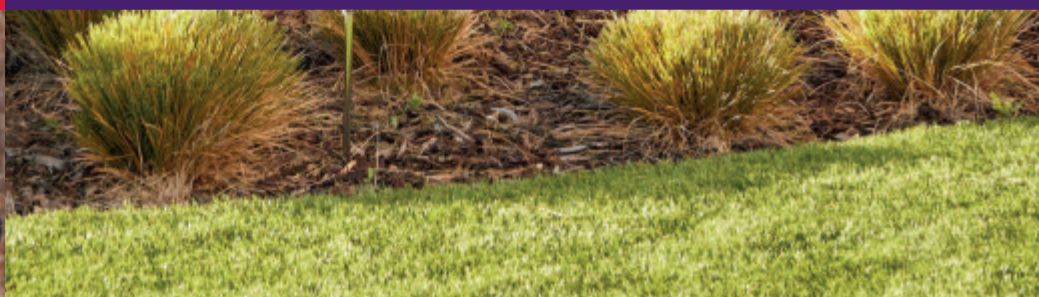




2021-22

Financial Report & Accounts

Year ended 31 March 2022



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Cover picture credit (top left): NorseCare



Board of Directors and Executive

Board of Directors

Chair

Chris Ewbank BA MBA

Richard Alexander

Jo Ballman (co-opted March 2022)

Stephen Dickinson (co-opted March 2022)

Judith Elliott

Michael Finister-Smith

Dr Simon Hibberd BM FRCGP MRCP

Martin Keats

Michael Newey DSc (Hon) BSc FRICS FCIH FRSA

Moreen Pascal (co-opted March 2022)

Helen Skoyles BA (Hon) CIHCM (resigned May 2021)

Gavin Tempest BSc (Hon)

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

Chair

Michael Finister-Smith

Richard Alexander

Martin Clark MRICS MCIOB

Gavin Tempest BSc (Hon)

Secretary and registered office

Sarah Wyatt BA (Hon) MA ACG

NCFC

Carrow Road

Norwich

NR1 1HU

Please see page 76 for details of Broadland Housing Group board and committee membership.

Professional advisors

External auditors

RSM UK Audit LLP

Blenheim House

Newmarket Road

Bury St Edmunds

Suffolk

IP33 3SB

Internal auditors

TIAA Ltd

Artillery House

Fort Fareham

Newgate Lane

Fareham

PO14 1AH

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

There is no doubt that the last two years have been challenging, possibly the most challenging operating environment since Broadland was established in 1963.

The pandemic and resultant lockdowns had a massive impact on our performance in 2020/21 and have continued to affect our ability to provide services throughout the last financial year, with many tenants and employees catching Covid, and some tenants still shielding.

Pandemic hangover

The most major impact of the pandemic has been on our responsive maintenance service and planned investment in tenants' homes. During lockdowns we reduced our repair service to emergency and urgent jobs only to minimise the risk of exposing anyone to Covid.

Two years ago, we consulted our tenants on how we should prioritise repairs while working through difficult circumstances. It has taken longer than we wanted to clear the backlog. At summer 2022, we continue to experience delays due to staff sickness levels, meaning that some jobs are cancelled and rearranged. We recognise that many tenants judge our overall performance by how we manage their repairs. We look forward to resuming a more normal maintenance service soon.

Homelessness

Back in 2020, during the first lockdown, there was a Government commitment to find suitable housing for people who were rough sleeping during the public health crisis.

In Norfolk the new Norfolk Strategic Housing Partnership brought together local government, health, police, probation, homelessness charities and housing under a commitment to end homelessness permanently in the county. Together with the Homelessness Solutions Forum, it is making a positive impact in Norfolk, and Broadland is an active member of both.

The Association worked in partnership with our local authority partners in King's Lynn and Norwich to provide 16 Housing First homes and 23 'move on' homes, in partnership with St Martins Housing, Magdalen Group and Home Group. We are partnering with Norfolk YMCA to deliver Housing First accommodation for younger people in 2022/23. Additionally, we worked with the Police and Crime Commissioner's Office and Norwich City Council to provide 10 homes with support for people leaving prison.



Chris Ewbank, Chair



Michael Newey, Chief Executive

Development

As long as there is demonstrable housing need in Norfolk and north Suffolk, we will continue to stretch ourselves, as much as we safely can, to build new affordable homes. During the 2021/22 financial year we completed 136 new homes. 111 of these have been let at affordable rents; 25 have been sold to shared owners, helping people get on the housing ladder at a cost they can afford. A further 32 homes have been sold on the open market to generate surpluses that make the affordable provision financially viable for us.

As well as collaborating with our local authority stakeholders and locally based contractors, we have also helped a number of small Norfolk-based developers satisfy their S.106 obligations of delivering some affordable housing on their schemes.

Extending BAE funding

In 2018 we raised £50 million from the BAE Pension Fund. Following negotiations with BAE, supported by our funding advisers, Centrus, we have negotiated a £20 million loan extension to support development, with £10 million being drawn down in July 2022 and £10 million in January 2023.

New ESG certification

In 2020 we entered into a £40 million Standby Liquidity Agreement with MORhomes, a central borrowing vehicle designed to facilitate access to the capital markets by not-for-profit, registered social housing providers. We are also a shareholder.

In 2021, to help fund our development programme, we drew down £15 million of this facility. This was at an attractive fixed rate for 30 years due to our sustainability credentials. As part of the MORhomes' process, to confirm our eligibility for the lower cost funding, we were required to undertake a sustainability assessment by Ritterwald.

Ritterwald are the leading assessor of environmental, social and governance (ESG) criteria within the sector and award the Ritterwald Certified Sustainable Housing Label to organisations which can demonstrate full compliance. We decided to go further than the basic assessment and ask Ritterwald to consider us for the Certified Label. Broadland was the first medium-sized housing association to achieve the label, which reflects our commitment over many years to environmental sustainability, social impact and good governance.

Sustainability

Sustainability remains a priority for the Association, evidenced not just from our successive corporate strategies, but also from the independent SHIFT sustainability audits undertaken. Since 2012, SHIFT has assessed our environmental performance across the whole organisation, including the homes we are responsible for and our business operations. From 2016 until our most recent assessment in 2021, SHIFT has consistently awarded us their gold ranking.

Independent East

In 2019 we joined Independent East, an informal alliance of local housing associations. The five members (Broadland, Freebridge, Havebury, Orwell and Saffron) are all based in Norfolk and Suffolk, and each has fewer than 10,000 homes. We are committed to providing our tenants with the best services achievable and to make a wider social impact in our operating area, including reducing homelessness.

The partnership is based on openness and transparency, and we are working together on various initiatives, including benchmarking performance, decarbonisation strategies, HR projects, learnings from Internal Audit and tenant involvement initiatives.

Governance

Following an 'in depth assessment' (IDA) by the Regulator of Social Housing, the Association was again judged to be compliant with the Regulator's Governance and Viability Standards.

The last IDA took place in 2017 and we were then assessed as G1 V2. The 2021 IDA maintained this judgement and was in line with the Board's own assessment of our compliance. Obviously V2 is not the top possible assessment. This reflects our commitment to stretch ourselves financially to deliver against our enduring purpose, to address homelessness and housing need, as well as supporting our existing tenants and looking after their homes. However, we recognise that this puts us under greater pressure as a result.

In early 2022 the Board commissioned a specialist consultancy, The Connectives, to carry out an independent review of our governance arrangements as part of our Board Effectiveness Review. We review each board and committee's effectiveness annually, and every three years this is undertaken by an external consultancy.

The Connectives' judgement was:

"The governance of Broadland Housing group is strong. In comparison with other reviews, we see elements of excellent governance – in particular we would highlight:

- oversight of financial and investment matters
- capability and capacity of your people
- customer engagement."

Non-executive renewal

We have continued to strengthen our boards to ensure we have the right skills and experience to govern the companies in the Group.

Early in 2021 two longstanding Board members resigned: Paul Slyfield moved away from the area, and Helen Skoyles' new employment circumstances meant there was a potential conflict of interest. In autumn 2021, when pandemic restrictions had eased to allow face-to-face interviews, we worked with Simon Fanshawe of Diversity by Design Ltd on reshaping our recruitment processes to attract the widest field of candidates possible.

The Board co-opted three of the candidates on to the Broadland Housing Association Board:

- Joanna Ballman, a chartered surveyor and governance consultant
- Moreen Pascal, a programmes manager with the Housing Diversity Network
- Steve Dickinson, a property development consultant and quantity surveyor. Steve has also been appointed a Non-Executive Director of Broadland St Benedicts Ltd, our market sales development subsidiary.

Finally

We recognise that many of our tenants are finding their current financial circumstances difficult and we will continue to support those willing to engage with us in maintaining their tenancy in a sustainable manner. Broadland is ultimately about people and about helping those who find it difficult to compete in the open market have a secure home.

As Chair and Chief Executive, we would like to thank the whole of the Broadland team – staff and board members – for their commitment and contribution over the last year. We would not be able to deliver our enduring purpose without them and the fact that we have continued to make a positive contribution to communities in Norfolk and north Suffolk is because of the dedication of many employees and non-executive directors.

Strategic report

Principal activities and review of the business



Homes across
the region

5,461



Number of
tenants

6,472



Number of
employees

236

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 6,472 tenants and their families.

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

Business model

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

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

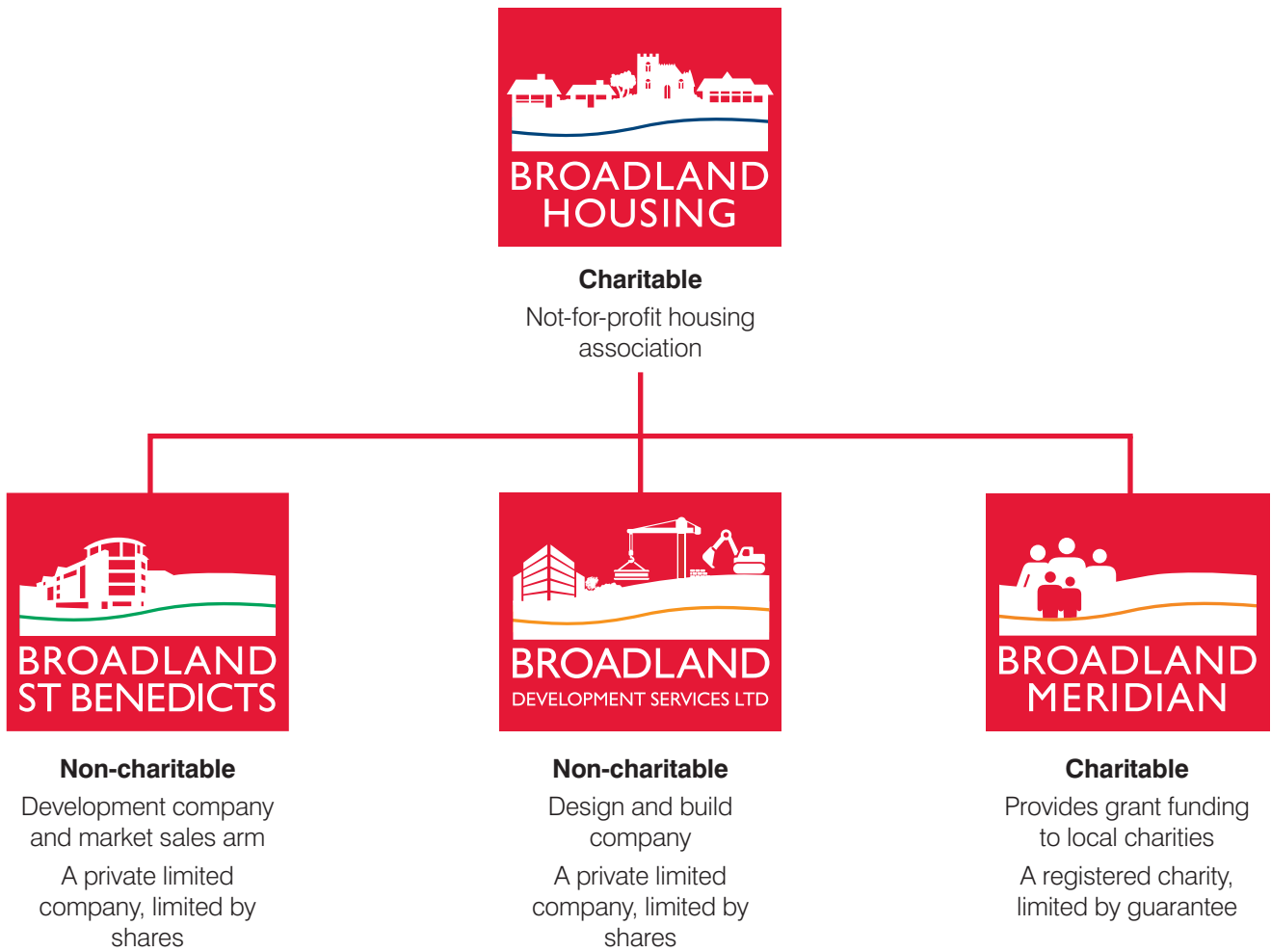
As a landlord, we deliver a number of services, including housing and tenancy management, repairs and maintenance and income collection. All of our services are delivered in consultation with our tenants and with a view to achieving the best outcomes for our tenants.

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

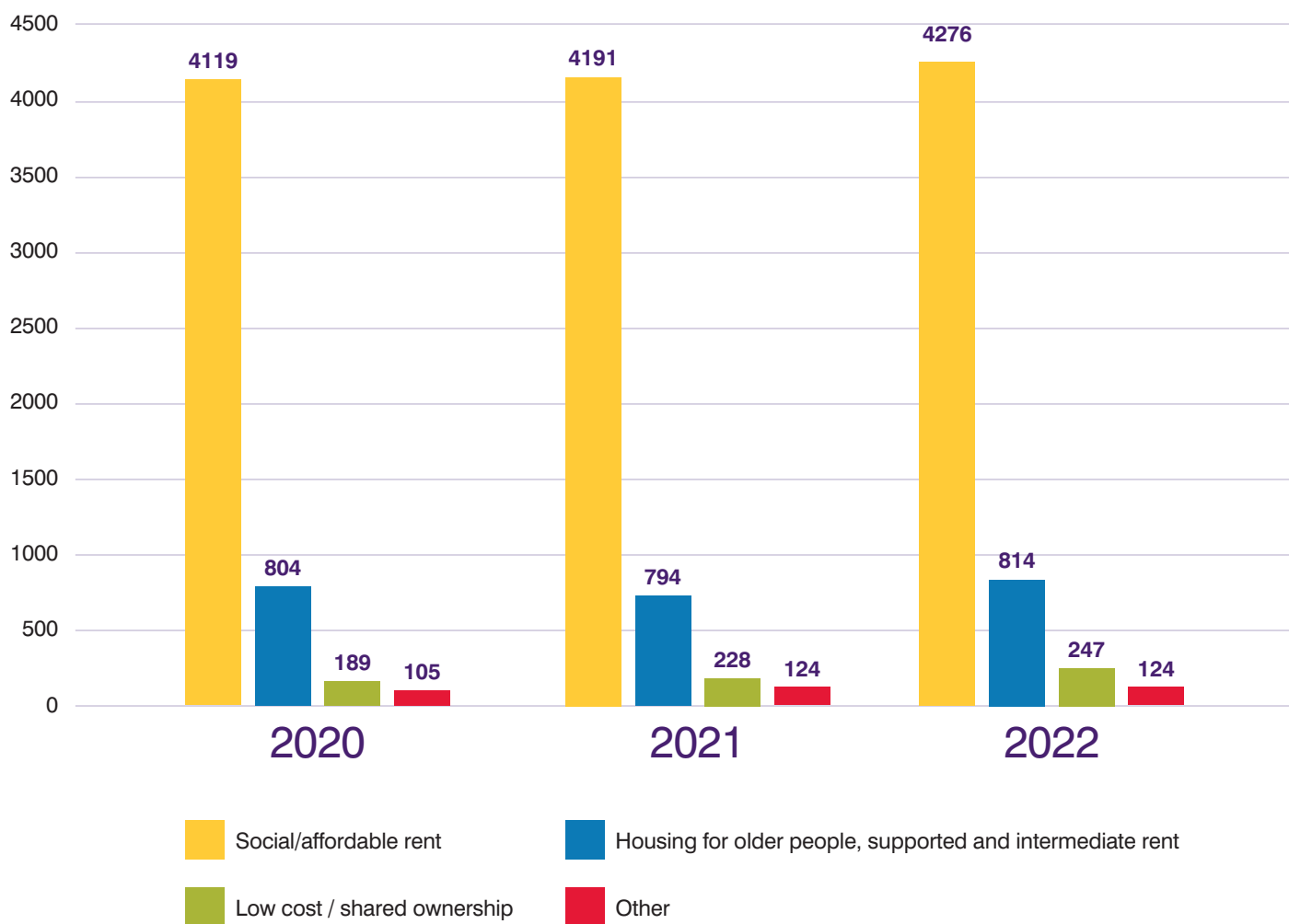
“Our primary purpose is to use our resources to provide high-quality affordable homes to those who cannot afford a home without our help”

Group structure

Our Group structure and operating companies are set out below:



Our homes in management



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 2022-26

During the year, we launched our new Corporate Strategy for the period 2022-2026. To develop our new Corporate Strategy, we focused on our priorities as an organisation in the context of our financial capacity and undertook detailed financial modelling to inform the process. Given the Government's requirement to achieve net carbon zero by 2050, we concluded that, in the absence of Government funding, we will need to reduce the number of new homes we can build in 2025/26 from 150 homes per annum to 100 homes per annum to create the capacity to deliver decarbonisation of our homes. It should be noted, however, that developing new affordable homes remains a clear priority and we will look to

review and maximise our ability to support local housing need as further clarity around funding streams to help us deliver decarbonisation is available.

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.

The 12 strands agreed as part of the development of our Corporate Strategy that embody our priorities for the next four years are set out below:



Our main priorities will be to:

- Supplying good services that meet tenants' expectations
- Managing and maintaining our properties well
- Ensuring the safety of our tenants in their homes and our employees as they do their jobs
- Supporting our tenants and minimising the number of tenancy failures
- Involving our tenants in scrutinising our performance and shaping our priorities
- Optimising the number of new homes we build to help meet housing need
- Helping reduce levels of homelessness in Norfolk and north Suffolk
- Planning and delivering the decarbonisation of our homes and operations

To help us achieve these priorities we will:

- Focus on being a good employer - recruiting, keeping and developing employees who have customer focus
- Ensure that we have the right digital tools for both tenants and employees to use
- Continue to review and improve the value for money of our activities
- Maintain good standards of governance

Principal risks and uncertainties

Managing risks and assurances is a fundamental part of enabling us to deliver our new Corporate Strategy priorities.

Our key Group strategic risks, mitigating controls and assurances at the reporting date are set out below:

Risk	Corporate Strategy strand	Key mitigating controls/assurances
<p>Inflation, especially relating to energy costs and building materials, including inflation caused by the Russian invasion of Ukraine, grows faster than income causing stress on budgets and achievement of performance targets and strategic projects.</p>	<p>Financial resources</p>	<ul style="list-style-type: none"> • Stress-testing of our 30-year Business Plan to consider the impact of cost increases on our financial capacity. • Modelling the impact of forecast inflation on the affordability of tenant's rent. • Monthly reforecasting to ensure that costs remain under control and budgets can be delivered.
<p>The ongoing 'cost of living crisis' results in tenants being forced into poverty.</p>	<p>Sustaining tenancies</p>	<ul style="list-style-type: none"> • Tenants facing financial difficulty are not at risk of being evicted as long as they engage with us. • Appropriate tenancy support arrangements in place to help tenants with rising costs, e.g. considering additional benefits available, budget management etc.
<p>Failure to plan effectively for the decarbonisation of our housing stock by 2050 and to achieve the business plan milestones of minimum EPC levels of C by 2028 and zero carbon by 2050, leading to it being impossible to fund single-year costs in later years and regulatory intervention.</p>	<p>Asset management</p>	<ul style="list-style-type: none"> • Business planning process including estimated costs related to achieving the Government's net carbon zero target of 2050 and ensuring we have the financial capacity to achieve these targets. • Working with our Board to progress our work to establish a Decarbonisation Plan, that will set out how we intend to achieve the Government's decarbonisation target across all of our homes. • Maximising grant income available to support our decarbonisation works.

Broadland in numbers*



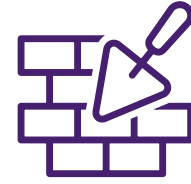
Total number of homes allocated

482



Number of new homes built

136



Amount spent on building and improving our homes

£25.4m



Number of repairs completed

17,761



Repairs completed at first visit

91%



Number of homeless households housed

163



Number of homes rated EPC* C or above

88%



Gas servicing

3,565



Electrical testing

1,495



Number of tenants supported (not including one-off enquiries)

1,002



Increase in tenants who secured training or work after referral

10%



Increase in amount of reduced rent arrears (£79,069)

46%

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

Performance highlights

Development of new homes

Our development programme continues to provide desperately-needed affordable homes throughout the region. Following all the necessary Covid-safety protocols, a total of 136 new homes were completed by May 2022, and a further 198 under construction.

Sales for shared ownership properties exceeded our targets this year, reflecting the quality of the houses and the strong demand for affordable homes in the region.



Number of homes completed 2021-22

136

Affordable rent

111

Shared ownership

25



Number of homes under construction at June 2022

198



New shared ownership homes at Sheringham

Number of homes* in 3-year pipeline



*not including open market

Total	450
2022-23	150
2023-24	150
2024-25	150

Canary Quay, Norwich

In October we held a belated naming ceremony for the first two blocks of our major development at Canary Quay, Norwich, Patricia Hollis House and Richard Hawthorn House. The buildings are named in honour of Baroness Hollis, our former Chair (2009-15), and Richard Hawthorn, a long-serving tenant Board member - both passionate supporters of social housing. The celebrations had been delayed because of the pandemic.



Official naming ceremony for Patricia Hollis House and Richard Hawthorn House at Canary Quay, October 2021

The fourth and final phase of Canary Quay is underway. When Ardea and Hathor blocks are finished later this year, Canary Quay will provide a total of 323 affordable rent, shared ownership and open market homes on the city riverside.



In March Caroline Gumble, Chief Executive Officer, Chartered Institute of Building, toured the final phase of construction at Canary Quay

Great Hockham

At Wretham Road, Great Hockham, 18 new homes are scheduled for completion from autumn 2022. The 8 affordable rent homes will be prioritised for people with a local connection who are in housing need. There will also be 2 homes for shared ownership and 8 new open market homes.



Work in progress

We are expanding our Gypsy, Roma & Traveller site at Swanton Road, Norwich, to create 13 additional pitches and a new day room for tenants. We have also started work on site to build 7 affordable rent homes at Ketts Hill (with Norwich City Council) and 18 homes at Great Yarmouth, in partnership with the local council.

Tackling homelessness



As a Homes for Cathy founder member, Broadland has committed to tackle homelessness and to prevent evictions. Our existing

Homes for Cathy commitments and Corporate Strategy positioned us well to respond quickly to 'Everybody In', the Government's Covid-19 homelessness campaign.

Through our strong partnerships with local authorities, charities and other housing providers, we have been able to provide 23 new and 7 remodelled homes for people experiencing homelessness. This includes former rough sleepers, people leaving prison and young homeless people.

Our Homes for Cathy regional seminars continue to help shape the debate on homelessness in our region. Guest speakers this year focused on issues around improving tenancy sustainment, Housing First and migrant homelessness.



Homes for Cathy indices	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual
Number of homeless households housed	102	n/a	n/a	82	117	163
Evictions* - rent arrears	18	18	11	3	0	3
Evictions* - anti-social behaviour	6	3	2	2	0	4

*Evictions for arrears cover 2 years because of the ban on evictions during the Covid pandemic

Lakenfields

Working with Norwich City Council, we built 6 new homes in just 3 days at Lakenfields for people who were formerly street homeless. The modular 1-bedroom, 2-person flats occupy the former car park at Webster Court in Norwich and attracted a lot of media attention.



Craning modular housing into place on site at Lakenfields



Lakenfields finished interior



Chief Executive Michael Newey with John Lee of YMCA Norfolk



Broadland staff at their fundraising sleep-out in March

Housing First

Broadland and YMCA Norfolk's innovative Housing First project will provide young people with homes as well as a support package to help them succeed in their tenancies and get their lives back on track. In March a group of Broadland staff did a sponsored sleep-out to buy furniture for the project and raised more than £2,600.

Sustaining tenancies

The continuing effects of the pandemic and the cost of living crisis have negatively impacted on our tenants' lives. Referrals to the Welfare Benefit Advisor were up by nearly 45% on last year.

The social and economic environment made it harder for our Tenancy Support team to find solutions for tenants. Nevertheless, the team have recorded some significant results.

1,002

Total number of tenants supported (not including one-off enquiries)

£91,677

Amount of one-off benefit payments awarded (32% increase)

46%

Increase in amount of reduced rent arrears (£79,069)

10%

Increase in tenants who secured training or work after referral



Tenants completing one of the TILS+ courses

Building skills, reducing arrears

This year, as an Independent East partner, Broadland has been able to offer tenants free places on Your Own Place's popular tenancy skills and independent living (TILS+) skills workshops. These informal in-person and online workshops build on tenants' everyday skills, boost confidence and reduce the likelihood of them falling into rent arrears.

Sustainability

We are continuing to make progress on our journey to net zero. We retained our 'gold' accreditation from SHIFT, the housing sector's sustainability standard. This benchmarks social landlords against challenging environmental targets, including CO2 emissions, water use, landfill waste and response to climate change risks.

We have been able to demonstrate that we are a sustainable business and fulfil challenging environmental, social and governance (ESG) criteria. A sustainable bonds issuance in December has allowed us to raise £15 million funding to build new affordable homes. This was achieved working with MORhomes, a borrowing vehicle for the UK social housing sector.

In January, we were delighted to receive the Sustainable Housing Label from international consultants Ritterwald. Investors increasingly look for this accreditation, which looks at more than 40 ESG criteria aligned to the Sustainability Reporting Standard for Social Housing.



Chief Executive Michael Newey with Austen Reid, UK Director, Ritterwald



Broadland homes with an EPC* C or above

88%

*energy performance certificate



Additional homes now rated C or above

214



A tenants event in Dereham

Involving tenants

Our new resident involvement policy and procedure (approved in July 2021) builds on the work we have been doing with tenants over the last few years. As a result, we are looking to engage tenants on a more local level. We have also launched a new 'Housing for older people' (HOP) panel for tenants living at our over 55s or sheltered schemes.

In the autumn, with Placeshapers, we were delighted to welcome Kate Dodsworth, the new Chief Executive of the Regulator for Social Housing. Over 40 tenants from eastern housing associations attended the regional consultation event to discuss the new Social Housing White Paper.

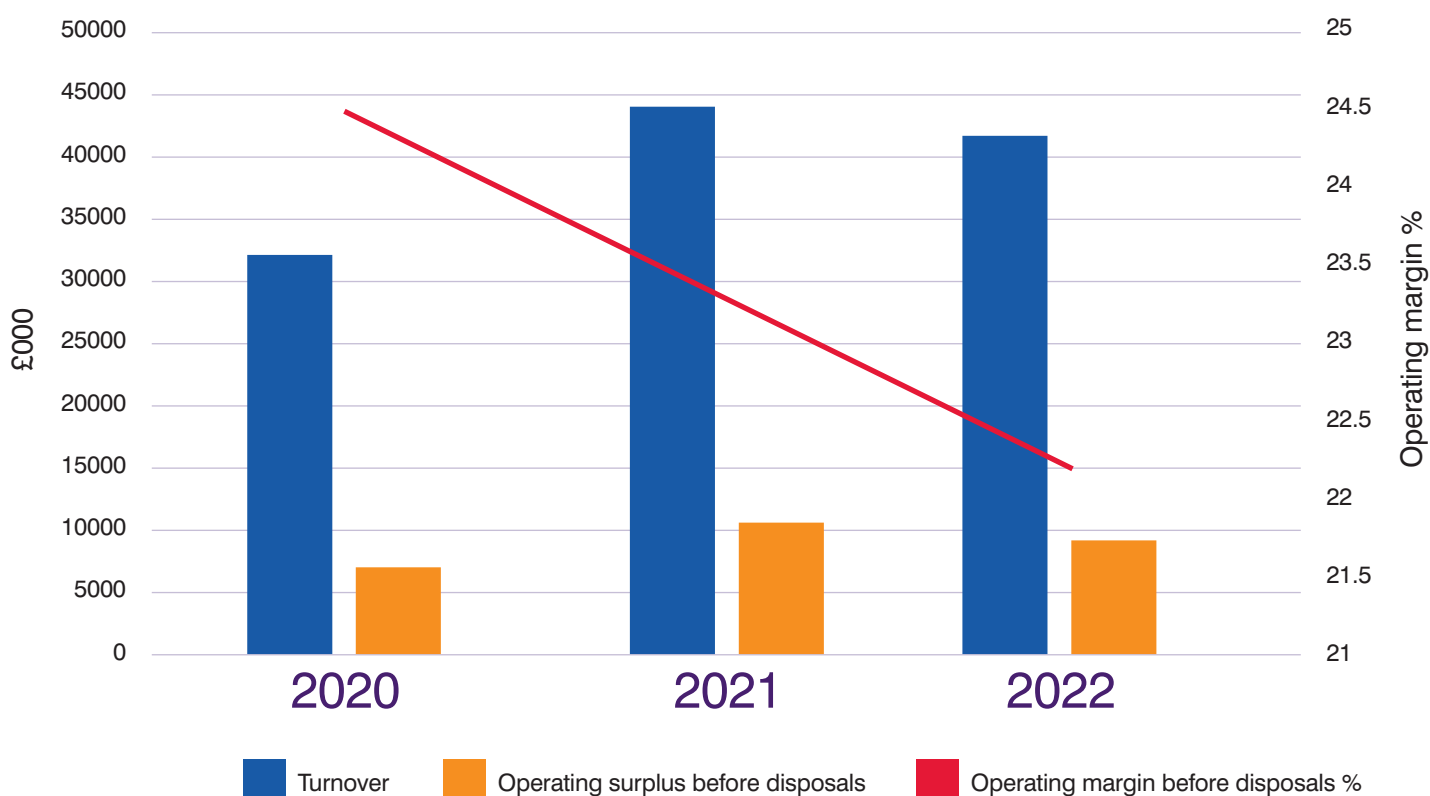
With Covid restrictions lifting, we held a number of community events over the course of the year. Over 190 tenants engaged with us in Norwich, Gorleston, King's Lynn, Dereham and Aylsham.

Financial review

Extract from consolidated statement of comprehensive income

	2020 £'000	2021 £'000	2022 £'000
Total turnover	32,452	44,340	42,768
Operating surplus before disposal of housing stock	7,950	10,332	9,493
Net interest & other charges	6,089	6,092	6,001
Surplus before tax	2,235	4,435	3,706
Operating margin before disposal of housing stock %	24.5	23.3	22.2

Turnover, operating surplus and operating margin trend



Broadland's group turnover reduced by c£2m because, despite an increase in our rental income in line with the current rent regime, we did not have as many open market sale homes available to sell in the year.

Broadland St Benedicts, our market sale development arm, sold a total of 32 homes compared to a budget of 27 homes, generating sales receipts of c£8.6m and a net profit of c£1.25m which will be gifted to Broadland Housing Association to support the delivery of new affordable homes. Within Broadland Housing Association, we completed 39 first tranche shared ownership sales, generating a surplus of c£1.0m. This exceptional sales performance is testament to

the quality of the homes that we are developing and the strong demand for new homes in the region.

Our operating surplus before disposals fell by c£0.8m. This was predominantly as a result of additional investment required to undertake 'catch-up' works following Covid-19 restrictions being lifted and a £0.7m provision in the year end accounts, being our best estimate of a fine from the Health and Safety Executive (HSE) in respect of historic control weaknesses related to the prevention and reporting of Hand and Arm Vibration Syndrome (HAVS).

“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.”

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 2022, we spent £25.4m (2021: £25.3m) on these activities, demonstrating our commitment to our social purpose.

Current liquidity

On 31 March 2022, we had c£6.9m of cash and £76.6m of facilities available in BHA, which is sufficient to keep the business running for well in excess of 35 months. The minimum requirement in our Treasury Strategy is 18 months. The Group had c£8.4m of cash and £84m of facilities available.

Going concern

While Covid-19 continued to have some, albeit limited, impact on our ability to deliver services during the year, Russia's invasion of Ukraine in February 2022 and the resulting 'cost of living crisis' has been the focus of our attention with regard to planning for the future.

Economic forecasts have changed dramatically since the start of the calendar year, with both forecast inflation and interest rates set to increase at least in the short term. This is likely to see our costs rising more quickly than our income and the cost of both new and existing debt increasing, both of which will put additional strain on our budgets.

To consider the impact of economic forecasts we have:

- considered our financial capacity to deliver priorities as part of the creation of our new 2022-2026 Corporate Strategy and, as a result, have reduced our development programme from 150 homes per annum to 100 homes per annum from 2025/26. Our ambition is to increase the programme again in the future once there is further clarity on the financial support that may be available to help us meet the Government's net carbon zero target of 2050. We will also keep this decision under review given the economic climate we are operating in;
- produced both an 'aspirational' (incorporating 30 years of development activity and full estimated decarbonisation costs) and a 'base' (five years of development activity and investment required to increase all of our homes to a minimum energy rating of EPC 'C' by 2028) business plan that provides assurance to our stakeholders that we have the financial capacity to deliver against the priorities of our Corporate Strategy;
- stress-tested our business plans so that we are clear what actions we would take in the event of our operating environment becoming less favourable.

In light of the above, we have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future and 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.

Value for money statement

During the financial year, we further enhanced our focus on value for money across the business. We introduced a new 5Es procurement process, which provides us with assurance that every procurement activity we undertake considers the following aspects of value for money:

- Economy – spending less
- Efficiency – spending well
- Effectiveness – spending wisely
- Equity – spending fairly
- Environmental – spending sustainably

In addition to this, and as part of the creation of our new Corporate Strategy, we will identify up to four value for money projects to undertake during each financial year. The four projects we have identified for the 2022/23 financial year are as follows:

Project	Objectives
1. 5 E's procurement	<ul style="list-style-type: none"> • Embed our new 5E's procurement process.
2. Review of decorating and cleaning service provision	<ul style="list-style-type: none"> • Determine whether value for money is being delivered by our decorating and cleaning services. • Identify opportunities to enhance value for money and embed as appropriate.
3. Independent East (IE) Internal Audit	<ul style="list-style-type: none"> • Determine whether there are opportunities to enhance the value for money across the delivery of internal audit services. • Assuming opportunities exist and Group Audit and Risk Committee approve, work with IE members to embed the changes.
4. Investment in Broadland Business Systems (BBS)	<ul style="list-style-type: none"> • Put in place additional measures to ensure that updates to BBS, our main IT system, have achieved intended benefits and provided value for money.

We intend to update our Board regularly on the progress made towards delivering these objectives and to summarise the outcomes in next year's value for money statement.

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.



Canary Quay, Norwich

Below we set out our performance against the Regulator for Social Housing (RSH) value for money metrics and our own value for money metric below:

Metric	2021/22 actual*	2021/22 budget	2020/21	Independent East (2020/21)	Bespoke peer group (2020/21)
Reinvestment %	7.48	7.14	8.15	5.84	6.13
New supply delivered % (social housing)	2.50	2.08	2.32	1.48	1.44
New supply delivered % (non-social housing)	0	0	0.23	0.38	0.25
Gearing %	52.89	55.11	54.53	46.14	44.06
EBITDA MRI %	152.51	145.65	177.76	246.10	195.68
Headline social housing cost per unit (£)	3,828	3,706	3,352	3,972	4,175
Operating margin %	26.14	26.64	24.07	25.10	10.58
Social housing operating margin %	29.69	30.09	27.76	27.9	25.04
Return on capital employed %	2.86	2.78	3.02	3.78	2.84

*Metrics exclude the £0.7m HSE fine provided for at year end

Broadland Housing Association specific measure:

Metric	2021/22 actual*	2021/22 budget	2020/21	Independent East (2020/21)	Bespoke peer group (2020/21)
Social housing interest cover (SHIC) %	103	119	140	-	-

*Metrics exclude the £0.7m HSE fine provided for at year end

Please see over page for definitions of the metrics.

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 (social and non-social)	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
Social housing operating margin (SHOM) %	This shows the surplus generated by our core landlord business as a % of turnover from core landlord activities
Return on capital employed %	Our operating surplus as a % of our capital resources
Social housing interest cover (SHIC) %	Our ability to cover interest costs with the surpluses generated from our core landlord activities.

Our reinvestment and new supply delivered (social) metrics both exceed our budgeted performance for the year and the performance of our peers, demonstrating our commitment to investing in existing homes and building new affordable homes in line with our Corporate Strategy objectives.

Our gearing is lower than budgeted because we borrowed less than anticipated to build new homes. Because the metric calculates gearing using debt net of cash held, the year-end position also takes account of some minor delays in the progress of ongoing development activity. Our gearing is higher than our peers, as we seek to continue to sweat our assets to deliver more new affordable homes while ensuring that we keep a close eye on our ability to meet funders' covenants.

EBITDA MRI % for the year exceeded our budget due to sales performance exceeding our budget. It would be extremely difficult for us to achieve the same level of interest cover as our peers because a greater proportion of our homes are let at social rent (60-70% of market rent) compared to affordable rent (up to 80% of market rent). As a result, our surpluses are lower and provide less 'cover' over our interest costs.

Closely linked to this metric is our Broadland Housing Association-specific metric social housing interest cover, which excludes surpluses generated from sales and other commercial activity. This metric, along with our social housing cost per unit, is worse than budgeted due to the additional cost of work undertaken during the financial year to catch up on works not undertaken due to Covid-19 restrictions.

Both our operating margin and social housing operating margin were just below budget, again because of the catch-up works mentioned above. They remain higher than the margins achieved by our peer groups last financial year.

Our return on capital employed is higher than budgeted due to surpluses from sales exceeding expectations.

Governance

RSH In Depth Assessment

Broadland Housing was given notice of its second assessment by the Regulator of Social Housing (RSH) in May 2021 and the inspection began in July. The outcome was published by the RSH in October 2021 and is available on its website. We are very pleased that Broadland Housing retained its G1 rating for Governance as well as its V2 rating for Viability, indicating that we are meeting regulatory expectations and have sound foundations from which to continue to improve our services to tenants and meet the challenges ahead.

Compliance with the RSH Governance and Financial Viability Standard

As required by the Accounting Direction, the Board has completed an annual self-assessment of Broadland Housing Association's compliance with the Governance and Financial Viability Standard as the only Registered Provider within the Group. As part of this review, the Board have considered legal compliance through management reports on changes to legislation informed by legal circulars. Health and safety compliance has been specifically monitored through the management reporting of compliance with specific areas of legislation impacting on the business. With regular management reports on data protection, we confirm compliance with new data protection legislation while continuing to improve alignment of our policies and procedures with good practice. Following this review, the Board can confirm compliance with the Governance and 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 against the standard is also monitored within the monthly performance report.

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.

All entities within Broadland Housing Group have adopted the NHF Code of Governance and the NHF Code of Conduct. A Group-wide self-assessment of compliance with the codes is conducted annually and reported to the Broadland Housing Association Board as parent.

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

All entities within Broadland Housing Group have adopted the NHF Code of Governance and the NHF Code of Conduct. A Group-wide self-assessment of compliance with the codes is conducted annually and reported to the Broadland Housing Association Board as parent.

NHF Code of Conduct

Broadland Housing complied with all aspects of the NHF Code of Conduct during the financial year covered by these financial statements.

A revised Code of Conduct was published by the NHF in May 2022. Broadland Housing and its subsidiaries will review this new code and consider whether or not to adopt it during 2022/23.

NHF Code of Governance

Broadland Housing adopted the 2022 edition of NHF Code of Governance as of 1 April 2022. Subsidiary boards adopted the code shortly thereafter following consideration of the suitability of the NHF Code compared with other codes relevant to entity activities and sectors. A plan detailing actions needed to ensure compliance across the Group was put in place and monitored by the Board. The majority of those actions were completed during the course of the financial year.

At year end, Broadland Housing Association complied with all aspects of the NHF Code of Governance with the exception of the following:

- ***Code section 3.3 (4): There is a dedicated senior board member (normally a vice-chair or senior independent director) with duties that include appraisal of the chair and assisting the chair to ensure the effectiveness of the board.***

Explanation: the appointment of a dedicated senior Board member was delayed following the recruitment of three new members to the Broadland Housing Board. Suitable candidates for the position are being considered as part of Board member appraisals due to take place in spring 2022.

- ***Code section 3.7: (3) Maximum (board member) tenure will normally be up to six consecutive years (typically comprising two terms of office), but where a member has served six years, and the board agrees that it is in the organisation's best interests, their tenure may be extended up to a maximum of nine years.***

Explanation: The code states that an organisation's constitution takes precedence over code requirements. Broadland Housing's constitution allows Board members to serve a maximum of 9 years with the potential for the Board to agree an extension where this is deemed to be in the best interests of the Association. To ensure continuity and to facilitate succession to Chair/senior independent director/

committee chair roles by Board members with an established understanding of the organisation, Broadland Housing will review term of service on an individual basis at 6 years. The Board will decide whether it is in the best interests of Broadland Housing to extend while observing the maximum permitted by the rules.

While there is no maximum term of service stipulated in the Broadland St Benedicts and Broadland Meridian constitutions, the same principle as that put in place for Broadland Housing will apply going forwards.

Broadland Housing subsidiaries complied with all material aspects of the Code applicable to them as non-Registered Providers, with the exception of some parts which are overseen at parent level or by Group Committees or are not relevant to subsidiaries as non-RP entities.

The following section was not complied with for Broadland St Benedicts and Broadland Development Services:

- **3.1 (4) The roles of chair of the board and standing committees (and those of vice chair or senior independent director as applicable) are not held by an executive.**

Explanation: Given the size and function of the Broadland Development Services/Broadland St Benedicts Board as part of the wider Group structure, the Broadland Housing Board have deemed it appropriate for the Broadland Housing CEO to chair Broadland Development Services/ Broadland St Benedicts. This appointment helps ensure continuity and good communication across entities and to the Executive Directors.

Suitability of the NHF Code of Governance for subsidiary entities will be reviewed again in 2022/23 against alternative codes to determine whether the code remains the best fit for subsidiary boards.

Governance review

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 continue to have the robustness of our governance arrangements reviewed by an independent consultant every three years. Such a review was carried out between February and April 2022. The Connectives review concluded that Broadland Housing Group's governance is strong with elements of excellence, particularly in the areas of:

- customer engagement
- oversight of financial and investment matters
- capability and capacity of our people

Their report highlighted areas for improvement in the next phase of our governance development in order to move from good to great in more areas. Recommendations include:

- providing more succinct information to boards
- working with the Board to better define and develop their risk appetite
- enhancing focus on the impact of proposals on customers
- reviewing which code of governance should be followed by subsidiary boards

All recommendations will be documented in our Governance Action Plan so that progress can be monitored by the Broadland Housing Board.

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 Board members who are also Broadland tenants.

Although less severe than in the previous financial year, the global Covid-19 pandemic continued to have an impact on the way our boards and committees were able to function during 2021/22. However, following the removal of Government restrictions, we have aimed to transition back to holding physical Board meetings whenever possible to facilitate meaningful discussion and debate.

Three new Board members were recruited in February 2022 and co-opted to the Broadland Housing Board at its March meeting. Going forward, we hope to take advantage of the ability to hold hybrid/virtual meetings where this is appropriate, with in-person meetings whenever possible, to ensure a meaningful induction for our new Board members and successful integration within the Board team and the wider organisation.

Board delegation

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

Group Audit and Risk Committee

The role of this committee is to oversee the work of both the internal and external audit function and to oversee the risk management framework and internal control framework for the Group. The committee reviews the audited financial statements for all parts of the Group and recommends them to the relevant Board for approval. It submits an annual report on internal controls to the parent company board. Through the reports it receives, the Group Audit and Risk 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 Group Remuneration and Nomination Committee oversees the process for Board member appraisal, governance reviews 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 system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing, and has been in place throughout the period commencing 1 April 2021 up to the date of approval of the report and financial statements.

Key elements of the control framework include:

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

External accreditations in place during this period include:

- Disability Confident: 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 service to Broadland Housing Group for the period, TIAA is required to provide to the Broadland Housing Association Board an overview of the adequacy and effectiveness of the organisation's governance, risk management and control arrangements.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Group Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Broadland Housing Association 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 Broadland Housing Association Board members. The Board has received the annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor.

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

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

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

19 July 2022

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

Opinion

We have audited the financial statements of Broadland Housing Association Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2022 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 Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 2022 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 and completeness of income as the areas 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, substantive analytical review procedures over rental income and substantive procedures in relation to other revenue streams.

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:



One of our tenant events at Dereham

Consolidated and Association Statement of Comprehensive Income for the year ended 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Turnover		42,768	44,340	34,139	30,897
Operating costs		(33,086)	(33,893)	(26,077)	(22,963)
Operating surplus	4	9,682	10,447	8,062	7,934
Interest receivable and similar income	12	10	32	104	381
Interest and financing costs	13	(6,011)	(6,124)	(6,003)	(5,851)
Movement in Fair Value of Investment Properties	17	12	47	12	47
Movement in Fair Value of Fixed Asset Investments	18	13	33	13	33
Gift Aid received		-	-	1,818	576
Surplus before tax		3,706	4,435	4,006	3,120
Taxation	14	-	-	-	-
Surplus for the year		3,706	4,435	4,006	3,120
Actuarial gains (losses) in respect of pension schemes	27	2,306	(3,196)	2,306	(3,196)
Total comprehensive income (loss) for the year		6,012	1,239	6,312	(76)

All activities relate to continuing operations.

The notes on pages 36 to 75 form part of these financial statements.

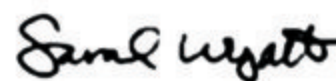
The financial statements on pages 28 to 75 were approved by the Board of Directors and authorised for issue on 19 July 2022.



Chris Ewbank Chair



Michael Finister-Smith Board member



Sarah Wyatt Secretary

Consolidated and Association Statement of Financial Position at 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Fixed assets					
Tangible fixed assets - housing properties	15	337,412	321,356	338,576	322,257
Other tangible fixed assets	16	2,780	2,500	2,780	2,500
Investment properties	17	1,230	1,218	1,230	1,218
Investments in fixed assets and equities	18	464	201	464	201
		341,886	325,275	343,050	326,176
Current assets					
Properties held for sale	19	6,855	9,221	3,278	2,452
Trade and other debtors	20	2,156	3,246	4,138	7,868
Cash and cash equivalents		8,441	5,895	6,852	5,603
Cash held in long notice accounts		118	147	-	-
		17,570	18,509	14,268	15,923
Creditors: amounts falling due within one year	21	(12,697)	(11,692)	(11,232)	(10,980)
Net current assets		4,873	6,817	3,036	4,943
Total assets less current liabilities		346,759	332,092	346,086	331,119
Creditors: amounts falling due after more than one year	22	(314,129)	(302,697)	(314,129)	(302,697)
Provisions for liabilities					
Defined benefit pension liability	27	(2,360)	(5,137)	(2,360)	(5,137)
Total net assets		30,270	24,258	29,597	23,285
Reserves					
Income and expenditure reserve		30,175	24,163	29,502	23,190
Restricted reserve		95	95	95	95
Total reserves		30,270	24,258	29,597	23,285

The notes on pages 36 to 75 form part of these financial statements.

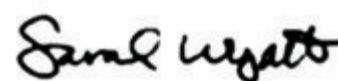
The financial statements on pages 28 to 75 were approved by the Board of Directors and authorised for issue on 19 July 2022.



Chris Ewbank Chair



Michael Finister-Smith Board member



Sarah Wyatt Secretary

Consolidated Statement of Changes in Reserves for the year ended 31 March 2022

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2021	24,163	95	24,258
Surplus for the year	3,706	-	3,706
Other comprehensive income for the year	2,306	-	2,306
Balance at 31 March 2022	30,175	95	30,270

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 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

Association Statement of Changes in Reserves for the year ended 31 March 2022

	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
Balance at 1 April 2021	23,190	95	23,285
Surplus for the year	4,006	-	4,006
Other comprehensive income for the year	2,306	-	2,306
Balance at 31 March 2022	29,502	95	29,597

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 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

Consolidated Statement of Cash Flows for the year ended 31 March 2022

	2022 £'000	2021 £'000
Cash flow from operating activities		
Surplus for the year	3,707	4,435
Adjustments for non-cash items:		
Amortisation of grants	(964)	(963)
Depreciation & impairment of housing properties	4,948	4,661
Fair Value movements	(25)	(80)
Depreciation of other fixed assets	474	475
Movement in trade and other debtors	(812)	(123)
Movement in trade and other creditors	2,828	514
Movement in properties held for sale	2,964	8,723
Adjustments for investing or financing activities:		
Adjustment for properties sold, part of operating activities	3,741	2,221
Purchases of other fixed assets	(797)	(787)
Purchase of investments	-	(33)
Interest payable	6,010	6,123
Interest receivable	(22)	(32)
Taxation	-	-
Current and past service pension costs	-	-
Net cash generated from operating activities	22,052	25,134
Cash flow from investing activities		
Purchase of tangible fixed assets	(21,173)	(23,571)
Capitalised improvement expenditure	(4,191)	(1,777)
Grants received	5,305	763
Repayment (investment) of cash in long notice accounts	29	2,084
Interest received	22	42
Cash used in investing activities	(20,008)	(22,459)

(continued)

	2022 £'000	2022 £'000
Cash flow from financing activities		
Interest paid	(6,399)	(6,675)
New secured loans	24,921	8,411
Repayment of borrowings	(17,486)	(11,285)
Pension deficit payments	(534)	(524)
Cash generated from / (used in) financing activities	502	(10,073)
Net change in cash and cash equivalents	2,546	(7,398)
Cash and cash equivalents at beginning of the year	5,895	13,293
Cash and cash equivalents at end of the year	8,441	5,895

The notes on pages 36 to 75 form part of these financial statements.



Sheltered housing tenants at Woodcote raised £900 for the Red Cross in Ukraine



Notes to the financial statements for the year ended 31 March 2022

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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 12 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 ongoing and has not been interrupted or terminated.

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

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

Depreciation of housing property

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

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

Description	Economic useful life (years)
Structure	150
Roofs	60
Kitchens	20
Bathrooms	32
Windows	32
Doors	32
Boilers	17
Heating systems	30
Electrics - full re-wires	60
Electrical system work	30
PV tiles	25
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 Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments issues' of FRS102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

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

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value



of the trade debtor over the present value of the future cashflows discounted using the original effective interest rate. Subsequent reversals of an impairment loss, which 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.

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.



Phase 4 of Canary Quay under construction

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

	Turnover	Operating costs	Operating surplus/ (deficit)
	2022	2022	2022
	£'000	£'000	£'000
Social housing lettings (note 5)	28,468	(22,021)	6,447
Other social housing activities			
First tranche low cost home ownership sales	4,117	(3,004)	1,113
Supported housing management	205	(35)	170
Other management income	417	(22)	395
Development services	10	(253)	(243)
Other income	11	-	11
Support services	1	(35)	(34)
	33,229	(25,370)	7,859
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	178	(80)	98
Surplus on disposal of other housing properties (note 11)	634	(543)	91
Commercial properties	99	(26)	73
Open market sales	8,628	(7,067)	1,561
	42,768	(33,086)	9,682

	Turnover	Operating costs	Operating surplus/ (deficit)
	2021	2021	2021
	£'000	£'000	£'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

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

	Turnover	Operating costs	Operating surplus/ (deficit)
	2022	2022	2022
	£'000	£'000	£'000
Social housing lettings (note 5)	28,468	(22,021)	6,447
Other social housing activities			
First tranche low cost home ownership sales	4,117	(3,118)	999
Supported housing management	205	(35)	170
Other management income	417	(22)	395
Development services	10	(232)	(222)
Other income	11	-	11
	33,228	(25,428)	7,800
Activities other than social housing			
Final staircasing of shared ownership properties (note 11)	178	(80)	98
Surplus on disposal of other housing properties (note 11)	634	(543)	91
Commercial properties	99	(26)	73
	34,139	(26,077)	8,062

	Turnover	Operating costs	Operating surplus/ (deficit)
	2021	2021	2021
	£'000	£'000	£'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

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 2022 £'000	Total 2021 £'000
Income						
Rent net of identifiable service charges and void losses	21,447	3,249	535	72	25,303	24,186
Service charge income net of void losses	792	1,367	42	-	2,201	2,251
Amortised Government grants	773	175	10	6	964	963
Turnover from social housing lettings	23,012	4,791	587	78	28,468	27,400
Operating expenditure						
Management	(5,033)	(633)	(123)	(17)	(5,806)	(5,619)
Service charge costs	(935)	(1,374)	(44)	-	(2,353)	(2,389)
Routine maintenance	(4,079)	(524)	-	-	(4,603)	(4,567)
Planned maintenance	(2,036)	(268)	-	-	(2,304)	(1,484)
Major repairs expenditure	(1,583)	(239)	-	-	(1,822)	(1,380)
Bad debts	(160)	(24)	-	-	(184)	(226)
Depreciation of housing properties:						
- annual charge	(4,067)	(577)	(86)	(9)	(4,739)	(4,544)
- accelerated on disposal of components	(87)	(123)	-	-	(210)	(117)
Operating expenditure on social housing lettings	(17,980)	(3,762)	(253)	(26)	(22,021)	(20,326)
Operating surplus on social housing lettings	5,032	1,029	334	52	6,447	7,074
Void losses	(229)	(314)	-	-	(543)	(450)

6 Homes in management and development

Group and Association	2022 Number	2021 Number
Social housing		
General needs housing:		
- social rent	3,876	3,864
- affordable rent	400	327
Intermediate rent	96	97
Supported housing	119	98
Housing for older people	599	599
Low cost home ownership / Shared ownership	247	228
Total social housing owned and managed	5,337	5,213
Homes managed for others	124	124
Total social housing managed	5,461	5,337
Social housing owned but managed by others	88	82
Total social housing owned or managed	5,549	5,419
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	13
Total owned or managed	5,601	5,471
Homes in development at the year end	175	121



Tenant consultation with Kate Dodsworth, the new Chief Executive of the Regulator for Social Housing



7 Operating surplus

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
The operating surplus is arrived at after charging:				
Depreciation of housing properties	4,739	4,544	4,739	4,544
Write-off of housing property components	209	117	209	117
Impairment of housing properties	-	-	-	-
Depreciation of other fixed assets	473	475	473	475
Surplus on disposal of fixed assets	189	115	189	115
Operating lease rentals:				
- motor vehicles and office equipment	546	169	546	169
Auditors' remuneration (excluding VAT):				
- Fees payable to the Group's Auditors for the financial statement audit	28	27	28	27
- Audit of the accounts of subsidiaries	14	13	-	-
Total audit services	42	40	28	28
- Tax compliance services	4	3	-	-
- Tax advisory services	-	-	-	-
Total non-audit services	4	3	-	-

8 Employees

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Staff costs (including Executive Management Team) consist of:				
Wages and salaries	7,795	7,408	7,795	7,408
Social security costs	761	686	761	686
Other pension costs	518	538	518	538
	9,074	8,632	9,074	8,632

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 2022	Group 2021	Association 2022	Association 2021
Office staff	114	107	114	107
Scheme managers and operatives	107	109	107	109
	221	216	221	216

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 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Executive Directors' emoluments	657	644	657	644
Amounts paid to Non-Executive Directors	64	58	49	48
	721	702	706	692

The emoluments excluding pension contributions of the highest paid director (the Chief Executive) was £156k (2021: £153k). Pension contributions of £18k (2021: £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 2022	Group 2021	Association 2022	Association 2021
£60,001 - £70,000	2	1	2	1
£70,001 - £80,000	3	4	3	4
£80,001 - £90,000	4	2	4	2
£90,001 - £100,000	-	1	-	1
£100,001 - £110,000	1	1	1	1
£110,001 - £120,000	2	2	2	2
£120,001 - £130,000	1	-	1	-
£130,001 - £140,000	1	1	1	1
£160,001 - £170,000	-	1	-	1
£170,001 - £180,000	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	11.0	Chair			✓	✓	
Dr Simon Hibberd	5.0	✓			✓		
Helen Skoyles (resigned May'21)	0.9	✓				✓	
Gavin Tempest	5.0	✓	Chair	✓			
Siobhan Trice	5.0	✓					
Michael Finister-Smith	6.5	✓		Chair			
Martin Keats	5.0	✓	✓				
Judith Elliott	5.7	✓			Chair		
Richard Alexander	5.0	✓		✓			
Jo Ballman (co-opted Mar'22)	-	✓					
Stephen Dickinson (co-opted Mar'22)	-	✓					
Moreen Pascal (co-opted Mar'22)	-	✓		✓			
Other Board/Committee members							
Martin Clark	5.0			✓		✓	
Sean Tompkins	5.0					✓	
Jonathan Barber	5.0					✓	
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 2022 £'000	Other housing properties 2022 £'000	Total 2022 £'000	Total 2021 £'000
Housing properties:				
Disposal proceeds	468	354	822	262
Carrying value of fixed assets	(468)	(158)	(626)	(146)
Selling costs	-	(7)	(7)	(1)
	-	189	189	115
Recycled capital grant fund (note 24)	(312)	(218)	(530)	(40)
Total surplus on sale of fixed assets	(312)	(29)	(341)	75

12 Interest receivable and similar income

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Interest receivable from deposits	3	26	97	375
Dividend income from unit trusts and shares	7	6	7	6
	10	32	104	381



Tenants at a HOP (Housing for Older People) meeting



13 Interest and financing costs

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Loans and bank overdrafts	6,077	6,425	6,068	6,251
Defined benefit pension charge	107	50	107	50
Loan issue costs amortised	202	206	162	107
	6,387	6,681	6,337	6,408
Interest capitalised on construction of housing properties	(376)	(557)	(334)	(557)
	6,011	6,124	6,003	5,851
Capitalised interest has been calculated using a weighted average annual rate of interest:	3.30%	3.40%	3.30%	3.40%

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	2022 £'000	2021 £'000
Corporation tax		
Deferred tax	-	-
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 2021	343,273	13,469	17,282	14,273	553	388,850
Reclassification of properties	(1,418)	2,228	-	(810)	-	-
Additions:						
- construction costs	-	-	9,067	-	11,667	20,734
- transfer to current assets - properties held for sale	-	-	-	1,271	(2,097)	(826)
- replaced components	4,453	295	-	-	-	4,748
- transfer	18,588	-	(18,588)	3,389	(3,389)	-
Disposals:						
- sales	(1,485)	-	-	(2,227)	-	(3,712)
- replaced components	(1,145)	(67)	-	-	-	(1,212)
At 31 March 2021	362,266	15,925	7,761	15,896	6,734	408,582
Depreciation & impairment:						
At 1 April 2021	62,477	4,662	-	355	-	67,494
Reclassification of properties	-	-	-	-	-	-
Depreciation charge for the year	4,450	203	-	86	-	4,739
Impairment charge for the year	-	-	-	-	-	-
Eliminated on disposals:						
- replaced components	(938)	(65)	-	-	-	(1,003)
- other	(58)	-	-	(2)	-	(60)
At 31 March 2022	65,931	4,800	-	439	-	71,170
Net book value at 31 March 2022	296,335	11,125	7,761	15,457	6,734	337,412
Net book value at 31 March 2021	280,796	8,807	17,282	13,918	553	321,356

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 2021	343,537	13,469	17,937	14,255	553	389,751
Reclassification of properties	(1,418)	2,228	-	(810)	-	-
Additions:						
- construction costs	-	-	9,331	-	11,666	20,997
- transfer to current assets - properties held for sale	-	-	-	1,271	(2,097)	(826)
- replaced components	4,453	295	-	-	-	4,748
- transfer	18,588	-	(18,588)	3,389	(3,389)	-
Disposals:						
- sales	(1,485)	-	-	(2,227)	-	(3,712)
- replaced components	(1,145)	(67)	-	-	-	(1,212)
At 31 March 2022	362,530	15,925	8,680	15,878	6,733	409,746
Depreciation & impairment:						
At 1 April 2021	62,477	4,662	-	355	-	67,494
Reclassification of properties	-	-	-	-	-	-
Depreciation charge for the year	4,450	203	-	86	-	4,739
Impairment charge for the year	-	-	-	-	-	-
Eliminated on disposals:						
- replaced components	(938)	(65)	-	-	-	(1,003)
- other	(58)	-	-	(2)	-	(60)
At 31 March 2022	65,931	4,800	-	439	-	71,170
Net book value at 31 March 2022	296,599	11,125	8,680	15,439	6,733	338,576
Net book value at 31 March 2021	281,060	8,807	17,937	13,900	553	322,257

15 Tangible fixed assets - housing properties (continued)

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
The net book value of housing properties may be further analysed as:				
Freehold	304,097	298,078	305,278	298,997
Leasehold	11,125	8,807	11,125	8,807
Shared ownership	22,190	14,471	22,173	14,453
	337,412	321,356	338,576	322,257
Expenditure on works to existing properties:				
Works to new homes capitalised (schemes under construction)	20,734	22,664	20,998	23,122
Components capitalised	4,748	2,332	4,748	2,332
Amounts charged to income and expenditure*	2,204	1,386	2,204	1,386
	27,950	26,382	27,950	26,840

*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 2021	1,186	1,211	2,847	5,244
Additions	9	-	745	754
Disposals	-	-	-	-
At 31 March 2022	1,195	1,211	3,592	5,998
Depreciation				
At 1 April 2021	87	816	1,842	2,745
Charge for year	15	59	399	473
Disposals	-	-	-	-
At 31 March 2022	102	875	2,241	3,218
Net book value				
At 31 March 2022	1,093	336	1,351	2,780
At 31 March 2021	1,099	395	1,006	2,500

17 Investment properties

Group and Association	Commercial £'000	Total £'000
At 1 April 2021	1,218	1,218
Movement in fair value	12	12
At 31 March 2022	1,230	1,230

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.



18 Investments in fixed assets, equities and subsidiaries

Group and Association	31 March 2022		31 March 2021	
	Cost £'000	Fair value £'000	Cost £'000	Fair value £'000
Fixed asset investment: Unit trusts	119	187	116	171
Fixed asset investment: MORhomes PLC Loan notes	172	172	-	-
Equity investment: MORhomes PLC	105	105	30	30
Total fixed asset investments	396	464	146	201

Group and Association	2022 £'000	2021 £'000
Investment revaluation reserve:		
At 1 April	55	22
(Decrease)/increase in value of investments	13	33
At 31 March	68	55

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

The loan note investments relate to the purchase of unsecured convertible loan notes from MORhomes PLC with a due date of 2051.

The equity investment in MORhomes PLC relates to 115,000 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



Canary Quay, Norwich



19 Properties for sale

Group	First tranche shared ownership 2022 £'000	Outright market sales 2022 £'000	Total 2022 £'000	Total 2021 £'000
Work in progress	2,456	3,577	6,033	434
Completed properties	822	-	822	8,787
	3,278	3,577	6,855	9,221

Association	First tranche shared ownership 2022 £'000	Outright market sales 2022 £'000	Total 2022 £'000	Total 2021 £'000
Work in progress	2,456	-	2,456	359
Completed properties	822	-	822	2,093
	3,278	-	3,278	2,452

Properties for sale includes capitalised borrowing costs of £473k (2021: £1,014k).

20 Debtors

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Due within one year				
Rent and service charges arrears receivable	1,459	1,086	1,459	1,086
Less: Provision for bad and doubtful debts - rent and service charge arrears	(714)	(646)	(714)	(646)
	745	440	745	440
Other debtors	1,175	736	1,023	690
Less: Provision for bad and doubtful debts - other debtors	(380)	(270)	(380)	(270)
	795	466	643	420
Prepayments and accrued income	616	2,340	591	2,334
Amounts owed by Group undertakings	-	-	159	24
	2,156	3,246	2,138	3,218
Due after more than one year				
Amounts owed by Group undertakings - inter-Group loan from Broadland Housing to Broadland St Benedicts Limited	-	-	2,000	4,650
	2,156	3,246	4,138	7,868

21 Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Short term debt (note 25)	6,014	5,922	6,014	5,381
Trade creditors	2,835	1,547	1,320	1,535
Amounts owed to Group undertakings	-	-	915	1,098
Taxation and social security	15	332	15	332
Other creditors and accruals	2,902	2,779	2,037	1,628
Loan interest payable	746	768	746	768
Holiday accrual	185	238	185	238
Bank overdraft*	-	106	-	-
	12,697	11,692	11,232	10,980

*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 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Long term debt (note 25)	183,269	175,835	183,269	175,835
Deferred capital grant (note 23)	127,667	124,528	127,667	124,528
Recycled capital grant fund (note 24)	571	405	571	405
Service charge provisions	1,922	1,929	1,922	1,929
Other provisions*	700	-	700	-
	314,129	302,697	314,129	302,697

*Provision made for a fine from the Health and Safety Executive in respect of historic control weaknesses related to the prevention and reporting of Hand and Arm Vibration Syndrome (HAVS). The value is a best estimate by the Board of the amount payable. The expected timing of when this provision may fall due is as yet unknown.

23 Deferred capital grant

Group and Association	2022 £'000	2021 £'000
At 1 April	124,528	122,965
Grant received in the year	3,991	2,550
Grant recycled to/from the recycled capital grant fund	112	(24)
Released to income in the year	(964)	(963)
At 31 March	127,667	124,528

24 Recycled capital grant fund

Group and Association	2022 £'000	2021 £'000
Funds pertaining to areas covered by Homes England		
At 1 April	405	365
Inputs to fund:		
- grants recycled from deferred capital grants	530	40
- interest accrued	-	-
Recycling of grant:		
- new build	(364)	-
At 31 March	571	405
Amounts 3 years or older where repayment may be required	-	215

25 Debt analysis

Loans and borrowings

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
In one year or less	6,178	6,095	6,178	5,554
Less: issue costs	(164)	(173)	(164)	(173)
Short term loans	6,014	5,922	6,014	5,381
In more than one year but not more than two years	7,439	6,179	7,439	6,179
In more than two years but not more than five years	14,175	21,614	14,175	21,614
In more than five years	163,809	149,309	163,809	149,309
Less: issue costs	(2,154)	(1,267)	(2,154)	(1,267)
Long term liabilities	183,269	175,835	183,269	175,835
Total liabilities	189,283	181,757	189,283	181,216

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 2022 the Group had undrawn secured loan facilities of £84m (2021: £67m). This includes revolving credit facilities from banks of £27m, £29m of funding made available by signing the Standby Liquidity Agreement with MORhomes, and £20m with BAE Systems Pension Fund.

The Group through its Broadland St Benedicts Limited subsidiary also has a bank project finance loan facility of £1.36m secured on the development of eight new market sale homes at Great Hockham and has also agreed a £6.5m loan with Lloyds in respect of the 55 new open market sale homes at Canary Quay Phase 4.

26 Analysis of changes in net debt

	At 1 April 2021 £'000	Cashflows £'000	Other non- cash changes £'000	At 31 March 2022 £'000
Cash and cash equivalents				
Cash	5,895	2,546	-	8,441
Overdrafts	(106)	106	-	-
Cash held in long notice accounts	147	(29)	-	118
	5,936	2,623	-	8,559
Borrowings				
Debt due within one year	(5,922)	7,758	(7,850)	(6,014)
Debt due after one year	(175,835)	(15,000)	7,566	(183,269)
	(181,757)	(7,242)	(284)	(189,283)
Total	(175,821)	(4,619)	(284)	(180,724)



HOP (Housing for Older People) panel member

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 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.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a funding level of 77% and a deficit of £1,560m.

For accounting purposes, an interim valuation of the scheme was carried out with an effective date of 30 September 2021. The funding report shows an improvement in the funding level to 84% and a reduction in the deficit to £945m.

Since 30 September 2020, investment returns have been better than expected and the payment of deficit contributions has served to reduce the deficit and improve the funding position. As at the end of March 2022, the estimated funding level was 83% and financial markets, in particular equity markets, remain volatile, following events in Ukraine.

Assuming that the future experience is in line with the assumptions, and deficit contributions are paid in line with the 2020 Recovery Plan, the report suggests that the deficit will be eliminated by 31 March 2028, the end of the Recovery Plan.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2021 was £5,137k and is £2,360k as at 31 March 2022.

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

	31 March 2022 (£000s)	31 March 2021 (£000s)
Fair value of plan assets	19,021	17,049
Present value of defined benefit obligation	21,381	22,186
Surplus (deficit) in plan	(2,360)	(5,137)

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2022 (£000s)	31 March 2021 (£000s)
Defined benefit obligation at start of period	22,186	17,710
Expenses	18	17
Interest expense	486	411
Actuarial losses (gains) due to scheme experience	1,355	(447)
Actuarial losses (gains) due to changes in demographic assumptions	(329)	77
Actuarial losses (gains) due to changes in financial assumptions	(1,930)	4,814
Benefits paid and expenses	(405)	(396)
Defined benefit obligation at end of period	21,381	22,186

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

	31 March 2022 (£000s)	31 March 2021 (£000s)
Fair value of plan assets at start of period	17,049	15,297
Interest income	379	361
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	1,402	1,248
Employer contributions	596	539
Benefits paid and expenses	(405)	(396)
Fair value of plan assets at end of period	19,021	17,049

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £1,781,000.

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

	31 March 2022 (£000s)	31 March 2021 (£000s)
Expenses	18	17
Net interest expense	107	50
Defined benefit costs recognised in statement of comprehensive income (SoCI)	125	67

Defined benefit costs recognised in other comprehensive income

	31 March 2022 (£000s)	31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	1,402	1,248
Experience gains and losses arising on the plan liabilities - gain (loss)	(1,355)	447
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	329	(77)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,930	(4,814)
Total amount recognised in other comprehensive income - gain (loss)	2,306	(3,196)

Assets	31 March 2022 (£000s)	31 March 2021 (£000s)
Global equity	3,650	2,717
Absolute return	763	941
Distressed opportunities	681	492
Credit relative value	632	536
Alternative risk premia	627	642
Fund of hedge funds	-	2
Emerging markets debt	553	688
Risk sharing	626	621
Insurance-linked securities	443	410
Property	514	354
Infrastructure	1,355	1,137
Private debt	488	407
Opportunistic illiquid credit	639	433
High yield	164	511
Opportunistic credit	68	467
Cash	65	-
Corporate bond fund	1,269	1,007
Liquid credit	-	204
Long lease property	489	334
Secured income	709	709
Liability driven investment	5,307	4,333
Currency hedging	(74)	-
Net current assets	53	104
Total assets	19,021	17,049

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

Key assumptions

	31 March 2022 % per annum	31 March 2021 % per annum
Discount rate	2.78%	2.21%
Inflation (RPI)	3.47%	3.22%
Inflation (CPI)	3.14%	2.87%
Salary growth	4.14%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	31 March 2022 Life expectancy at age 65 (Years)	31 March 2021 Life expectancy at age 65 (Years)
Male retiring in 2022	21.1	21.6
Female retiring in 2022	23.7	23.5
Male retiring in 2042	22.4	22.9
Female retiring in 2042	25.2	25.1

28 Share capital

	2022 £	2021 £
At 1 April	412	412
Shares issued in the year	-	-
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	2022 £'000	2021 £'000
Not later than one year	529	546
Later than one year and not later than five years	690	225
Total	1,219	771

30 Capital commitments

Group	2022 £'000	2021 £'000
Commitments contracted but not provided for: Development	33,010	11,481
Commitments approved by the Board but not contracted for: Development	29,722	44,542
	62,732	56,023

Capital commitments for the Group will be funded as follows:

Group	2022 £'000	2021 £'000
Cash	8,441	5,789
Cash held in long notice accounts	118	147
Revolving credit facility	27,000	27,000
Standby liquidity agreement	29,000	40,000
Capital markets private placement facility	20,000	-
Project based bank facility	7,860	-
Anticipated grant on contracted commitments	1,691	3,625
Anticipated grant on uncontracted commitments	3,530	5,706
	97,640	82,267

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 2022 the total rent due from these tenant Board members was £15,510 (2021: £15,411). Total rent paid was £15,510 (2021: £15,411). 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 2022 the sum of £2,159k (2021: £4,674k) 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 £2,000k (2021: £4,650k) in relation to the inter-group loan which has seen £1,000k of drawdowns in the year by Broadland St Benedicts Limited as well as £3,650k 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 £232k (2021: £481k)
- At 31 March 2022 the sum of £668k (2021: £1,098k) 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 £13,856k (2021: £17,611k) from Broadland Development Services Ltd for the provision of new build housing.
- There have been charges in the year for housing related services totalling £564k (2021: £514k).

Broadland Housing Group governance

Board membership:



Chris Ewbank
Chair BHA, Member Broadland BSB



Michael Newey
Member BHA, Chair Broadland BSB, Chair BDS



Richard Alexander
Member BHA



Jo Ballman
Member BHA (co-opted March 2022)



Jon Barber
Member BSB



Martin Clark
Member BSB



Steve Dickinson
Member BHA (co-opted March 2022)



Judith Elliott
Member BHA, Chair Remuneration & Nominations Committee



Michael Finister-Smith
Member BHA, Chair Group Audit & Risk Committee



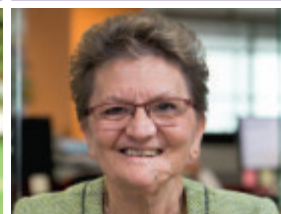
Iain Grieve
Member BDS, Member BSB



Dr Simon Hibberd
Member BHA



Martin Keats
Member BHA, Member BM



Jenny Manser
Member BM (resigned March 2022)



Moreen Pascal
Member BHA (co-opted March 2022)



Andrew Savage
Member BSB, Member BDS



Helen Skoyles
Member BHA, Member BSB (resigned May 2021)



Kate Slack
Member BM



Gavin Tempest
Member BHA, Chair BM



Sean Tompkins
Member BSB



Siobhan Trice
Member BHA

Broadland Executive Team (above, from left to right):

Andrew Savage (Executive Development Director), Louise Archer (Executive Asset Director), Iain Grieve (Executive Finance Director), Michael Newey (Group Chief Executive), Catherine Little (Executive Housing Director)

Glossary of terms used in this report

BHA

Broadland Housing Association

BDS

Broadland Development Services Limited

BSB

Broadland St Benedicts Limited

BM

Broadland Meridian

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



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