

REGISTERED NUMBER: 11578R
REGISTERED HOMES AND COMMUNITIES AGENCY NUMBER: L0719



**HORNSEY HOUSING TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**



**HORNSEY HOUSING TRUST LIMITED
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HORNSEY HOUSING TRUST LIMITED
BOARD MEMBERS, SECRETARIES, ADVISORS AND BANKERS
31 MARCH 2022

BOARD

Chair	June Barnes (appointed 24/09/2020)
Chair of Audit Committee	Anne Waterhouse (appointed 14/11/2019)
Deputy Chair and Chair of the Remuneration & Nomination Committee	Euan Barr (appointed Deputy Chair 19/11/20)
Other Members	Stephen Ross Dawn Matthews (appointed 22/7/21) Rebekah Ryder (appointed 22/7/21) Ian Roberts (appointed 22/7/21) Linmora Blair (appointed 22/7/21) Stephen Lord (resigned 22/7/21) Rosie Boughton (resigned 18/11/21)

Audit & Risk Committee

Chair: Anne Waterhouse

Other members

Stephen Ross
Ian Roberts
Linmora Blair
Rosie Boughton (resigned 18/11/21)
Stephen Lord (resigned 22/7/21)

Nominations & Remuneration Committee

Chair: Euan Barr

Other members

Dawn Matthews

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

LEADERSHIP MANAGEMENT TEAM

Chief Executive & Company Secretary- Alwyn Lewis
Head of Finance & IT – Veronica Lindsay
Head of Housing – Phil Johnson
Asset Manager – Christopher Adegoroye was appointed on 14th February 2022
– Mark Dibblin previously undertook this role

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 2022

EXTERNAL AUDITORS

Nexia Smith & Williamson
45 Gresham Street
London
EC2V 7BG

PRINCIPAL SOLICITOR

Devonshires
30 Finsbury Circus
London
EC2M 7DT

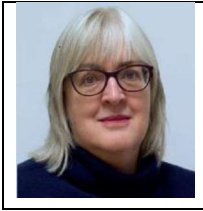
INTERNAL AUDITORS

TIAA Ltd
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
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Welcome to the annual report and financial statements for 2021/22, which I am pleased to present on behalf of the Board of Management. My report and the following report from Alwyn Lewis, our Chief Executive, give a brief overview of our work over the last year and look ahead to our priorities in 2022/23.

Hornsey Housing Trust (HHT) is a not-for-profit housing association in the London Borough of Haringey, founded in 1933 by Margaret Hill CBE. We house over 400 people in the borough, primarily older people, in self-contained homes either in converted street properties or in purpose-built flats and sheltered housing. Our aim is to enable our tenants to live in a way that ensures that as far as possible they have safe, independent and happy lives. Our new tenants are nominees from the local authority and all of our homes are let at social rents.

The work of the Trust is overseen by a Board of Management made up of suitably qualified individuals who give their time and expertise on a voluntary basis. During the year Rosie Boughton and Stephen Lord stood down as Board members with Rosie being HHT Chair for three years and Stephen having been Chair of the Audit Committee for eight years. On behalf of all the Board I would like to thank them for their hard work and commitment to the Trust. We were able to recruit four new excellent Board members during the year with very relevant experience – Linmora Blair, Dawn Matthews, Ian Roberts and Rebekah Ryder. All of the new Board members have local links and a desire to ensure HHT provides good customer service.

The year started with COVID-19 restrictions still in force which meant that most of our staff continued to work remotely and Board meetings were held online. This changed as the year went on and we were able to hold our first Board meeting in person in September after the AGM.

During the year we completed the action plan following the review of our governance carried out by Campbell Tickell in 2020/21. All that remains outstanding is to look at our approach to shareholding which the Board will undertake this year consulting with existing shareholders as required. During the year we changed the terms of reference for the Audit Committee so it became an Audit and Risk Committee and we introduced the Nominations & Remuneration Committee and moved Board meetings onto a quarterly cycle.

We updated our approach to tenant engagement, partly as a result of changes to the requirements of the regulator in the new Consumer standards, but mainly as we want to engage better with our tenants on service delivery. While our annual tenant survey was satisfactory, we believe that as a small local housing association we could still do more to learn more from our tenants and to reflect their preferences and experiences in the way we do things. We shared our updated tenant engagement strategy with our tenants in February inviting their comments.

We also reviewed the way we deliver our asset management services, with a focus on compliance with current health and safety legislation and best practise. We agreed to use Pinnacle Services to provide us with consultancy services in this area and their service commenced on 4 April 2022. As part of preparing for the challenges facing us with new legislation around fire and building standards and the decarbonisation targets for the Affordable Housing Sector, we undertook a stock condition survey late in the year. The results will allow us to review and update our existing Asset Management Strategy and delivery plan.

Our finances remain sound with a surplus of £387k including net receipts from the sale of an isolated flat of £166k. Our income increased marginally and cash balances increased by £300k. We also repaid in full one of our longer-term loans of £121k in line with the terms of the loan.

HORNSEY HOUSING TRUST LIMITED
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In the coming year, we will continue to focus on tenant engagement including involving tenants in drawing up our design standards for the new homes we expect to build using our successfully negotiated funding of £5 million. Agreements on this loan were completed with Lloyds in April 2022. We have identified potential schemes and are working with our chosen development agents to develop plans for these and to attract grant funding.

Our new developments are in part to re-provide vacant properties we have chosen to sell because they are not fit for the future. Revising our Asset Management Strategy during the year will be a key area of focus for the Board using data from our stock condition survey and will help inform our approach to future development as well as to improvement of our existing homes.

We are very conscious of the impact of rising inflation on our tenants and for the Trust. Over the next year we will continue to try and ensure our tenants can access all the benefits they are due. We will also continue to focus on value for money in the way we deliver our services.

I would like to the opportunity to thank my fellow Board members and our staff for their hard work and commitment. The Board recognises that the strength of the Trust lies in the quality and commitment of its employees. We appreciate the flexibility staff demonstrated throughout the lockdown, the way they have adapted to agile working and covered for absences during the pandemic to ensure that essential tenants' services were maintained during the year. I would also like to thank our local MPs, Catherine West and David Lammy, as well as our local councillors and staff at the London Borough of Haringey, for their continuing interest and support.

Finally, we will be planning for our 90th Anniversary in 2023 and we hope to use this as an opportunity to celebrate with our tenants and stakeholders our continuing role in providing much needed homes and services for older people in Haringey.

June Barnes
Chair

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Chief Executive's Message

During the past year coming out of lockdown, we have worked hard on adjusting to the changing landscape to develop an enduring approach in which essential services continue to be provided particularly to our vulnerable tenants, whilst ensuring the safety and welfare of our staff.

Engagement with tenants continues to play a key focus this year, but with a different way of working. Many of our tenants embraced new technology and we updated our website to make it easier for tenants to navigate around, access our services, engage with us and provide feedback. We will use digital technology to support our tenant engagement strategy.

Whilst COVID-19 has affected our arrears performance, we do benefit from the fact that most of our income comes from housing benefit and universal credit and the impact has been marginal. Our housing team help tenants by identifying those in need of support and assisting them in making benefit claims to maximise their income, which protects the Trust's income stream.

During the year, the Trust negotiated a new loan facility with Lloyds Banking Group for £5m which will help deliver our Corporate Plan. This will support the delivery of new homes in the Borough in partnership with our new development agents, the North River Alliance, a group of locally based housing associations in North and East London who provide a specialist development consultancy service.

Like other housing associations, we have had to rethink our ways of working to put the safety of our tenants, staff and contractors first. Building on our experiences from the previous year to support the well-being of our tenants we encouraged some of our tenants to join a local walking group as well as arranging arts and embroidery classes and reinstating our weekly café at Abyssinia Court. We also continued with essential shopping for our most vulnerable tenants.

Fire safety continues to be a key priority for the Trust with remedial works being completed. We have also been preparing for the Fire Safety Act and the Building Safety Act both now enacted.

A big thank you to all our tenants who engaged with us this year providing their feedback and input and for adopting new ways of interacting with us via the website. Thanks also goes to the staff who adapted admirably to the move to home working and then more flexible work patterns as we moved back to the office after lockdown. We have now adopted a hybrid model of working, which is a mixture of staff working from home but mainly on site, where they are able to carry out health and safety checks, face to face wellbeing visits and organise more social activities.

We know that it is only with the commitment of our staff and Board, together with the support of our tenants and stakeholders, that Hornsey Housing Trust will continue to remain strong, resilient, and adaptable in the face of the challenges and uncertainty in the wider society.

I hope this report provides you with an insight into our finances and what we have achieved at Hornsey Housing Trust and more importantly how we are able to respond to the changing needs of our tenants.

Alwyn Lewis
Chief Executive

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2022

CORPORATE GOVERNANCE

The Board of Management (the Board) is pleased to present the financial statements for the year ended 31 March 2022.

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 Hornsey Housing Trust are used to improve existing homes and services 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

Our five-year business plan provides a framework for the delivery of our objectives taking us through to the 90th anniversary of the Trust and beyond. The plan is reviewed annually to ensure that we remain on track and are well placed to respond to future opportunities and challenges. The core objectives which underpin the business plan are being: **SMARTER, BETTER** and **STRONGER**.

HORNSEY HOUSING TRUST LIMITED
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CORPORATE GOVERNANCE (continued)

The key objectives are improving the quality of our stock, our service to tenants, delivering value for money and growth through the development of better designed new homes for our tenants existing and future as 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 overall strategic direction and performance of the Trust is the collective responsibility of the Board. The Rules require that the Board shall consist of not less than five and not more than twelve members (including co-opted members). The Board has eight non-executive members having recruited four new Board members during the year. It holds quarterly and other meetings, together with an annual awayday to set and review the strategic direction and performance of the Trust. The Board is supported by two committees, the Audit & Risk Committee and the Nominations & Remunerations Committee as well as time limited task groups as required. The Board retains oversight of both internal and external audit and has delegated authority to the Audit & Risk Committee to provide scrutiny in these areas which is reflected in its Terms of Reference.

Audit & Risk Committee

The Audit & Risk Committee is appointed to act 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 Committee holds meetings quarterly and its responsibilities include overseeing risk management, ensuring there are appropriate levels of internal control and overseeing the work of internal and external audit. The Head of Finance & IT attends committee meetings, supported by the Chief Executive. The internal and external auditors also attend key meetings and the Committee is responsible for ensuring and monitoring the integrity of the annual financial statements and value for money reporting. The Committee also provides an annual report to the Board regarding the work of the Committee and overall opinion on the control environment

Nomination & Remuneration Committee

The Nominations & Remunerations Committee was established in 2022 and meets twice a year and its purpose is to:

- Review the composition and membership of the HHT Board and have oversight of the processes for induction, training, skills analysis and Board member appraisal
- Ensure appropriate remuneration of the Chief Executive and the Leadership Management Team
- Ensure that there is effective appraisal of the Chief Executive
- Oversee a formal and transparent procedure for recruitment of the Chief Executive and Board.

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CORPORATE GOVERNANCE (continued)

NHF Code of Governance

The Trust is regulated by the Regulator of Social Housing (RSH) and is required to comply with the Regulator's Governance and Financial Viability Standards. In 2021/22 we continued to operate under the 2015 NHF Code of Governance which we largely complied with. Campbell Tickell consultants undertook an external review of the Code and overall findings were positive with some updating required. An action plan was developed to ensure full compliance with the code. We reviewed the NHF 2020 Code during the year and adopted it in April 2022 and are currently reviewing compliance with it.

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 28 July 2022 except as stated in the Compliance with the Governance and Financial Viability Standard section below.

Our People

Our ways of working have changed significantly since the outbreak of COVID-19 in 2020. The move to remote working was successful allowing us to maintain services throughout the pandemic. Once lockdown was lifted, we moved to hybrid working for all staff, with a mixture of including home working and being on site or in the office each week.

Our Performance Management Framework provides staff with annual objectives to deliver the corporate plan. Objectives are set for staff which are then 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 which 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

Altair Ltd, a management consultancy, principally specialising in the housing sector and the provision of financial, management and technical services, continues to advise and guide the Board and the Leadership Management Team.

Aquila Treasury & Financial Solutions, a sister company of Altair Consultancy continues to provide Treasury advice to the Trust.

Campbell Tickell consultants undertook a review of governance in 2020/21 and all the actions falling out of the review have been completed with the exception of a review of our shareholding policy which is currently being undertaken.

TIAA provided internal audit 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, which is derived from a review of the Trust's main risks. A rolling programme is undertaken to cover the whole of the Trust's system of control. Any material weaknesses in internal controls identified are reported to the Board and an action plan to address the weakness is agreed.

North River Alliance (NRA) were appointed during the year to provide development consultancy to the Trust to assist in the delivery of new homes as part of HHT's growth plans and corporate objectives.

HORNSEY HOUSING TRUST LIMITED
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CORPORATE GOVERNANCE (continued)

KEY POLICIES & STRATEGIES

a. Financial Framework

The principal accounting policies are set out on pages 34 to 41 of the financial statements. The Trust has adopted the 2018 Statement of Recommended Practice (SORP) Accounting for Registered Social Housing Providers and follows the Regulator of Social Housings Accounting Direction for Private Registered Providers of Social Housing.

b. Fixed Assets

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

c. Directors & Officers Insurance

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

d. 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 units under secured tenancies (Fair rents), for which rent increases are reviewed every two years in line with Rent Service Office requirements. These rents were reviewed during the year.

e. Treasury Management

The treasury policy has been prepared to cover the general banking facility, short-term and long-term borrowings, limit the risk of exposure to interest rates fluctuations and optimise performance by taking advantage of low interest rates as well as the investment of surplus funds.

f. Employment Policies & 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.

g. 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.

h. Employment Training and Advancement of Equal Opportunities

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.

HORNSEY HOUSING TRUST LIMITED
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CORPORATE GOVERNANCE (continued)

Policy review

During the year we reviewed and updated our Safeguarding policy, Complaints policy, Gas and Fire Policy, Water Management and Legionella Policy, Anti-Fraud, Bribery, Corruption and Money Laundering Policy, Board Member Recruitment Policy and Financial Standing Orders. We also updated our Tenant Engagement, Asset Management and Treasury Strategies to deliver the objectives identified in the corporate plan.

Fraud

The Trust reviewed and updated its Fraud Policy during the year and complies with the regulatory requirements on fraud. A fraud register is maintained of all actual and attempted fraud we recorded no fraud activity in the year.

Whistleblowing

The Trust approved an update of its Whistleblowing Policy during this year which enables issues to be raised on a confidential basis. Procedures exist 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 we recorded no data protection breaches.

Key Performance Indicators (KPIs)

We receive regular KPIs at our Board meetings, which helped us to monitor the Trust's performance through the year; and annually receive benchmarking data from Acuity which assesses the Trust's work against that of its peers. Some of this data is included in this report.

Post Balance Sheet Events after the end of the reporting period

After the year end Hornsey Housing Trust signed a £5m loan agreement with Lloyds Bank for a term of 25 years. The Trust also partnered with Pinnacle Housing Limited to provide management services for planned maintenance.

HORNSEY CARE AND SUPPORT LTD

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

HORNSEY HOUSING TRUST LIMITED
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CAPITAL STRUCTURE AND TREASURY

Treasury Management Policy

The Trust's Treasury Management Policy updated in 2020 sets out the parameters and 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 agreed 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 covenants are monitored and reported on regularly based on actuals, budgets and forecasts and the long-term financial plan includes stress testing and sensitivities. The Trust was in compliance with the Golden Rules throughout 2021/22. Negotiations for new long-term funding of £5m to support future development were concluded in April 2022, just after the year end.

Loan structure

Hornsey Housing Trust has drawn loan facilities of £588k (2020/21: £710k) from Lloyds Banking Group which are based on fixed rates (all floating rate loans were repaid during the year). 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. Hornsey Housing Trust is compliant with Lloyds Banking Groups financial and non-financial covenants. Further details on the loans are detailed in note 16 on page 53 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 £1.9m (2020/21: £1.6m). The Trust had an overdraft in place at the year end with its main bankers, Barclays Bank PLC.

Interest Rate Risk

The Trust finances its operations through a mixture of retained surplus and bank borrowings. The Trust also borrows in order to finance new developments and capital investment. This creates 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 providing support to tenants with their 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 has not been significant but we are mindful that as universal credit is rolled out and more tenants move to this benefit the Trusts exposure will grow and we will continue to provide a robust approach to this area.

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PRINCIPAL RISKS AND UNCERTAINTITES

We continued to operate in a challenging environment, with both internal and external risks impacting the delivery of our corporate plan. During the year we continued to develop our approach to risk management and embed the improvements of 2020/21 including how we manage risk mitigations. We have integrated risk assessment into our Board reports and review strategic and operational risks regularly. 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 are then reported to Board. The Leadership Management Team regular review, record and assess risks, including new risks, in terms of their impact and probability.

Key strategic risks centre on the management and investment in our stock, particularly the delivery of our repairs and planned maintenance services and the understanding of our stock. Other external challenges included managing the impact of COVID-19, the changes in the benefit system including the roll out of Universal Credit on our tenants and HHTs rental stream; cyber security threats; the Building Safety Bill and Fire Safety Act following Grenfell, meeting new consumer standards and moving forward on the decarbonisation agenda towards net zero. More recently we are facing emerging inflationary pressures in the economy and the impact of the war in Ukraine.

During the year the Trust developed its approach to the delivery of its Asset Management Strategy. Having successfully outsourced the management of day-to-day repairs services to Newlon in 2020 HHT looked to expand this model to planned maintenance to provide more robust risk management of our stock and we are appointing Pinnacle to support us in this area and expect to implement this in April 2022. The Trust also procured consultants to undertake a stock condition survey, the results of which will be available in June 2022 and will enable us to make better decisions regarding investing in our homes. We will receive Energy Performance Certificates for our properties which will assist us in our decarbonisation requirements and progress towards net zero. Landlord health and safety responsibilities are taken seriously by us and to during the year various policies were updated and fire risks assessments and works undertaken as we considered the impact of the Fire Safety Bill.

During COVID-19 our Universal Credit Officer, who had expert knowledge of the benefits system, provided support and assistance to both existing and new tenants helping maximise their income. This and other tenancy sustainment activity helped protect our income stream and keep arrears low. During the pandemic we maintained other services such as repairs, property cleaning and compliance services supported by our contractors and in line with Public Health England (PHE) advice. Staff initially worked remotely and as lockdown was lifted commenced hybrid working which allowed us to provide services at sheltered schemes and our street properties in line with government guidance. The pandemic demonstrated our Board, staff and contractors' commitment to providing great customer services albeit sometimes in a different way.

The Trust also reviewed Cyber Security risks with the support of TIIA, our internal auditors and is delivering on an action plan in response to the findings of the audit and ongoing risks in this area.

Finally, in terms of managing financial risk the Trust prepared budgets, forecasts and a long-term financial plan to support its strategic and operational objectives which is continuously monitored against cashflow and covenant targets. The financial plan incorporated sensitivities that assist us in understanding the impact of various changes to our assumptions including inflationary pressures as well as consider effective mitigations. During the year HHT also negotiated a new £5m loan which completed shortly after the year end.

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FINANCIAL PERFORMANCE

Turnover in 2021/22 was £3,687k, expenditure was £3,416k generating an operating surplus of £437k (2020/21: £511k). Surplus for the year was £388k compared to £468k in 2020/21. These surpluses enable us 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	2021/22	2020/21	2019/20	2018/19	2017/18
Turnover		3,687	3,614	3,385	3,256	3,258
Operating Costs		3,416	3,103	3,082	2,997	3,029
Surplus on sale of properties		166	-	914	962	-
Operating Surplus		437	511	1,217	1,220	229
Net Interest and financing costs ⁽¹⁾		49	43	47	132	54
Surplus for the year ⁽²⁾		388	468	1,170	1,088	175

(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	2021/22	2020/21	2019/20	2018/19	2017/18
Housing Properties at cost ⁽¹⁾		34,529	34,374	34,068	31,784	27,669
Housing Properties at cost less depreciation		23,138	23,608	23,975	22,117	18,499
Loans		588	710	767	829	1,244
Deferred social housing capital grant and recycled capital grant fund		12,472	13,037	13,475	13,779	12,772
Cash in hand and on deposit		1,947	1,603	1,230	2,473	3,637
Reserves		11,032	10,535	10,492	8,806	8,190

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

Financial Ratios/KPIs	2021/22	2020/21	2019/20	2018/19	2017/18
Weighted Average Interest Rate	5.46%	5.14%	5.40%	5.60%	5.96%
Operating cost per managed home	8,693	7,875	7,923	7,908	7,887
Debt per home managed	1,496	1,802	1,972	2,187	3,230

Cash in hand and on deposit at the year-end increased to £1.9m (2020/21: £1.6m).

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PERFORMANCE AND BENCHMARKING

A critical aspect of our Corporate Plan is our ambition for continuous improvements in our performance on finance and service delivery year on year, whilst recognising that we are a small charity in a regulated social housing sector based in London providing homes and services to older people. While we have limited ability to determine the rents we charge, we seek to control costs and maximise income and work with Acuity the national smaller housing association benchmarking network. In partnership with HouseMark they 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. 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	2021/22 Actual	2021/22 Target	2020/21 Actual	2019/20 Actual
Rent Arrears – adjusted - £ ⁽¹⁾		£116k	£115k	£128k	£110k
Rent Arrears % adjusted - % ⁽¹⁾		3.5%	3.5%	3.9%	3.7%
Rent Collection		101%	101%	100.2%	97.4%
Number of voids		47	30	43	45
Void Average re-let time (days) ⁽³⁾		46	30	46	36
Void losses		£103k	£95k	£94k	£80k
Emergency repairs completed within target		100%	100%	97%	100%
All Repairs completed on time		72%	90%	96%	97%
Gas Safety Certificate (LSGR)		97%	100%	100%	100%
Customer overall Satisfaction with new repair - average		86%	-	90%	-
Total maintenance and major repairs per unit		£3,216	£3,219	£2,089	£2,678

Adjusted arrears take account of housing benefit received in April 2022 and adjusted for rents relating to first few days of 2021/22.

(1) Current tenant arrears adjusted for timing differences of outstanding housing benefit and universal credit payments received in early April was £116k

(2) Unadjusted arrears do not include housing benefit timing difference for amounts paid after the year end relating to the year current year.

(3) 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.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2022

REVIEW OF THE YEAR

HOUSING MANAGEMENT SERVICES

Reducing rent arrears and maximising tenant's income is beneficial to all, for our tenants by assisting them to stay up-to-date with rent payments which helps them to plan their finances better and avoid stressful situations; and for the Trust, it means a more reliable cash flow, which enables more effective planning of development and maintenance works and other investment in our homes.

Over 80% of the Trust's rent is paid through housing benefit and our housing management team provide support to new and existing tenants in making new housing benefit and universal credit claims as well as notification where there has been a change of circumstances.

Rent arrears resulting from housing benefit and universal credit have reduced year on year and to support management of this risk the Trust employed a universal credit officer to help tenants maximise their income and enabling their rents to be paid. Last year our universal credit officer and housing team supported tenants with their claims for housing benefit and universal credit.

However, last year we needed to take legal action on two tenancies due to abandonment and anti-social behaviour. These led to high arrears due to backlogs in the legal system. Former tenant arrears increased during the year mainly due to the impact of COVID-19.

Managing voids and new lettings

Over the year we had 48 void properties of which 34 were re-let, 13 to new tenants nominated by LB Haringey, a further 13 by Haringey's Private Rented Team and 8 internal transfers.

While voids are regularly monitored to minimise losses however, the impact from COVID-19 and Brexit negatively impacted void turnaround time. A shortage of labour within our contractor's workforce due to COVID-19 and Brexit and with shortages in the supply of repairs/building materials led to longer void periods. In addition to these issues the Trust had three management voids with insurance claims due to major works and flooding at our properties.

Also, as most of our tenants occupy their homes for many years so when these properties become void the turnaround time can be longer than the sector average due to the level of works required. Finally, as we only let to persons aged over 45 in our street properties and over 55 in our sheltered housing nominations from the London Borough of Haringey can sometimes take longer. As a result, The Trust engaged with the Private Rented Engagement Team within Haringey for some nominations and as a result we have seen a reduction in re-let times in our street properties.

Enhanced Housing Support and Tenant Engagement

We continue to provide extra support to our tenants of sheltered housing and receive funding for this through Enhanced Housing Management which is housing benefit eligible. During COVID-19 lockdown the Trust continued to provide services and adopting hybrid working allowed us to deliver wellbeing calls, prepare support plans and where needed do shopping for vulnerable tenants. As the pandemic waned and lockdown restrictions were lifted, we started coffee mornings, ran a weekly café at Abyssinia, held creative art classes, started a walking club and held BBQs and various other events at our main schemes.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
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Asset Management

Day to day repairs

The management contract arrangements with our partner Newlon Housing Trust continue to provide a robust framework for the delivery of responsive repairs. Tenants contact Newlon's call centre to report repairs which are undertaken by Wates contractors. There has been some disruption to these services due to COVID-19 and Brexit with some supply-chain material and labour shortages, but we still managed to deliver an effective responsive repair service.

Expenditure during the year increased significantly mainly due to the backlog of works built up during COVID-19 and also due to increasing costs due to Brexit and also the impact of COVID-19.

Compliance with Landlord Obligations

The Trust takes seriously its obligation to ensure our homes and estates are safe for all. Our main compliance functions are around gas safety, electric safety, asbestos management, fire safety, lift management and water hygiene. There were notable strategic improvements that were made towards making our homes and estates safer and more efficient including the following investments:

- Calorifiers were installed at one of our largest schemes, Abyssinia Court
- Upgrade of water pump systems and filters at one major block.
- New boilers were replaced in 19 homes.
- Several water tanks were overhauled.

To enable robust management of our compliance areas, we are seeking to partner with another organisation who can provide a coordinated administrative and professional oversight over all our compliance areas, ensuring we are compliant at all times. This will make working with several contractors that deliver compliance services compact and agile and our reporting more robust.

Investment in our homes

- We commissioned a comprehensive stock condition survey and have received interim reports and are reviewing the outcomes. This survey will provide a detailed insight into our assets and inform our Asset Management Strategy and long-term financial plan. As part of the survey energy performance certificate (EPC) inspections were undertaken. This will aid us with our decarbonisation strategy and signpost us towards actions to take to make our homes more efficient by 2030. The decarbonisation agenda and HHTs response to this will aim to ensure our tenants live in homes that are more efficient to warm in the future.
- During the year our planned investment programme delivered 15 new kitchen and bathrooms, boilers investing £314k in the year. This investment demonstrates our continued commitment to re-invest in our homes and should reduce the level of repairs in this area in future going forward and increase tenant satisfaction.
- We started the project to replace four lifts at three schemes. The scope was to overhaul and upgrade the lifts and extend their useful life by another twenty years. It will also reduce maintenance and repair costs in future and provide a reliable lift service to residents. The lift programme was procured in late 2021 and we are investing over £435k towards this project. The renewal exercise is well underway and will be completed in September 2022.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2022

Looking Ahead – Financial year 2022/23

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.

SMARTER

In line with our corporate strategy the Trust will seek to utilise Information Technology more to deliver services effectively and efficiently. IT consultants will be engaged to develop a clear IT Strategy to help the Trust become more robust, capitalise on the functions within its existing IT systems and use smarter systems to support to staff and tenants. In addition, we will use the information from our stock condition survey to further refine our Corporate and financial plan and map the future direction of the Trust. We will also carry out tenancy audits to assist us in identifying services that our tenants need. We will work with other housing associations to share resources providing tenants with benefit advice.

BETTER

Key to our success in 2022/23 is the implementation of the Tenant Engagement Strategy and delivery of improved services to our tenants particularly throughout these challenging economic times and recognising the pressures this places on people's mental health.

One of the main priorities for the current financial year is to embed the partnership between Hornsey Housing and Pinnacle to manage our compliance obligations as a landlord. We need to deliver the compliance service at good value and we will review the effectiveness of this partnership to verify it is at good value during the year.

We have prioritised fire safety and have embarked on a cycle of fire risk assessments (FRA) at our estates. We expect reports from the fire risk assessor to indicate what to do to make our estates compliant in terms of fire safety. This area and electrical and gas safety inspections will be managed rigorously to ensure compliance with building safety rules. We have an extensive programme of electric testing to communal spaces and individual properties planned for 2022/23 and we have already contacted an additional electrical testing company to assist with managing the workload.

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 want a committed and talented workforce and will provide effective training, learning and development opportunities for staff to enable them to develop talent to carry out their roles in the organisation.

We have the ambition to undertake future development to meet those in housing need and have engaged North River Alliance, a specialist development consultancy to assist us with those plans. During 2022/23 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 the new funding of £5 million in April 2022.

We will also start modelling options for delivering our repairs and compliance services so that we can review the current repairs and compliance contracts in March 2024.

HORNSEY HOUSING TRUST LIMITED
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31 MARCH 2022

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 Brexit and the COVID-19 pandemic.

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
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Value for money, performance and development during the financial year

Measure ⁽¹⁾	2021-2022	2020-2021	2019-2020	Change from last year	Target Budget 2021-22	Peer Group Median 2021 HoP ⁽²⁾	Regulator of Social Housing Metric no. ⁽²⁾
Business Health							
EBITDA MRI interest cover ⁽³⁾	1475%	1736%	542%		2048%	133%	4
Operating margin % social housing lettings only	6.3%	12.7%	8.2%		5.2%	18.1%	6a
Operating margin % overall	8.4%	14.5%	9.6%		6.9%	16.7%	6b
Growth							
New supply delivered - social housing homes	0.0%	1.3%	3.9%		0.0%	1.1%	2
New supply delivered - non-social housing homes	0.0%	0.0%	0.0%		0.0%	0.0%	2
Gearing %	(3.9%)	(2.6%)	(1.4%)		(3.1%)	34.8%	3
Headline social housing cost per unit £	7,283	6,049	6,777		7,974	5550	5
Asset Management							
ROCE	1.80	2.1	5.0		2.8	3.2%	7
Growth							
Reinvestment % Development	1.0%	1.1%	8.3%		1.9%	5.9%	1

(1) Descriptions of all measures are shown on page 22.

(2) Peer Group Median HOP is the Housing for older People metric from the Regulator of Social Housing's Value for Money metrics and reporting 2021 – Annex to 2021 Global Accounts

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

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2022

VALUE FOR MONEY METRICS

1. **Reinvestment %** - This considers the level of investment into the business; this has reduced year on year reflecting the completion of the development programme and reduced asset management investment in the year.
2. **New Supply metrics** - This metric reports on new homes.
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. **EBITDA, Major Repairs included Interest Cover %** - This metric examines the surplus generated in the year compared to the interest payable cost. Our figures, are strong and reflect the low level of borrowings of the Trust.
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.
- 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 and shows margins have decreased compared to 2020/21 primarily due to increased maintenance costs post the lifting of lockdown.
- 6b. **Operating Margin (overall)** - This looks at operating surplus including any gain/(loss) on fixed asset sales, divided by all income. Margins have fallen compared to previous years due to increased costs primarily on maintenance costs post lockdown.
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 decreased as the development programme completed and asset management spent was reduced in the year.

VALUE FOR MONEY PRIORITIES

The four priorities identified in the 2020-2024 business plan and performance for 2021/22 are:

Priorities	Current Performance	Future Performance
1. To maximise the Trust's income ➤ 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.	The VfM metric 4 (EBITDA-MRI) and metric 6 (Operating Margin) both demonstrate a reduction in performance. This is mainly due to an increase in maintenance costs and increase in investment in our assets.	Looking ahead we will continue to focus attention on rent collection and sustaining tenancies. A review of service contracts and re-procurement of contracts to contain costs and deliver savings will be undertaken to deliver value for money.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
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VALUE FOR MONEY PRIORITIES (cont'd)

Priorities	Current Performance	Future Performance
<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), metric 7 (Return on Capital Employed-ROCE) and metric 2 (new supply) all show a fall in performance compared to 2021/22. This was expected as the development programme was completed in 2019/20 and investment in stock was delayed due to COVID-19. The results for the VfM metric 3, gearing improved (it is negative as our cash balances exceed borrowing).</p>	<p>We engaged consultants to undertake a stock condition survey of most of our stock. This will support our Asset Management strategy, our investment in homes and decarbonisation strategy.</p> <p>The Trust partnered with the North River Alliance a development consultancy who will support us with our development aspirations, appraisals and grant funding to deliver new homes in Haringey</p>
<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) increased from last year. This is due to an increase in maintenance costs post lockdown and also because providers of homes for older people, based in London have higher costs than many other providers</p> <p>We negotiated contracts to deliver VfM including: stock condition survey, treasury recruitment, partnering arrangements and increased council tax recovery.</p> <p>VfM is not just about cutting costs but also delivering improvements examples include the review of governance, delivery of planned maintenance and negotiations for new funding.</p>	<p>Looking ahead from 2022/23 we will partner with a third party who will manage the planned maintenance aspect of our business. .</p> <p>North River Alliance will support the Trust in our development aspirations.</p> <p>We will partner with a group of small housing associations to provide tenancy sustainment support for our tenants.</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 its tenants, suppliers and the London Borough of Haringey. As lockdown lifted we re-started face to face contract management meetings, improved our website and started working on our tenant engagement strategy.</p>	<p>Looking ahead two key areas that we will focus on in 2022/23 are gathering information on customer satisfaction on repairs and other services from customer surveys and increasing tenant engagement activities as we come out of lockdown.</p>

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2022

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 2019. 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 2022/23 and the long-term financial plan are both updated annually and stress tested to demonstrate financial viability. The impact of COVID-19, increasing voids, inflationary pressures, changes to the benefit systems and impact on arrears, and the need for capital investment in stock were all taken into account. The stress and sensitivity testing allowed review of the impact of mitigations where material changes occurred thereby ensuring a robust plan was built. The budget and long term financial plans were both tested against the Trust's Lenders financial covenants as well as the Value for Money KPIs.

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 had adopted the 2015 NHF Code of Governance and during the year was largely compliant with this. Following an independent review by Campbell Tickell consultants a number of enhancements were made and the 2020 NHF Code will be adopted in 2021/22 and an action plan is in place to ensure full compliance with this.

HORNSEY HOUSING TRUST LIMITED
REPORT OF THE BOARD
31 MARCH 2022

STATEMENT ON THE TRUST'S SYSTEMS OF INTERNAL CONTROLS

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 2020 as internal auditors who have a three-year programme to audit the Trust's internal controls and 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 and Risk Committee and reported to Board
- During the year the Board has reviewed and improved its risk management framework. There is a formal process for reviewing and updating the risk register, which is regularly reported to the Audit and Risk Committee
- 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 Board and Audit and Risk Committee
- Treasury management policy, reporting monthly and quarterly cashflow forecasting and regular monitoring of loan covenants
- Internal Audit is provided by TIAA. Internal audit reports are monitored by the Audit and Risk Committee together with an annual independent assurance report
- Codes of conduct and registers for hospitality and declaration of interests
- Board approved the 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 Strategic Report 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 (Jul 29, 2022 16:54 GMT+1)

Date: 29/07/2022

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2022

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 2022 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 2022 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 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2022

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

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 27, 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.

HORNSEY HOUSING TRUST LIMITED
AUDITOR'S REPORT
31 MARCH 2022

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

We understand that the Trust complies with the framework through:

- 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 2019, 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 2022

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.

Nexia Smith & Williamson

Nexia Smith & Williamson 29/07/2022
Chartered Accountants
Registered Auditors

Date: 29/07/2022

45 Gresham Street
London
EC2V 7BG

HORNSEY HOUSING TRUST LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	2	3,686,670	3,614,019
Operating expenditure	2	(3,416,247)	(3,102,645)
Surplus on the sale of fixed assets – housing	5	<u>166,321</u>	<u>-</u>
Operating surplus		436,744	511,374
Interest receivable and other income	7a	496	2,018
Interest payable and similar charges	7b	(49,420)	(44,943)
Surplus for the year		<u>387,820</u>	<u>468,449</u>
Other comprehensive income for the year			
Actuarial gain/(loss) in respect of defined benefit pension scheme	10	109,000	(426,000)
Total comprehensive income for the year	18	<u>496,820</u>	<u>42,449</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
YEAR ENDED 31 MARCH 2022

TANGIBLE FIXED ASSETS		Mar-22	Mar-21
		£	£
Housing Properties	11	34,529,127	34,374,078
less: Property Depreciation	11	<u>(11,390,711)</u>	<u>(10,765,623)</u>
		23,134,416	23,608,455
Other fixed assets	12	<u>364,875</u>	<u>418,420</u>
TOTAL FIXED ASSETS		23,503,291	24,026,875
CURRENT ASSETS			
Debtors	13	244,647	183,664
Cash at bank and in hand		<u>1,947,293</u>	<u>1,603,435</u>
		2,191,940	1,787,099
CREDITORS: amounts falling due within one year	14	<u>(1,461,032)</u>	<u>(1,423,455)</u>
NET CURRENT ASSETS		<u>730,908</u>	<u>363,644</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,234,199	24,390,519
CREDITORS: amounts falling due after more than one year	15,16	(12,708,025)	(13,175,165)
Defined benefit pension liability	10	<u>(494,593)</u>	<u>(680,597)</u>
		11,031,579	10,534,757
TOTAL NET ASSETS		11,031,579	10,534,757
CAPITAL AND RESERVES			
Called up share capital	17	16	14
Revenue reserve	18	<u>11,031,563</u>	<u>10,534,743</u>
		11,031,579	10,534,757

These financial statements were approved by the Board and authorised for issue on 28 July 2022 and signed on its behalf by:

CHAIR 
June Barnes (Jul 29, 2022 16:54 GMT+1)

29/07/2022


BOARD MEMBER

29/07/2022

SECRETARY 
Alwyn Lewis (Jul 29, 2022 15:57 GMT+1)

29/07/2022

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 2022

	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 31st March 2022	11,031,563	-	-	11,031,563

	Income & Expenditure Reserve	Major Repairs Reserve	Development Reserve	Total Reserves
	£	£	£	£
Balance as at 31 March 2020	10,492,294	-	-	10,492,294
Surplus from Statement of Comprehensive Income	42,449	-	-	42,449
Transfer between reserves	-	-	-	-
At 31st March 2021	10,534,743	-	-	10,534,743

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 2022

		2022 £	2021 £
Net cash inflow from operating activities	19(a)	674,193	838,758
Cashflow from investing activities			
Purchase and refurbishment of tangible fixed assets – housing properties		(314,471)	(133,778)
Purchase of other tangible fixed assets		(55,114)	(66,002)
Development expenditure		(20,160)	(230,174)
Grant received		-	65,055
Proceeds from sale of tangible fixed assets		230,168	-
Interest received		496	2,018
Net cash (used in)/generated from investing activities		(159,080)	(362,882)
Cashflow from financing activities			
Interest paid		(49,420)	(44,943)
Repayment of loans		(121,835)	(57,360)
Net cash used in financing activities		(171,255)	(102,303)
Net change in cash and cash equivalents		343,858	373,573
Cash and cash equivalents at start of the year		1,603,435	1,229,862
Cash and cash equivalents at end of the year		1,947,293	1,603,435

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 2022

1. PRINCIPAL ACCOUNTING POLICIES

Legal Status

Hornsey Housing 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 2019. 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 are prepared on the basis that the Trust will continue in business for the foreseeable future, for the purpose of these Financial Statements at least for a period 12 months from the date of approval of these Financial Statements. The annual budget for 2022/23 our long term financial plan and cashflow forecasts all support the principle of "Going concern".

Whilst the Trust was impacted by COVID-19 there was been minimal impact on the operations of the Trust. Staff adopted a hybrid working arrangement during lockdown working from both home and the office and continued to support our tenants whilst maintaining social distancing in line with government guidelines, as a result there has been no marked increase in arrears. As the lockdown eased we encouraged hybrid working; working from home where appropriate as well as the office.

The Trust has considered sensitivities that may impact its cash flow in the year ahead, such as increased arrears, inflation and funding and has concluded that it has sufficient liquidity and access to funds to support the ongoing business. Together these factors provide sufficient evidence to support the going concern assumption and, for this reason, the Trust continues to adopt the going concern basis in preparing the Financial Statements.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

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. The 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

Tangible fixed assets

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 the new Rent Settlement Policy which sees social rents increasing by CPI + 1% for the next 5 years from April 2021 and the review of existing rental stock, no impairment of the Trust's properties has been identified.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

Consideration of impairment under FRS102, Section 28 was also undertaken in relation to the development programme in 2019/20 and was again considered at the end of 2020/21 as the scheme was over budget. The development of general needs and supported housing was undertaken for social purposes and all accommodation has been let at social rent. Given the above and that none of the triggers identified in Section 28 of the Housing SORP have been met no impairment has been identified.

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 2022

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 2022

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 2022

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 2022

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.

Identification of housing property components

Housing property depreciation is calculated on a component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components used are those which reflect how the major repairs to the property are managed.

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.

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 2022 was £11,390k (2020/21: £10,766k).

Bad debt provision

The rent and service charge debtors recorded in the Statement of Financial Position is £304k (2021: £314k) 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.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

Housing property impairments

For impairment purposes, as explained in the accounting policies, housing properties are grouped into schemes which reflect how the properties are managed. 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.

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 to us as an organisation. 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 2021/22.

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

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 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>

	Turnover	Operating costs	Surplus on sale of fixed assets	Operating surplus
	£	£	£	£
Year to 31 March 2021				
Social housing lettings (Note 3)	3,509,572	(3,063,533)	-	446,039
Other activities				
Surplus on disposal of fixed assets	-	-	-	-
Sundry Income	104,447	(39,112)	-	65,335
Total	<u>3,614,019</u>	<u>(3,102,645)</u>	<u>-</u>	<u>511,374</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Needs housing £	Supported housing and housing for older people £	2022 Total £	2021 Total £
Rent receivable net of identifiable service charges	1,422,489	936,322	2,358,810	2,293,813
Service charge income	421,245	277,275	698,520	668,664
Care & Support charges	66,925	44,052	110,978	109,876
Amortised government grant (SHG)	264,832	174,320	439,152	437,218
Net rental income	<u>2,175,491</u>	<u>1,431,969</u>	<u>3,607,460</u>	<u>3,509,572</u>
Turnover from social housing lettings	<u>2,175,491</u>	<u>1,431,969</u>	<u>3,607,460</u>	<u>3,509,572</u>
Management	(141,017)	(92,822)	(233,839)	(210,290)
Service charge costs	(545,562)	(359,104)	(904,666)	(1,089,953)
Care & Support expenditure	(45,440)	(29,910)	(75,350)	(71,492)
Routine maintenance	(397,097)	(261,380)	(658,477)	(433,181)
Planned maintenance	(249,353)	(164,131)	(413,484)	(243,664)
Major repairs expenditure	(115,834)	(76,245)	(192,080)	(146,318)
Bad debts	(18,708)	(12,314)	(31,022)	(41,198)
Depreciation on all assets	(500,926)	(329,723)	(830,650)	(814,018)
Loss on disposal of fixed assets	(23,431)	(15,423)	(38,854)	(13,418)
Operating expenditure on social Housing Lettings	<u>(2,037,368)</u>	<u>(1,341,053)</u>	<u>(3,378,421)</u>	<u>(3,063,533)</u>
Operating surplus from social housing lettings	138,122	90,916	229,039	446,039
Void losses	<u>64,000</u>	<u>42,127</u>	<u>106,127</u>	<u>119,021</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

	2022	2021
<u>Social housing owned and managed</u>		
General needs housing social rent	225	226
Supported sheltered housing	156	156
Total social housing managed	381	382
Social housing units managed by others	12	12
Total owned and managed	393	394

5. OPERATING SURPLUS

	2022	2021
	£	£
The operating surplus is arrived at after charging/(crediting) the following:		
Grant Amortised	(439,152)	(437,218)
Depreciation of housing properties	731,290	716,803
Depreciation of other tangible assets	108,660	107,607
Surplus on disposal of tangible fixed assets	166,321	-
Auditors remuneration		
fees payable for the audit of annual accounts	24,498	22,800

6. SURPLUS ON SALE of FIXED ASSETS - HOUSING PROPERTIES

	2022	2021
		£
Disposal proceeds	230,168	-
Carrying value of fixed assets	(56,149)	-
Selling costs	(7,698)	-
Social Housing Grant previously amortised	-	-
Total	166,321	-

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

7a. INTEREST RECEIVABLE AND OTHER INCOME

	2022	2021
	£	£
Interest receivable on bank deposits	496	2,018
Total	496	2,018

7b. INTEREST AND FINANCING COSTS

	2022	2021
	£	£
Pension Interest	14,000	7,000
Interest payable in respect of housing loans and overdrafts	35,420	37,493
	49,420	44,493

8. DIRECTORS REMUNERATION

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

	2022	2021
	£	£
The aggregate emoluments paid to or receivable by Executive Directors	114,467	110,953
The emoluments paid to the highest paid Director excluding pension contributions	103,431	101,893
Number of members of Management Team including Chief Executive	1	1

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 £11.2k (2021: £9.1k) 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 2022

9. EMPLOYEES

	2022	2021
The average monthly number of persons (including the Chief Executive) employed during the year		
Administration (including the Chief Executive)	5	5
Housing Management	5	5
Scheme Managers /Support Workers (full time equivalent)	3	3
	13	13

	2022	2021
Staff costs during the year:		
Wages and salaries	534,162	528,727
Social security costs	53,713	52,400
Other pension costs	45,885	45,705
	633,761	626,832

	2022	2021
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	Nil
£80,000 - £90,000	Nil	Nil
£90,000 - £100,000	1	1

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

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 2022

10. THE SOCIAL HOUSING PENSION SCHEME (continued)

Pension scheme liabilities recognised in the Statement of Financial Position

	2022 (£'000)	2021 (£'000)
Pension obligations recognised as Defined Benefit schemes	495	681
Pension obligations recognised as Defined Contribution schemes	-	-
Total pension scheme liabilities	495	681

Principal actuarial assumptions at the financial position date:

	2022	2021
Discount rate	2.79	2.17
Inflation (RPI)	3.59	3.28
Inflation (CPI)	3.20	2.86
Salary growth	4.20	3.86
Allowance of commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

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

	2022 (£'000)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

Amounts recognised in the Income Statement

	2022 (£'000)	2021 (£'000)
Net interest on deferred benefit liability	14	7
Expenses paid	4	4
Total expenses	18	11

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

10. THE SOCIAL HOUSING PENSION (continued)

Amounts recognised in Other Comprehensive Income

	2022 (£'000)	2021 (£'000)
Actual return on Scheme assets	14	22
Experience gains and losses arising on the Plans' liabilities	(221)	238
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations-loss	56	(13)
Effects of changes in financial assumptions underlying the present value of the defined benefit obligations-loss	260	(673)
Actuarial gain/(loss) recognised	109	(426)

Statement of Financial Position

	2022 (£'000)	2021 (£'000)
Fair value of plan assets	3,238	3,098
Present value of funded retirement benefit obligations	(3,733)	(3,779)
Net liability	(495)	(681)

Reconciliation of movements on the defined benefit obligation

	2022 £'000
Defined benefit obligation at the start of the period	3,779
Expenses	4
Interest expense	82
Actuarial losses/(gains) due to assumptions	221
Actuarial losses/(gains) due to changes in demographic assumptions	(56)
Actuarial losses/(gains) due to changes in financial assumptions	(260)
Benefits paid	(37)
Defined benefit obligation at the end of the period	3,733

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

10. THE SOCIAL HOUSING PENSION SCHEME (continued)

Reconciliation of movements on the fair value of plan assets

	2022 (£'000)
Fair value of the Plans' assets at the start of the period	3,098
Interest income	68
Expenses	14
Contributions by the employer	95
Benefits paid	(37)
	3,238
Fair value of plan assets at the end of the period	3,238

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:

	2022 (£'000)	2021 (£'000)
Bonds	1,417	1,298
Equity	621	494
Property Infrastructure	401	332
Absolute Return	130	171
Alternative Risk Premia	107	117
Insurance-Linked Securities	75	74
Others	487	612
	3,238	3,098

We have been notified by the Trustee of the Scheme 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, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. 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 2022

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 1st April 2021	14,172,595	20,179,527	21,956	34,374,078
Additions	73,120	241,351	20,160	334,631
Completed Schemes	-	-	-	-
Disposals	(126,602)	(48,286)	(4,694)	(179,583)
At 31st March 2022	14,119,113	20,372,592	37,422	34,529,127
Depreciation				
At 31st March 2021	4,275,285	6,490,338	-	10,765,623
Charged in the year	295,524	435,766	-	731,290
Released on disposal	(67,129)	(39,073)	-	(106,202)
At 31st March 2022	4,503,680	6,887,031	-	11,390,711
Net book value (NBV)				
At 31st March 2022	9,615,432	13,485,561	37,422	23,138,416
At 31st March 2021	9,897,310	13,689,189	21,956	23,608,455

	2022 Cost £	2022 NBV £	2021 Cost £	2021 NBV £
Housing properties comprise:				
Freehold land and buildings	31,965,660	21,179,937	31,932,018	21,766,257
Long leasehold land and buildings	2,211,574	1,606,586	2,286,325	1,686,464
Total expenditure on existing properties	314,471	314,471	133,779	133,778
Housing Properties in the course of construction	37,422	37,422	21,956	21,956
	34,529,127	23,138,416	34,374,078	23,608,455

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

12. TANGIBLE FIXED ASSETS - OTHER

	Commercial properties £	Freehold Offices £	Furniture fixtures & fittings £	Computer equipment £	Total £
Cost					
At 31st March 2021	330,188	252,100	767,574	219,062	1,568,924
Additions	-	-	53,314	1,800	55,114
Disposals	-	-	-	(1,540)	(1,540)
At 31st March 2022	<u>330,188</u>	<u>252,100</u>	<u>820,888</u>	<u>219,322</u>	<u>1,622,498</u>
Depreciation					
At 31st March 2021	138,173	210,997	621,020	180,312	1,150,502
Charge in year	6,104	8,932	59,367	34,258	108,661
Released on disposal	-	-	-	(1,540)	(1,540)
At 31st March 2022	<u>144,277</u>	<u>219,929</u>	<u>680,387</u>	<u>213,029</u>	<u>1,257,623</u>
Net book value (NBV)					
At 31st March 2022	<u><u>185,911</u></u>	<u><u>32,171</u></u>	<u><u>140,501</u></u>	<u><u>6,293</u></u>	<u><u>364,875</u></u>
At 31st March 2021	<u>192,015</u>	<u>41,103</u>	<u>146,552</u>	<u>38,751</u>	<u>418,420</u>

13. DEBTORS

	2022 £	2021 £
Due within one year		
Rent and service charges	304,289	314,111
Provision for bad and doubtful debts	(220,890)	(235,110)
Net rent and service charge debtor	<u>83,399</u>	<u>79,001</u>
Other debtors	54,308	32,696
Prepayments and accrued income	106,940	71,967
	<u><u>244,647</u></u>	<u><u>183,664</u></u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

14. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Principal due on housing loans	28,000	121,835
Contracts for certified works and retentions unpaid	1,931	143,557
Trade creditors	403,213	147,951
Other creditors	24,732	14,419
Accruals	307,076	297,536
Social Housing Grant	439,153	439,153
RCGF ⁽¹⁾	11,090	11,090
Rent and service charges received in advance	245,837	247,914
	<u>1,461,032</u>	<u>1,423,455</u>

(1) There are no amounts of three years or older where payment may be required to the GLA. The amount repayable within one year is £11k and after one year is £115k. The £11k is now re payable within one year if not utilised due to the property disposal in the 2018/19 financial year.

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

	2022	2021
	£	£
Housing loans	560,000	588,000
Deferred grant income (SHG)	12,032,666	12,471,819
Recycled capital grant fund	115,359	115,346
	<u>12,708,025</u>	<u>13,175,165</u>

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:

	2022	2021
	£	£
Other housing loans repayable:		
In one year or less	28,000	121,835
Between one and two years	32,000	60,000
Between two and five years	104,000	64,000
In five years or more	424,000	464,000
	<u>588,000</u>	<u>709,835</u>

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

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

17. CALLED UP SHARE CAPITAL

	2022	2021
	£	£
Allotted and issued at 31 March	<u>16</u>	<u>14</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

	2022	2021
	£	£
Brought forward at 1 April	10,534,743	10,492,294
Surplus for the year	496,820	42,449
Carried forward at 31 March	<u>11,031,563</u>	<u>10,534,743</u>

HORNSEY HOUSING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

19a. NOTES TO THE CASH FLOW STATEMENT

	2022	2021
	£	£
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	436,744	511,374
Depreciation charges	839,951	824,410
Deficit on disposal of fixed assets	39,289	13,589
Amortisation charges	(439,152)	(437,218)
Surplus on the disposal of tangible fixed assets	(166,321)	-
(Increase)/Decrease in debtors	(60,984)	(8,459)
Increase/(Decrease) in creditors	24,666	(64,938)
Net Cash inflow from operating activities	674,193	838,758

19b. ANALYSIS OF CHANGES IN NET DEBT

	As at	Cashflows	As at
	1 Apr 21		31 Mar 22
	£	£	£
Cash	1,603,435	343,858	1,947,293
Bank loan due within one year	(121,835)	(93,835)	(28,000)
Bank loans due after more than one year	(588,000)	(28,000)	(560,000)
Total	893,600	465,693	1,359,253

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 Homes and Communities Agency as a Registered Provider of Social Housing under the Housing and Regeneration Action 2008, registration number L0719.

21. RELATED PARTIES

The Trust did not have any Directors' loans as at 31 March 2022 or in 2021. 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 2022

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

	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	416	185
Capital Expenditure that has been authorised by the Board but has not yet been contracted for	609	669
	1,025	854

The capital commitments will be paid for by using our present cash balance of £1.9m and future surpluses from operations.

24. FINANCIAL INSTRUMENTS

	2022	2021
The Trust's financial instruments are analysed as follows:	£	£
Financial Assets		
Cash at bank and in hand and short term deposits	1,947,293	1,603,435
Trade Debtors	304,290	314,111
Other Debtors	54,308	32,697
Financial Assets held at amortised cost	2,305,891	1,950,243
Financial Liabilities	£	£
Bank Loans	588,000	709,835
Trade Creditors	403,213	147,952
Other Creditors	398,949	532,325
Financial Liabilities held at amortised cost	1,390,162	1,390,112

25. POST BALANCE SHEET EVENTS

A new long term loan of £5m was arranged with Lloyds Bank PLC and signed on 26 April 2022. The Trust also entered into a partnership arrangement with Pinnacle Group who will manage all of the Trust's compliance and service contracts.