

REGISTERED NUMBER: 11578R
REGULATOR OF SOCIAL HOUSING NUMBER: L0719

**HORNSEY HOUSING TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**



HORNSEY HOUSING TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

CONTENTS	Page
Board Members, Secretaries, Advisors and Bankers	3-4
Report of the Board	5-25
Independent Auditor's Report	26-29
Statement of Comprehensive Income	30
Statement of Financial Position	31
Statement of Changes in Reserves	32
Statement of Cash Flows	33
Notes to the Financial Statements	34-56

HORNSEY HOUSING TRUST LIMITED
BOARD MEMBERS, SECRETARIES, ADVISORS AND BANKERS
31 MARCH 2023

BOARD

Chair	June Barnes
Deputy Chair	Euan Barr (resigned 24/09/2022)
Deputy Chair	Ian Roberts (appointed Deputy Chair 27/10/2022)
Board Member	Linmora Blair
Board Member	Dawn Matthews
Board Member	Stephen Ross
Board Member	Rebekah Ryder
Board Member	Anne Waterhouse

AUDIT & RISK COMMITTEE

Chair	Anne Waterhouse
Member	Linmora Blair
Member	Stephen Ross
Member	Ian Roberts

NOMINATIONS & REMUNERATION COMMITTEE

Chair	Euan Barr (resigned 24/09/2022)
Chair	Dawn Matthews (appointed 27/10/2022)
Member	Ian Roberts
Member	Rebekah Ryder

None of the members of the Board of Management had any interest in any contract or arrangement with Hornsey Housing Trust Limited.

LEADERSHIP MANAGEMENT TEAM

Chief Executive & Company Secretary	Euan Barr (appointed 20/02/2023)
Head of Finance & IT	Veronica Lindsay
Head of Housing	Phil Johnson
Asset Manager	Christopher Adegroye

REGISTERED OFFICE

62 Mayfield Road
London
N8 9LP
E-mail: admin@hornseyht.co.uk
Web: www.hornseyht.co.uk

HORNSEY HOUSING TRUST LIMITED
BOARD MEMBERS, SECRETARIES, ADVISORS AND BANKERS
31 MARCH 2023

EXTERNAL AUDITORS

CLA Evelyn Partners Limited
45 Gresham Street
London
EC2V 7BG

PRINCIPAL SOLICITOR

Devonshires
30 Finsbury Circus
London
EC2M 7DT

INTERNAL AUDITORS

TIAA Limited
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

PRINCIPAL BANKER

Barclays Bank Plc
Hampstead & Highgate Banking
PO Box 12820
London
N20 0WE

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

Chair's Message



Welcome to the report and financial statements of Hornsey Trust Limited (the Trust) for 2022/23, which I am pleased to present on behalf of the Board of Management (the Board). I hope this document, including the report from Euan Barr, our Chief Executive, gives you a sense of the Trust's current challenges and ambitions.

I am writing this introduction in July 2023, the year we celebrate the 90th anniversary of the Trust. Our founder, Margaret Hill, led the purchase of three houses in April 1933 with funding from the then Hornsey Borough Council and donations. From the start, the Trust's driving ambition was to provide decent housing for people living locally to improve their life chances. Ninety years on this hasn't changed – we only operate in the London Borough of Haringey, which was formed when Hornsey, Tottenham and Wood Green Councils were merged in 1965. The Trust remains committed to providing decent homes at rents people can afford with a focus on older people. Unfortunately, there is still a huge need for these homes. Recalling our founder who promoted a very hands on approach to supporting tenants, we also try and ensure our tenants are able to live happy and independent lives.

Currently, we house over 400 people in a mixture of converted street properties and purpose built flats. We have ambitions to provide more homes and also to improve our existing homes. Both of these ambitions are challenging. The costs of building new homes continues to get more expensive and the government's targets around carbon reduction and the Trust's around reducing running costs for our tenants, create real issues for our older properties.

It seems fitting that in our ninetieth year we should have a new Chief Executive to lead the Trust – Euan Barr. Euan has the advantage of knowing a lot about the Trust having been on the Board and as a local resident. We were fortunate to have a number of very good candidates for the role so Euan faced strong competition.

We celebrated the nine years Alwyn Lewis had spent as the Trust's Chief Executive at a well-attended leaving party last summer. Alwyn saw the Trust through the end of a difficult period in governance terms when he joined and then made a series of improvements to its performance. He has the thanks of the Board for his work for the Trust. I would also like to thank Jackie Kelly who acted as the interim CEO while we recruited a new Chief Executive.

Our finances remain sound with a surplus of £800k before pension costs including net receipts from the sale of two isolated flats of £491k. Sales receipts will be used to improve current homes and help to meet the costs of building new homes.

Challenges for the coming year include continuing to improve the way tenants influence our day to day work by involving tenants more in this process. In the last 12 months, tenants have helped the Trust recruit the new CEO, find new lead architects to support us with development and recruit new Board members. Tenants are also involved in rethinking our approach to repairs with the expectation of introducing a new repairs service in 2024.

I would like to thank my colleagues on the Board for their support and fantastic commitment to the Trust, our staff team for their hard work and those tenants who have given up their time to support the Trust. I would also like to thank our stakeholders including both our local MPs, Catherine West and David Lammy, local councillors, colleagues at Haringey and elsewhere, for their continuing help and support.

June Barnes 
June Barnes (Aug 2, 2023 14:25 GMT+1)

Chair

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

Chief Executive's Message



The past 12 months has been a time of change for the Trust, with our long serving former Chief Executive, Alwyn Lewis retiring in summer 2022 after 9 years leading the organisation. During Alwyn's period as CEO, the organisation returned to development for the first time in 20 years, with 20 new homes completed and funding secured to build more. He also steered the organisation through the difficult COVID pandemic years. The staff at the Trust wish Alwyn all the best for a long and happy retirement.

Jackie Kelly took over as Interim in the latter half of the year and provided a steadying influence as well as working hard to finalise our budget with Board early in 2023. Following a competitive process, I was appointed as the new permanent Chief Executive in November 2022 and began in the role in February 2023.

As a Board member for some four and a half years prior to stepping down in September 2022, I had a good grasp of our strategic challenges and opportunities. Coming into the new role, it is positive to reflect that in the past year we have moved on with our tenant involvement, rolling out our Tenant Engagement Strategy and beginning to form a new group to provide clearer tenant voice on services, policies and standards to which the Trust shall work in the future.

The housing sector was shaken in November 2022 with the conclusion of the investigation into the 2020 death of Awaab Ishak, caused due to prolonged exposure to mould in his housing association home. This led the Trust to review all recent and live cases of damp and mould and we have an ongoing programme for improvement where we identify problems. We have also been working pro-actively to address cases of disrepair and try to resolve them to tenants' satisfaction without the need for lengthy and costly legal processes.

With the invasion of Ukraine in early 2022 and the consequent energy crisis, cost of living challenges increased for many Trust tenants in the year and we focused a lot of our communication on helping people to face these new difficulties. To this end, we also joined up with Shian, Ekaya and Innisfree Housing Associations to launch a shared 'Tenancy Sustainment' service to try to ensure the most vulnerable tenants could access the support to which they were entitled.

Coming back to our development ambitions, we progressed our planning application for Palm Tree Court to provide some new homes and better communal space to support our 'hub' idea to improve community interaction at our sheltered housing schemes.

I hope this report provides you with a useful insight into our financial performance, what we have achieved at Hornsey Housing Trust in the year and our efforts to respond to the changing needs of our tenants as we mark 90 years of providing homes and support for older people in Hornsey and Haringey.

Euan S Barr

Euan S Barr (Aug 2, 2023 15:04 GMT+1)

Euan Barr

Chief Executive

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

CORPORATE GOVERNANCE

The Board is pleased to present the financial statements for the year ended 31 March 2023.

Legal Status

Hornsey Housing Trust Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider under the Housing and Regeneration Act 2008 and registered with the Regulator of Social Housing. The Trust subscribes to the National Housing Federation (NHF) model rules which were adopted in September 2018.

Principal Activities

The Trust is a Registered Provider of Social Housing with a primary objective of providing good quality, affordable housing for older people in need of accommodation. The Trust's three core activities are to provide:

- General needs housing, for people over 45 years old;
- Sheltered housing, for independent, older and vulnerable people; and
- Supported services for people with low care needs in our sheltered schemes

All surpluses generated by the Trust are used to improve existing homes and services for our tenants or provide new homes to meet the demand for social housing in Haringey.

Our Aim

We are committed to helping older and vulnerable people in the London Borough of Haringey to live securely and independently, by providing good quality homes, value-for-money services, and additional background support.

Our Values

In all our dealings with tenants and other stakeholders we work with, we will:

- Act with integrity
- Always engage with tenants and put their needs at the forefront of our work
- Be creative and innovative in our thinking and how we use our resources
- Be agile and collaborative in providing improved services
- Commit to doing our very best for the people we serve.

Our Objectives

In the next financial year, 2023/24 the Trust will celebrate its 90th Anniversary. Our Corporate plan will be renewed in 2024 to provide a framework for the delivery of our objectives for the following 5 year period. The long-term financial plan which underpins the corporate plan and ensure the Trust's financial viability will be reviewed annually. This will ensure that we remain on track and are well placed to respond to future challenges and opportunities and deliver an organisation that is **SMARTER, BETTER** and **STRONGER**.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

CORPORATE GOVERNANCE (continued)

Our key objectives are providing a quality service to our tenants, improving the quality of our homes, growth and financial viability for our existing and future tenants. These are articulated below:

Objectives	Definition	Success measure
1. SMARTER	Capitalise on the advantages of remaining independent, though small; and minimise the disadvantages.	Clearer and smarter systems and processes to provide improved value-for-money services to our tenants.
2. BETTER	Continually improving the quality of our housing stock and our services to tenants, providing homes that people want to live in.	Maintaining our already high level of tenant satisfaction by improving our understanding of our tenants, and our engagement with them, especially those in our street properties.
3. STRONGER	Growing in size, while adapting to the changing needs of our tenants.	Achievement of growth over the next five years and the replacement of some of our older, least popular stock with newer, better designed housing.

Our Board

The strategic direction and performance of the Trust is the collective responsibility of the Board. The Trust's Rules require that the Board shall consist of not less than five and not more than twelve members (including co-opted members). The Board had eight non-executive members during the year. One member resigned and a recruitment campaign has commenced to replace this member and recruit additional members as part of the Trust's succession planning. The Board holds quarterly meetings, an annual general meeting, a strategic awayday to review performance and set the strategic direction of the Trust and other meetings as required. It is supported by two committees, the Audit & Risk Committee and the Nominations & Remunerations Committee and time limited task groups as required.

Audit & Risk Committee

The Audit & Risk Committee (the Committee) acts on behalf of the Board to ensure the Trust has in place and operates appropriate controls to safeguard its assets and manage the associated risks. The Board has delegated authority to the Committee to provide scrutiny over internal and external audit but retains overall oversight of both. The Committee holds meetings quarterly and its responsibilities include overseeing Treasury, reviewing assumptions for financial planning, reviewing risks and risk management, ensuring appropriate levels of internal control are in place including approving policies and overseeing the work of internal and external audit. The Committee is responsible for ensuring the delivery and integrity of the annual financial statements and value for money reporting. The Head of Finance & IT attends committee meetings, supported by the Chief Executive. The internal and external auditors may also attend key meetings. The Committee reports annually to the Board regarding the work and effectiveness of the Committee and its overall opinion on controls.

Nomination & Remuneration Committee

The Nominations & Remuneration Committee meets twice a year and its purpose is to support good governance in relation to the arrangements for the Board and Chief Executive and approve staff remuneration. This Committee reviews the composition and membership of the Board and has oversight of the processes for induction, training, skills analysis and Board member appraisal. It ensures that there is an effective appraisal of the Chief Executive and approves the remuneration of the Chief Executive, Leadership Management and staff. It also oversees a formal and transparent procedure for recruitment of the Chief Executive and Board.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

CORPORATE GOVERNANCE (continued)

NHF Code of Governance

The Trust is regulated by the Regulator of Social Housing (RSH) and is required to comply with their Governance and Financial Viability Standards. The Trust adopted the 2020 NHF Code of Governance in April 2022 and is largely compliant with this. We have put in place an action plan to deliver full compliance with the code in 2023.

Regulatory Compliance

The Board confirms that the Trust has met the Regulator of Social Housing's regulatory expectations in governance and financial viability up to 27 July 2023.

Our People

Our ways of working changed significantly with the outbreak of COVID-19 and commencement of remote working by staff which enabled us to maintain services throughout the pandemic. Since lockdown was lifted, we now have hybrid working in place for all staff who combine working from home with office-based working successfully.

Our Performance Management Framework provides staff with annual objectives to deliver the corporate plan. These are then reviewed and monitored through regular one to ones and an annual appraisal. We have a learning and development plan which sets out the development needs of staff and is delivered through a blended approach of structured training provided by external providers, in-house training, professional membership and networking in the sector.

External advisors and partners

Altair Consultancy and Advisory Services Limited, a management consultancy, principally specialising in the housing sector and the provision of financial, management and technical services is one of the Trust's established advisors. It continues to support and guide the Board and Leadership Management Team (LMT) in specialist areas. Aquila Treasury and Financial Solutions, a sister company of Altair Limited provides Treasury advice to the Trust.

TIAA Limited are internal auditors and provide services and assurance on the Trust's systems and controls and provides an annual report on the adequacy and effectiveness of key internal control systems. The work of the internal audit is planned, based on the results of an audit needs assessment, derived from a review of the Trust's main risks and sector risk profile. A rolling programme is undertaken to cover the whole of the Trust's system of internal control. Material weaknesses in internal controls identified are reported to the Board and an action plan is created to rectify and track weakness.

The North River Alliance (NRA) was appointed in 2021/22 to help the Trust to access grant funding and provide development partnership to the Trust to assist in the delivery of new homes as part of the Trust's growth plans and corporate objectives.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

KEY POLICIES & STRATEGIES

Financial Framework

The principal accounting policies are set out on pages 34 to 41 of the financial statements. The Financial Statements are prepared in accordance with the UK General Accepted Accounting Practice (UK GAAP), including the Financial Reporting Standard applicable in the UK and Ireland (FRS102), the Statement of Recommended Practice (SORP) Accounting for Registered Social Housing Providers (Housing SORP 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Fixed Assets

Details of the Trust's fixed assets are given in notes 11 and 12.

Directors & Officers Insurance

The Trust maintains indemnity insurance for Board members and senior staff.

Rent Policy

The Board reviews the Rent Policy annually in accordance with the regulations in force at the time. At the end of the year, there were five with properties where tenants had secured tenancies (Fair rents). These rents were reviewed during the year and are reviewed biennially by the Rent Service Office. All other properties are let on social rent in line with government legislation.

Treasury Management

The treasury management policy is reviewed annually and designed to manage financial risk and covers general banking facilities, short-term and long-term borrowings, the risk of exposure to interest rates fluctuations and optimises the investment of surplus funds.

Employment Policies and Staff Involvement

Staff actively contribute to the successful running of the Trust and a performance management framework is in place. Regular staff meetings are held whereby employees are able to suggest ideas to improve the service, which the Trust provides to its tenants.

With a diverse client group and workforce, we always place a high emphasis on maintaining good practice and promoting equality in service provision and employment. The Trust is an Equal Opportunities employer, treating all existing and prospective staff in a fair and equal manner.

Health, Safety & Welfare of Employees at Work

The health, safety, and well-being of the staff at the Trust are also essential to the high level of service that the Trust provides. The Leadership Management Team periodically review policies on health and safety and staff welfare and recently appointed Peninsula to support the Trust with Human Resources matters, employment law and health and safety.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

KEY POLICIES & STRATEGIES (CONTINUED)

Policy review

During the year, we reviewed and updated our Allocations, Shareholding, Rent, Service Charge, Complaints, Decant, Cyber Security and Data Protection Policies. In addition, the Trust's Staff Code of Conduct and Financial Standing Orders were also reviewed, updated and approved. We also updated our Tenant Engagement, Asset Management and Treasury Strategies to support the delivery of our Corporate Objectives and as part of good governance.

Fraud

The Trust complies with the regulatory requirements on fraud and has in place a Fraud, Bribery and Anti-Corruption policy. A register is maintained of any actual and attempted fraud.

Whistleblowing

The Trust's Whistleblowing Policy enables issues to be raised on a confidential basis to management or the Board and procedures are in place to ensure that any whistleblowing incidents are independently investigated promptly.

Managing information and General Data Protection Regulation

The Trust takes its duty and obligations to protect privacy and data protection seriously and during the year, the General Data Protection policy was updated. During the year we recorded no data protection breaches.

Key Performance Indicators (KPIs)

We review Key Performance indications (KPIs) regularly at our Board meetings. This helps us to monitor the Trust's performance throughout the year; against internal metrics, past performance and in comparison to our peers. We contribute to a benchmarking group, Acuity, which assesses the Trust's work against that of its peers and some of this data is included in this report.

Post Balance Sheet Events after the end of the reporting period

Subsequent to the year end, in April 2023, the Trust completed on a sale of one of its properties, achieving proceeds of £200k.

HORNSEY CARE AND SUPPORT LTD

The Trust's subsidiary, Hornsey Care and Support Limited, remained dormant in the year.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

CAPITAL STRUCTURE AND TREASURY

Treasury Management Policy

The Trust's Treasury Management Policy sets out the parameters, controls for treasury activities, and reflects its growth aspirations. The focus of the policy is to ensure liquidity and that funds are in place to deliver the long-term financial plan as appropriate together with ensuring compliance with lenders' financial covenants. To support compliance, the Board has in place Golden Rules of: 12 months operating cashflow, headroom of at least 25% more than our lenders interest cover covenant and gearing headroom of 10% less than our lenders maximum covenant. These Golden rules and lenders' financial covenants are monitored and reported on regularly within the management accounts and the long-term financial plan which is also stress tested. The Trust was in compliance with the Golden Rules and lenders' financial covenants throughout 2022/23 and is forecast to be in compliance going forward.

Loan structure

The Trust has drawn loan facilities of £560k (2021/22: £588k) from Lloyds Banking Group which are based on fixed rates. The Trust recognises the long-term nature of the business and maturity dates and scheduled capital repayments reflect this. The loans have been secured with charges on the Trust's properties. The Trust is compliant with Lloyds Banking Group financial and non-financial covenants. Further details on the loans are detailed in note 16 on page 54 of the financial statements.

Liquidity

The Treasury management policy requires that the Trust has sufficient funds available to meet operational cashflows as they fall due for at least 12 months. The Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs as well as investing cash assets in order of security, liquidity and yield respectively. At the year-end, cash in hand and on deposit was £2.3m (2021/22: £1.9m).

Interest Rate Risk

The Trust finances its operations including developments and capital investment through a mixture of retained surplus, grants and bank borrowings. Loans may create an exposure to interest rate fluctuations on its borrowings which is managed by the use of both fixed and variable rate facilities. All fixed rate facilities are embedded.

Credit Risk

The Trust's principal credit risk relates to tenant arrears. The risk is managed by having in place a Tenancy Sustainment Officer who provides support to tenants with applications for housing benefit or universal credit, and by closely monitoring arrears. Because most of our tenants receive housing benefit the economic impact of COVID-19 and the Cost of Living crisis have not significantly impacted the Trust's income stream. We are though mindful that as universal credit is rolled out and more tenants move to this form of benefit the Trust's exposure will grow and we will continue to provide a robust approach to this area.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

PRINCIPAL RISKS AND UNCERTAINTIES

We continued to operate in a challenging environment, with both internal and external risks impacting the delivery of our corporate plan. We have a robust approach to risk management and have integrated risk assessment into our Board reporting supported by our Audit & Risk Committee. This ensures that risks are fully considered, with actions to provide mitigation, timeframes and responsibilities in place. This assists the Board in both managing and minimising the risks which might prevent the organisation achieving its objectives.

The Board has ultimate responsibility for managing risk but have delegated to the Audit & Risk Committee responsibility to review risks, which is undertaken regularly and then reported to Board. The Leadership Management Team regularly review, record and assess existing risks and identify and manage new risks considering in particular, the impact and probability of the risk occurring.

Key strategic risks centre on the management and levels of investment in our stock, particularly the delivery of our repairs and planned maintenance services and the understanding of our stock. Recent publicity around the impact of damp and mould and disrepairs in the sector highlighted by the media has led us to review our approach to managing reporting and taking action in these areas. Other external challenges included; cyber security threats; general data protection, impact of the Building Safety and Fire Safety Acts following Grenfell. Other challenges include meeting the targets on decarbonisation and net zero; managing the impact of the War in Ukraine and other external factors on higher energy costs and the cost of living crisis which are affecting the Trust's rental stream and costs and our tenants income. Finally, and importantly we are also striving to meet the new consumer Regulation standards and Tenant satisfaction which is critical to our corporate plan.

During the year, the Trust began reviewing its approach to the delivery of its Asset Management Strategy particularly the delivery and administration of day-to-day repairs and planned maintenance. We appointed Pinnacle to support us with planned maintenance in April 2022 and during the year we extended this contract to 2024. The results of our stock condition survey were reported in June and are enabling us to develop our approach to managing and investing in our stock. In addition, we have Energy Performance Certificates for most of our properties and aim to have them for all properties by the end of 2023. This will assist us in planning our decarbonisation programme and progress towards net zero. Landlord health and safety responsibilities are taken seriously by the Trust and during the year gas safety, electrical inspections, water safety and fire risks assessments and works were undertaken to ensure compliance with legislation.

The Trust reviewed Cyber Security risks during the year and updated its Cyber Security Policy in response and has insurance and support in place to manage these risks.

During the year, we joined other small housing associations in London to recruit a shared Tenant Sustainment Officer with specialist knowledge of the benefits system to provide support and assistance to both existing and new tenants helping them maximise their income. This and other tenancy sustainment activity helped protect our income stream.

Whilst the immediate impact of COVID-19 began to wane, we are now experiencing high inflation and increases in interest rates. As a result, we have faced inflationary pressures on our costs, particularly repairs and asset management costs. In addition, the government announced a cap to rents with September 2022 Consumer Price Index at 10.1%. The cap was set at 7% for general needs housing though Supported housing rents would still be based on CPI+1%. The Trust voluntarily capped 2023 rents at 9 % for supported housing tenancies.

Finally, in terms of managing financial risk the Trust prepared budgets, forecasts and a long-term financial plan which was stress tested to support the delivery of the Trusts strategic and operational objectives. These are regularly reviewed together with cashflow management and covenant reporting.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

FINANCIAL PERFORMANCE

Turnover in 2022/23 was £3,808k (2021/22: £3,687k) and expenditure was £3,461k (2021/22: £3,416k) generating an operating surplus of £838k (2021/22: £437k). The surplus for the year before pension costs was £800k compared to £388k in 2021/22. These surpluses enable the Trust to continue to invest in our properties and improve the services we provide to our tenants as well as delivering full compliance with lenders financial covenants.

Our key financial performance for the last 5 years is summarised in the table below:

Financial Performance	£000s	2022/23	2021/22	2020/21	2019/20	2018/19
Turnover		3,808	3,687	3,614	3,385	3,256
Operating Costs		3,461	3,416	3,103	3,082	2,997
Surplus on sale of properties		492	166	-	914	962
Operating Surplus		838	437	511	1,217	1,220
Net Interest and financing costs ⁽¹⁾		38	49	43	47	132
Surplus for the year ⁽²⁾		800	388	468	1,170	1,088

(1) Net interest and financing costs includes pension interest and 2018/19 includes breakage costs incurred as a result of repaying the Orchardbrook loan.

2) Surplus for the year excludes pension movements

Financial Position	£000s	2022/23	2021/22	2020/21	2019/20	2018/19
Housing Properties at cost ⁽¹⁾		34,593	34,529	34,374	34,068	31,784
Housing Properties at cost less depreciation		22,843	23,134	23,608	23,975	22,117
Loans		560	588	710	767	829
Deferred social housing capital grant/recycled capital grant fund		12,033	12,472	13,037	13,475	13,779
Cash in hand and on deposit		2,284	1,947	1,603	1,230	2,473
Reserves		11,716	11,032	10,535	10,492	8,806

(1) Housing property costs include work in progress of £1.6m -2019/20 and £4.0m – 2018/19

Financial Ratios/KPIs	2022/23	2021/22	2020/21	2019/20	2018/19
Weighted Average Interest Rate	4.88%	5.46%	5.14%	5.40%	5.60%
Operating cost per managed home	£8,851	£8,693	£7,875	£7,923	£7,908
Debt per home managed	£1,432	£1,496	£1,802	£1,972	£2,187

Cash in hand and on deposit at the year-end increased to £2.3m (2021/22: £1.9m).

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

PERFORMANCE AND BENCHMARKING

A critical aspect of our Corporate Plan is to deliver services to our tenants, maintain our homes and grow. Continuous improvements in our performance and delivery of value for money are important to the Trust as we recognise that our costs are higher than some other providers; as we are a small charity operating in a regulated social housing sector; based in London; providing homes and services to older people. This is recognised in the Regulators publication of Global Accounts and value for money metrics. We also have limited ability to determine the rents we charge and therefore we seek to control our costs and maximise other income to generate surpluses which are reinvested in our stock and services or building new properties.

The table below sets out the Trust's performance and benchmarks against our own internal targets.

The key operational performance measures that we use are set out below:

Financial Performance	£000s	Target	2022/23 Actual	2021/22 Actual	2020/21 Actual	2019/20 Actual
Rent Arrears – adjusted - £ ⁽¹⁾		£115k	£116k	£116k	£128k	£110k
Rent Arrears % adjusted - % ⁽¹⁾		3.5%	3.4%	3.5%	3.9%	3.7%
Rent Collection		101%	99.5%	101%	100.2%	97.4%
Number of voids		42	42	47	43	45
Void Average re-let time (days) ⁽²⁾		30	35	46	46	36
Void losses		£110k	£99.6k	£103k	£94k	£80k
Emergency repairs completed within target		90%	99%	100%	97%	100%
All Repairs completed on time		90%	92%	72%	96%	97%
Gas Safety Certificate (LSGR)		100%	99%	97%	100%	100%
Customer overall Satisfaction with new repair - average		90%	90%	86%	90%	-
Total maintenance and major repairs per unit		£2,935	£3,141	£3,216	£2,089	£2,678

(1) Current tenant arrears adjusted for timing differences of outstanding housing benefit and universal credit payments received in early April was £116k. Adjusted arrears take account of housing benefit received in April 2023 and adjusted for rents relating to the first few days of 2022/23.

(2) Excludes long term voids

All KPIs are kept under review by the Leadership Management Team and reported to the Board regularly. We monitor performance against our targets and previous year results as well as comparable housing providers in the Small Providers Benchmarking Group (SPBM) and the National Housing Federation's G320 group.

We benchmark our performance with Acuity the national smaller housing association benchmarking network who work in partnership with HouseMark, who benchmark the performance of housing providers with up to 1,000 homes. We use the information to identify where we need to deploy our resources, to improve performance.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

REVIEW OF THE YEAR

Enhanced Housing Support and Tenant Engagement

We continue to provide extra support to our sheltered housing tenants which is funded through an eligible housing benefit Enhanced Housing Management service charge. We have continued to hold tenant activities including coffee mornings, a weekly café at Abyssinia, creative art classes and had summer barbeques and various other events at our main schemes. We also offered warm spaces for our tenants in the Trusts communal areas during the cost of living and energy crisis to help reduce day to day living costs as well as promote government grants to our tenants.

Housing Management Services

We welcomed 24 new tenants to the Trust during the year at our schemes and street properties. Many of our new tenants were supported in making applications for housing benefit and universal credit claims as part of the new tenancy sign up process. Around 80% of the Trust's rent is paid through housing benefit and universal credit. Our housing management team provide support to new and existing tenants in making new housing benefit and universal credit claims plus where there has been notification of a change of circumstances.

We employed a Tenant Sustainment Officer as a shared resource with three other Housing Associations who helped over 20 tenants during the year. The work of the Tenant Sustainment Officer included reviewing tenants' income, current entitlements and assessing the benefits that they may be entitled to but not receiving. Last year our Tenant Sustainment Officer supported our tenants in successful claiming, personal independence payments, pension credit, state pension, bereavement support payments, spouse pension, Attendance allowance, council tax refunds/awards, employment support allowance, in addition to core universal credit and housing benefit claims. We have seen some tenants' income improve by as much as £170 per week and with one tenant receiving £4k in backdated payments.

Reducing rent arrears and rent collection are two key performance indicators that are monitored by the Board quarterly and by management more regularly. We work collaboratively with tenants to help them maximise their income which also helps our tenants stay up-to-date with rent payments and sustain their tenancies. For the Trust, it means a more reliable cash flow, which enables delivery of operational and strategic works including investing in our existing homes and homes for the future.

Rent arrears resulting from housing benefit and universal credit remained on target at the end of the year with the support of the Tenant Sustainment Officer and Housing Team.

Managing voids and new lettings

Over the year we had 45 void properties of which 32 were re-let which includes 8 internal transfers. Voids are regularly monitored to minimise losses to the Trust and the void turnaround times improved compared to 2021/22. There were three major void works including one subject to an insurance claim following flooding due to adverse weather conditions in 2022. Many of our tenants occupy their homes for many years so when their homes become vacant works may be significant and therefore the turnaround time can be longer than the sector average. Finally, the London Borough of Haringey nominate people over 45 for our street properties and over 55 for our sheltered accommodation which can take longer than expected to let. To reduce this risk and continue to let at social rent, we have an ongoing partnership with Haringey's Private Rented lettings team.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

REVIEW OF THE YEAR (continued)

Asset Management

Day to day repairs

We have partnered with Newlon Housing Trust (Newlon) to manage our day to day and voids services with Wates operating as the main contractor, Wates successfully cleared the backlog of works which had built up during COVID-19 and normal services have now resumed. We held regular performance management meetings with Newlon which has helped drive improvements in communication and ultimately to the repairs service provided to our tenants.

We have seen rising costs of materials and labour following the COVID-19 pandemic and the cost of living crisis arising from the Russian invasion of Ukraine and other economic factors. The Trust continues to explore ways to deliver better value and customer service.

Compliance with Landlord Obligations

The Trust takes its Health and safety obligations seriously as a landlord and one of its foremost priorities is to ensure our homes, estates and neighbourhoods are safe and secure for our residents and their families and members of the public. Our main compliance functions are around gas safety, electric safety, asbestos management, fire safety, lift management and water hygiene. During the year, the following works were undertaken this regard:

- We completed fire risk assessments to all our street properties and all our sheltered schemes during the financial year. Our contractors are working through the recommendations from the assessments and we have a plan to complete all actions in 2023/24.
- New boilers were replaced in 19 homes and 2 communal boilers were renewed.
- We commenced a programme of surveys for Energy Performance Certificates (EPC) for some of our homes to better understand how energy efficient they are and inform our future plans to improve energy efficiency and save tenants costs in heating their homes.

We established a partnership with Pinnacle Housing Limited to coordinate, administer and provide a professional oversight over all our compliance areas. This partnership is delivering value for money to the Trust and we have extended the contract to March 2024.

Investment in our homes

We completed a stock condition survey which is being used to inform our asset management strategy and 30-year investment plan. The stock condition survey outcomes as well as the energy performance surveys will be used to develop a strategic plan to meet the requirements of the decarbonisation agenda and other capital investment and decisions about homes that do not meet our standards. This will enable the Trust to make the best decisions in terms of planned works such as window replacements.

During the year we:

- completed the replacement of 4 new lifts at our schemes Abyssinia Court, Margaret Hill and Hillfield at a cost of £435k.
- procured the replacement of 9 new kitchens and 10 bathrooms at a cost of £180k which will be completed by May 2023.
- commenced internal decorations at Abyssinia Court, our largest supported housing scheme at a cost of £80k.
- commenced a small project of internal painting and redecoration of some of our properties which is scheduled to complete by June 2023.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

LOOKING AHEAD – FINANCIAL YEAR 2023/24

We expect a busy year and the Board and the Leadership Management Team will continue to strive to deliver improved services to our tenants, management of our assets and financial resilience. As we enter the final year of our current corporate plan, our Board and LMT will be working on the vision and strategy for the next 5 years from 2024.

SMARTER

We will be developing our IT systems and hardware to ensure that we improve our data records on our tenants and homes and make the management and support from our staff more efficient and effective. We will involve our tenants more actively across all areas to sharpen up our services and bring new ideas. Some of our key contracts such as cleaning and grounds maintenance will be re-procured to focus on improved efficiency and driving more social value. We shall also build on the important partnership work we do and develop more of it. Our Board reporting will be refined to ensure performance information is clear and scrutiny is focused most effectively.

BETTER

As well as putting our tenant engagement strategy into action, we will carry out a full tenant perception survey across all of our tenants to ensure we have high quality and diverse opinion on how well we are doing and what needs to get better. Empathy will be a key focus for our staff as we reshape our services to meet the needs of older people in Haringey in 2023. Working with Pinnacle, we will further improve our compliance activity to ensure our homes and buildings are safe in occupation and we'll continue the important work we are doing to ensure fire safety and dealing with damp and mould.

We are carrying out a review of our day to day repairs service as we plan for the expiry of the current arrangements in 2024. We are looking to increase our responsiveness and ensure we continue to improve the service provided to tenants for the maintenance of their homes and our common spaces. We will also be in a better position to prepare our decarbonisation plans to increase the energy efficiency of our homes and make other improvements based on the information we have from our stock condition survey and energy performance assessments.

STRONGER

Key to the Trust's strength is the quality and commitment of its employees. The Trust is committed to the development of the skills and expertise of its staff so that they are fully equipped to deliver the Trust's strategic and operational objectives. We will introduce a new HR system this year to better support our staff, provide improved performance management and offer training and benefits to ensure they have the skills and incentives to deliver the best for our tenants.

We have the ambition to undertake future development to meet those in housing need and have engaged North River Alliance, a specialist development partnership to assist us with those plans.

During 2023/24, we will develop our strategy in this area and consider which developments to embark on having undertaken robust financial and development appraisals. In addition, a small element of our housing stock is increasingly less suited to the current and future needs of our tenants due to age and layout. Accordingly, we have implemented an Asset Management Strategy and revised our Business Plan to incorporate the disposal of a small number of our existing dwellings. To help fund their replacement and provide new homes we completed on a new funding facility of £5 million in April 2022.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

VALUE FOR MONEY

Delivering Value for Money (VfM) is key to the Trust's success and delivery of its business plans objectives. It is a measure used to assess the level of Economy, Efficiency and Effectiveness given the resources available.

- **Economy:** minimising the cost of resources used while having regard to quality
- **Efficiency:** the relationship between the output from goods or services and the resources to produce them
- **Effectiveness:** the extent to which objectives are achieved and the relationship between intended and actual impacts.

VfM metrics are used as a tool to measure and improve business health, asset management, and growth; protecting and investing in assets and delivering customer satisfaction. Delivering value for money has been challenging this year due to competing demands for resources and the implications, financial and otherwise, of the recovery from the COVID-19 pandemic and of other economic shocks.

The Value for Money Approach and Statement

The Trust's mission "is to help older and vulnerable people in the London Borough of Haringey to live securely and independently by providing good quality homes, value-for-money services, and additional background support." The vision is supported through the three objectives that are embedded within the Trust's business plan being: SMARTER, BETTER and STRONGER.

The Board's approach to delivering value for money included the adoption of a Value for Money Statement that focused on the Purpose, Priorities, Outcomes and Targets of the Trust. The Trust's Value for Money Statement aligns to the Trust's business plan and sets our clear priorities and outcomes to support its mission statement which are noted below.

Value for Money Purpose:

VfM is an integral part of the business plan 2020-24. Our approach to achieve successful delivery of the plan, was to agree four VfM priority areas which are shown below.

Value for Money Priorities:

- Maximising the Trust's income
- Pro-active Asset Management
- Target to maintain our social housing management costs at the median peer group
- Providing services that satisfy our customers as well as delivering social value.










Value for Money Outcomes and Targets

The Regulator of Social Housing's Value for Money Standard and accompanying Code of Practice came into effect in April 2018. The standard includes a requirement to publish a robust self-assessment which is transparent and accessible to stakeholders on how VfM is achieved.

Our measures of success include delivery of the budget and business plan objectives incorporating the VfM priorities. The Trust has also used the Regulators seven VfM metrics alongside benchmarking against our peers to assess performance as shown in the table overleaf.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

Value for money, performance and development during the financial year

Measure ⁽¹⁾	2022-2023	2021-2022	2020-2021	Change from last year	Target Budget 2022-23	Peer Group Median-HoP-2022 ⁽²⁾	Regulator of Social Housing Metric reference ⁽³⁾
Business Health							
EBITDA MRI interest cover ⁽⁴⁾	1189%	1475%	1736%		1137%	146%	4
Operating margin % social housing lettings only	7.9%	6.3%	12.7%		5.2%	16.1%	6a
Operating margin % overall	9.6%	8.4%	14.5%		6.9%	13.4%	6b
Growth							
New supply delivered - social housing homes	0.0%	0.0%	1.3%		0.0%	1.0%	2
New supply delivered - non-social housing homes	0.0%	0.0%	0.0%		0.0%N	0.0%	2
Gearing %	(5.0%)	(3.9%)	(2.6%)		(3.1%)	43.2%	3
Headline social housing cost per unit £	8,327	7,283	6,049		7,974	5770	5
Asset Management							
Return on Capital Employed (ROCE)	3.5%	1.8%	2.1%		2.8%	2.6%	7
Growth							
Reinvestment % Development	1.9%	1.0%	1.1%		1.9%	4.5%	1

(1) Descriptions of all measures are shown on page 21

(2) Peer Group Median HoP - Housing for older People metric from the Regulator of Social Housing's Value for Money metrics and reporting 2022 – Annex to 2022 Global Accounts

(3) Regulator of Social Housing (RSH), reference to the RSH metric numbers and definitions are shown on page 21

(4) EBITDA MRI - Earnings before interest, tax, depreciation, amortisation, and major repairs investment.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

VALUE FOR MONEY METRICS – Definitions

The Regulator of Social Housing has identified a number of metrics that Housing Providers need to report on and has defined them as below:

1. **Reinvestment %** - This considers the level of investment into the business; this has increased year on year reflecting the increasing level of investment in our existing assets during the year.
2. **New Supply metrics** - This metric reports on new homes. The Trust had no significant development activity in recent years therefore no new supply has been delivered.
3. **Gearing** - This looks at debt that the Trust carries in relation to the value of its housing properties. The Trust has traditionally had low levels of borrowing and financed its current development from cash reserves, grant and fixed asset sales therefore gearing has remained low. As capital repayments have continued with no new borrowing to date gearing has continued to fall.
4. **Earnings before interest, tax, depreciation, amortisation and major repairs investment (EBITDA-MRI)** - This metric compares the surplus generated in the year together with investment in major repairs against the amount of interest payable. The results for 2022/23 are strong and reflect the low level of borrowings of the Trust. However, EBITDA-MRI fell compared to 2021/22 which is mainly attributed to the increase in the level of capital investment in existing stock in 2022/23.
5. **Headline social housing cost per unit** - This considers the cost of running social housing units and includes all repairs, maintenance, service charge and capital costs divided by the number of housing units. The results show an increase in costs in part driven by an increase in day-to-day repairs and catch up on planned maintenance activities post lockdown as well as the impact of inflation.
- 6a. **Operating Margin (Social housing lettings only) %** - This metric looks at the operating surplus from social lettings divided by income from social lettings and excludes fixed asset sales. This metric shows margins have increased compared to 2021/22 mainly due to increased income from rent and service charges.
- 6b. **Operating Margin (overall)** - This looks at operating surplus including any gain/ (loss) on fixed asset sales, divided by all income. The improvement in margins in 2022/23 is partly due to the increase in sales proceeds in the year with two property sales in 2022/23 and one sale in 2021/22.
7. **Return on capital employed (ROCE) %** - This metric reports on operating surplus (including any gain / loss on disposal) divided by total assets, less current liabilities. This has increased in 2022/23 as a result of increased capital investment in existing homes mainly on lifts and boilers.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

VALUE FOR MONEY PRIORITIES

The four priorities identified in the 2020-2024 Corporate plan and targets for 2023/24 are:

Priorities	Current Performance	Future Performance
<p>1. To maximise the Trust's income</p> <ul style="list-style-type: none"> ➤ Effective rent collection ➤ Support and advise tenants to access benefits and grants ➤ Recovery of housing management service costs ➤ Supporting the sustainment of tenancies for residents. 	<p>The VfM metric 4 (EBITDA-MRI) has fallen year on year mainly due to the increase in capital investment in lifts and boilers compared to 2021/22.</p> <p>VfM metric 6 (Operating Margin) improved mainly due to rent and service charges increasing but also because costs were in line with 2021/22 expenditure.</p>	<p>Looking ahead, we will continue to focus attention on rent collection and sustaining tenancies.</p> <p>A review of key services and re-procurement of contracts engaging our tenants in the process will be undertaken to deliver better value for money and customer service.</p>
<p>2. Pro-active asset management</p> <ul style="list-style-type: none"> ➤ Redevelopment opportunities ➤ Reinvestment in poorer performing assets, funded via sales where assets are uneconomical to retain ➤ Reinvestment in assets to ensure homes are safe and comply with all legislative requirements ➤ Active management of planned and major repair requirements, phased where appropriate. 	<p>The VfM metric 1 (Reinvestment) and metric 7 (Return on Capital Employed- ROCE) improved slightly. This reflects the capital investment in lifts, boilers, kitchens and bathrooms.</p> <p>The VfM metric 2 (new development shows no change from last year. This is expected as we have had delays in starting developing due to COVID-19 and other factors.</p> <p>The VfM metric 3, (gearing) has improved reflecting schedule repayments of £28k to Lloyds Bank PLC on its Loan Balance which was £588k at the start of the year and £560k at the year-end (n.b. it is negative as cash balances exceed borrowing).</p> <p>Finally, we signed a £5m, 25 year loan agreement in April 2022. This is currently undrawn and will finance our development aspirations and investment initiatives in existing homes.</p>	<p>Our Asset Management Strategy will be reviewed and updated to ensure our homes meet both our internal standards and decent homes standards.</p> <p>We will focus on the re-provision of the day to day repairs service.</p> <p>The Asset Management strategy will be informed by the 2022/23 stock condition survey and will also focus on decarbonisation.</p> <p>We will review key contracts and develop a procurement programme engaging with our tenants to drive up VfM and customer satisfaction.</p> <p>We will engage with partners Altair and the North River Alliance to support us with our development aspirations and grant funding to deliver new homes in Haringey.</p> <p>We will review systems and process to make better use of information technology to support the efficient delivery of operations.</p>

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

VALUE FOR MONEY PRIORITIES (continued)

Priorities	Current Performance	Future Performance
<p>3. Target to maintain our social housing management costs at the median peer group</p> <ul style="list-style-type: none"> ➤ Identification of appropriate peer group (Housing for older people within general needs & supported providers) ➤ Consider offering or receiving partnership service opportunities with other Housing Associations. ➤ The Trust is a member of Acuity which benchmarks smaller housing associations. 	<p>The VfM metric 5 (headline social housing cost per unit) has increased significantly due to inflation which was around 10% for much of the year as well as the increasing volume of repairs post COVID-19.</p> <p>This metric includes capitalised major repairs and during the year we had a significant capital programme replacing four lifts, kitchens, bathrooms and boilers which contributed to the increase in costs.</p> <p>We procured Information Technology, Human Resource consultancy, photocopier, telephony and other services focusing on delivering VfM.</p> <p>Value for Money is not just about cutting costs but also delivering improvements and we commenced a review of our Finance & customer relationship management systems improve how they support us in managing services.</p>	<p>Looking ahead to 2023/24 we will work with our Partners to extract best value from our contracts including Pinnacle, Newlon, project management consultants, insurers and contractors to contain cost and deliver better value for money.</p> <p>North River Alliance will support the Trust in our development aspirations.</p> <p>We will partner with similar small housing associations to provide tenancy sustainment support for our tenants and forge relationships to learn from each other and bring innovation and improvements within the Trust.</p> <p>We will continue to review services and processes and embed VfM in the business, seeking to re-procure contracts and deliver value for money.</p>
<p>4. To provide services that satisfy our stakeholders as well as deliver social value</p> <ul style="list-style-type: none"> ➤ Introduce social value impact assessments ➤ Use customer feedback to review quality of service provision. 	<p>Our key stakeholders include tenants, suppliers and the London Borough of Haringey.</p> <p>During the year we improved our gathering of information on customer satisfaction on repairs and other services through customer surveys and increasing tenant engagement activities. We also invited tenants to join a Tenants Panel and were in discussions with organisations to support us with Tenant engagement.</p>	<p>Looking ahead to 2023/24 we will focus on tenant engagement and involve tenants more in decision-making across all service areas, to ensure that tenant experience informs future delivery. We will also renew our procurement policy to ensure that it delivers on a range of metrics including social value.</p> <p>We will also aim to strengthen our profile and partnership with Haringey Council as a quality provider of older persons housing in the borough.</p>

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

STATEMENT OF BOARD'S RESPONSIBILITIES

The Co-operative and Community Benefit Societies Act 2014 and related social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records and disclosing with reasonable accuracy at any time the financial position of the Trust, to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing 2022. The Board has a general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

So far as each board member is aware, there is no information relevant to the audit of which the organisation's auditors are unaware and each Board member has taken all of the steps that he/she ought to have taken as a Board member in order to make himself/herself aware of any such relevant information and to establish that the Trust's auditors are aware of that information.

GOING CONCERN

The financial statements have been prepared on the basis that the Trust is a going concern and will be able to continue operating for the foreseeable future. The budget for 2023/24 and the long-term financial plan are both updated annually and stress tested to demonstrate financial viability. The impact of the recent rent cap, COVID-19, the Russian invasion of Ukraine, cost of living crisis, energy prices, inflation, voids losses, rent arrears and changes to the benefit systems as well as capital investment in stock has all been taken into account. The long-term financial plan has been stress tested against various scenarios and sensitivity testing. The plan included consideration of mitigations where material changes occurred thereby ensuring a robust plan was built. The budget and long-term financial plans were tested against the Lender's financial covenants, the Trust's internal Golden Rules and key Value for Money metrics.

The Board after due consideration is of the view that there is a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future, being at least twelve months after the date on which the annual report and financial statements are signed. Accordingly, the Trust continues to adopt the going concern basis in preparing these financial statements.

RSH Regulatory Framework

The Board has received and reviewed the Chief Executive's annual review of the effectiveness of the system of internal controls. The Board also confirms that the Trust has met the Regulator of Social Housing's regulatory expectations on the governance and financial viability standard.

NHF Code of Governance

The Trust adopted the 2020 NHF Code of Governance in April 2022 and put in place an action plan to deliver full compliance with the Code. The Trust is making good progress towards achieving full compliance and will continue to work towards achieving this during 2023/24.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2023

STATEMENT ON THE TRUST'S SYSTEMS OF INTERNAL CONTROL

The Board acknowledges its overall responsibility for establishing and maintaining the system of internal control and for reviewing its effectiveness. It recognises that no system of internal control can provide absolute assurance or eliminate all risks and the internal control framework is designed to manage and reduce rather than eliminate the risk of failing to achieve key business objectives.

The internal control framework and risk management processes are subject to review by the Board with delegated authority given to the Audit and Risk Committee to review and report to the Board. These processes have been further strengthened by the appointment of TIAA in 2019 as internal auditors who have undertaken a comprehensive programme to audit the Trust's internal controls as well as a governance review undertaken by Campbell Tickell.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance processes. This includes a regular evaluation of the nature and extent of risk to the Trust. Key elements of the control framework include:

- Rules and standing orders
- Board approved terms of reference and delegated authorities for Audit and Risk Committee
- Risk management framework overseen by the Audit & Risk Committee and reported to the Board
- During the year the Board has reviewed and improved its risk management framework.
- A framework of written policies and procedures
- Financial reporting systems including reviews and approval of the long-term financial plan, budgets, forecasts and management accounts by the Board and the Audit & risk Committee
- Treasury management policy, reporting monthly and quarterly cashflow forecasting and regular monitoring of loan covenants
- Internal Audit provided by TIAA with reports and monitoring by the Audit & Risk Committee. TIAA also submit an annual independent assurance report to the committee and Board
- Code of Conduct and registers for hospitality and declaration of interests
- The Board approved fraud, whistleblowing and disposal policies and its financial standing orders. A fraud register is also maintained
- Reports of proceedings and minutes from committees and the Board.

The Board confirms that there is an ongoing process for identifying, evaluating, and managing significant risks faced by the Trust which has been updated over the course of the year. The Board confirms that this Report of the Board has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers.

For and on behalf of the Board.

CHAIR *June Barnes*
June Barnes (Aug 2, 2023 14:25 GMT+1)

Date: 02/08/2023

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORNSEY HOUSING TRUST LIMITED

Opinion

We have audited the financial statements of Hornsey Housing Trust Limited (the 'Trust') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the 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 Trust's affairs as at 31 March 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Trust 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the Report of the Board and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORNSEY HOUSING TRUST LIMITED

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 in relation to which 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 Trust has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the statement of Board's Responsibilities set out on page 24, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained a general understanding of the Trust's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the Trust's industry and regulation.

We understand that the Trust complies with the framework through:

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORNSEY HOUSING TRUST LIMITED

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and the Audit Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing;
- The Board's close oversight through regular board meetings and compliance reporting; and
- A programme of internal audit performed by an independent firm of internal auditors.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Trust's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Trust:

- FRS 102, the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations;
- Reviewed any correspondence between the Regulator of Social Housing and the Trust; and
- Reviewed internal audit reports.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur. The key area identified as part of the discussion was with regard to the manipulation of the financial statements through manual journal entries.

The procedures carried out to gain evidence in the above area included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Trust's processes and controls surrounding manual journal entries; and
- Reviewing and challenging estimates made by management.

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

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORNSEY HOUSING TRUST LIMITED

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street,
London,
EC2V 7BG

Date 02/08/2023

HORNSEY HOUSING TRUST LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	2	3,808,243	3,686,670
Operating expenditure	2	(3,460,554)	(3,416,247)
Surplus on the sale of fixed assets – housing	6	<u>491,014</u>	<u>166,321</u>
Operating surplus		838,703	436,744
Interest receivable and other income	7a	12,749	496
Interest payable and similar charges	7b	(51,022)	(49,420)
Surplus for the year		<u>800,430</u>	<u>387,820</u>
Other comprehensive income for the year			
Actuarial loss on Defined benefit pension liability	10	(116,000)	109,000
Effects of SHPS transition adjustment	10	-	-
Total comprehensive income for the year		<u>684,430</u>	<u>496,820</u>

The Trust's results relate wholly to continuing activities and the notes on pages 34 to 56 form an integral part of these financial statements

HORNSEY HOUSING TRUST LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

TANGIBLE FIXED ASSETS

		Mar-23 £	Mar-22 £
Housing Properties	11	34,592,600	34,529,127
less: Property Depreciation	11	(11,749,927)	(11,390,711)
		22,842,673	23,138,416
Other fixed assets	12	339,369	364,875
TOTAL FIXED ASSETS		23,182,042	23,503,291

CURRENT ASSETS

Debtors	13	379,179	244,647
Cash at bank and in hand		2,284,415	1,947,293
		2,663,594	2,191,940

CREDITORS: amounts falling due within one year	14	(1,488,892)	(1,461,032)
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NET CURRENT ASSETS		1,174,702	730,908
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TOTAL ASSETS LESS CURRENT LIABILITIES		24,356,744	24,234,199
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CREDITORS: amounts falling due after more than one year	15,16	(12,121,515)	(12,708,026)
Defined benefit pension liability	10	(519,223)	(494,594)

TOTAL NET ASSETS		11,716,006	11,031,579
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CAPITAL AND RESERVES

Called up share capital	17	13	16
Revenue reserve	18	11,715,993	11,031,563
TOTAL RESERVES		11,716,006	11,031,579

These financial statements were approved by the Board and authorised for issue on 27 July 2023 and signed on its behalf by:

CHAIR June Barnes
June Barnes (Aug 2, 2023 14:25 GMT+1)

Anne Waterhouse
Anne Waterhouse (Aug 2, 2023 15:00 GMT+1)
BOARD MEMBER

Euan S Barr
Euan S Barr (Aug 2, 2023 15:04 GMT+1)
SECRETARY

The notes on pages 34 to 56 form part of these financial statements

HORNSEY HOUSING TRUST LIMITED
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 31 MARCH 2023

	Income & Expenditure Reserve	Major Repairs Reserve	Development Reserve	Total Reserves
	£	£	£	£
Balance as at 31 March 2022	11,031,563	-	-	11,031,563
Surplus from Statement of Comprehensive Income	684,430	-	-	684,430
Transfer between reserves	-	-	-	-
At 31 March 2023	11,715,993	-	-	11,715,993

	Income & Expenditure Reserve	Major Repairs Reserve	Development Reserve	Total Reserves
	£	£	£	£
Balance as at 31 March 2021	10,534,743	-	-	10,534,743
Surplus from Statement of Comprehensive Income	496,820	-	-	496,820
Transfer between reserves	-	-	-	-
At 31 March 2022	11,031,563	-	-	11,031,563

The notes on pages 34 to 56 form part of these financial statements

HORNSEY HOUSING TRUST LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2023

		2023 £	2022 £
Net cash inflow from operating activities	19(a)	467,510	674,193
Cashflow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(634,069)	(314,471)
Purchase of other tangible fixed assets		(34,889)	(55,114)
Development expenditure		(19,090)	(20,160)
Grant Paid		(11,177)	-
Proceeds from the sale of tangible fixed assets housing properties		635,110	230,168
Interest received		12,749	496
		-	-
Net cash used in/generated from investing activities		(51,366)	(159,081)
Cashflow from financing activities			
Interest paid		(51,022)	(49,420)
Repayment of borrowings		(28,000)	(121,835)
Net cash used in financing activities		(79,022)	(171,255)
Net change in cash and cash equivalents		337,122	343,857
Cash and cash equivalents at start of the year		1,947,293	1,603,435
Cash and cash equivalents at end of the year		2,284,415	1,947,293

Both FRS102 and the Housing SORP 2018 requires a net debt reconciliation note. This has been included within Note 19b of the financial statements.

The notes on pages 34 to 56 form part of these financial statements

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES

Legal Status

The Trust is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 number 11578R and is registered with the Regulator of Social Housing, number L0719 as a Private Registered Provider of Social Housing. The registered office is 62 Mayfield Road, London N8 9LP.

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers: Housing SORP 2018.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting and are presented in sterling £.

The Trust is a public benefit entity, as defined by FRS 102 (3.3A) and the financial statements have been prepared in compliance with FRS102.

Basis of consolidation

The subsidiary company, Hornsey Care and Support Limited is not consolidated on the grounds of immateriality, as the company had no activity in the current or prior period.

Going concern

The financial statements have been prepared on the basis that the Trust is a going concern and will be able to continue operating for the foreseeable future.

The budget for 2023/24 and the long-term financial plan are both updated annually and stress tested to demonstrate financial viability. The impact of the recent rent cap, COVID-19, the Russian invasion of Ukraine, cost of living crisis, energy prices, inflation, voids losses, rent arrears and changes to the benefit systems as well as capital investment in stock and access to funds has all been taken into account.

The long-term financial plan has been stress tested against various scenarios and sensitivity testing. The plan included consideration of mitigations where material changes occurred thereby ensuring a robust plan was built. The budget and long-term financial plans were tested against the Lenders financial covenants, Golden Rules and key Value for Money metrics.

The Board after due consideration is of the view that there is a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future, being at least twelve months after the date on which the annual report and financial statements are signed. Accordingly, the Trust continues to adopt the going concern basis of accounting in preparing these financial statements.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Turnover and revenue recognition

Turnover represents rental and service charge income receivable, amortised capital grant, income from the sale of properties and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for letting, net of voids. Income from property sales is recognised on legal completion.

Enhanced Housing Management Charges

Enhanced Housing Management Charges are support charges for tenants in supported housing. This income included in the rent is included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Service charges

Service charge income and costs are recognised on the accruals basis. The Trust operates fixed service charges for all properties. The Trust does not operate a service charge sinking fund.

Tangible fixed assets and depreciation

Depreciation of fixed asset

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of non-financial assets

Reviews for impairment of housing properties are carried in accordance with FRS102 when a trigger has occurred. Any impairment of a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a review of both the existing housing stock and property in development, none of the indicators identified in Section 27 of FRS 102 and section 14 of the Housing SORP have been triggered and therefore no impairment has been identified.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Depreciation of housing properties

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

Major components are accounted for separately and depreciated over their individual useful economic lives, or the lives of the structure to which they relate, if shorter, at the following rates:

Asset	Life	Asset	Life
Boilers	15 years	Central Heating systems	30 years
Kitchens	20 years	Electrics	40 years
Lifts	25 years	Roofs	50 years
Bathrooms	30 years	Host Structure	50 years
Windows	30 years		

Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

Properties held on long leases are depreciated over their estimated useful lives (less than 50 years), or the remaining term of the lease, if shorter. The Trust depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Other tangible fixed assets

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

Asset	Life
Freehold office premises	30 years
Commercial properties	50 years
Furniture, fittings and equipment	5 years
Computer equipment	3 years

The Office at West Green Road is categorised as a commercial property as it is used for social purposes and not as an investment property.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Investment property

The Trust does not hold any investment property.

Cash and cash equivalents

Current assets include cash and funds on deposits invested for periods of more than three months.

Short-term debtors and creditors

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

Interest Income

Interest income is recognised using the effective interest rate method.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grant (SHG) received specifically for items of cost written off in the Statement of Comprehensive Income is included as part of Turnover.

SHG must be recycled by the Trust under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Regulator of Social Housing and Greater London Authority. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Social Housing and other grants relating to housing properties are amortised over the life of the Host structure, 50 years.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Recycling of capital grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition or development of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year. Recycling capital grant can, in certain circumstances be abated when sale proceeds are less than the original cost.

Employee benefits

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

Retirement benefits

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

Pension and other post-employment benefits

The Trust operates a defined contribution pension scheme which is part of a multi-employer scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension costs included in these financial statements represent contributions payable by the Trust to the fund, which in turn represent a regular pension cost over the average service lives of employees.

The Trust has material obligations under a defined benefit pension scheme, the Social Housing Pension Scheme (SHPS). In the Statement of Financial Position, the assets of the scheme are measured at fair value and the liabilities are measured on an actuarial basis, discounted at a rate equivalent to yields on "high quality" corporate bonds of appropriate duration and currency, or a suitable proxy. The resulting net asset or liability is then presented separately on the face of the balance sheet as a provision. Current service costs and net financial returns are included in the Income Statement in the period to which they relate. Any actuarial gains or losses for the year are taken to the Statement of Other Comprehensive Income.

Taxation

The Trust's activities are charitable and are therefore not subject to tax to the extent that they are applied for charitable purposes.

Value Added Tax

The Trust is registered for VAT and is part of a VAT group with its subsidiary Hornsey Care and Support Limited. The Group is partially exempt for VAT purposes.

Reserves

The Trust has general reserves only.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

All financial instruments are initially measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the Trust may incur on sale or other disposal.

Financial instruments held by the Trust are classified as follows:

- Cash is held at cost
- Financial assets such as deposits and other receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as loans are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment.

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. The following financial instruments are assessed individually for impairment:

- All equity instruments regardless of significance; and
- Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured at cost or amortised cost as follows:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income immediately.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT JUDGEMENTS AND ESTIMATES

JUDGEMENTS

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- **Capitalisation of property development costs**

Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs, requires judgement. After capitalisation management monitor the project/asset and consider whether changes indicate that impairment is required or costs should be written off as abortive. The total amount capitalised in the year was £19k (2022: £20k).

- **Identification of housing property components**

The Trust accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different lives. Judgement is used in allocating property costs between land and the individual components and in determining the useful lives of each component. The identification of such components may therefore have a material impact on the depreciation charge as a result.

ESTIMATION UNCERTAINTY

Information about estimates and assumptions that have most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different and examples of these include:

- **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent home standards which may require more frequent replacement of key components. Accumulated depreciation for housing properties at 31 March 2023 was £11,750k (2021/22: £11,391k).

- **Bad debt provision**

The rent and service charge debtors recorded in the Statement of Financial Position is £359k (2022: £304k) and comprises a relatively large number of small balances. A full line by line review of trade debtors has also been carried out and whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible. The provision net of write offs in the year has been increased to £275k (2021/22: £221k).

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

- **Housing property impairments**

Housing properties are annually assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the asset's carrying value net of amortised grant to its recoverable value. Recoverable amounts are based either on future cash flows or, for assets held for their service potential, depreciated replacement cost. The assessment of whether an asset is held for its service potential is a matter of judgement and in making that judgement the Board considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential.

Recoverable amounts for assets held for their service potential is assessed as the depreciated replacement cost which is the lower of (a) the cost of purchasing an equivalent property on the open market; and (b) the land cost plus the rebuilding cost of the structure and components. The Trust has no history of acquiring or selling properties from or to other registered providers. Where the carrying value of an asset is deemed to exceed its recoverable value, the asset is written down to its recoverable value. The resulting impairment loss is recognised as expenditure in the Statement of Comprehensive Income. No impairment charge was recognised against housing properties in the year (2021/22: £nil).

- **Defined benefit pension obligation**

Various estimates are in the calculation of the defined pension liability, such as discount rate, inflation, salary growth and mortality rates. The Pension Trust provided base assumptions which the Trust has reviewed for accuracy and appropriateness in calculating its share of net liabilities for the Social Housing Pension Scheme (SHPS); the assumptions are set out in note 10. In determining the appropriate discount rate, consideration of the interest rates of corporate bonds with at least an AA rating. Inflation is set by considering market expectations, salary growth is set by aligning with Trust's business plan and mortality rates have been adjusted to allow for any expectations of higher or lower life expectancy of scheme members due to geographic, socio-economic or demographic factors. The value of the provision is highly sensitive to relatively small changes in assumptions. Management have concluded that it was not necessary to adjust the base assumptions used in the scheme for the financial year 2022/23.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

2. PARTICULARS OF TURNOVER, COSTS OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Turnover	Operating costs	Surplus on sale of fixed assets	Operating surplus
	£	£	£	£
Year to 31 March 2023				
Social housing lettings (Note 3)	3,716,603	(3,422,119)	-	294,484
Other activities				
Surplus on disposal of fixed assets	-	-	491,014	491,014
Sundry Income	91,640	(38,435)	-	53,205
Total	<u>3,808,243</u>	<u>(3,460,554)</u>	<u>491,014</u>	<u>838,703</u>

	Turnover	Operating costs	Surplus on sale of fixed assets	Operating surplus
	£	£	£	£
Year to 31 March 2022				
Social housing lettings (Note 3)	3,607,460	(3,378,421)	-	229,039
Other activities				
Surplus on disposal of fixed assets	-	-	166,321	166,321
Sundry Income	79,210	(37,826)	-	41,384
Total	<u>3,686,670</u>	<u>(3,416,247)</u>	<u>166,321</u>	<u>436,744</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Needs housing £	Supported housing and housing for older people £	2023 Total £	2022 Total £
Rent receivable net of identifiable service charges	1,486,486	986,774	2,473,260	2,358,810
Service charge income	416,543	276,514	693,057	698,520
Care & Support charges	66,795	44,340	111,135	110,978
Amortised government grant (SHG)	263,941	175,212	439,153	439,152
Net rental income	2,233,765	1,482,840	3,716,605	3,607,460
Turnover from social housing lettings	2,233,765	1,482,840	3,716,605	3,607,460
Management	(168,941)	(112,148)	(281,089)	(233,839)
Service charge costs	(576,049)	(382,399)	(958,448)	(904,666)
Care & Support expenditure	(48,207)	(32,001)	(80,208)	(75,350)
Routine maintenance	(434,238)	(288,260)	(722,498)	(658,477)
Planned maintenance	(136,156)	(90,385)	(226,541)	(413,484)
Major repairs expenditure	(167,664)	(111,300)	(278,964)	(192,080)
Bad debts	(33,189)	(22,032)	(55,221)	(31,022)
Depreciation on all assets	(481,010)	(319,309)	(800,319)	(830,650)
Loss on disposal of fixed assets	(11,318)	(7,513)	(18,831)	(38,854)
Operating expenditure on social Housing Lettings	(2,056,772)	(1,365,347)	(3,422,119)	(3,378,422)
Operating surplus from social housing lettings	176,993	117,493	294,486	229,039
Void losses	59,877	39,748	99,625	106,127

4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

	2022 Total	Additions	Disposals	2023 Total
General needs housing social rent	225	0	(2)	223
Supported sheltered housing	156	0	0	156
Total social housing managed	381	0	(2)	379
Social housing units managed by others	12	0	0	12
Total owned units	393	0	(2)	391

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

5. OPERATING SURPLUS

	2023	2022
	£	£
The operating surplus is arrived at after charging/(crediting) the following:		
Grant Amortised	(439,152)	(439,152)
Depreciation of housing properties	748,914	731,290
Depreciation of other tangible assets	60,394	108,660
Surplus on disposal of tangible fixed assets	491,014	166,321
Auditors remuneration fees payable for the audit of annual accounts	31,763	24,498

6. SURPLUS ON SALE of FIXED ASSETS - HOUSING PROPERTIES

	2023	2022
	£	£
Disposal proceeds	635,110	230,168
Carrying value of fixed assets	(125,384)	(56,149)
Selling costs	(18,712)	(7,698)
Social Housing Grant previously amortised	-	-
Total	491,014	166,321

7a. INTEREST RECEIVABLE AND OTHER INCOME

	2023	2022
	£	£
Interest receivable on bank deposits	12,749	496
Total	12,749	496

7b. INTEREST AND FINANCING COSTS

	2023	2022
	£	£
Pension Interest	13,000	14,000
Loan Interest and Finance Costs	38,022	35,420
	51,022	49,420

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

8. DIRECTORS REMUNERATION

Disclosure is required of directors' remuneration. For this purpose, directors are defined as members of the Board and the Management Team.

	2023	2022
	£	£
The aggregate emoluments paid to or receivable by Executive Directors	<u>180,325</u>	<u>114,467</u>
The emoluments paid to the highest paid Director excluding pension contributions	<u>171,328</u>	<u>103,431</u>
Number of members of Management Team including Chief Executive	<u>1</u>	<u>1</u>

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the Trust of £8.2k (2022: £11.2k) was paid in addition to the personal contributions of the Chief Executive.

The Board members received no remuneration from the Trust during the year. Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Leadership Management Team or its equivalent. The above remuneration relates to one executive staff post.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

9. EMPLOYEES

	2023	2022
The average monthly number of persons (including the Chief Executive) employed during the year		
Administration (including the Chief Executive)	6	5
Housing Management	5	5
Scheme Managers /Support Workers (full time equivalent)	3	3
	14	13

	2023	2022
	£	£
Staff costs during the year:		
Wages and salaries	622,524	534,162
Social security costs	59,387	53,713
Other pension costs	45,420	45,885
	727,331	633,760

	2023	2022
Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the period:		
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
£80,001 - £90,000	Nil	Nil
£90,001 - £100,000	Nil	1
£101,000- £110,000	1	Nil

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

10. THE SOCIAL HOUSING PENSION SCHEME

The Trust's past employees are deferred members or pensioners of the Social Housing Pension Scheme (SHPS). Further information on these defined benefit schemes is given below.

With effect from September 2012, all active membership of the defined benefit pension schemes was ceased.

The Trust currently contributes to one defined contribution pension scheme, operated by SHPS.

Social Housing Pension Scheme (SHPS)

The Trust participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Trust 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.

Previously, the administrator of the scheme was unable to allocate the scheme assets to individual employers, and hence was unable to determine the deficit attributable to each employer. As a result, historically SHPS has been accounted for as a defined contribution scheme, with a liability being recognised in respect of the present value of the contributions payable to fund the deficit. This is consistent with the accounting treatment required by FRS 102 for all schemes of this nature. Although this treatment continues to apply for other multi-employer schemes that exist, the accounting for SHPS changed for the year ended 31 March 2019. The change has arisen as a result of a method of allocation being developed by the administrator that will allow each employer to recognise their share of assets and liabilities.

For accounting purposes, actuarial valuations for the scheme were carried out with effective dates of 31 March 2019, 30 September 2019 and 30 September 2020. The liability figures from each valuation were rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Trust's fair share of the Scheme's total assets to calculate the Trust's net deficit or surplus at the accounting period start and end dates.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

10. THE SOCIAL HOUSING PENSION SCHEME (continued)

Pension scheme liabilities recognised in the Statement of Financial Position

	2023 (£'000)	2022 (£'000)
Pension obligations recognised as Defined Benefit schemes	519	495
Pension obligations recognised as Defined Contribution schemes	-	-
Total pension scheme liabilities	519	495

Principal actuarial assumptions at the financial position date:

	2023 %	2022 %
Discount rate	4.88	2.79
Inflation (RPI)	3.20	3.59
Inflation (CPI)	2.74	3.20
Salary growth	3.74	4.20
Allowance of commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

The mortality assumptions applied at 31 March 2023 imply the following life expectancies

	2023
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

Amounts recognised in the Income Statement

	2023 (£'000)	2022 (£'000)
Net interest on deferred benefit liability	13	14
Expenses paid	4	4
Total expenses	17	18

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

10. THE SOCIAL HOUSING PENSION (continued)

Amounts recognised in Other Comprehensive Income

	2023 (£'000)	2022 (£'000)
Loss on plan assets	(1,099)	(221)
Experiences (losses)/gains arising on the Plans' liabilities	(117)	14
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations-loss	6	56
Effects of changes in financial assumptions underlying the present value of the defined benefit obligations-loss	1,094	260
Actuarial (loss)/gain recognised	<u>(116)</u>	<u>109</u>

Statement of Financial Position

	2023 (£'000)	2022 (£'000)
Fair value of plan assets	2,299	3,238
Present value of funded retirement benefit obligations	(2,820)	(3,733)
Net liability	<u>(521)</u>	<u>(495)</u>

Reconciliation of movements on the defined benefit obligation

	2023 £'000
Defined benefit obligation at the start of the period	3,733
Interest cost	104
Actuarial losses due to scheme experience	117
Actuarial gains due to changes in demographic assumptions	(6)
Actuarial gains due to changes in financial assumptions	(1094)
Expenses	4
Benefits paid	(38)
Defined benefit obligation at the end of the period	<u>2,820</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

10. THE SOCIAL HOUSING PENSION SCHEME (continued)

Reconciliation of movements on the fair value of plan assets

	2023 (£'000)
Fair value of the Plans' assets at the start of the period	3,238
Interest income	91
Experience on plan assets - loss	(1,099)
Contributions by the employer	107
Benefits paid	(38)
Fair value of plan assets at the end of the period	2,299

As permitted by section 28 of FRS 102, the Trust have not presented comparative information for either of the above two reconciliations.

The fair values of each main class of assets held by the Fund and the expected rates of return for the ensuing year are set out in the following table.

Categories of plan assets as a percentage of the total plan assets are as follows:

	2023 (£'000)	2022 (£'000)
Bonds	1,279	1,417
Equity	43	621
Property Infrastructure	431	401
Absolute Return	25	130
Alternative Risk Premia	4	107
Insurance-Linked Securities	58	75
Others	459	487
	2,299	3,238

We were notified by the Trustee of the Scheme in the previous year that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of scheme liabilities, and the current best estimate of this impact to the trust is currently estimated at £91,000, though until Court directions are received, this amount cannot be confirmed. No adjustment has been made in these financial statements in respect of this potential issue.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	General needs housing £	Supported housing and housing for older people £	Housing Properties in the course of construction £	Total £
Cost				
At 1 April 2022	14,119,113	20,372,592	37,422	34,529,127
Additions	160,161	473,908	19,090	653,159
Transfer	-	-	(20,160)	(20,160)
Disposals	(261,105)	(295,128)	(13,293)	(569,526)
At 31 March 2023	14,018,169	20,551,372	23,059	34,592,600
Depreciation				
At 1 April 2022	4,503,680	6,887,031	-	11,390,711
Charged in the year	298,757	450,157	-	748,914
Released on disposal	(119,456)	(270,242)	-	(389,698)
At 31 March 2023	4,682,981	7,066,946	-	11,749,927
Net book value (NBV)				
At 31 March 2023	9,335,188	13,484,426	23,059	22,842,673
At 31 March 2022	9,615,433	13,485,561	37,422	23,138,416

	2023 Cost £	2023 NBV £	2022 Cost £	2022 NBV £
Housing properties comprise:				
Freehold land and buildings	31,949,854	20,744,769	31,965,660	21,179,937
Long leasehold land and buildings	1,985,619	1,440,775	2,211,574	1,606,586
Total expenditure on existing properties	634,068	634,068	314,471	314,471
Housing Properties in the course of construction	23,059	23,059	37,422	37,422
	34,592,600	22,842,673	34,529,127	23,138,416

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS - OTHER

	Commercial properties £	Freehold Offices £	Furniture fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 April 2022	330,188	252,100	820,888	219,322	1,622,498
Additions	-	-	33,455	1,434	34,889
Disposals	-	-	-	-	-
At 31 March 2023	<u>330,188</u>	<u>252,100</u>	<u>854,343</u>	<u>220,756</u>	<u>1,657,387</u>
Depreciation					
At 1 April 2022	144,277	219,929	680,387	213,030	1,257,623
Charge in year	6,105	8,932	39,664	5,694	60,395
Released on disposal	-	-	-	-	-
At 31 March 2023	<u>150,382</u>	<u>228,861</u>	<u>720,052</u>	<u>218,724</u>	<u>1,318,018</u>
Net book value (NBV)					
At 1 March 2023	<u><u>179,806</u></u>	<u><u>23,239</u></u>	<u><u>134,292</u></u>	<u><u>2,032</u></u>	<u><u>339,369</u></u>
At 31st March 2022	<u>185,911</u>	<u>32,171</u>	<u>140,501</u>	<u>6,293</u>	<u>364,875</u>

13. DEBTORS

	2023 £	2022 £
Due within one year		
Rent and service charges	358,686	304,289
Provision for bad and doubtful debts	(274,744)	(220,890)
Net rent and service charge debtor	83,942	83,399
Other debtors	122,720	54,308
Prepayments and accrued income	172,517	106,940
	<u>379,179</u>	<u>244,647</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

14. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Housing loans	32,000	28,000
Contracts for certified works and retentions unpaid	12,515	1,931
Trade creditors	269,965	403,213
Other creditors	13,623	24,734
Accruals	361,503	307,076
Social Housing Grant	439,153	439,153
Recycle capital grant fund ⁽¹⁾	115,642	11,090
Rent and service charges received in advance	244,491	245,837
	1,488,892	1,461,034

(1) There are no amounts over three years or older where payment may be required to the GLA. The amount repayable within one year is £115k and after one year is £nil.

15. CREDITORS: amounts falling due after more than one year

	2023	2022
	£	£
Housing loans	528,000	560,000
Social Housing Grant	11,593,515	12,032,666
Recycled capital grant fund	-	115,359
	12,121,515	12,708,025

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

16. HOUSING LOANS

Fixed interest loans are payable at 4.99% and all floating rate loans were based on LIBOR and repaid in full during the year. Capital repayment instalments are due as follows:

	2023	2022
	£	£
Other housing loans repayable:		
In one year or less	32,000	28,000
Between one and two years	32,000	32,000
Between two and five years	112,000	104,000
In five years or more	384,000	424,000
	<u>560,000</u>	<u>588,000</u>

The above housing loans are secured by fixed charges on the Trust's properties.

17. CALLED UP SHARE CAPITAL

	2023	2022
	£	£
Allotted and issued at 31 March	<u>13</u>	<u>16</u>

Each elected member of the Board holds one share of £1 in the Trust.

The shares of the Trust do not carry rights to dividends or other income and therefore relate to non- equity interests.

18. REVENUE RESERVE

	2023	2022
	£	£
Brought forward at 1 April	11,031,563	10,534,743
Surplus for the year	684,430	496,820
Carried forward at 31 March	<u>11,715,993</u>	<u>11,031,563</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

19a. NOTES TO THE CASH FLOW STATEMENT

	2023	2022
	£	£
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	838,703	436,744
Depreciation charges	809,309	839,951
Deficit on disposal of fixed assets	19,042	39,289
Grant amortisation	(439,152)	(439,152)
Surplus on the disposal of tangible fixed assets	(491,014)	(166,321)
Increase in debtors	(134,534)	(60,984)
(Decrease)/Increase in creditors	(134,844)	24,666
Net Cash inflow from operating activities	467,510	674,193

19b. ANALYSIS OF CHANGES IN NET DEBT

	As at	Cashflows	As at
	1 Apr 22		31 Mar 23
	£	£	£
Cash	1,947,293	337,122	2,284,415
Bank loan due within one year	(28,000)	(4,000)	(32,000)
Bank loans due after more than one year	(560,000)	32,000	(528,000)
Total	1,359,293	365,122	1,724,415

20. LEGISLATIVE PROVISIONS

The Trust is incorporated and registered under the Co-operative and Community Benefit Societies Act 2014, number 11578R. It is also registered with the Regulator of Social Housing as a Registered Provider of Social Housing under the Housing and Regeneration Act 2008, registration number L0719.

21. RELATED PARTIES

The Trust did not have any Directors' loans as at 31 March 2023 or in 2022. There are no transactions with key management personnel and their close family.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

22. SUBSIDIARY UNDERTAKING

The Trust has a subsidiary undertaking, Hornsey Care and Support Limited, which is now dormant.

Hornsey Care and Support Limited is a subsidiary of Hornsey Housing Trust Limited by virtue of Hornsey Housing Trust Limited having power to appoint and remove directors from Hornsey Care and Support Limited's Board.

23. CAPITAL COMMITMENTS

	2023	2022
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	166,108	416,000
Capital Expenditure that has been authorised by the Board but has not yet been contracted for	1,438,700	609,000
	<u>1,604,808</u>	<u>1,025,000</u>

The capital commitments will be paid for by using our present cash balance of £2.3m and future surpluses from operations.

24. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
The Trust's financial instruments are analysed as follows:		
Financial Assets		
Cash at bank and in hand and short-term deposits	2,284,415	1,947,292
Trade Debtors	358,686	304,290
Other Debtors	122,720	54,308
Financial Assets held at amortised cost	<u>2,765,821</u>	<u>2,305,890</u>
Financial Liabilities		
Bank Loans	560,000	588,000
Trade Creditors	269,965	403,213
Other Creditors	386,272	398,949
Financial Liabilities held at amortised cost	<u>1,216,237</u>	<u>1,390,161</u>

25. POST BALANCE SHEET EVENTS

Subsequent to the year end, in April 2023, the Trust completed on a sale of one of its properties, achieving proceeds of £200k.