BROADLAND HOUSING

Broadland Housing Association Limited

Financial Report & Accounts

Year ended 31 March 2021

2020-21

Contents

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Board of Directors and Executive

Board of Directors

Chair

Chris Ewbank BA MBA

Jonathan Barber BSc (Hons) MSc MBA MCIEH FCMI - *stood down at end of term of service 30/09/2020*

Michael Finister-Smith - *appointed 30/09/2020*

Dr Simon Hibberd BM FRCGP MRCP

Gavin Tempest BSc (Hons)

Helen Skoyles BA (Hons) CIHCM

Judith Elliott - *appointed 30/09/2020*

Kate Slack MA - *stood down at end of term of service 30/09/2020*

Martin Keats - *appointed 30/09/2020*

Michael Newey DSc (Hon) BSc FRICS FCIH FRSA

Paul Slyfield FCCA - *resigned 09/03/2021*

Richard Alexander - *appointed 30/09/2020*

Siobhan Trice

Executive Directors

Group Chief Executive

Michael Newey DSc (Hon) BSc FRICS FCIH FRSA

Executive Asset Director

Louise Archer BSc FRICS CIHCM

Executive Housing Director

Catherine Little MBA CIHCM

Executive Development Director

Andrew Savage MSc MRICS

Executive Finance Director

Iain Grieve BSc FCCA CMIIA

Group Audit and Risk Committee

Jonathan Barber BSc (Hons) MSc MBA MCIEH FCMI - *stood down at end of term of service 30/09/2020*

Michael Finister-Smith - *appointed 30/09/2020*

Gavin Tempest BSc (Hons)

Martin Clark MRICS MCIOB

Paul Slyfield FCCA - *resigned 09/03/2021*

Richard Alexander - *appointed 30/09/2020*

Secretary and registered office

Sarah Wyatt BA (Hons) MA ACG

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Carrow Road
Norwich
NR1 1HU

Professional advisors

External auditors

RSM UK Audit LLP
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

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

The 2020-21 financial year was an extremely memorable one for Broadland, as it probably was for every organisation working in the UK and further afield. The whole year will be remembered for the Coronavirus pandemic, the restrictions placed on our lives and the three major lockdowns.

Our focus was to ensure that we provided essential services to our tenants; continued to invest in our tenants' homes where possible, and maintained our focus on providing homes for people who, due to their circumstances, need an affordable home in our area.

We prioritised both tenant and employee safety, pausing and adapting services, as appropriate, not wanting to expose people to unnecessary personal risks. We were unable to undertake some of the activities that we would normally prioritise, and we needed to adapt our delivery model to provide a number of other services. We focused on our key services, especially emergency and urgent repairs, so that our tenants could live and, when required, self-isolate in their homes safely and reasonably comfortably.

Over the summer we consulted our tenants on how we should prioritise the catch-up of ordinary repair requests, so we could focus on the jobs that meant most to tenants during the periods where it was safe to undertake general maintenance activities.

We recognised the particular importance of addressing homelessness during the pandemic and have been working with public sector and housing association partners to help people in acute housing need access safe housing. We actively participated in the new Norfolk Strategic Housing Partnership and Norfolk Homelessness Forum. We also continued to organise, via Zoom or Microsoft Teams, regular Homes for Cathy training and information sessions for the region.

When the pandemic began, we had serious concerns about the potential impact on our development activities. Initially, during the first lockdown, activity on all our construction sites ceased. Happily, within a month, contractors and developers had formulated new Covid-secure site work practices and the eventual delays to the programme were relatively minor.

We completed 135 new affordable homes, including 33 shared ownership properties. We also finished the construction of 12 market sale homes and concluded the sale of 48 market homes, many of which were completed at the end of the previous financial year. All our market sale homes are on sites where we are also building affordable homes, and we use the surpluses generated to help fund the financial gap on new affordable homes.

Chris Ewbank, Chair

Michael Newey, Chief Executive

The year saw some significant changes to the Association's Board, with a number of retirements and new appointments.

Kate Slack, who has previously chaired the Maintenance and Asset Management Panel, and Jon Barber, who chaired the Audit and Risk Committee, both retired after nine years' service at the 2020 AGM. Andy Hill, a tenant board member, also retired after one year's service, as he moved from his Broadland home when his personal circumstances changed.

Our sincere thanks to Kate, Jon and Andy for all that they contributed to the housing association during their terms of office.

Jon and Kate have not retired entirely from the Group. Kate was appointed a trustee of Broadland Meridian in November and Jon joined the Board of Broadland St Benedicts as an additional Non-Executive Director, bringing his considerable audit and risk experience to benefit this subsidiary.

Richard Alexander was elected as a Tenant Non-Executive Director at the September AGM. Richard has been a tenant of the Association since 1993 and, before his retirement, had a long career in local government.

Martin Keats, a shared ownership tenant, was also elected as a Tenant Non-Executive Director. Martin, an ex-serviceman, also worked in local government before joining a national agricultural seed merchants, and is now retired.

Mike Finister-Smith was co-opted to the Association's Board in June 2020 and then elected at the AGM. Mike's executive career was within the social housing sector before retirement – he was the Resources Director of Acclaim Housing Group. Mike is also on the boards of Ongo Housing, Nottingham Community Housing and Trent and Dove Housing. He was appointed chair of Broadland's Audit and Risk Committee in September 2020.

Judith Elliott was elected to the Board at the AGM as an Independent Non-Executive Director. Judith, an HR professional, runs her own consultancy in Cambridge. Judith joined the Renumeration and Nominations Committee and was appointed chair following the in-year resignation of Paul Slyfield.

Paul Slyfield joined the Board in 2014 and became chair of the Remuneration and Nominations Committee in 2016, as well as serving on the Audit and Risk Committee. Paul relocated to Scotland in March 2021 and therefore resigned from the Board.

Following the end of the financial year we received the resignation of Helen Skoyles from both the Association's Board and Broadland St Benedicts. Helen, who joined the Association's Board in 2016 and Broadland St Benedict's Board in 2011, has been appointed as Housing Development and Enabling Lead for South Norfolk and Broadland District Councils, which represents a potential conflict of interest. As consequence, she needed to step down from the Board.

We would like to thank both Paul and Helen for their contributions to the Group during their terms of office.

The process to recruit Paul and Helen's successors will be launched in the autumn, so that the recruitment process can take place face to face, subject to the easing of Covid restrictions.

A key feature of the last year has been that for much of the time our offices have been closed, and even when open, there was a significant reduction in capacity to comply with safety regulations. As a result, the vast majority of our 'office-based' employees have been working from home, and Board and governance meetings, such as boards and committees, have mainly taken place on video calls.

A huge thanks to the whole Broadland team for their positive attitude and commitment. Productivity and outcomes have remained strong, with good performance results. There is no doubt that we continue working through significant changes and the pandemic will have an ongoing substantial impact on our operations during 2021-22.

"Over the summer we consulted our tenants on how we should prioritise the catch-up of ordinary repair requests, so we could focus on the jobs that meant most to tenants during the periods where it was safe to undertake general maintenance activities"

Strategic report

Principal activities and review of the business

Homes across the region
5,337

Number of tenants
6,350

Number of employees
247

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 nearly 5,500 quality homes across this region, improving the lives of 6,350 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:

BROADLAND HOUSING

Charitable

Not-for-profit housing association

BROADLAND ST BENEDICTS

Non-charitable

Development company and market sales arm

A private limited company, limited by shares

BROADLAND DEVELOPMENT SERVICES LTD

Non-charitable

Design and build company

A private limited company, limited by shares

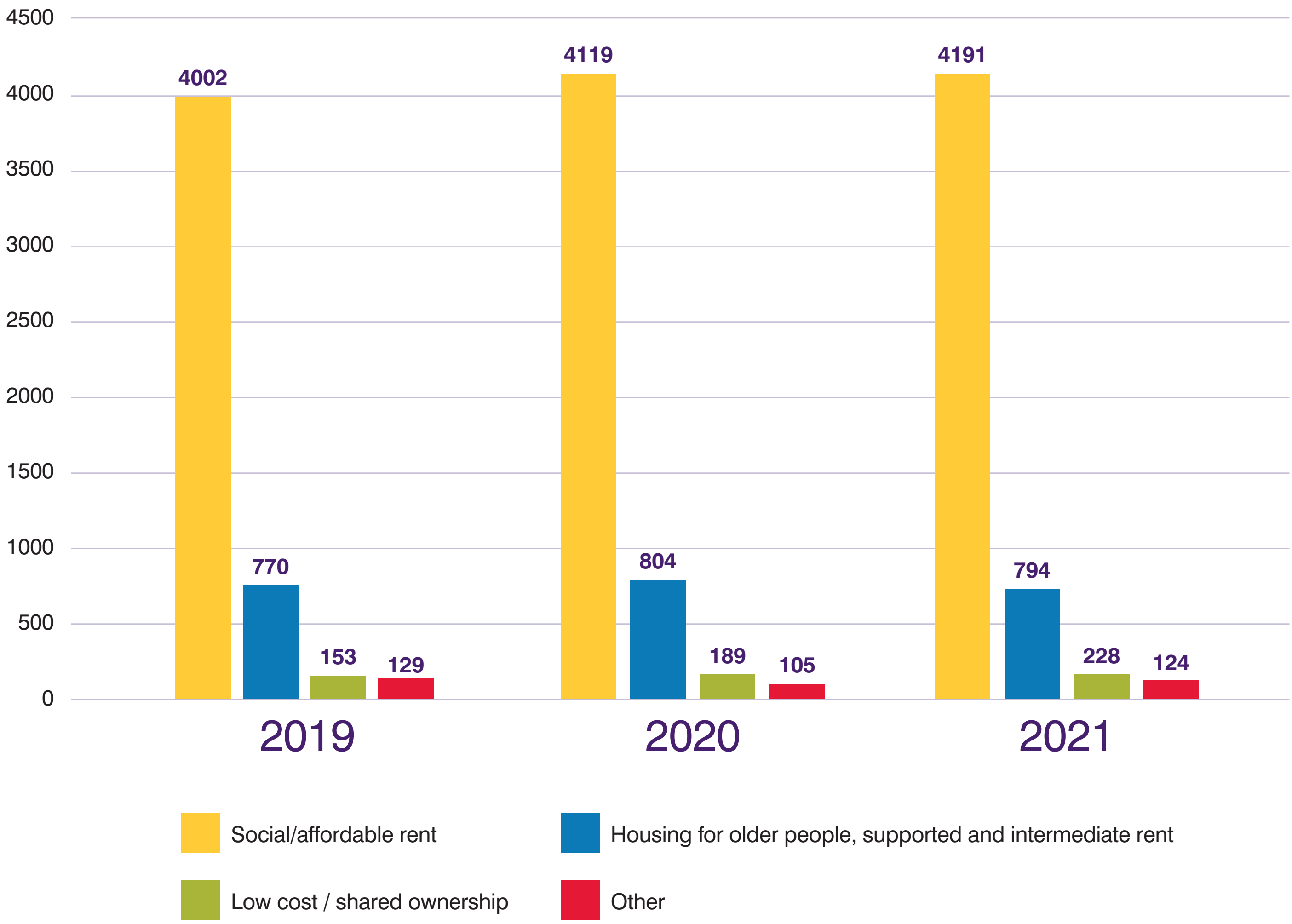
BROADLAND MERIDIAN

Charitable

Provides grant funding to local charities

A registered charity, limited by guarantee

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. The 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.

During the financial year, and due to the impact of Covid-19, we reviewed our Corporate Strategy to consider how we should best use our resources and focus our efforts to respond to the challenges of the pandemic. For example, in our repairs services we focused on delivering emergency and urgent repairs, taking the necessary precautions to keep our tenants and staff safe. Across tenant support, we focused on tenants at risk of isolation or financial difficulty as a result of Covid-19 restrictions. Our refocused priorities resulted in the development of a one-year Interim Corporate Strategy.

Principal risks and uncertainties

During the financial year, we continued to roll-out our risk-app 'Reisgo' to capture the risk and assurance registers for all of our subsidiaries. This has continued to enhance the quality of the conversation around risk and assurance management both operationally and as part of our engagement with Boards and Committees.

Our key Group strategic risks, mitigating controls and assurances are outlined below:

Risk	Corporate Strategy strand	Key mitigating controls/assurances
Covid-19 impacts business-as-usual operations and results in the inability to progress the delivery of our Corporate Strategy	All strands	• Regular leadership meetings to address key strategic/operational issues arising from Covid-19 • Creation of a one-year Corporate Strategy that outlined how we will use resources to deal with the challenges of the pandemic • 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 • Clear communication and guidance across the organisation.
Unanticipated changes to Government policies/ economic conditions results in business failure	Regulatory compliance	• 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	• Monitoring compliance with loan covenants and loan agreements • Establishment of 'golden rules' (i.e. acceptable levels of financial performance against key covenants) that create headroom against lender requirements. • 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. • Funding Task and Finish Group set up, including Board and Leadership Group membership, to oversee funding and other treasury arrangements
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	• Commitment to achieve an average EPC rating of C across all of our homes by 2025 and to be net carbon zero by 2050 • 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
147

Amount spent on building and improving our homes
£25.3m

Number of repairs carried out
12,513

Solar PV panels installed
55

Average number of days to re-let
38.76

Number of homeless households housed
117

0
Number of evictions

523
Number of tenants helped with Covid-19 related support

696
Individual Covid-19 requests met

11%
Increase in tenants getting paid work after referral to Employment & Training Coach (compared to 2019-20)

20%
Increase in amount of one-off benefit payments to tenants after Tenancy Support intervention (£83,539)

**Please note our statistics have been impacted by the pandemic this year*

Performance highlights

Development of new homes

We continued to build during the pandemic, following all the necessary Covid-safety protocols. A total of 147 new homes were completed, with a further 145 under construction at June 2021. At Canary Quay in Norwich, the third (100% social rent) phase is now complete and let. The second phase, Richard Hawthorn House (open market and intermediate rent), was finished in 2020.

Our turnover for the year increased due to the exceptional sales performance of our open market and shared ownership homes. This is despite most viewings being done virtually during the pandemic. Broadland St Benedicts, our market sale development arm, achieved 48 sales compared to a budget of 26 sales and the profits will be used to help build new affordable homes.

Shared ownership sales also outperformed expectations, with 31 new homes sold at Edgefield, Binham, Erpingham, Watton, Trowse and other sites. This generated a surplus of £0.9 million, again significantly above budget.

We were appointed as a development agent for Great Yarmouth Borough Council in 2020, and we are working towards building 36 much-needed new council homes. These will be delivered towards the end of 2021 and early 2022. In Norwich we are working with partners Aecom to deliver a site in the Mile Cross area of Norwich on behalf of Norwich City Council that will provide 5 new homes in the city.

During the pandemic we were not able to hold pre-planning consultations in village halls with local residents, so from June 2020 we introduced virtual consultations. All the documents are available online to view and we offer a 'live chat' function so that residents can ask the architects etc questions about our proposed designs and scheme layouts. Our virtual planning sessions provide important feedback from local residents and help shape the eventual planning applications.

Number of homes completed 2020-21

147

Number of homes under construction (to June 2021)

145

Number of homes* in 3-year pipeline

Total	**445**
2021-22	**145**
2022-23	**150**
2023-24	**150**

(*not including open market)

Affordable home at Edgefield, Norfolk

Homes for Cathy

As a Homes for Cathy founder member, Broadland has committed to tackle homelessness and to prevent evictions. During the pandemic, we worked with other housing associations, charities and local authorities to provide temporary accommodation and also to make a long-term difference to the lives of homeless people, through 'housing first' (giving immediate access to a settled and secure home) and other initiatives. Our regular Homes for Cathy regional workshops, which bring local partners together, went online during the pandemic and attendance has doubled as a result.

In 2020-21 we have started work to provide:

- 16 'housing first' homes and 17 'move-on' homes for homeless people in Norwich and King's Lynn (using grant funding)
- 7 additional move-on homes in King's Lynn
- 10 flats for prison leavers as part of the Foundations Project

We are also supporting:

- the Stronger Futures project to provide homes for 3 young people leaving care
- Housing to Work project to provide temporary homes for 8 migrants with no access to public funds
- Norfolk Strategic Housing Partnership, which aims to end homelessness in Norfolk

Homes for Cathy indices	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual
Number of homeless households housed	102	n/a	n/a	82	117
Evictions - rent arrears	18	18	11	3	0
Evictions - anti-social behaviour	6	3	2	2	0

Tenancy Support

The pandemic posed big challenges for our Tenancy Support team, who had to process paperwork for tenants digitally. Many tenants do not have access to a laptop or PC, and so had to use their mobile phones.

Nevertheless, the team were able to support tenants to get the benefits they are entitled to, get into work or training, and sustain their tenancies.

11% increase

in number of tenants referred who gained paid employment

18% increase

in amount of reduced rent arrears (£54,178) compared to 2019-20

A new Welfare Benefits Advisor (WBA) was added to our team in 2020 to provide specialist benefits advice and support.

1 in 3 queries

related to Universal Credit (reflecting the economic downturn of the past 12 months)

£91,498

amount that WBA increased tenants' benefit income

In October 2020 we rolled out the Individual Assistance Programme (IAP) to provide additional support for all our tenants. This free 24/7 confidential helpline and app is operated by Health Assured, who also provide Broadland's similar EAP (Employment Assistance Programme) for staff.

Broadland's digital offering

Our Tenants Online service continues to develop and tenants are increasingly using the digital service. We plan to roll out the new repairs scheduling function in Autumn 2021. For the first time, tenants will have choice over when their repair is carried out, as well as the convenience of being able to report and arrange this 24/7.

During 2020-21

1,283 Repairs reported using Tenants Online

43% Increase in tenants with an active account

938 New users

2,200 Total number of Tenants Online accounts

‘Gold’ for sustainability

We were delighted to retain our Gold status in the SHIFT sustainability awards. We were the best performing landlord in the 2021 assessment. We performed well across all the environmental metrics, from our efforts to cut carbon emissions in our operations, to reducing waste and water usage to adaptations for climate change.
Broadland was first awarded Gold status in 2016. The SHIFT Awards are the UK’s sustainability awards for the housing sector. They recognise the achievements of organisations leading in energy efficiency, lean and sustainable business and the delivery of affordable homes.

SHIFT 2020 GOLD

RTPI AWARDS FOR PLANNING EXCELLENCE 2021 WINNER

Award-winning designs and plans

Our North Norfolk affordable homes plan has won a Planning Excellence Award from the Royal Town Planning Institute (RTPI). It has also been shortlisted in the ‘Best development (suburban and rural)’ category in the Inside Housing Development Awards 2021. Broadland’s innovative strategy for affordable homes in rural north Norfolk identified a development opportunity from changes to national policy.
It linked 5 separate mixed-tenure schemes - in Binham, Trunch, Erpingham, Edgefield and Great Ryburgh - within one plan. The sale of market homes has subsidised the delivery of 61 affordable homes in an area where low-paid local workers struggle to find housing.

Play area for homeless families

Broadland donated £25,000 and volunteered labour to help create a new outdoor play area for families living at our St James Lodge housing scheme. St James Lodge in King’s Lynn houses homeless families and helps them transition into permanent housing. The new outdoor space has children’s play equipment, picnic tables and raised plant beds.
Local companies donated materials and equipment, and our skilled Estates Services team and other Broadland staff and contractors volunteered their time to landscape the space.

Supporting sport in the local community

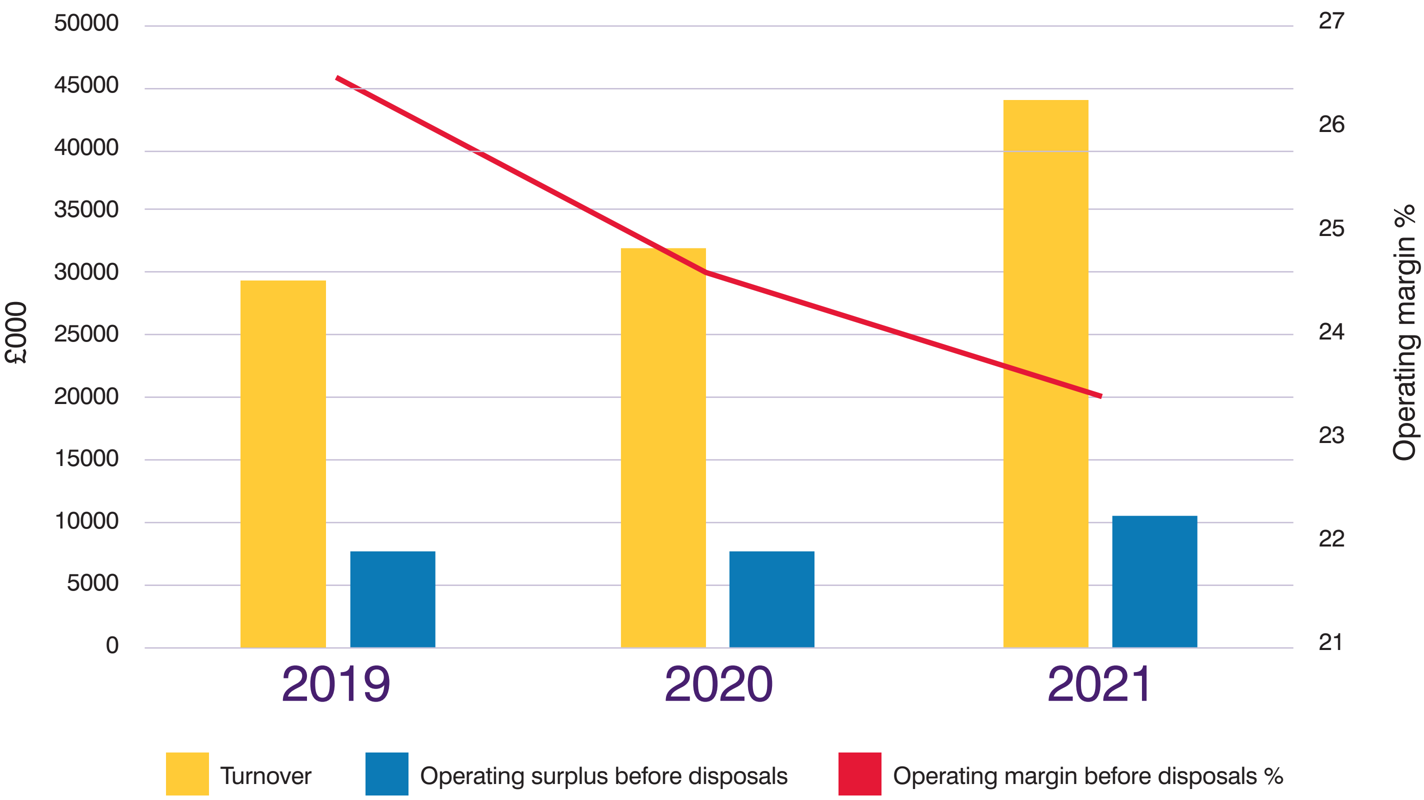
Broadland worked with partners Lovell, Ingleton Wood and other local companies to build respite accommodation at Norwich City Community Sports Foundation (CSF)’s hub ‘The Nest’ in Norwich. The project involved renovating a dilapidated cottage to accommodate parents and carers of young and disabled people on residential trips using the sports facilities. Broadland staff used their volunteer days to do the work and some staff members donated additional time.

Financial review

Extract from consolidated statement of comprehensive income

	2019 £'000	2020 £'000	2021 £'000
Total turnover	29,599	33,113	44,340
Operating surplus before disposal of housing stock	7,729	7,950	10,332
Net interest & other charges	5,945	6,089	6,092
Surplus before tax	2,005	2,235	4,435
Operating margin before disposal of housing stock %	27.0	24.9	23.4

Turnover, operating surplus and operating margin trend



Broadland increased its turnover by £11 million compared to last year because of the exceptional sales performance of our open market and shared ownership homes. Broadland St Benedicts, our market sale development arm, achieved 48 sales compared to a budget of 26 sales. This generated a net surplus of £1.7 million, which will be gifted to Broadland Housing Association to help build new affordable homes. First-tranche shared ownership sales generated a surplus of £0.9 million, which was significantly above the budgeted surplus for the year. Sales performance during 2020-21 is testament to the strong demand for new homes in Norfolk and north Suffolk, and our focus on building high-quality homes that meet local need.

Our operating surplus before disposals and surplus before tax both increased in real terms year-on-year. However, our operating margin fell. While we have achieved good margins on sales, these are typically lower than those seen across our core landlord services. In addition, due to the success of staff working from home since the start of the Covid-19 pandemic, we made the decision during the year to reduce our main office footprint by half. We paid a termination fee of £0.6 million, but this decision will significantly lower office rent costs in coming years. Excluding the office termination payment, our operating margin would have been slightly higher than the figure reported last financial year.

Tenants with portraits commissioned from artist Devin Smith (third from right), with Chief Executive Michael Newey (centre)

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 2021, we spent £25.3 million (2020: £24.4 million) on these activities, demonstrating our commitment to our social purpose.

Current liquidity

On 31 March 2021, we had c£74m of cash and facilities available in Broadland Housing Association, which is sufficient to keep the business running for well in excess of 36 months. The minimum requirement in our Treasury Strategy is 18 months.

Going concern

During the year, Covid-19 continued to pay a part in the way we managed the business. Government restrictions meant that our ability to undertake repairs and maintenance was limited, on the whole, to emergency and urgent repairs (including inspections and remedial works required to comply with relevant regulation and legislation).

In response to the potential impact of Covid-19, we:

- Agreed an Interim Corporate Strategy outlining how we intended to optimise the use of our resources to deliver on our key organisational priorities and, as part of this strategy, agreed additional key performance indicators to ensure, for example, sufficient cash was held at all times.
- Set a 'Covid-19 budget', considering the impact that the pandemic could have on our financial performance in respect of rent arrears, development activity, sales performance and asset management. In doing so, we obtained assurance that we could achieve sufficient headroom against our key lender covenants.
- Met regularly as a Leadership Group to review operational performance against key performance indicators and to manage communications linked to Covid-19.

One of our key considerations was to consider 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 a series of '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 extreme adverse scenarios we can meet our lender covenants if mitigating actions are taken within an appropriate timeframe.
- Our business plan can withstand the most extreme adverse scenarios that we modelled if mitigating actions are taken within an appropriate timeframe.

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 12 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

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

"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"

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 use 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.

We have continued to benchmark our performance 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	2020/21	2019/20	Independent East (2019/20)	Bespoke peer group (2019/20)
Reinvestment %	8.15	8.41	8.02	5.36
New supply delivered %	2.32	3.79	1.81	1.76
Gearing %	54.53	54.12	46.18	45.10
EBITDA MRI %	177.76	120.27	201.44	163.3
Headline social housing cost per unit (£)	3,352	3,557	4,090	4,392
Operating margin %	24.07	24.42	25.96	21.19
Return on capital employed %	3.02	2.54	3.20	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 gearing remains at a similar level to last financial year and is higher than our peers. This is due to a focus on borrowing funds against our existing homes to optimise the number of new affordable homes that we can deliver.

Our EBITDA MRI cover is significantly higher than last year, partly as a result of very good sales performance but mainly as a result of Covid-19 restrictions, meaning that spend on planned maintenance (kitchens, bathrooms etc.) was around £1.2 million lower than budgeted. While this underspend does not impact on our compliance with the Decent Homes Standard, we have incorporated an additional £1.5 million over the next two years of our Business Plan to ensure we maintain high standards across all of our homes.

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 the margins being achieved on sales, which while good, were not as high as the margins we would expect to see in respect of our core landlord activities. In addition, we made an unbudgeted payment of c£0.6 million to terminate the contract on half of our head office space following the successful roll out of working-from-home arrangements during the Covid-19 pandemic. This will significantly reduce our office rental payments moving forwards.

Estates Services and tenants landscape a communal garden (Community Investment Fund project)

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 has 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 Financial Viability Standard with no qualifications. In addition, the Board carries out a six-monthly 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 National Housing Federation (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 and to each subsidiary board.

Broadland Housing Association, a Registered Provider with the Regulator of Social Housing (RSH) 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 subsidiaries complied with all material aspects of the Code applicable to them as non-Registered Providers (RPs). BHA Board agreed to disapply sections A1 (1), B4, B5, B6, C1 (5) (7) (8), C7, D2, D4, D9, D11 (4) (5) of the Code to its subsidiaries as they are not suitable or relevant to these entities as non-RPs. Suitability of these sections is considered annually as part of the assessment of compliance with the Code.

Following the publication of a new NHF Code of Governance in November 2020, a Task and Finish Panel was set up to consider the most appropriate Code for the Association and its subsidiaries going forward. In line with a recommendation made by Altair as part of its independent governance review of BHG entities in 2018, the Task and Finish Group considered the suitability of both the UK Corporate Governance Code and the NHF Code of Governance 2020. On the recommendation of the Task and Finish Group, the Broadland Housing Association Board adopted the new NHF Code with effect from 1 April 2021. Broadland St Benedicts (BSB) and Broadland Development Services (BDS) also adopted the new code in May and June 2021 respectively. Broadland Meridian (BM), as a registered charity, gave consideration to both the Charities Governance Code and the new NHF Code of Governance, before deciding to adopt the NHF Code of Governance with effect from July 2021.

Governance

Broadland Housing Association 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 aims to work within the requirements of its chosen Code of Governance to this end. We review the effectiveness of our Boards and carry out individual Board member appraisals annually, guided by the criteria set out in the NHF Code of Governance. Furthermore, we regularly assess the skills needed to oversee business activities and our board recruitment and succession plan to ensure that our boards remain fit for purpose and consist of individuals with the right expertise. We will continue to have the robustness of our governance arrangements reviewed by an independent consultant every three years. Recommendations arising from such reviews are documented in our Governance Action Plan, which is monitored by the BHA Board.

"All entities within Broadland Housing Group have adopted the National Housing Federation (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 and to each subsidiary board"

The global Covid-19 pandemic had a significant impact on the way our boards and committees were able to function during the financial year, not only in terms of how Board meetings could take place safely, but also the recruitment of new Board members, their induction and integration within the Board and the wider organisation. The following measures were put in place to ensure business continuity, provide additional oversight and assurance to our Board and to support our staff and tenants during the pandemic, while adhering to Government guidelines:

- Virtual interviews and induction for new Group Audit and Risk Committee Chair and three other BHA Board Member positions.
- Virtual BHA AGM
- Daily video calls during the first 6 months of the pandemic with Executive Directors and Director of People and Culture
- Weekly video calls during the first 6 months and monthly thereafter for:
    - Executive Directors and all senior managers in their team
    - Executive Directors and Senior Management Team Board
    - Board Members, Executive Directors, Director of People and Culture and Head of Governance
- Review and adaptation of Business Continuity Plans for each area of the business
- Adoption of revised Corporate Strategy
- Revised KPIs to give Board Members additional real time information on all areas of the business and impact of Covid-19
- 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


New play area at St James Lodge, King's Lynn

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 Broadland Housing Association 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 we have three tenant Board members.

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 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 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

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 Canary Quay development in Norwich

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.

Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole 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 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 year commencing 1 April 2020 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, and to the Lead Director of any Task and Finish Panel
- annual report from Group Audit and Risk Committee to Board on the management of risk and internal controls throughout the year
- clearly defined management responsibilities for the identification, evaluation and control of significant risks
- annual management assurance statements signed by each Executive Director and member of the Senior Management Team, confirming that effective controls have operated in respect of their directorates
- 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 which is 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 during this period include:

- Disability Confident: awarded October 2020 until September 2023
- Mindful Employer: awarded October 2019 until November 2022
- Stonewall Champion: awarded April 2020 until March 2023
- Living Wage Employer (ongoing)
- RICS Inclusive Employer (ongoing)
- Best Companies: awarded Two Star rating in May 2021

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.

As the provider of internal audit services to Broadland Housing Group for the period, KPMG (TIAA from 1 April 2021) 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 has delegated the authority for regularly reviewing the effectiveness of the system of internal control to the Group Audit and Risk Committee. The Group 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 Group Board members. The Group 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 and is satisfied that a sound system of internal controls was in place during the 2020/21 financial year and up to the date of the Financial Report and Accounts being approved.

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.

The 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

20 July 2021

Independent auditor’s report

Opinion

We have audited the financial statements of Broadland Housing Association (the ‘Association’) and its subsidiaries (the ‘Group’) for the year ended 31 March 2021 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 2021 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s or the Association’s ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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 page 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.

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

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

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

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

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

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

Use of our report

This report is made solely to the 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
Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date: 30 July 2021

New tenant at King's Lynn

Consolidated and Association Statement of Comprehensive Income for the year ended 31 March 2021

	Note	**Group 2021 £'000**	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Turnover		**44,340**	33,113	**30,897**	30,612
Operating costs		**(33,893)**	(24,737)	**(22,963)**	(22,689)
Operating surplus	4	**10,447**	8,376	**7,934**	7,923
Interest receivable and similar income	12	**32**	173	**381**	577
Interest and financing costs	13	**(6,124)**	(6,262)	**(5,851)**	(6,258)
Movement in Fair Value of Investment Properties	17	**47**	(19)	**47**	(19)
Movement in Fair Value of Fixed Asset Investments	18	**33**	(33)	**33**	(33)
Gift Aid received		**-**	-	**576**	118
Surplus before tax		**4,435**	2,235	**3,120**	2,308
Taxation	14	**-**	(3)	**-**	-
Surplus for the year		**4,435**	2,232	**3,120**	2,308
Actuarial gains (losses) in respect of pension schemes	27	**(3,196)**	2,787	**(3,196)**	2,787
Re-measurement of pension obligation at initial recognition	27	**-**	-	**-**	-
Total comprehensive income (loss) for the year		**1,239**	5,019	**(76)**	5,095

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 20 July 2021.

Chris Ewbank Chair

Sarah Wyatt Secretary

Consolidated and Association Statement of Financial Position at 31 March 2021

	Note	**Group 2021 £'000**	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Fixed assets					
Tangible fixed assets - housing properties	15	**321,356**	303,731	**322,257**	304,174
Other tangible fixed assets	16	**2,500**	1,985	**2,500**	1,985
Investment properties	17	**1,218**	1,171	**1,218**	1,171
Investments in fixed assets and equities	18	**201**	165	**201**	165
		325,275	307,052	**326,176**	307,495
Current assets					
Properties held for sale	19	**9,221**	17,407	**2,452**	1,896
Trade and other debtors	20	**3,246**	1,859	**7,868**	11,439
Cash and cash equivalents		**5,895**	13,293	**5,603**	12,222
Cash held in long notice accounts		**147**	2,231	**-**	2,000
		18,509	34,790	**15,923**	27,557
Creditors: amounts falling due within one year	21	**(11,692)**	(11,596)	**(10,980)**	(10,416)
Net current assets		**6,817**	23,194	**4,943**	17,141
Total assets less current liabilities		**332,092**	330,246	**331,119**	324,636
Creditors: amounts falling due after more than one year	22	**(302,697)**	(304,814)	**(302,697)**	(298,862)
Provisions for liabilities					
Defined benefit pension liability	27	**(5,137)**	(2,413)	**(5,137)**	(2,413)
Total net assets		**24,258**	23,019	**23,285**	23,361
Reserves					
Income and expenditure reserve		**24,163**	22,924	**23,190**	23,266
Restricted reserve		**95**	95	**95**	95
Total reserves		**24,258**	23,019	**23,285**	23,361

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 20 July 2021.

Chris Ewbank Chair

Sarah Wyatt Secretary

Consolidated Statement of Changes in Reserves for the year ended 31 March 2021

	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'000
Balance at 1 April 2020	**22,924**	**95**	**23,019**
Surplus for the year	**4,435**	**-**	**4,435**
Other comprehensive income for the year	**(3,196)**	**-**	**(3,196)**
Balance at 31 March 2021	**24,163**	**95**	**24,258**

	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'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

Association Statement of Changes in Reserves for the year ended 31 March 2021

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2020	**23,266**	**95**	**23,361**
Surplus for the year	**3,120**	**-**	**3,120**
Other comprehensive income for the year	**(3,196)**	**-**	**(3,196)**
Balance at 31 March 2021	**23,190**	**95**	**23,285**

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 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

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	2021 £'000	2020 £'000
Cash flow from operating activities		
Surplus for the year	**4,435**	2,232
Adjustments for non-cash items:		
Amortisation of grants	**(963)**	(931)
Depreciation & impairment of housing properties	**4,661**	4,576
Fair Value movements	**(80)**	52
Depreciation of other fixed assets	**475**	529
Movement in trade and other debtors	**(123)**	4,178
Movement in trade and other creditors	**514**	(3,878)
Movement in properties held for sale	**8,723**	(9,756)
Adjustments for investing or financing activities:		
Adjustment for properties sold, part of operating activities	**2,221**	2,158
Purchases of other fixed assets	**(787)**	(413)
Purchase of investments	**(33)**	33
Interest payable	**6,123**	6,262
Interest receivable	**(32)**	(173)
Taxation	**-**	-
Current and past service pension costs	**-**	77
Net cash generated from operating activities	**25,134**	4,946
Cash flow from investing activities		
Purchase of tangible fixed assets	**(23,571)**	(21,740)
Capitalised improvement expenditure	**(1,777)**	(2,649)
Grants received	**763**	4,804
Repayment (investment) of cash in long notice accounts	**2,084**	769
Interest received	**42**	(6)
Cash used in investing activities	**(22,459)**	(18,822)

(continued)

	2021 £'000	2020 £'000
Cash flow from financing activities		
Interest paid	**(6,675)**	(6,933)
New secured loans	**8,411**	25,090
Repayment of borrowings	**(11,285)**	(9,237)
Pension deficit payments	**(524)**	(513)
Cash generated from / (used in) financing activities	**(10,073)**	8,407
Net change in cash and cash equivalents	**(7,398)**	(5,469)
Cash and cash equivalents at beginning of the year	**13,293**	18,762
Cash and cash equivalents at end of the year	**5,895**	13,293

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

Chief Executive Michael Newey (foreground) with construction partners at Canary Quay

Notes to the financial statements for the year ended 31 March 2021

Index of notes

General notes

Statement of Comprehensive Income (SoCI) related notes

Statement of Financial Position (SoFP) related notes

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 three 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 - registered charity, limited by guarantee, providing grants to mental health and wellbeing organisations.

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 are 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, and Broadland Meridian 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 on-going 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
Play equipment	15

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 economic lives are as follows:

Description	Useful Economic 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 (10 years from 2021-22 onwards)	6

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.

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 Section11 '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

New tenant at Edgefield, with Chief Executive Michael Newey (right) 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.

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 have 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 12/05/2021, 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.

Bird's-eye view of a proposed development at Corpusty

Covid-19 sanitising of touch points at one of our sheltered schemes

Pension fund valuation (note 27)

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.

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

	Turnover 2021 £'000	Operating costs 2021 £'000	Operating surplus/ (deficit) 2021 £'000
Social housing lettings (note 5)	**27,400**	**(20,326)**	**7,074**
Other social housing activities			
First tranche low cost home ownership sales	2,869	(2,014)	855
Supported housing management	95	(27)	68
Other management income	135	(11)	124
Development services	7	(374)	(367)
Other income	30	-	30
Support services	2	(68)	(66)
	30,538	**(22,820)**	**7,718**
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	171	(96)	75
Surplus on disposal of other housing properties (note 11)	91	(51)	40
Commercial properties	99	(26)	73
Open market sales	13,441	(10,900)	2,541
	44,340	**(33,893)**	**10,447**

	Turnover 2020 £'000	Operating costs 2020 £'000	Operating surplus/ (deficit) 2020 £'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**

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

	Turnover 2021 £'000	Operating costs 2021 £'000	Operating surplus/ (deficit) 2021 £'000
Social housing lettings (note 5)	**27,400**	**(20,326)**	**7,074**
Other social housing activities			
First tranche low cost home ownership sales	2,869	(2,095)	774
Supported housing management	95	(27)	68
Other management income	135	(11)	124
Development services	7	(331)	(324)
Other income	30	-	30
	30,536	**(22,790)**	**7,746**
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	171	(96)	75
Surplus on disposal of other housing properties (note 11)	91	(51)	40
Commercial properties	99	(26)	73
	30,897	**(22,963)**	**7,934**

	Turnover 2020 £'000	Operating costs 2020 £'000	Operating surplus/ (deficit) 2020 £'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**

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 2021 £'000	Total 2020 £'000
Income						
Rent net of identifiable service charges and void losses	20,590	3,120	406	70	**24,186**	23,120
Service charge income net of void losses	1,016	1,204	31	-	**2,251**	2,283
Amortised government grants	774	173	10	6	**963**	931
Turnover from social housing lettings	**22,380**	**4,497**	**447**	**76**	**27,400**	26,334
Operating expenditure						
Management	(4,951)	(558)	(94)	(16)	**(5,619)**	(5,155)
Service charge costs	(984)	(1,372)	(33)	-	**(2,389)**	(2,668)
Routine maintenance	(4,021)	(546)	-	-	**(4,567)**	(4,042)
Planned maintenance	(1,117)	(367)	-	-	**(1,484)**	(1,666)
Major repairs expenditure	(502)	(878)	-	-	**(1,380)**	(1,356)
Bad debts	(197)	(29)	-	-	**(226)**	(102)
Depreciation of housing properties:						
- annual charge	(3,901)	(568)	(66)	(9)	**(4,544)**	(4,154)
- accelerated on disposal of components	(114)	(3)	-	-	**(117)**	(422)
Operating expenditure on social housing lettings	**(15,787)**	**(4,321)**	**(193)**	**(25)**	**(20,326)**	(19,565)
Operating surplus on social housing lettings	**6,593**	**176**	**254**	**51**	**7,074**	6,769
Void losses	**(348)**	**(102)**	**-**	**-**	**(450)**	(256)

6 Homes in management and development

Group and Association	2021 Number	2020 Number
Social housing		
General needs housing:		
- social rent	3,864	3,865
- affordable rent	327	254
Intermediate rent	97	99
Supported housing	98	106
Housing for older people	599	599
Low cost home ownership / Shared ownership	228	189
Total social housing owned and managed	**5,213**	5,112
Homes managed for others	124	105
Total social housing managed	**5,337**	5,217
Social housing owned but managed by others	82	80
Total social housing owned or managed	**5,419**	5,297
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
Respite care homes (all owned but managed by others)	13	10
Total owned or managed	**5,471**	5,346
Homes in development at the year end	121	110


Edgefield, Norfolk

7 Operating surplus

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
The operating surplus is arrived at after charging:				
Depreciation of housing properties	**4,544**	4,154	**4,544**	4,154
Write-off of housing property components	**117**	422	**117**	422
Impairment of housing properties	**-**	-	**-**	-
Depreciation of other fixed assets	**475**	529	**475**	529
Surplus on disposal of fixed assets	**115**	426	**115**	426
Operating lease rentals:				
- motor vehicles and office equipment	**169**	414	**169**	414
Auditors' remuneration (excluding VAT):				
- Fees payable to the Group's Auditors for the financial statement audit	**27**	24	**27**	24
- Audit of the accounts of subsidiaries	**13**	11	**-**	-
Total audit services	**40**	35	**27**	24
- Tax compliance services	**3**	3	**-**	-
- Tax advisory services	**-**	7	**-**	5
Total non-audit services	**3**	10	**-**	5

8 Employees

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Staff costs (including Executive Management Team) consist of:				
Wages and salaries	**7,408**	7,071	**7,408**	7,071
Social security costs	**686**	672	**686**	672
Other pension costs	**538**	506	**538**	506
	8,632	8,249	**8,632**	8,249

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 2021	Group 2020	Association 2021	Association 2020
Office staff	**107**	110	**107**	110
Scheme managers and operatives	**109**	108	**109**	108
	216	218	**216**	218

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 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Executive directors' emoluments	**644**	628	**644**	628
Amounts paid to non-executive directors	**58**	53	**48**	45
	702	681	**692**	673

The emoluments excluding pension contributions of the highest paid director (the Chief Executive) was £153k (2020: £147k). Pension contributions of £18k (2020: £18k) were also made to a defined contribution scheme on his behalf.

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

	Group 2021	Group 2020	Association 2021	Association 2020
£60,001 - £70,000	**1**	3	**1**	3
£70,001 - £80,000	**4**	4	**4**	4
£80,001 - £90,000	**2**	2	**2**	2
£90,001 - £100,000	**1**	-	**1**	-
£100,001 - £110,000	**-**	1	**-**	1
£110,001 - £120,000	**3**	1	**3**	1
£120,001 - £130,000	**-**	1	**-**	1
£130,001 - £140,000	**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			✓		
Dr Simon Hibberd	4.0	✓					
Helen Skoyles	4.0	✓				✓	
Gavin Tempest	4.0	✓	Chair	✓			
Siobhan Trice	4.0	✓					
Michael Finister-Smith (elected Jun'20)	4.5	✓		Chair			
Martin Keats (elected Sep'20)	2.3	✓	✓				
Judith Elliott (elected Sep'20)	2.3	✓			✓		
Richard Alexander (elected Oct'20)	2.0	✓		✓			
Andrew Hill (resigned Jun'20)	1.0	✓		✓			
Jonathan Barber (resigned Sep'20)	2.7	Vice Chair		Chair	✓		
Kate Slack (resigned Sep'20)	2.0	✓					
Paul Slyfield (resigned Mar'21)	5.2	✓		✓	Chair		
Other Board/ Committee members							
Martin Clark	4.0			✓		✓	
Sean Tompkins	4.0					✓	
Jonathan Barber	2.0					✓	
Amanda Ellis			✓				
Jenny Manser			✓				
Kate Slack			✓			✓	
Michael Newey (Group CEO)		✓	Attending	Attending	Attending	Chair	Chair

11 Surplus on disposal of fixed assets - operational

Group and Association	Right to acquire 2021 £'000	Other housing properties 2021 £'000	Total 2021 £'000	Total 2020 £'000
Housing properties:				
Disposal proceeds	-	262	**262**	561
Carrying value of fixed assets	-	(146)	**(146)**	(80)
Selling costs	-	(1)	**(1)**	(13)
	-	115	**115**	468
Recycled capital grant fund (note 24)	-	(40)	**(40)**	(42)
Total surplus on sale of fixed assets	-	75	**75**	426

12 Interest receivable and similar income

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Interest receivable from deposits	**26**	165	**375**	569
Dividend income from unit trusts and shares	**6**	8	**6**	8
	32	173	**381**	577

Good Neighbour Award at Peto Court, Norwich

13 Interest and financing costs

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Loans and bank overdrafts	**6,350**	7,026	**6,176**	6,889
Defined benefit pension charge	**125**	125	**125**	125
Loan issue costs amortised	**206**	102	**107**	83
	6,681	7,253	**6,408**	7,097
Interest capitalised on construction of housing properties	**(557)**	(991)	**(557)**	(839)
	6,124	6,262	**5,851**	6,258
Capitalised interest has been calculated using a weighted average annual rate of interest:	**3.40%**	3.85%	**3.40%**	3.85%

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	2021 £'000	2020 £'000
Corporation tax		
Deferred tax	**-**	3
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 2020	331,652	12,034	11,934	10,796	824	367,240
Reclassification of properties	(648)	1,356	(215)	(708)	215	-
Additions:						
- construction costs	-	-	17,120	-	5,544	22,664
- transfer to current assets - properties held for sale	-	-	-	(795)	239	(556)
- replaced components	2,144	188	-	-	-	2,332
- transfer	11,557	-	(11,557)	6,269	(6,269)	-
Disposals:						
- sales	(908)	-	-	(1,289)	-	(2,197)
- replaced components	(524)	(109)	-	-	-	(633)
At 31 March 2021	**343,273**	**13,469**	**17,282**	**14,273**	**553**	**388,850**
Depreciation & impairment:						
At 1 April 2020	58,807	4,420	-	282	-	63,509
Reclassification of properties	(190)	173	-	17	-	-
Depreciation charge for the year	4,410	69	-	65	-	4,544
Impairment charge for the year	-	-	-	-	-	-
Eliminated on disposals:						
- replaced components	(515)	-	-	-	-	(515)
- other	(35)	-	-	(9)	-	(44)
At 31 March 2021	**62,477**	**4,662**	**-**	**355**	**-**	**67,494**
Net book value at 31 March 2021	**280,796**	**8,807**	**17,282**	**13,918**	**553**	**321,356**
Net book value at 31 March 2020	272,845	7,614	11,934	10,514	824	303,731

15 Tangible fixed assets - housing properties

Association	Freehold housing properties completed £'000	Leasehold housing 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 2020	331,916	12,034	12,131	10,778	824	367,683
Reclassification of properties	(648)	1,356	(215)	(708)	215	-
Additions:						
- construction costs	-	-	17,578	-	5,544	23,122
- transfer to current assets - properties held for sale	-	-	-	(795)	239	(556)
- replaced components	2,144	188	-	-	-	2,332
- transfer	11,557	-	(11,557)	6,269	(6,269)	-
Disposals:						
- sales	(908)	-	-	(1,289)	-	(2,197)
- replaced components	(524)	(109)	-	-	-	(633)
At 31 March 2021	**343,537**	**13,469**	**17,937**	**14,255**	**553**	**389,751**
Depreciation & impairment:						
At 1 April 2020	58,807	4,420	-	282	-	63,509
Reclassification of properties	(190)	173		17	-	-
Depreciation charge for the year	4,410	69	-	65	-	4,544
Impairment charge for the year	-	-	-	-	-	-
Eliminated on disposals:						
- replaced components	(515)	-	-	-	-	(515)
- other	(35)	-	-	(9)	-	(44)
At 31 March 2021	**62,477**	**4,662**	**-**	**355**	**-**	**67,494**
Net book value at 31 March 2021	**281,060**	**8,807**	**17,937**	**13,900**	**553**	**322,257**
Net book value at 31 March 2020	273,109	7,614	12,131	10,496	824	304,174

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
The net book value of housing properties may be further analysed as:				
Freehold	**298,078**	284,780	**298,997**	285,240
Leasehold	**8,807**	7,614	**8,807**	7,614
Shared ownership	**14,471**	11,337	**14,453**	11,320
	321,356	303,731	**322,257**	304,174
Expenditure on works to existing properties:				
Works to new homes capitalised (schemes under construction)	**22,664**	22,125	**23,122**	22,062
Components capitalised	**2,332**	3,429	**2,332**	3,429
Amounts charged to income and expenditure*	**1,386**	1,518	**1,386**	1,518
	26,382	27,072	**26,840**	27,009

*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, computer, and other equipment £'000	Total £'000
Cost				
At 1 April 2020	978	1,211	2,065	4,254
Additions	208	-	782	990
Disposals	-	-	-	-
At 31 March 2021	1,186	1,211	2,847	5,244
Depreciation				
At 1 April 2020	72	756	1,441	2,269
Charge for year	15	60	400	475
Disposals	-	-	-	-
At 31 March 2021	87	816	1,841	2,744
Net book value				
At 31 March 2021	**1,099**	**395**	**1,006**	**2,500**
At 31 March 2020	906	455	624	1,985

17 Investment properties

Group and Association	Commercial £'000	Total £'000
At 1 April 2020	**1,171**	1,171
Movement in fair value	**47**	47
At 31 March 2021	**1,218**	1,218

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 12 May 2021, 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 2021		31 March 2020	
	Cost £'000	Fair value £'000	Cost £'000	Fair value £'000
Fixed asset investment: Unit trusts	**116**	**171**	113	135
Equity investment: MORhomes PLC	**30**	**30**	30	30
Total fixed asset investments	**146**	**201**	143	165

Group and Association	2021 £'000	2020 £'000
Investment revaluation reserve:		
At 1 April	**22**	55
(Decrease)/increase in value of investments	**33**	(33)
At 31 March	**55**	22


Communal gardens at The Elms, Norwich

(Note 18 - continued from page 61)

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
Subsidiary undertakings				
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 well being	Incorporated charity

19 Properties for sale

Group	First tranche shared ownership 2021 £'000	Outright market sales 2021 £'000	Total 2021 £'000	Total 2020 £'000
Work in progress	359	75	434	2,587
Completed properties	2,093	6,694	8,787	14,820
	2,452	6,769	9,221	17,407

Association	First tranche shared ownership 2021 £'000	Outright market sales 2021 £'000	Total 2021 £'000	Total 2020 £'000
Work in progress	359	-	359	598
Completed properties	2,093	-	2,093	1,298
	2,452	-	2,452	1,896

20 Debtors

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Due within one year				
Rent and service charges arrears receivable	**1,086**	1,038	**1,086**	1,038
Less: Provision for bad and doubtful debts - rent and service charge arrears	**(646)**	(497)	**(646)**	(497)
	440	541	**440**	541
Other debtors	**736**	411	**690**	360
Less: Provision for bad and doubtful debts - other debtors	**(270)**	(169)	**(270)**	(169)
	466	242	**420**	191
Prepayments and accrued income	**2,340**	1,076	**2,334**	953
Amounts owed by Group undertakings	**-**	-	**24**	504
	3,246	1,859	**3,218**	2,189
Due after more than one year				
Amounts owed by Group undertakings - inter-Group loan from Broadland Housing to Broadland St Benedicts Limited	**-**	-	**4,650**	9,250
	3,246	1,859	**7,868**	11,439

21 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Short term debt (note 25)	**5,921**	5,149	**5,381**	5,149
Trade creditors	**1,547**	3,355	**1,535**	1,339
Amounts owed to Group undertakings	**-**	-	**1,098**	1,580
Taxation and social security	**332**	193	**332**	193
Other creditors and accruals	**2,780**	2,145	**1,628**	1,401
Loan interest payable	**768**	606	**768**	606
Holiday accrual	**238**	148	**238**	148
Bank overdraft*	**106**	-	**-**	-
	11,692	11,596	**10,980**	10,416

*The overdraft relates to Broadland Development Services Limited and is secured by way of a debenture over the assets of the entity.

22 Creditors: amounts falling due after more than one year

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Long term debt (note 25)	**175,835**	179,645	**175,835**	173,693
Deferred capital grant (note 23)	**124,528**	122,965	**124,528**	122,965
Recycled capital grant fund (note 24)	**405**	365	**405**	365
Service charge provisions	**1,929**	1,839	**1,929**	1,839
	302,697	304,814	**302,697**	298,862

23 Deferred capital grant

Group and Association	2021 £'000	2020 £'000
At 1 April	**122,965**	122,331
Grant received in the year	**2,550**	1,538
Grant recycled to/from the recycled capital grant fund	**(24)**	27
Released to income in the year	**(963)**	(931)
At 31 March	**124,528**	122,965

24 Recycled capital grant fund

Group and Association Funds pertaining to areas covered by Homes England	2021 £'000	2020 £'000
At 1 April	**365**	382
Inputs to fund:		
- grants recycled from deferred capital grants	**40**	42
- interest accrued	**-**	1
Recycling of grant:		
- new build	**-**	(60)
At 31 March	**405**	365
Amounts 3 years or older where repayment may be required	**215**	-

25 Debt analysis

Loans and borrowings

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
In one year or less	**6,095**	5,230	**5,554**	5,230
Less: issue costs	**(173)**	(81)	**(173)**	(81)
Short term loans	**5,922**	5,149	**5,381**	5,149
In more than one year but not more than two years	**6,179**	11,491	**6,179**	5,539
In more than two years but not more than five years	**21,614**	19,217	**21,614**	19,217
In more than five years	**149,309**	150,065	**149,309**	150,065
Less: issue costs	**(1,267)**	(1,128)	**(1,267)**	(1,128)
Long term liabilities	**175,835**	179,645	**175,835**	173,693
Total liabilities	**181,757**	184,794	**181,216**	178,842

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 2021 the Group had undrawn secured loan facilities of £67m (2020: £15m). This includes revolving credit facilities from banks of £27m and £40m of funding made available by signing the Standby Liquidity Agreement with MORhomes.

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 an agreed repayment date of August 2022. Debt at the reporting date included above is £541k (2020: £5,952k). However, this loan has now been repaid in full in May 2021.

Community Investment Fund project to improve one of the communal gardens

26 Analysis of changes in net debt

	At 1 April 2020 £'000	Cashflows £'000	Other non-cash changes £'000	At 31 March 2021 £'000
Cash and cash equivalents				
Cash	**13,293**	(7,398)	-	**5,895**
Overdrafts	**-**	(106)	-	**(106)**
Cash held in long notice accounts	**2,231**	(2,084)	-	**147**
	15,524	(9,588)	-	**5,936**
Borrowings				
Debt due within one year	**(5,149)**	5,365	(6,138)	**(5,922)**
Debt due after one year	**(179,645)**	5,920	(2,110)	**(175,835)**
	(184,794)	11,285	(8,248)	**(181,757)**
Total	**(169,270)**	1,697	(8,248)	**(175,821)**

27 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 completed 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. 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 and as at 30 September 2020 to inform the liabilities for accounting year end from 31 March 2021. 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.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2020 was £2,413k and is £5,137k as at 31 March 2021.

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

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets	**17,049**	15,297
Present value of defined benefit obligation	**22,186**	17,710
Surplus (deficit) in plan	**(5,137)**	(2,413)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2021 (£000s)	31 March 2020 (£000s)
Defined benefit obligation at start of period	**17,710**	20,166
Current service cost	**-**	77
Expenses	**17**	17
Interest expense	**411**	469
Member contributions	**-**	59
Actuarial losses (gains) due to scheme experience	**(447)**	339
Actuarial losses (gains) due to changes in demographic assumptions	**77**	(173)
Actuarial losses (gains) due to changes in financial assumptions	**4,814**	(2,609)
Benefits paid and expenses	**(396)**	(635)
Defined benefit obligation at end of period	**22,186**	17,710

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

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets at start of period	**15,297**	14,622
Interest income	**361**	344
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	**1,248**	344
Employer contributions	**539**	563
Member contributions	**-**	59
Benefits paid and expenses	**(396)**	(635)
Fair value of plan assets at end of period	**17,049**	15,297

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £1,609,000.

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

	31 March 2021 (£000s)	31 March 2020 (£000s)
Current service cost	**-**	77
Expenses	**17**	17
Net interest expense	**50**	125
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**67**	219

Defined benefit costs recognised in other comprehensive income

	31 March 2021 (£000s)	31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	**1,248**	344
Experience gains and losses arising on the plan liabilities - gain (loss)	**447**	(339)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	**(77)**	173
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	**(4,814)**	2,609
Total amount recognised in other comprehensive income - gain (loss)	**(3,196)**	2,787

Assets	31 March 2021 (£000s)	31 March 2020 (£000s)
Global equity	**2,717**	2,237
Absolute return	**941**	798
Distressed opportunities	**492**	295
Credit relative value	**536**	420
Alternative risk premia	**642**	1,070
Fund of hedge funds	**2**	9
Emerging markets debt	**688**	463
Risk sharing	**621**	517
Insurance-linked securities	**410**	470
Property	**354**	337
Infrastructure	**1,137**	1,138
Private debt	**407**	308
Opportunistic illiquid credit	**433**	370
High yield	**511**	-
Opportunistic credit	**467**	-
Corporate bond fund	**1,007**	872
Liquid credit	**204**	6
Long lease property	**334**	265
Secured income	**709**	580
Liability driven investment	**4,333**	5,077
Net current assets	**104**	65
Total assets	**17,049**	15,297

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 2021 % per annum	31 March 2020 % per annum
Discount rate	**2.21%**	2.35%
Inflation (RPI)	**3.22%**	2.55%
Inflation (CPI)	**2.87%**	1.55%
Salary growth	**3.87%**	2.55%
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	31 March 2021 Life expectancy at age 65 (Years)	31 March 2020 Life expectancy at age 65 (Years)
Male retiring in 2021	**21.6**	21.5
Female retiring in 2021	**23.5**	23.3
Male retiring in 2041	**22.9**	22.9
Female retiring in 2041	**25.1**	24.5

28 Share capital

	2021 £	2020 £
At 1 April	**412**	389
Shares issued in the year	**-**	23
At 31 March	**412**	412

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.

29 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	2021 £'000	2020 £'000
Not later than one year	**546**	169
Later than one year and not later than five years	**225**	83
Total	**771**	252

30 Capital commitments

Group	2021 £'000	2020 £'000
Commitments contracted but not provided for:		
Development	**11,481**	19,982
Commitments approved by the Board but not contracted for:		
Development	**44,542**	25,075
	56,023	45,057

Capital commitments for the Group will be funded as follows:

Group	2021 £'000	2020 £'000
Cash	**5,789**	13,165
Cash held in long notice accounts	**147**	2,231
Revolving credit facility	**27,000**	15,000
Standby liquidity agreement	**40,000**	-
Project based bank facility	**-**	818
Anticipated grant on contracted commitments	**3,625**	3,303
Anticipated grant on uncontracted commitments	**5,706**	2,198
	82,267	36,715

As per the above table, future capital commitments, as well as day to day operations, will be funded through existing cash resources, a revolving credit facility, and anticipated development grant.

31 Related parties

The Board and committees had three tenant members who held tenancy agreements on normal terms during the year. The Association's rules prohibit tenant Board and committee members from using their position to their advantage. For the year to 31 March 2021 the total rent due from these tenant Board members was £15,411 (2020: £11,533). Total rent paid was £15,411 (2020: £11,589). No arrears were outstanding at the end of the current or prior year.

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 2021 the sum of £4,674k (2020: £9,751k) 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 £4,650k (2020: £9,250k) in relation to the inter-Group loan which has seen £nil of drawdowns in the year by Broadland St Benedicts Limited as well as £4,600k 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 £481k (2020: £440k)
- At 31 March 2021 the sum of £1,098k (2020: £1,580k) 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 £17,611k (2020: £18,177k) from Broadland Development Services Ltd for the provision of new build housing
- There have been charges in the year for housing related services totalling £514k (2020: £402k).

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

BROADLAND HOUSING

BROADLAND ST BENEDICTS

BROADLAND DEVELOPMENT SERVICES LTD

BROADLAND MERIDIAN

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Co-operative and Community Benefit Societies Act Registration Number: 16274R Regulator of Social Housing Registration Number: L0026