requirements for new loan facilities.

External accreditations in place during this period include:

- Disability Confident: accreditation awarded November 2017
- Mindful Employer: accredited February 2017 and in place throughout this year
- Best Companies: One to watch based on feedback pertaining to this financial year.

A Fraud Register is maintained and is reviewed by the Group Audit and Risk Committee at each meeting. A nil return was submitted to the RSH for this year, as there were no material incidents of fraud during the period.



New homes at North Elmham



Lisbon Court, King's Lynn received outstanding in its CQC assessment

As the provider of internal audit services to Broadland Housing Group for the period, KPMG is required to provide to the BHA Board an overview of the adequacy and effectiveness of the organisation's governance, risk management and control arrangements.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Group Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The BHA Chair receives a copy of all Group Audit and Risk Committee reports and minutes. All Group Audit and Risk Committee reports and minutes are made available electronically to BHA Board members. The Board has received the annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor.

Statement of the responsibilities of the Board for the annual report and financial statements

The Board is responsible for approving the Strategic Report and Financial Statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Group and of the financial surplus of the Group for that period, in accordance with United Kingdom Generally

Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP): Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 the Association and enable it to ensure that the financial statements comply with 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 2019. It is also responsible for maintaining an adequate system of control and safeguarding the assets of the Group and Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for ensuring that the Report of the Board of Directors is prepared in accordance with the SORP: Accounting by registered social housing providers 2018.

Financial statements are published on the Group and Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and Association's website is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

All of the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information.

The directors are not aware of any relevant audit information of which the auditors are unaware.

External auditors

RSM UK Audit LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By order of the Board



Chris Ewbank Chair

15 September 2020



Richard Hawthorn House,
completed June 2020

Independent auditor's report to the members of Broadland Housing Association

Opinion

We have audited the financial statements of Broadland Housing Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2020 and of the income and expenditure of the Group and the income and expenditure of the Association 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, 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 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 and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate

or

- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires 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 of the Association

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 pages 23 to 24, 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 the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or 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.

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

The engagement partner on the audit resulting in this independent auditor's report is Laragh Jeanroy.

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 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 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.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

16 September 2020

Consolidated and Association Statement of Comprehensive Income for the year ended 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Turnover		33,113	29,599	30,612	28,141
Operating costs		(24,737)	(21,652)	(22,689)	(20,405)
Operating surplus	4	8,376	7,947	7,923	7,736
Interest receivable and similar income	12	173	195	577	341
Interest and financing costs	13	(6,262)	(6,140)	(6,258)	(6,116)
Movement in Fair Value of Investment Properties	17	(19)	-	(19)	-
Movement in Fair Value of Fixed Asset Investments	18	(33)	3	(33)	3
Gift Aid received		-	-	118	-
Surplus before tax		2,235	2,005	2,308	1,964
Taxation	14	(3)	(34)	-	-
Surplus for the year		2,232	1,971	2,308	1,964
Actuarial gains (losses) in respect of pension schemes	28	2,787	(1,040)	2,787	(1,040)
Re-measurement of pension obligation at initial recognition	28	-	(2,096)	-	(2,096)
Total comprehensive income (loss) for the year		5,019	(1,165)	5,095	(1,172)

All activities relate to continuing operations.

The notes on pages 36 to 76 form part of these financial statements.

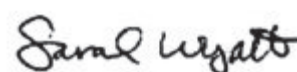
The financial statements on pages 28 to 76 were approved by the Board of Directors and authorised for issue on 15 September 2020.



Chris Ewbank Chair



Jonathan Barber Vice Chair



Sarah Wyatt Secretary

Consolidated and Association Statement of Financial Position at 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Fixed assets					
Tangible fixed assets - housing properties	15	303,731	283,484	304,174	284,007
Other tangible fixed assets	16	1,985	2,183	1,985	2,183
Investment properties	17	1,171	1,190	1,171	1,190
Investments in fixed assets and equities	18	165	194	165	194
		307,052	287,051	307,495	287,574
Current assets					
Properties held for sale	19	17,407	7,456	1,896	2,335
Trade and other debtors	20	1,859	6,040	11,439	11,126
Cash and cash equivalents		13,293	18,762	12,222	18,201
Cash held in long notice accounts		2,231	3,000	2,000	3,000
		34,790	35,258	27,557	34,662
Creditors: amounts falling due within one year	21	(11,596)	(10,723)	(10,416)	(10,384)
Net current assets		23,194	24,535	17,141	24,278
Total assets less current liabilities		330,246	311,586	324,636	311,852
Creditors: amounts falling due after more than one year	22	(304,814)	(286,245)	(298,862)	(286,245)
Provisions for liabilities					
Defined benefit pension liability	28	(2,413)	(5,544)	(2,413)	(5,544)
Total net assets		23,019	19,797	23,361	20,063
Reserves					
Income and expenditure reserve		22,924	19,702	23,266	19,968
Restricted reserve		95	95	95	95
Total reserves		23,019	19,797	23,361	20,063

The notes on pages 36 to 76 form part of these financial statements.

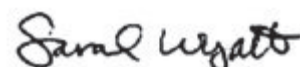
The financial statements on pages 28 to 76 were approved by the Board of Directors and authorised for issue on 15 September 2020.



Chris Ewbank Chair



Jonathan Barber Vice Chair



Sarah Wyatt Secretary

Consolidated Statement of Changes in Reserves for the year ended 31 March 2020

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2019	19,702	95	19,797
Surplus for the year	2,232	-	2,232
Other comprehensive income for the year	2,787	-	2,787
Reclassification between reserves and liabilities	(1,797)	-	(1,797)
Balance at 31 March 2020	22,924	95	23,019

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2018	20,867	95	20,962
Surplus for the year	1,971	-	1,971
Other comprehensive income for the year	(3,136)	-	(3,136)
Balance at 31 March 2019	19,702	95	19,797

Statement of Changes in Reserves for the year ended 31 March 2020

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2019	19,968	95	20,063
Surplus for the year	2,308	-	2,308
Other comprehensive income for the year	2,787	-	2,787
Reclassification between reserves and liabilities	(1,797)	-	(1,797)
Balance at 31 March 2020	23,266	95	23,361

The restricted reserve of £95,000 reflects property donated to the Association. The terms of the donation state that the property can only be used for social housing purposes, by the Association, and cannot be sold.

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2018	21,140	95	21,235
Surplus for the year	1,964	-	1,964
Other comprehensive income for the year	(3,136)	-	(3,136)
Balance at 31 March 2019	19,968	95	20,063

Consolidated Statement of Cash Flows for the year ended 31 March 2020

	2020 £'000	2019 £'000
Cash flow from operating activities		
Surplus for the year	2,232	1,971
Adjustments for non-cash items:		
Amortisation of grants	(931)	(925)
Depreciation & impairment of housing properties	4,576	4,641
Fair Value movements	52	(3)
Depreciation of other fixed assets	529	644
Movement in trade and other debtors	4,178	(1,001)
Movement in trade and other creditors	(3,878)	1,073
Movement in properties held for sale	(9,756)	(3,439)
Adjustments for investing or financing activities:		
Adjustment for properties sold, part of operating activities	2,158	1,096
Purchases of other fixed assets	(413)	(434)
Purchase of investments	33	(34)
Interest payable	6,262	6,140
Interest receivable	(173)	(195)
Taxation	-	34
Current and past service pension costs	77	156
Net cash generated from operating activities	4,946	9,724
Cash flow from investing activities		
Purchase of tangible fixed assets	(21,740)	(21,796)
Capitalised improvement expenditure	(2,649)	(2,677)
Grants received	4,804	1,255
Repayment (investment) of cash in long notice accounts	769	10,000
Interest received	(6)	195
Cash used in investing activities	(18,822)	(13,023)

(continued)

	2020 £'000	2019 £'000
Cash flow from financing activities		
Interest paid	(6,933)	(6,343)
New secured loans	25,090	15,000
Repayment of borrowings	(9,237)	(5,527)
Pension deficit payments	(513)	(409)
Cash generated from / (used in) financing activities	8,407	2,721
Net change in cash and cash equivalents	(5,469)	(578)
Cash and cash equivalents at beginning of the year	18,762	19,340
Cash and cash equivalents at end of the year	13,293	18,762

The notes on pages 36 to 76 form part of these financial statements.



Sandcastle competition for tenants on Gorleston beach



Notes to the financial statements for the year ended 31 March 2020

Index of notes

General notes

- 1 Legal status
- 2 Accounting policies
- 3 Judgements in applying accounting policies and key sources of estimation uncertainty

Statement of Comprehensive Income (SoCI) related notes

- 4 Particulars of turnover, cost of sales, operating costs and operating surplus
- 5 Income and expenditure from social housing lettings
- 6 Accommodation in management and development - Units of housing stock
- 7 Operating surplus
- 8 Employees
- 9 Directors and senior executives' remuneration
- 10 Board members
- 11 Surplus of disposal of fixed assets
- 12 Interest receivable and similar income
- 13 Interest and financing costs
- 14 Taxation on surplus on ordinary activities

Statement of Financial Position (SoFP) related notes

- 15 Tangible fixed assets - housing properties
- 16 Tangible fixed assets - other
- 17 Investment properties
- 18 Investments in fixed assets, equities and subsidiaries
- 19 Properties for sale
- 20 Debtors
- 21 Creditors: amounts falling due within one year
- 22 Creditors: amounts falling due after more than one year
- 23 Deferred capital grant
- 24 Recycled Capital Grant Fund
- 25 Disposal Proceeds Fund
- 26 Debt analysis - loans and borrowings
- 27 Analysis of changes in net debt
- 28 Pensions
- 29 Share capital
- 30 Operating leases
- 31 Capital commitments
- 32 Related parties
- 33 Post balance sheet events

1 Legal status

The association is registered under the Cooperative and Community Benefits Societies Act 2014 and is a registered provider of social housing.

The Affordable Housing Provider (AHP) has four subsidiaries:

- **Broadland St Benedicts Limited** - private limited company limited by shares engaged in the sale of open market homes
- **Broadland Development Services Limited** - private limited company limited by shares engaged in the procurement of new homes development
- **Broadland Meridian** is a registered charity, limited by guarantee, providing grants to mental health and wellbeing organisations
- **Charlie's Social Enterprise CIC**, a community interest company, was dissolved on 10 March 2020.

2 Accounting policies

Basis of accounting and Statement of compliance

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Broadland Housing Association includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers 2018, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

These financial statements are presented in Sterling (£) to the nearest £'000, and have been prepared in compliance with FRS 102. This requires the use of certain critical accounting estimates and also requires Group management to exercise judgement in applying the Group's accounting policies.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical

- No cash flow statement has been presented for the parent company
- Disclosures in respect of the parent company's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the group as a whole
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

Basis of consolidation

The consolidated financial statements present the results of Broadland Housing Association and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

They are deconsolidated from the date control ceases. In accordance with the transitional exemption available in FRS 102, the group chose not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102 (1 January 2012).

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic report. The Group has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities while continuing to comply with lenders' covenants.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Income recognition

Income is measured at the fair value of the consideration received or receivable. The Group generates the following material income streams:

- Rental income is recognised from the point of being available to let net of any voids
- Service charge income is recognised in the period to which it relates net of losses from voids

- First tranche sales of Low Cost Home Ownership housing properties is recognised at the point of legal completion of the sale
- Income from the sale of land and property is recognised at the point of legal completion of the sale
- Revenue grant income is recognised as it falls due under the relevant contractual arrangements.

Rental income is recognised from the point when properties under development reach practical completion and are formally let, while income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Service charges

The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HMRC. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income. Broadland Housing Association Limited, Broadland St Benedicts, Broadland Meridian and Charlie's Social Enterprise Community Interest Company (dissolved 10 March 2020) are all part of the VAT group.

Broadland Development Services Limited is independently VAT registered.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Interest is capitalised on borrowings to finance the development of qualifying assets to the extent that it accrues in respect of the period of development it represents.

Pension costs

During the period the Group participated in one funded multi-employer defined benefit scheme, the Social Housing Pension Scheme (SHPS).

For this scheme, scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred taxation, is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan.

The current service costs and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

The Group also participates in a defined contribution scheme and the income and expenditure charge represents the employer's contribution payable to the scheme for the accounting period.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

Tangible fixed assets - housing properties

Housing properties constructed or acquired (including land) are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition, which may include an appropriate amount for staff costs and other costs of managing development. Directly attributable costs of acquisition include capitalised interest calculated, on a proportional basis, using finance costs on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Mixed developments are split by tenure type, with social rented and shared ownership properties held within fixed assets and accounted for at cost less depreciation and commercial elements held as investment properties at fair value. Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in first tranche, are included in fixed assets and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Depreciation of housing property

Housing assets are split between land, structure and other major components that are expected to require replacement over time.

The cost of housing property (net of accumulated depreciation to date and impairment, where applicable) and the subsequent costs of replacement or restoration of major components are capitalised and depreciated over the useful economic lives of the assets on the following basis:

Description	Economic useful life (years)
Structure	150
Roofs	60
Kitchens	20
Bathrooms	32
Windows	32
Doors	32
Boilers	17
Heating systems	30
Electrics - full re-wires	60
Electrical system work	30
PV tiles	25

Leasehold properties are depreciated over the life of the lease or their estimated useful economic lives in the business if shorter. If the latter is the case the lease and building elements are depreciated separately over their expected useful economic lives.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed. Land is not depreciated on account of its indefinite useful economic life.

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body, an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised in the Statement of Financial Position as a liability. Where the donation is from a non-public source the value of the donation is included as income.

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions and up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classified as a current asset and any related sales proceeds are included in turnover. The remaining element, "staircasing element", is classified as property, plant and equipment and included in completed housing property at cost less any provision for impairment. Sales of subsequent tranches are treated as a part disposal of property, plant and equipment. Such staircasing sales may result in capital grant being deferred or abated and any

abatement is credited in the sale account in arriving at the surplus or deficit.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Tangible fixed assets - other

Other tangible fixed assets, other than investment properties, are measured at historic cost less accumulated depreciation and any accumulated impairment losses. Historic cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives are as follows:

Description	Economic useful life (years)
Freehold office buildings	100
Leasehold office buildings	Term of lease
Office equipment/fixtures and fittings; Tools	5
Motor vehicles; Computer equipment	4
Computer software development/programming (6 years from 2020/21 onwards)	4

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

Government grants through Homes England and local authorities

Grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as

deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 (and 2018 update) the useful economic life of the housing property structure has been selected as the asset to align the grant to.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets, any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from Government organisations or received in advance are included as current assets or liabilities.

Recycled capital grant fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the RSH can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three-year period, it will be repayable to the RSH with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year, is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Investment properties

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

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are remeasured to fair (market) value at each balance sheet date, with changes in fair value recognised in income and expenditure.

Impairment of fixed assets

The housing property portfolio for the Group is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Group looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows derived appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU-SP.

The Group defines cash generating units as schemes, except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value, an impairment is recorded through a charge to income and expenditure.



Tenant gardening competition winners

Properties for sale

Properties for sale consist of shared ownership, completed properties developed for outright sale and property under construction. For shared ownership properties the value held as property for sale is the estimated cost to be sold as a first tranche.

Properties for sale are stated at the lower of cost and net realisable value. Cost comprises third party costs (materials and direct labour) and direct overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs of completion and disposal.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments issues' of FRS102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

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

Derecognition of financial assets and liabilities

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

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximate to ownership, i.e. the terms of the lease transfer substantially all the risks and rewards of ownership, the assets are classed as finance leases and treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to income and expenditure over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest so that the interest element of the payment is charged to income and expenditure over the term of the lease and calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to income and expenditure on a straight-line basis over the term of the lease.

The Group took advantage of the optional exemption available on transition to FRS 102, which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2012) to continue to be charged over the period to the first market rent review rather than the term of lease. For leases entered into on or after 1 January 2012, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Leasehold sinking funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

Provisions for liabilities

Provisions are recognised when the group has a present obligation as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the balance sheet date.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Reserves

The Group establishes restricted reserves for specific purposes where their use is subject to external restrictions.

Prior year comparatives

There has been no requirement this year for minor representation of prior year comparative information in these financial statements.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates which are described below:

Impairment

Management has exercised judgement in determining whether there are indicators of impairment of the Group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Management have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on MV-T or depreciated replacement cost and have also considered impairment based on their assumptions to define cash or asset generating units.

Recoverability of properties developed for outright sale

Management makes judgements concerning the anticipated costs to complete on development schemes based on anticipated construction cost, effective rate of interest on loans during the construction period, legal and other costs. Based on the costs to complete, they then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is based on their best estimate of sales value based on economic conditions within the area of development.

Valuation of investment properties (note 17): Valuer's statement on COVID 19 - Material uncertainty

It is the valuer's opinion that:

The outbreak of the novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date of 19 June 2020, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform our opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base any judgement. Our valuations and opinions are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

The above statement has been considered by management, along with post year end information including void losses, rent arrears and future business plan projections, and we have concluded the valuation does not need further review or amendment.

Pension fund valuation (note 28)

The Group's pension scheme provider applies key assumptions when arriving at the pension scheme valuation. These are revisited each year and cover the following areas of uncertainty:

- discount rate;
- inflation (RPI);
- inflation (CPI);
- salary growth;
- allowance for commutation of pension for cash at retirement;
- mortality assumptions regarding life expectancy beyond retirement age.

Tangible fixed assets (notes 15 and 16) - useful lives of depreciable assets

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. For housing property assets, the assets are divided into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components. The actual lives of the assets and

residual values are assessed annually and may vary depending on a number of operational factors affecting asset life cycles. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Rental and other trade receivables (debtors) (note 20) - recoverable amount

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.



Design detail at Watton

4 Particulars of turnover, cost of sales, operating costs and operating surplus - Group

	Turnover	Operating costs	Operating surplus/ (deficit)
	2020	2020	2020
	£'000	£'000	£'000
Social housing lettings (note 5)	26,334	(19,565)	6,769
Other social housing activities			
First tranche low cost home ownership sales	2,721	(1,978)	743
Supported housing management	47	(27)	20
Other management income	39	(25)	14
Development services	11	(475)	(464)
Other income	253	-	253
Support services	2	(28)	(26)
	29,407	(22,098)	7,309
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	183	(57)	126
Surplus on disposal of other housing properties (note 11)	378	(78)	300
Commercial properties	100	(15)	85
Open market sales	3,045	(2,489)	556
	33,113	(24,737)	8,376

	Turnover	Operating costs	Operating surplus/ (deficit)
	2019	2019	2019
	£'000	£'000	£'000
Social housing lettings (note 5)	25,847	(18,629)	7,218
Other social housing activities			
First tranche low cost home ownership sales	1,395	(1,014)	381
Supported housing management	39	(54)	(15)
Supporting people	-	-	-
Other management income	39	(18)	21
Development services	1	(426)	(425)
Other income	201	-	201
Support services	2	(26)	(24)
	27,524	(20,167)	7,357
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	146	(43)	103
Surplus on disposal of other housing properties (note 11)	314	(199)	115
Commercial properties	93	(21)	72
Open market sales	1,522	(1,222)	300
	29,599	(21,652)	7,947

4 Particulars of turnover, cost of sales, operating costs and operating surplus - Association

	Turnover	Operating costs	Operating surplus/ (deficit)
	2020	2020	2020
	£'000	£'000	£'000
Social housing lettings (note 5)	26,334	(19,565)	6,769
Other social housing activities			
First tranche low cost home ownership sales	3,201	(2,482)	719
Supported housing management	47	(27)	20
Other management income	39	(25)	14
Development services	11	(440)	(429)
Other income	319	-	319
	29,951	(22,539)	7,412
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	183	(57)	126
Surplus on disposal of other housing properties (note 11)	378	(78)	300
Commercial properties	100	(15)	85
	30,612	(22,689)	7,923

	Turnover	Operating costs	Operating surplus/ (deficit)
	2019	2019	2019
	£'000	£'000	£'000
Social housing lettings (note 5)	25,847	(18,629)	7,218
Other social housing activities			
First tranche low cost home ownership sales	1,395	(1,044)	351
Supported housing management	39	(54)	(15)
Supporting people	-	-	-
Other management income	39	(18)	21
Development services	1	(397)	(396)
Other income	267	-	267
	27,588	(20,142)	7,446
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	146	(43)	103
Surplus on disposal of other housing properties (note 11)	314	(199)	115
Commercial properties	93	(21)	72
	28,141	(20,405)	7,736

5 Income and expenditure from social housing lettings - Group and Association

	General needs £'000	Supported housing & Housing for older people £'000	Low cost home ownership £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Income						
Rent net of identifiable service charges and void losses	19,585	3,188	280	67	23,120	22,757
Service charge income net of void losses	999	1,258	26	-	2,283	2,165
Amortised government grants	749	173	3	6	931	925
Turnover from social housing lettings	21,333	4,619	309	73	26,334	25,847
Operating expenditure						
Management	(4,467)	(611)	(62)	(15)	(5,155)	(4,894)
Service charge costs	(1,280)	(1,358)	(30)	-	(2,668)	(2,564)
Routine maintenance	(3,519)	(523)	-	-	(4,042)	(3,403)
Planned maintenance	(1,303)	(363)	-	-	(1,666)	(1,533)
Major repairs expenditure	(587)	(769)	-	-	(1,356)	(1,475)
Bad debts	(88)	(14)	-	-	(102)	(120)
Depreciation of housing properties:						
- annual charge	(3,589)	(538)	(18)	(9)	(4,154)	(4,051)
- accelerated on disposal of components	(194)	(228)	-	-	(422)	(589)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(15,027)	(4,404)	(110)	(24)	(19,565)	(18,629)
Operating surplus on social housing lettings	6,306	215	199	49	6,769	7,218
Void losses	(120)	(136)	-	-	(256)	(272)

6 Accommodation in management and development - Units of housing stock

Group and Association	2020 Number	2019 Number
Social housing		
General needs housing:		
- social rent	3,865	3,871
- affordable rent	254	131
Intermediate rent	99	65
Supported housing	106	106
Housing for older people	599	599
Low cost home ownership / Shared ownership	189	153
Total social housing owned and managed	5,112	4,925
Accommodation managed for others	105	64
Total social housing managed	5,217	4,989
Social housing owned but managed by others	80	80
Total social housing owned or managed	5,297	5,069
Other / Non-social housing		
Leasehold managed (all managed by us for others)	14	14
Residential care home bed spaces (all owned but managed by others)	25	25
Student accommodation	-	-
Respite care homes (all owned but managed by others)	10	10
Total owned or managed	5,346	5,118
Accommodation in development at the year end	110	335



Tenants and staff at Oakes Court, Downham Market, enjoying the new dementia-friendly sensory garden



7 Operating surplus

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
The operating surplus is arrived at after charging:				
Depreciation of housing properties	4,154	4,051	4,154	4,051
Write-off of housing property components	422	590	422	590
Impairment of housing properties	-	-	-	-
Depreciation of other fixed assets	529	644	529	644
Surplus on disposal of fixed assets	426	218	426	218
Operating lease rentals:				
- motor vehicles and office equipment	414	401	414	401
Auditors' remuneration (excluding VAT):				
- Fees payable to the Group's Auditors for the financial statement audit	24	28	24	28
- Audit of the accounts of subsidiaries	11	13	-	-
Total audit services	35	41	24	28
- Tax compliance services	3	3	-	-
- Tax advisory services	7	6	5	6
- Internal audit	-	23	-	23
Total non-audit services	10	32	5	29

8 Employees

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Staff costs (including Executive Management Team) consist of:				
Wages and salaries	7,071	6,708	7,071	6,708
Social security costs	672	664	672	664
Other pension costs	506	509	506	509
	8,249	7,881	8,249	7,881

The average number of employees (including Executive Management Team) expressed as full-time equivalents (calculated based on a standard working week of 37 hours) during the year was as follows:

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Office staff	110	108	110	108
Scheme managers and operatives	108	121	108	121
	218	229	218	229

9 Directors and senior executives' remuneration

The directors are defined as the members of the Board of Directors, the Chief Executive and the Executive Management Team disclosed on page 3, who are also considered to be the Key Management Personnel of the Group and Association.

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Executive directors' emoluments	628	580	628	580
Amounts paid to non-executive directors	53	52	45	44
	681	632	673	624

The emoluments excluding pension contributions of the highest paid director (the Chief Executive) was £147k (2019: £144k). Pension contributions of £18k (2019: £17k) were also made to a defined contribution scheme on his behalf.

Two of the directors accrued benefits under the Group's defined benefit pension scheme during the year (2019: 2) although the defined benefit scheme was closed to all members in the year.

The number of staff who received remuneration over £60,000 (including pension contributions) (including Directors / Executive Management Team):

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
£60,001 - £70,000	3	5	3	5
£70,001 - £80,000	4	2	4	2
£80,001 - £90,000	2	2	2	2
£100,001 - £110,000	1	2	1	2
£110,001 - £120,000	1	1	1	1
£120,001 - £130,000	1	-	1	-
£160,001 - £170,000	1	1	1	1

10 Board members

Board member	Remuneration £000	Members of					
		BHA Board	Broadland Meridian Board	Group Audit & Risk Committee	Group Remuneration & Nominations Committee	Broadland St Benedicts Limited	Broadland Development Services Limited
BHA Non-executive directors							
Chris Ewbank	10.0	Chair			✓		
Jonathan Barber	5.5	Vice Chair		Chair	✓		
Samantha England (resigned March 2019)	1.3	✓					
Dr Simon Hibberd	4.0	✓					
Kate Slack	4.0	✓					
Paul Slyfield	5.5	✓		✓	Chair		
Helen Skoyles	4.0	✓				✓	
Gavin Tempest	4.0	✓	Chair	✓			
Siobhan Trice	4.0	✓					
Andrew Hill (elected Aug'19)	2.9	✓		✓			
Other Board/ Committee members							
Martin Clark (BSB)	4.0			✓		✓	
Sean Tompkins (BSB)	4.0					✓	
Michael Newey (Group CEO)		✓	Attending	Attending	Attending	Chair	Chair

11 Surplus on disposal of fixed assets - operational

Group and Association	Right to acquire 2020 £'000	Other housing properties 2020 £'000	Total 2020 £'000	Total 2019 £'000
Housing properties:				
Disposal proceeds	-	561	561	460
Carrying value of fixed assets	-	(80)	(80)	(128)
Selling costs	-	(13)	(13)	(7)
	-	468	468	325
Recycled capital grant fund (note 24)	-	(42)	(42)	(107)
Total surplus on sale of fixed assets	-	426	426	218

12 Interest receivable and similar income

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Interest receivable from deposits	165	188	569	334
Dividend income from unit trusts and shares	8	7	8	7
	173	195	577	341



Members of the residents' association at Oulton Court sheltered housing scheme



13 Interest and financing costs

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Loans and bank overdrafts	7,026	6,431	6,889	6,407
Defined benefit pension charge	125	118	125	118
Loan issue costs amortised	102	84	83	84
	7,253	6,633	7,097	6,609
Interest capitalised on construction of housing properties	(991)	(493)	(839)	(493)
	6,262	6,140	6,258	6,116
Capitalised interest has been calculated using a weighted average annual rate of interest:	3.85%	4.13%	3.85%	4.13%

14 Taxation on surplus on ordinary activities

The association is entitled to tax relief afforded to charitable bodies by Part 11 of the Corporation Taxes Act 2010.

Group	2020 £'000	2019 £'000
Corporation tax		
Deferred tax	3	34
Current tax	-	-

15 Tangible fixed assets - housing properties

Group	Freehold housing properties completed £'000	Leasehold properties completed £'000	General needs under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost or valuation:						
At 1 April 2019	298,852	12,034	23,937	7,524	1,547	343,894
Reclassification of properties	-	-	272	-	(272)	-
Additions:						
- construction costs	-	-	18,630	-	3,494	22,124
- transfer to current assets - properties held for sale	-	-	-	(9)	466	457
- replaced components	3,429	-	-	-	-	3,429
- transfer	30,905	-	(30,905)	4,411	(4,411)	-
Disposals:						
- sales	(94)	-	-	(1,130)	-	(1,224)
- replaced components	(1,440)	-	-	-	-	(1,440)
At 31 March 2020	331,652	12,034	11,934	10,796	824	367,240
Depreciation & impairment:						
At 1 April 2019	55,758	4,395	-	257	-	60,410
Depreciation charge for the year	4,099	25	-	30	-	4,154
Impairment charge for the year	-	-	-	-	-	-
Eliminated on disposals:						
- replaced components	(1,018)	-	-	-	-	(1,018)
- other	(32)	-	-	(5)	-	(37)
At 31 March 2020	58,807	4,420	-	282	-	63,509
Net book value at 31 March 2020	272,845	7,614	11,934	10,514	824	303,731
Net book value at 31 March 2019	243,094	7,639	23,937	7,267	1,547	283,484

15 Tangible fixed assets - housing properties

Association	Freehold housing properties completed £'000	Leasehold properties completed £'000	General needs under construction £'000	Shared ownership completed £'000	Shared ownership under construction £'000	Total £'000
Cost or valuation:						
At 1 April 2019	299,116	12,034	24,196	7,524	1,547	344,417
Reclassification of properties	-	-	272	-	(272)	-
Additions:						
- construction costs	-	-	18,568	-	3,494	22,062
- transfer to current assets - properties held for sale	-	-	-	(27)	466	439
- replaced components	3,429	-	-	-	-	3,429
- transfer	30,905	-	(30,905)	4,411	(4,411)	-
Disposals:						
- sales	(94)	-	-	(1,130)	-	(1,224)
- replaced components	(1,440)	-	-	-	-	(1,440)
At 31 March 2020	331,916	12,034	12,131	10,778	824	367,683
Depreciation & impairment:						
At 1 April 2019	55,758	4,395	-	257	-	60,410
Depreciation charge for the year	4,099	25	-	30	-	4,154
Impairment charge for the year	-	-	-	-	-	-
Eliminated on disposals:						
- replaced components	(1,018)	-	-	-	-	(1,018)
- other	(32)	-	-	(5)	-	(37)
At 31 March 2020	58,807	4,420	-	282	-	63,509
Net book value at 31 March 2020	273,109	7,614	12,131	10,496	824	304,174
Net book value at 31 March 2019	243,358	7,639	24,196	7,267	1,547	284,007

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
The net book value of housing properties may be further analysed as:				
Freehold	284,780	267,031	285,240	267,554
Leasehold	7,614	7,639	7,614	7,639
Shared ownership	11,337	8,814	11,320	8,814
	303,731	283,484	304,174	284,007
Expenditure on works to existing properties:				
Works to new homes capitalised (schemes under construction)	22,125	22,525	22,062	22,607
Components capitalised	3,429	2,677	3,429	2,677
Amounts charged to income and expenditure*	1,518	1,548	1,518	1,548
	27,072	26,750	27,009	26,832

*Major repairs revenue, cyclical, and aids and adaptations spend on fixed assets housing properties as charged to income and expenditure.

16 Tangible fixed assets - other

Group and Association

	Freehold office buildings £'000	Leasehold office buildings £'000	Office and computer equipment £'000	Total £'000
Cost				
At 1 April 2019	978	1,201	6,331	8,510
Additions	-	10	335	345
Disposals	-	-	(4,601)	(4,601)
At 31 March 2020	978	1,211	2,065	4,254
Depreciation				
At 1 April 2019	60	690	5,577	6,327
Charge for year	12	66	458	536
Disposals	-	-	(4,594)	(4,594)
At 31 March 2020	72	756	1,441	2,269
Net book value				
At 31 March 2020	906	455	624	1,985
At 31 March 2019	918	511	754	2,183

17 Investment properties

Group and Association	Commercial £'000	Total £'000
At 1 April 2019	1,190	1,190
Movement in fair value	(19)	(19)
At 31 March 2020	1,171	1,171

The group's investment properties are valued annually on 31 March by an external valuer (Watsons, Norwich) employed by the Association. These valuations reflect actual or prospective rental values capitalised on the basis of market yields for the type and location of the individual properties.

Valuer's statement on Covid-19 - Material uncertainty

It is the valuer's opinion that:

The outbreak of the Novel Coronavirus (Covid-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date of 19 June 2020, we consider that we can attach less weight to previous market evidence for

comparison purposes, to inform our opinions of value. Indeed, the current response to Covid-19 means that we are faced with an unprecedented set of circumstances on which to base any judgement. Our valuations and opinions are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to our valuation than would normally be the case.

The above statement has been considered by management, along with post year end information including void losses, rent arrears and future business plan projections, and we have concluded the valuation does not need further review or amendment.

18 Investments in fixed assets, equities and subsidiaries

Group and Association	31 March 2020		31 March 2019	
	Cost £'000	Fair value £'000	Cost £'000	Fair value £'000
Fixed asset investment: Unit trusts	113	135	109	164
Equity investment: MORhomes PLC	30	30	30	30
Total fixed asset investments	143	165	139	194

Group and Association	2020 £'000	2019 £'000
Investment revaluation reserve:		
At 1 April	55	52
(Decrease)/increase in value of investments	(33)	3
At 31 March	22	55



Claire and Rosie at their community allotment in Heacham



The unit trust investments relate to designated funds earmarked for improvements to a particular housing scheme owned by the Association.

The equity investment in MORhomes PLC relates to 40,000 ordinary shares held in a group borrowing vehicle for the housing sector which made its inaugural bond issue in early 2019. The Association has not yet participated in an issue but may consider accessing the capital markets for future borrowing through this vehicle.

Details of subsidiary undertakings, associated undertakings and other investments

The undertakings in which the Association has or had an interest in are as follows:

Name	Country of Incorporation or registration	Proportion of voting rights / Ordinary share capital held	Nature of business	Nature of entity
<i>Subsidiary undertakings</i>				
Broadland St Benedicts Limited	England and Wales	100%	Development of new homes for sale	Incorporated company
Broadland Development Services Limited	England and Wales	100%	Development contractor of new homes for parent company and Broadland St Benedicts Limited	Incorporated company
Broadland Meridian	England and Wales	100%	Provides grants to organisations involved in mental health and wellbeing	Incorporated charity

19 Properties for sale

Group	First tranche shared ownership 2020 £'000	Outright market sales 2020 £'000	Total 2020 £'000	Total 2019 £'000
Work in progress	598	1,989	2,587	6,185
Completed properties	1,280	13,540	14,820	1,271
	1,878	15,529	17,407	7,456

Association	First tranche shared ownership 2020 £'000	Outright market sales 2020 £'000	Total 2020 £'000	Total 2019 £'000
Work in progress	598	-	598	1,064
Completed properties	1,298	-	1,298	1,271
	1,896	-	1,896	2,335

20 Debtors

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Due within one year				
Rent and service charges arrears receivable	1,038	1,250	1,038	1,250
Less: Provision for bad and doubtful debts - rent and service charge arrears	(497)	(564)	(497)	(564)
	541	686	541	686
Other debtors	411	1,235	360	1,045
Less: Provision for bad and doubtful debts - other debtors	(169)	(199)	(169)	(199)
	242	1,036	191	846
Prepayments and accrued income	1,076	4,318	953	4,197
Amounts owed by group undertakings	-	-	504	497
	1,859	6,040	2,189	6,226
Due after more than one year				
Amounts owed by group undertakings - Intergroup loan from Broadland Housing to Broadland St Benedicts Limited	-	-	9,250	4,900
	1,859	6,040	11,439	11,126

21 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Short term debt (note 26)	5,149	5,462	5,149	5,462
Trade creditors	3,355	1,350	1,339	1,239
Amounts owed to group undertakings	-	-	1,580	997
Taxation and social security	193	221	193	221
Other creditors and accruals	2,145	2,749	1,401	1,524
Loan interest payable	606	796	606	796
Holiday accrual	148	145	148	145
	11,596	10,723	10,416	10,384

22 Creditors: amounts falling due after more than one year

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Long term debt (note 26)	179,645	163,532	173,693	163,532
Deferred capital grant (note 23)	122,965	122,331	122,965	122,331
Recycled capital grant fund (note 24)	365	382	365	382
Disposal proceeds fund (note 25)	-	-	-	-
Service charge provisions*	1,839	-	1,839	-
	304,814	286,245	298,862	286,245

*Reclassified from reserves

23 Deferred capital grant

Group and Association	2020 £'000	2019 £'000
At 1 April	122,331	118,805
Grant received in the year	1,538	4,038
Grant recycled to/from the recycled capital grant fund & disposal proceeds fund	27	413
Released to income in the year	(931)	(925)
At 31 March	122,965	122,331

24 Recycled capital grant fund

Group and Association	2020 £'000	2019 £'000
Funds pertaining to areas covered by Homes England		
At 1 April	382	607
Inputs to fund:		
- grants recycled from deferred capital grants	42	107
- interest accrued	1	-
Recycling of grant:		
- new build	(60)	(332)
At 31 March	365	382
Amounts 3 years or older where repayment may be required	-	-

25 Disposal proceeds fund

Group and Association	2020	2019
Funds pertaining to areas covered by Homes England	£'000	£'000
At 1 April	-	179
Inputs to fund:		
- funds recycled from deferred capital grants	-	-
Use / allocation of funds:		
- new build development	-	(179)
- other		
At 31 March	-	-
Amounts 3 years or older where repayment may be required	-	-

26 Debt analysis

Loans and borrowings

	Group	Group	Association	Association
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
In one year or less	5,230	5,545	5,230	5,545
Less: issue costs	(81)	(83)	(81)	(83)
Short term loans	5,149	5,462	5,149	5,462
In more than one year but not more than two years*	11,491	5,352	5,539	5,352
In more than two years but not more than five years	19,217	18,578	19,217	18,578
In more than five years	150,065	140,809	150,065	140,809
Less: issue costs	(1,128)	(1,207)	(1,128)	(1,207)
Long term liabilities	179,645	163,532	173,693	163,532
Total liabilities	184,794	168,994	178,842	168,994

Security

Association loans are secured by specific charges on various housing properties of the Association.

Terms of repayment and interest rates

The loans bear interest at fixed rates ranging from 3.64% to 10.54% or at variable rates calculated at a margin above the London Inter Bank Offer Rate.

At 31 March 2020 the Group had undrawn secured loan facilities from a bank in respect of a revolving credit facility of £15m (2019: £15m), and from a capital markets private placement of £nil (2019: £15m).

*The group through its Broadland St Benedicts Limited subsidiary also has a bank project finance loan facility of £6.77m secured on the lease of the development at Canary Quay with a repayment date of July 2021. Current debt included above is £5,952k (2019: £nil).



WATTS & BROWN
sold
01753 60000

New market sales home
at Edgefield, Norfolk

27 Analysis of changes in net debt

	At 1 April 2019 £'000	Cashflows £'000	Other non- cash changes £'000	At 31 March 2020 £'000
Cash and cash equivalents				
Cash	18,762	(5,469)	-	13,293
Overdrafts	-	-	-	-
Cash equivalents	3,000	(769)	-	2,231
	21,762	(6,238)	-	15,524
Borrowings				
Debt due within one year	(5,462)	5,237	(4,924)	(5,149)
Debt due after one year	(163,532)	(20,956)	4,843	(179,645)
	(168,994)	(15,719)	(81)	(184,794)
Total	(147,232)	(21,957)	(81)	(169,270)

28 Pensions

Social Housing Pension Scheme (SHPS) - Group

The Association participates in The Pension Trust - Social Housing Pension Scheme (SHPS), a multi-employer pension 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 triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation 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.

The scheme is classed 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.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for the accounting year end 31 March 2019. 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. Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for the accounting year end 31 March 2020.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2019 was £5,544k and is £2,413k as at 31 March 2020.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2020 (£000s)	31 March 2019 (£000s)
Fair value of plan assets	15,297	14,622
Present value of defined benefit obligation	17,710	20,166
Surplus (deficit) in plan	(2,413)	(5,544)
Defined benefit asset (liability) to be recognised	(2,413)	(5,544)
Net defined benefit asset (liability) to be recognised	(2,413)	(5,544)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2020 (£000s)	31 March 2019 (£000s)
Defined benefit obligation at start of period	20,166	18,384
Current service cost	77	156
Expenses	17	16
Interest expense	469	477
Contributions by plan participants	59	117
Actuarial losses (gains) due to scheme experience	339	(213)
Actuarial losses (gains) due to changes in demographic assumptions	(173)	56
Actuarial losses (gains) due to changes in financial assumptions	(2,609)	1,507
Benefits paid and expenses	(635)	(334)
Defined benefit obligation at end of period	17,710	20,166

Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2020 (£000s)	31 March 2019 (£000s)
Fair value of plan assets at start of period	14,622	13,684
Interest income	344	359
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	344	310
Contributions by the employer	563	486
Contributions by plan participants	59	117
Benefits paid and expenses	(635)	(334)
Fair value of plan assets at end of period	15,297	14,622

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £688,000.

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	31 March 2020 (£000s)	31 March 2019 (£000s)
Current service cost	77	156
Expenses	17	16
Net interest expense	125	118
Defined benefit costs recognised in statement of comprehensive income (SoCI)	219	290

Defined benefit costs recognised in other comprehensive income

	31 March 2020 (£000s)	31 March 2019 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	344	310
Experience gains and losses arising on the plan liabilities - gain (loss)	(339)	213
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	173	(56)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	2,609	(1,507)
Total amount recognised in other comprehensive income - gain (loss)	2,787	(1,040)
Assets	31 March 2020 (£000s)	31 March 2019 (£000s)
Global equity	2,237	2,460
Absolute return	798	1,265
Distressed opportunities	295	266
Credit relative value	420	268
Alternative risk premia	1070	843
Fund of hedge funds	9	66
Emerging markets debt	463	504
Risk sharing	517	442
Insurance-linked securities	470	419
Property	337	329
Infrastructure	1,138	767
Private debt	308	196
Opportunistic illiquid credit	370	-
Corporate Bond fund	872	682
Liquid credit	6	-
Long lease property	265	215
Secured income	580	524
Liability driven investment	5,077	5,348
Net current assets	65	28
Total assets	15,297	14,622

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 2020 % per annum	31 March 2019 % per annum
Discount rate	2.35%	2.35%
Inflation (RPI)	2.55%	3.25%
Inflation (CPI)	1.55%	2.25%
Salary growth	2.55%	3.25%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	31 March 2020 Life expectancy at age 65 (Years)	31 March 2019 Life expectancy at age 65 (Years)
Male retiring in 2020	21.5	21.8
Female retiring in 2020	23.3	23.5
Male retiring in 2040	22.9	23.2
Female retiring in 2040	24.5	24.7

29 Share capital

	2020 £'000	2019 £'000
At 1 April	389	382
Shares issued in the year	23	7
At 31 March	412	389

The share capital of the association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member that share is cancelled and the amount paid thereon becomes the property of the Association. Therefore, all shareholdings relate to non-equity interests.

30 Operating leases

The Group and the Association had minimum lease payments including VAT under non-cancellable operating leases for motor vehicles and office equipment as set out below.

Group and Association	2020 £'000	2019 £'000
Not later than one year	169	414
Later than one year and not later than five years	83	215
Total	252	629

31 Capital commitments

Group	2020 £'000	2019 £'000
Commitments contracted but not provided for: Development	19,982	37,945
Commitments approved by the Board but not contracted for: Development	25,075	20,982
	45,057	58,927

Capital commitments for the Group will be funded as follows:

Group	2020 £'000	2019 £'000
Cash	13,165	18,523
Cash held in long notice accounts	2,231	3,000
Revolving credit facility	15,000	15,000
Capital markets private placement facility	-	15,000
Project based bank facility	818	-
Anticipated grant on contracted commitments	3,303	5,486
Anticipated grant on uncontracted commitments	2,198	135
	36,715	57,145

As per the above table, future capital commitments will be funded through existing cash resources, a revolving credit facility, and anticipated development grant. Additional funding requirement for commitments approved by the Board but not contracted for will be sought in 2020-21.

32 Related parties

The Board and committees had two tenant members who held tenancy agreements on normal terms during the year. The Association's rules prohibit tenant Board and Committees Members from using their position to their advantage. For the year to 31 March 2020 the total rent due from these tenant Board members was £11,533 (2019: £12,534). Total rent paid was £11,859 (2019: £12,673). No arrears were outstanding at the end of the current or prior years.

In accordance with the requirements of the Accounting Direction for Private Registered Providers of Social Housing 2019, the following transactions and balances are disclosed which have occurred between the Association and other non-housing regulated group entities:

- At 31 March 2020 the sum of £9,751k (2019: £5,275k) was due from Broadland St Benedicts Limited and as such was included as a debtor within the Association accounts (note 20) and a creditor within the accounts of Broadland St Benedicts Limited. This amount includes £9,250k (2019: £4,900k) in relation to the inter-group loan which has seen £4,850k of drawdowns in the year by Broadland St Benedicts Limited as well as £500K of repayments
- As well as the loan amounts mentioned above there have been other charges in the year for loan interest and housing related services totalling £440k (2019: £184k)
- At 31 March 2020 the sum of £nil (2019: £4k) was payable to Broadland St Benedicts Limited and as such was included as a creditor within the Association accounts (note 21) and a debtor within the accounts of Broadland St Benedicts Limited

- At 31 March 2020 the net sum of £nil (2019: £122k) was due from Broadland Development Services Ltd and as such was included as a debtor within the Association accounts (note 20) and a creditor within the accounts of Broadland Development Services Ltd
- There have been charges in the year for housing related services totalling £402k (2019: £364k)
- At 31 March 2020 the sum of £1,580k (2019: £993k) was payable to Broadland Development Services Ltd and as such was included as a creditor within the Association accounts (note 21) and a debtor within the accounts of Broadland Development Services Ltd
- This creditor in the accounts of the Association has arisen due to charges in the year of £18,177k (2019: £19,914k) from Broadland Development Services Ltd for the provision of new build housing.

33 Post balance sheet events

Despite Covid-19 restrictions (discussed in more detail in the Strategic report), there are no significant post balance sheet events likely to materially impact on these financial statements.

Glossary of terms used in this report

BHA

Broadland Housing Association

BDS

Broadland Development Services Limited

BSB

Broadland St Benedicts Limited

EBITDA

Earnings before interest, taxes, depreciation and amortisation

MRI

Major repairs included

NHF

National Housing Federation

RICS

Royal Institution of Chartered Surveyors

RSH

Regulator of Social Housing



Broadland Housing Group

NCFC, Carrow Road,
Norwich NR1 1HU

Customer Services

t: 0303 303 0003
e: enq@broadlandgroup.org

 @BroadlandHsg

 facebook.com/broadland/

 instagram.com/broadlandhousinggroup/

 linkedin.com/company/broadland-housing-group

www.broadlandgroup.org

