



**Leeds Federated Housing Association
Limited**

Report and Financial Statements

Year Ended

31 March 2022

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETY NUMBER
IP21457R
HOMES ENGLAND REGISTERED NUMBER LH0989

Leeds Federated Housing Association Limited

Report and financial statements for the year ended 31 March 2022

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Leeds Federated Housing Association Limited

Board Members, Executive Directors and advisors for the year ended 31 March 2022

Board Members

Stuart Whyte (Chair) (resigned 9th September 2021)
Kim Brear (Chair) (appointed as Chair 9th September 2021)
Claire Stone
Jaedon Green
Martin Warhurst
Robin Machell
Shaid Mahmood
Innocent Moyo
Dedra Otchere- Darko
Stephen Dungworth (appointed 9th September 2021)

Executive Directors

Matthew Walker	Chief Executive
Stephen Blundell	Director of Operations
Jason Ridley	Director of Finance and IT

Secretary

Megan Henderson

Registered office

15th Floor, Pinnacle, 67 Albion Street, Leeds LS1 5AA

Registered number

Leeds Federated Housing Association Limited is registered under the Co-Operative and Community Benefit Act 2014 No. IP21457R and registered by Homes England No. LH0989

Auditors

BDO LLP, 29 Wellington Street, Leeds, LS1 4DL

Bankers

Yorkshire Bank Plc, 94-96 Briggate, Leeds, LS1 6NP

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022

The Board of Leeds Federated Housing Association Limited is pleased to present its report together with the audited financial statements of the Group and the Association for the year ended 31 March 2022. The Group comprises the Association and its subsidiary undertaking Leeds Federated Property Services Limited.

Principal activities

The Association's principal activity is the management of social housing. It operates through three key business streams including 'general needs' housing for rent, supported housing and care for people and low-cost home ownership. The Group's head office is based in Leeds and its 4,510 properties are predominantly located in Leeds, Harrogate and Wakefield.

As well as managing social housing, the Group also provides non-social housing, in particular accommodation for students in higher education.

Leeds Federated Housing Association has charitable status by virtue of its registration as a charitable social landlord under the Co-Operative and Community Benefit Act 2014.

Leeds Federated Property Services Limited is a non-charitable company which manages design and build projects.

Board Members and Executive Directors

A list of Board members and the Executive Directors of the Group including dates of appointment and resignation, where applicable, are set out on page 1. The Board consists of 9 members as at 31st March.

Executive Directors are the Chief Executive, the Director of Operations and Director of Finance and IT. None of the Executive Directors hold any interest in the Association's shares and they act as executives within the authority delegated by the Board. Group insurance policies indemnify Board Members and Executive Directors against liability when acting for the Group.

Pensions

The Executive Directors are members of the Social Housing Pension Scheme (SHPS). They participate in the scheme on the same terms as all other eligible staff and the Association contributes to the scheme on behalf of its employees.

Other benefits

The Executive Directors are entitled to other benefits: the provision of a car allowance and health care insurance.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

i) Objectives and strategy

The Group's social purpose is *"to help people find an affordable home to own or rent where they are not able to do so on the open market"*.

The Group's vision is *"building futures together"* and reflects our aims to;

- grow through building more homes across the Leeds City Region;
- provide good value housing offering security and affordability which provides the necessary foundations for our customers to achieve their aspirations and build their futures; and
- work together with staff, customers, and other stakeholders in making our vision a reality.

The achievement of this vision is underpinned by three strategic objectives which are set out in a corporate plan that is reviewed and approved by the Board each year. The Board and senior management team have developed a series of key performance indicators using a Balanced Score Card (BSC) to measure performance against a range of targets to monitor achievement of the Group's corporate objectives.

The corporate strategic objectives from the current corporate plan fall into the following areas:

Objective 1 – Sustain

- Provide good quality homes that people want to live in
- Provide quality services at an affordable cost
- Maintain a healthy business in terms of its finances, expertise and governance
- Deliver value for money in the delivery of services and the running of our business

Objective 2 – Engage

- Attract, retain, and develop a healthy and effective staff team that engages with the organisation
- Engage with customers, listen to, and learn from the customer voice
- Maintain a highly satisfied customer base and staff team
- Collaborate with stakeholders to achieve the best outcome for the business and customers
- Demonstrate value for money to our customers

Objective 3 - Grow

- Continue to deliver sustainable growth
- Be open to, and actively seek, the widest range of development opportunities
- Uphold values of innovation and design quality in the schemes we deliver
- Achieve value for money in our development programme

ii) Principal Risks and uncertainties

COVID-19 & the Economy

During the year the Association has consistently followed Government rules and guidance in order to protect and support its customers and staff whilst continuing to deliver its customer services, development programme and critical projects.

Throughout the Pandemic we adopted a number of measures to ensure the safety of customers, staff and business partners during this time. We undertook the following:

- With the social distancing measures, we decided to suspend the delivery of planned major works such as kitchens, bathrooms, doors and windows and stop non-emergency repairs until these could be re-mobilised safely in line with Government rules and guidance. We also temporarily reduced gardening and cleaning services, again re-mobilising these in line with Government rules and guidance.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Principal risks and uncertainties (*continued*)

COVID-19 & the Economy (*continued*)

- All construction on our development programmes was temporarily suspended in line with Government guidelines to protect our staff and business partners until they could be resumed safely. All decisions on uncommitted schemes were put on hold and then resumed during the summer.
- Continued with gas safety testing, wherever possible, balancing the risks of carbon monoxide poisoning against the need to protect customers and staff from COVID-19.
- Continued with fire safety, asbestos, electrical, lift checks and legionella testing wherever possible.
- Contacted older and vulnerable older people to support their wellbeing.
- Provided guidance to those customers who faced financial difficulties.
- The vast majority of staff successfully transitioned to working from home. Where staff were not able to work from home the Head Office and two of the hubs were available for limited numbers, taking into account social distancing measures.

As Government rules and guidance have changed during the year, we have continued to take measures to follow these rules and guidance with most customer facing and back office activities largely returning to normal where possible.

Whilst these measures had an impact on performance in a number of areas, this impact has not been material in most areas:

- First tranche sales and new development schemes have largely recovered from 2020/21.
- As a precaution against a possible shortfall in income collection and reduced first tranche sales additional funding was drawn and held as increased cash balances in 2020/21. This has been continued to be maintained throughout the year.
- Maintenance spending and service delivery has largely returned to normal during the year though there have been supply chain issues and increasing cost pressures particularly impacting planned works which has and will continue to impact operating margin.

The Group's Business Plan has proven resilient despite the impact of increasing costs. The most recent 2022/23 business plan, approved by Board in March 2022, was also stress tested against a range of extreme scenarios, and continues to be financially resilient albeit with a reduced operating margin.

During the latter part of the year wider political and economic conditions have significantly worsened. The existing pandemic and post Brexit emerging supply chain issues and inflation have been accelerated by the conflict in Ukraine which is now manifesting in global uncertainty, spiralling inflation particularly impacting those least able to afford the surge in energy, food and petrol costs. These conditions pose significant risks to the association as our customers face a cost-of-living crisis which will impact our ability to collect rent alongside higher costs to develop and maintain and develop our properties.

Risk Agenda

As a co-regulated provider of social housing operating within a very challenging and uncertain economic environment, Leeds Federated places a high priority on the identification and effective management of the range of existing and potential risks it faces, ensuring that risk management is integrated within decision making by the board and management through the Risk Management Framework.

Stakeholders can take assurance that risks are being effectively managed where possible within the board's risk appetite in support of achievement of the organisation's corporate strategic objectives.

Internal management, external specialist resources and the Association's Audit and Risk Committee work together to ensure the Association's Risk Management Framework is effectively resourced.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Principal risks and uncertainties (*continued*)

Risk Assessment

Existing and potential emerging risks associated with the current and planned activities of the organisation are identified and documented using a risk Register.

The current principal strategic risks and uncertainties faced by Leeds Federated, in common with most Housing Associations are:

- cyber-attack & business disruption;
- maintaining financial viability and maximising financial capacity;
- ensuring regulatory & statutory compliance;
- managing health and safety risks;
- responding to government policy changes;
- supplier or contractor failure; and
- poor customer perception of service quality and or value for money.

Economic risks following Brexit, the pandemic and most recently the war in Ukraine pose significant threats to the association the social housing sector and the economy. Inflationary pressures, increased interest rates, and a likely recession in 2022/23 will threaten the association's ability to maximise its revenue whilst also increasing its costs, reducing margin and covenant headroom. Increased costs and risks to revenue will result in more difficult choices for the sector in terms of investment in existing stock and development

The impact of the pandemic remains a threat due to the consequential effects on the supply chain and inflation and the wellbeing of customers and staff. Whilst the Association has not been significantly adversely impacted in 2021/22, the pandemic and its consequences are expected to remain both a risk and uncertainty through the 2022/23 financial year and beyond.

All financial risks will be closely monitored and assessed through stress testing and managed operationally through careful monitoring of performance through the balanced scorecard.

All Risk consequences are considered and the impact and likelihood reviewed and individually scored before and after the application of internal controls designed to manage the risks within the risk appetite determined by the board. The Association considers Financial, Health and Safety, Legal & Regulatory, Residents & Community, Reputation & Staff implications when assessing the impact of each risk. All board and committee papers consider the relevant risk(s) to the subject of the paper. The risk register and internal controls are regularly reviewed by Audit & Risk Committee and Board and the risk impact of all papers considered by Board discussed at each meeting.

Risk Response

The board determines the nature and extent of the risks it is willing to take in achieving its corporate plan through a differentiated risk appetite linked to the key activities undertaken by the association as follows;

Categories of Activity
1. Financial Stability
2. Health & Safety
3. Legal & Regulatory
4. Operational Delivery
5. Customer Experience
6. Investment & Asset Management
7. Technology

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Principal risks and uncertainties (continued)

Risk Response (continued)

The table below represents the current allocation of risk appetite by activity category. Both the activity categories and the allocation of risk appetite will be regularly reviewed as part of the on-going review of the Risk Management Framework Policy.

	Averse	Cautious	Balanced	Open	Hungry
1. Financial Stability					
2. Health & Safety					
3. Legal & Regulatory					
4. Operational Delivery					
5. Customer Experience					
6. Investment & Asset Management					
7. Technology					

Risk appetite statements

These statements have been developed to summarise the essence of the risk approach for each activity in support of the selected appetite level and noting where necessary exceptional aspects of the activity. Like the list of activities, the statements will be regularly as part of the policy review to ensure they reflect the association's approach.

1. Financial Stability (Cautious)

- Use of targets that balance covenant compliance whilst supporting corporate objectives
- Prudent policies to minimise Treasury risks
- Regular stress testing and use of prudent planning assumptions to ensure financial resilience

2. Health & Safety (Averse)

- Legal compliance and protection of customers and staff is of paramount importance and will not be compromised.
- Where possible wider customer and staff interests will also be taken into consideration.

3. Legal & Regulatory (Averse)

- We operate in a regulated environment where adherence to all laws is an explicit part of the Regulatory Framework

4. Operational Delivery (Open)

- We are prepared to change and innovate our systems, processes and structures in order to achieve value for money objectives providing this is managed and monitored against performance targets

5. Customer Experience (Open)

- We are prepared to change and innovate our customer facing activities in order to achieve customer satisfaction and value for money services for our customers providing this is managed and monitored against performance targets

6. Investment & Asset Management (Open)

- We have clear ambitions in terms of on-going development of new homes delivered independently or in partnerships and take appropriate risks in achieving this growth
- We will explore and follow as appropriate best value for money practices in respect to the on-going maintenance of our properties and the achievement of energy efficiency targets.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 *(continued)*

Principal risks and uncertainties *(continued)*

Risk appetite statements *(continued)*

7. Technology (Balanced)

- Maintaining the security and resilience of our systems is important to us.
- We will change our technology using tested and appropriate solutions that support and deliver value for money processes.
- In regard to cyber risk we take a cautious approach which recognises and seeks to minimise the constantly emerging threats through cost effective controls, training and monitoring.

Leeds Federated continues to review and develop its approach to risk management and has progressed the decision to adopt, with the support of our Internal Auditors, the three lines of defence approach to identify and document internal controls which includes increased control risk self-assessment by risk owners.

Financial risks are regularly tested through the multi-variate stress testing of the Association's business plan by the Association's Treasury advisors. Business continuity and mitigation plans are maintained and regularly reviewed to ensure that they will enable the Association to recover from or avoid significant disruption.

Risk Communication

Leeds Federated uses a Risk Management Framework which is reviewed annually by Board. The Framework sets out responsibilities for risk management by the Board and Audit & Risk Committee, reporting & monitoring, documentation of risk, risk appetite, the methodology used to score the impact and likelihood of risks and the risk register.

Annually the Board, through Audit & Risk Committee will consider and review the Risk Management Framework and receive a report from the Internal Auditors on their work and their view on the effectiveness of the internal control framework and that an appropriate framework is in place for identifying, evaluating and managing the significant risks faced by the Association. The annual assurance is then used for compliance reporting to the Regulator of Social Housing and within the annual Report and Financial Statements.

The detail of regular reporting, review of the controls, risks and links to the Association's balanced scorecard are detailed within the Risk Management Framework for management & risk owners, Audit & Risk Committee and Board.

Risk Governance

The Association's approach to Risk Governance forms part of its chosen code of governance and includes meeting the Standards of the Regulator of Social Housing as a registered provider.

The Association uses a Risk Management Framework to set out its approach to the management of risk in conjunction with the terms of reference of the Board and Audit & Risk Committee and to ensure compliance with statutory and regulatory requirements.

Through the use of an external provider of Internal Audit as well as various other specialist 3rd party assurance providers the Association is able to obtain independent assurance on the effectiveness of internal controls used to manage key risks.

The Risk Management Framework and regular reporting of risk at Audit & Risk Committee and Board enable risk performance to be monitored and challenged.

Risk management is considered at every Board meeting, both within each individual paper and taking the whole pack into account at the end of each meeting.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report
for the year ended 31 March 2022 (continued)

iii) Operational Performance & Value for Money

Value for Money Statement 2021/22



Leeds Federated
Value for Money Statement 2021/22

A version can be found on our website:

<https://www.lfha.co.uk/>

1 Summary

2021/22 was the first year of the Corporate Plan covering the period 2021 – 2026, reflecting a set of corporate priorities with a sharper focus on our customers through the introduction of the 'Engage' Strategic objective alongside 'Sustain' and 'Grow'. Through the Corporate Plan, Leeds Federated has clarified its approach to increasing its customer focus objective through the following goals:

- Engage with customers, listen to and learn from the customer voice
- Maintain a highly satisfied customer base and staff team
- Collaborate with stakeholders to achieve the best outcome for the business and for customers
- Demonstrate value for money to our customers

The Corporate Plan continues to also focus on its Sustain and Grow strategic objectives with both day to day activities and corporate projects contributing to specific goals, performance targets and the management of risks associated with the delivery of the Plan.

The Association through its Strategic objectives and supporting goals explicitly identifies Value for Money as a goal for each objective illustrating how Value for Money is fully integrated within all activities undertaken.

2 COVID-19 & Economic conditions

The Covid-19 pandemic presented on-going challenges to our business and to our customers during the past year however these have been less severe than in 2020/21 with development, customer facing and back-office functions returning towards pre-Covid levels subject to the need to follow changing Government rules and guidance.

Many customers continued to experience unexpected changes in their circumstances. We expanded our customer engagement team and continued via our financial inclusion team to provide additional support to customers experiencing hardship, and have worked to sustain tenancies and reduce the level of rent arrears.

Post Covid-19 and Brexit related supply chain issues and cost inflation emerged during the year which have impacted operating margin as well as delivery of some planned maintenance work for our customers.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

2. COVID-19 & Economic conditions (continued)

Towards the end of the year the war in Ukraine has further compounded these issues and accelerated inflation in areas of energy, food and petrol all of which contribute to a cost of living crisis for our customers and additional financial risk for the association as it seeks to deliver quality services, and invest in energy efficiency solutions for existing homes as well as continue to develop new homes for affordable rent and sale.

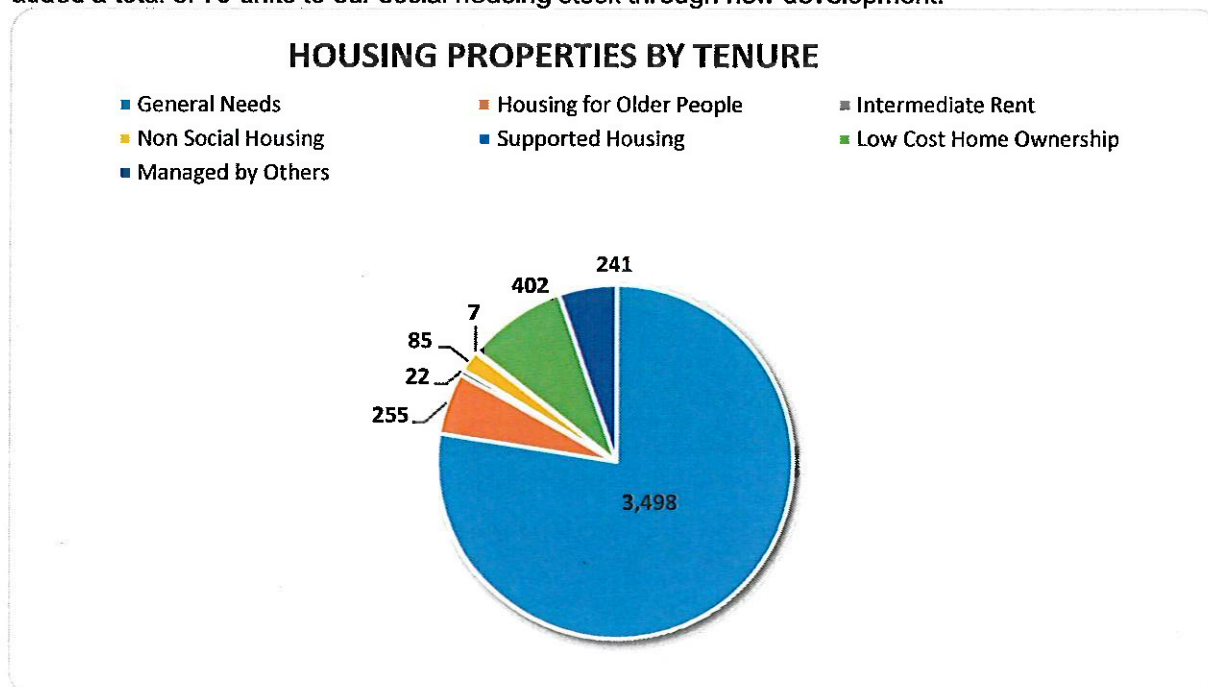
Despite these challenges the association has managed to perform strongly financially maintaining its financial resilience and capacity to continue to invest in support of its corporate strategic objectives.

Whilst Levels of customer satisfaction have declined during the year, we have seen some stabilisation and areas of improvement. We are continuing to increase our investment in resident engagement as part of our corporate plan, to re-establish lines of communication disrupted by the pandemic and to ensure our services reflect and respond to customer needs and priorities.

3 Key Statistics

● Housing Properties by Tenure

The following chart shows Leeds Federated's housing stock by category in 2021/22, a total of 4,510 units/bedspaces¹ of which 85 units are non-social housing and 241 are managed by others. During the year we added a total of 70 units to our social housing stock through new development.



¹ – 7 units are not reported in note 6, Accommodation in Management, because they are not classified as owned and managed as defined by the Regulator of Social Housing (RoSH) in their Financial Viability Assessment (FVA) and Statistical Data Return (SDR). In total there are 4,503 units of measurement per the RoSH definition of a bedspace or unit which owned and managed and is lettable.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report
for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

4 Key Performance Indicators

● Measuring Performance

Key Performance Indicators are a series of targets measured by traffic light system:



Performance is tracked and reported using a Balanced Scorecard System

The results are regularly reviewed by staff, customers and by the Association's board:

- every month by the organisation's Leadership Team
- every quarter by the Challenger Panel, made up of Leeds Federated customers
- every quarter by the Operations Committee
- at each full Board meeting

The seven standard metrics relating to Value for Money specified by the Regulator of Social Housing are integrated into the scorecard. We have continued to track performance against these measures.

The following table analyses some of the performance indicators for the 2021/22 year. The Value for Money Statement (pages 8-19) analyses some other performance indicators, as well as giving a summary on overall BSC performance for 2021/22.

Objective	KPI	Target	Outcome
Customer Satisfaction	Overall customer satisfaction with Leeds Federated's services	Minimum of 80% of customers 'satisfied' or 'very satisfied'	78.9% (79.0% 2021) of customers were 'satisfied' or 'very satisfied' at the end of the financial year. (March 2022 ytd performance)
	Customer satisfaction with the value for money of rent	A minimum of 85% of customers 'satisfied' or 'very satisfied' that their rent offers value for money	At the end of the financial year, 77.7% (80.0% 2021) of Leeds Federated customers were either 'satisfied' or 'very satisfied' that their rent offers value for money. (March 2022 ytd performance)

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

4. Key performance Indicators (continued)

Measuring Performance (continued)

Repairs	Appointments Made and Kept	Minimum of 90% of responsive repairs appointments made and kept	Over the course of the year, 95.0% (95.8% 2021) of responsive repairs appointments were made and kept, contributing to high levels of customer satisfaction and the efficient use of resources. (March 2022 ytd performance)
	Customer Satisfaction with individual repair jobs	Minimum of 85% customer satisfaction with the quality of individual repair jobs	Average customer satisfaction with individual repair jobs was 92.0% (87.3% 2021) at the end of the year. (March 2022 ytd performance)
Gas Servicing	Up to date gas safety certificates maintained for all relevant stock	100% of required gas safety certificates to be in place at all times	99.84% (99.71% 2021) of gas safety certificates were in place at the end of the financial year. A total of 6 (11 for 2021) were overdue, but fully compliant with our escalation procedures. (March 2022 performance)
Housing Management	Minimise the level of rent arrears	Current tenant rent arrears at 6.2% or less (year end actual)	Social housing rent arrears at 6.11% at the end of the financial year (6.2% in 2021). Allowing for housing benefit due but not yet received, this figure falls to 4.6% (4.9% in 2021) based on our 4-weekly rolling average measure.
	Minimise lost rent due to empty properties	Keep rent losses within budget	There was a 12.5% (10.5% 2021) positive variance on the void loss budget. (March 2022 performance)
Development	Timely completion of property sales	No more than 15% of properties to remain unsold five months from handover	0 homes (1 home 2021) had been on sale for more than five months at the year-end (March 2022 year end)
	Achievement of sales targets for shared ownership homes	Achieve average sale proportion of 40% at first tranche.	Average – 46% (47% - 2021) (Target minimum: 40%) March 2022 ytd performance

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

4. Key performance Indicators (continued)

● How We Compare

Leeds Federated has continued to deliver good performance in achieving value for money when compared to the social housing sector nationally. When considered in relation to peers nationally, the organisation is delivering strong levels of new social housing supply and demonstrating efficient use of financial capacity despite Covid impacts, inflationary and supply chain challenges which have impacted margins. We have shown our 2021/22 positions against the RSH Global Accounts benchmarks for 2020/21.

Sector VfM Metric	Leeds Federated				Sector Median 2020/21 ¹	Quartile Position 2020/21
	2019/20	2020/21	2021/22 (target)	2021/22 (outturn)		
(1) Reinvestment %	7.86%	4.07%	>=8.14%	7.39% ³	5.8%	Q2
(2a) New supply% (SH)	3.65%	1.87%	>=2.15%	1.59% ³	1.3%	Q2
(2b) New supply% (NSH) ²	0%	0%	0% ²	0%	0%	-
(3) Gearing at cost %	24.84%	30.58%	<26.0%	22.7%	43.9%	Q4
(4) EBITDA-MRI %	331%	281%	>193%	187%	183%	Q2
(5) SH cost per unit	£3,145	£3,428	<£3,865	£3,882	£3,730	Q2
(6a) Op Margin (SH) %	20.85%	23.09%	>15.9%	18.21%	26.3%	Q4
(6b) Op Margin(overall) %	25.51%	24.55%	>20.00%	20.71%	23.9%	Q3
(7) ROCE %	3.86%	3.44%	>2.91%	3.60%	3.3%	Q2

(SH – Social Housing, NSH – Non-social housing, EBITDA-MRI – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included, ROCE – Return on Capital Employed)

1 – RSH Global Accounts for 2020/21 (all providers > 1000 homes)

2 – Leeds Federated does not have current plans to develop new non-social housing

3 – The delivery of planned maintenance programmes and development was significantly adversely impacted in 2021/22 by Covid-related restrictions on working in customers' homes and a slower than expected recovery of development activity across the sector. We expect this to be the case for other providers.

5 Customer Perceptions

● Measuring Performance

Customer perception data is collected on a rolling basis, with a minimum of 600 customers participating in the survey annually. This approach has been in operation for many years allowing a useful longitudinal analysis of performance. Leeds Federated has continued to use the National Housing Federation's STAR methodology, which enables straightforward comparison with other organisations in the sector.

Leeds Federated Housing Association Limited

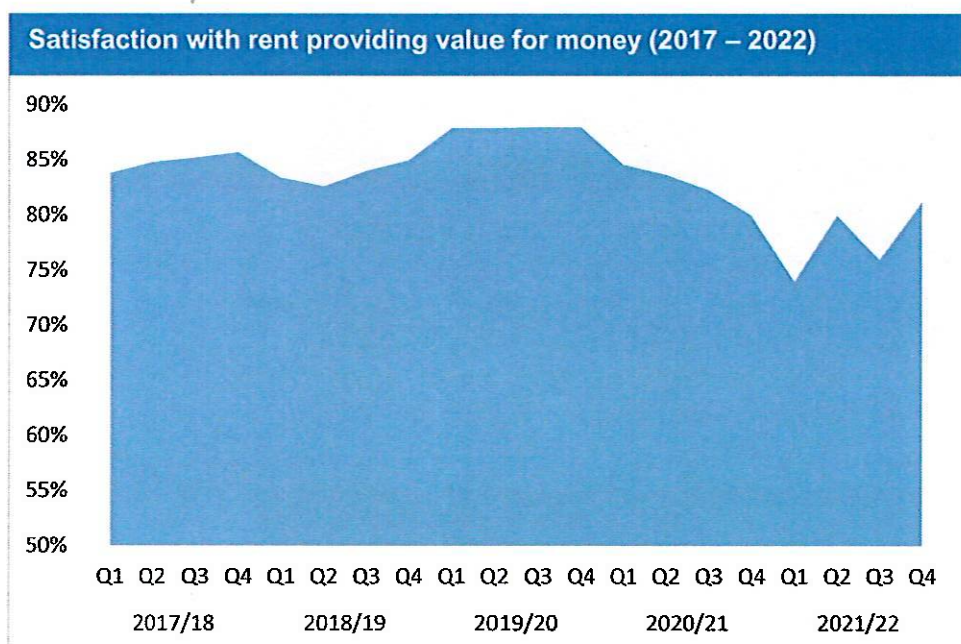
Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

5. Customer Perceptions (continued)

Measuring Performance (continued)

Like other providers, we observed an overall decline in customer satisfaction during the pandemic, which is likely to be linked to the reductions in service that were necessary as a result, and a reduction in the presence and visibility of staff when restrictions were in operation. There are signs that customer perceptions of our service are beginning to recover, however we recognise that significant effort will be required to rebuild confidence and relationships after such a difficult period. We are continuing to expand our Customer Engagement function to ensure that we are able to achieve this.



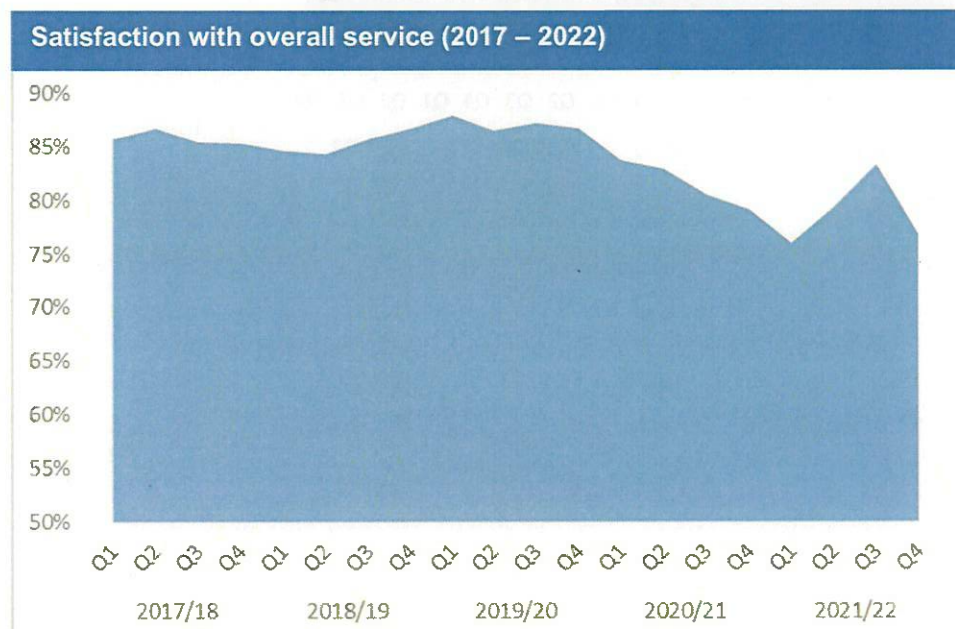
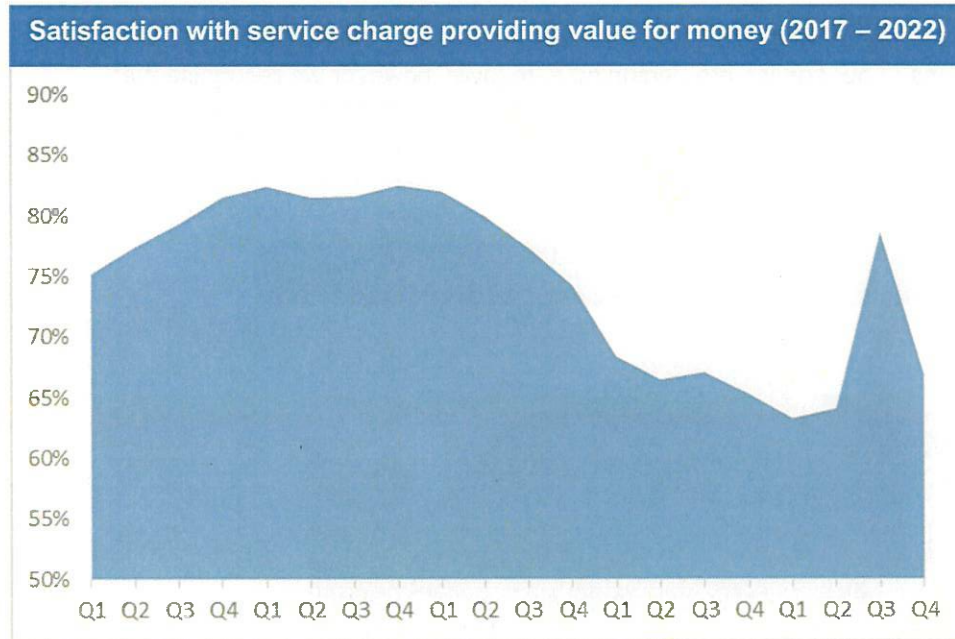
Leeds Federated Housing Association Limited

Report of the board of management and strategic report
for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

5. Customer Perceptions (continued)

Measuring Performance (continued)



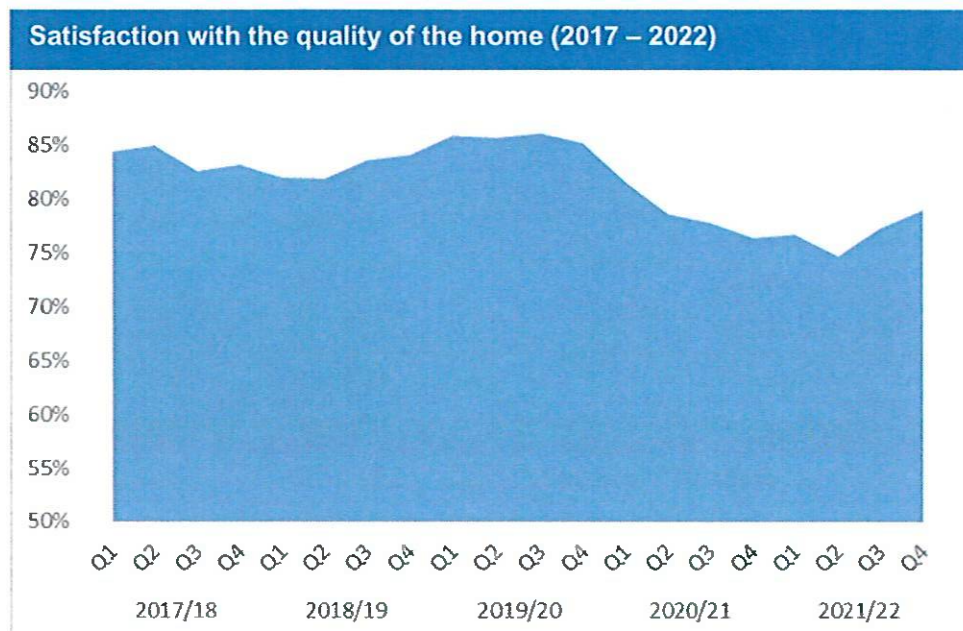
Leeds Federated Housing Association Limited

Report of the board of management and strategic report
for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

5. Customer Perceptions (continued)

Measuring Performance (continued)



● Making Improvements

Our customer Challenger Panel continues to consider and scrutinise customer satisfaction data on a quarterly basis.

In 2021/22, we have invested additional resource in our Customer Engagement function, and we are continuing to expand this area of activity in 2022/23. We are in the process of implementing the 'Together With Tenants' developed by the National Housing Federation. This will reinforce our long-standing commitment to ensuring that the customer voice is at the heart of our approach to governance and operational decision making.

6 Asset Performance

● Measuring Performance

Our Asset Return Model is used to measure the performance of our assets and to track progress over time. The overwhelming majority of our stock performs well, and using the Asset Return Model we have tracked the performance of our assets over time.

Performance has been improving as a result of interventions to address underperforming housing stock combined with an increase in high quality homes as a result of our expanded development programme.

We refreshed our Asset Return Model with up to date housing and asset management data during the 2021/22 year to ensure that values continue to reflect current performance.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

6. Asset Performance (continued)

Measuring Performance (continued)

Rank	Unit Type	Average NPV	
		2020/21	2021/22
1	Houses (semi-detached or detached)	£46,094	£54,462
2	Other (typically agency-managed accommodation)	£39,852	£41,146
3	Bungalows	£26,014	£33,967
4	Terraced houses	£33,706	£32,364
5	Flats	£24,375	£29,252
7	Bedsits	£3,844	£20,041
Average NPV per unit:		£31,440	£37,388

● Making Improvements

We have continued our work to review and evaluate underperforming assets, with the involvement of the Board. The aim in all cases is to maximise value for money by making the best use of resources in the form of the assets themselves and also to make best use of our housing management and maintenance resources.

In 2021/22 we undertook a major new independent stock condition survey involving a full internal and external condition survey of our homes. This achieved 85% coverage of our housing stock, and we are working to collect data for the remaining homes.

We have invested in a new Asset Management System (Asprey) which will replace legacy software. The Asprey system will ensure that we are able to manage the data generated by the stock condition survey as effectively as possible, targeting our Decent Homes and energy efficiency investment to maximise value for money.

Operational performance and value for money (continued)

In 2022/23 our plans to improve include:

- Embed the new Asprey asset management system, and use its capabilities to model and deliver out future energy upgrade and retrofit programmes, while maintaining compliance with the Home Standard.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Operational performance and value for money (*continued*)

7 Value for Money Standard

Leeds Federated has assessed its performance against the requirements laid out in the Regulator of Social Housing's Value for Money Standard. Leeds Federated has judged itself to be compliant with these requirements.

1.1 Registered providers must:

- a. clearly articulate their strategic objectives
- b. have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders
- c. through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs
- d. ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

- Our strategic objectives are articulated in the Corporate Plan, through the three core strategies of 'Sustain', 'Engage', and 'Grow'.
- We have an approach agreed by the Board to achieving Value for Money in meeting these strategic objectives. This is primarily embedded in those strategies, however a separate Value for Money Policy exists which is approved by the Board.
- Our 'Grow' Strategy and Development Policy articulate our approach to delivering homes that meet a range of needs.
- Our VfM Policy sets out how we ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency, and effectiveness in the delivery of our strategic objectives.

2.1 Registered providers must demonstrate:

- a. a robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance
- b. regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures
- c. consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case
- d. that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

7. Value for Money Standard (continued)

- robust approach to achieving Value for Money is set out in our Value for Money Policy. We demonstrate this in ongoing business activity through option appraisals, business cases taken to Corporate Investment Group and to Board, and through the goals and projected business benefits of an ongoing programme of corporate projects.
- The board regular considers potential value for money gains in the form of option appraisals and business cases for changes in operational activity. Other examples at board and operational levels include asset disposal decisions, procurement approaches, resource allocation, development of new systems and changes to existing systems.
- VfM performance is measured and recorded monthly through our balanced scorecard KPIs and through our annual VfM statement

2.2 Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers
- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

- Evidence is published annually as part of the statutory accounts to detail performance against Value for Money targets and the metrics set out by the Regulator, along with any plans for improvement.

8 Value for Money Targets

The table below shows Leeds Federated's performance for 2021/22 and our headline targets for the following three years as currently contained in our business plan.

Sector VfM Metric	LFHA 2021/22	VfM Targets		
		2022/23	2023/24	2024/25
(1) Reinvestment %	7.39%	12.08%	11.54%	7.54%
(2a) New supply % (SH)	1.59%	2.91%	3.85%	3.07%
(2b) New supply % (NSH)	0%	0%	0%	0%
(3) Gearing at cost %	22.7%	28%	32%	33%
(4) EBITDA-MRI %	187%	223%	207%	211%
(5) SH cost per unit	£3,882	£4,097	£4,397	£4,536
(6a) Op Margin (SH) %	18.2%	15.3%	20.6%	20.3%
(6b) Op Margin (overall) %	20.7%	22.5%	24.4%	22.9%
(7) ROCE %	3.60%	2.92%	3.72%	3.47%

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Operational performance and value for money (*continued*)

9 Concluding Statement

This document provides a review of Leeds Federated Housing Association's activities over the course of the 2021/22 financial year from a value for money perspective. Leeds Federated believe that this report provides assurance of compliance with the requirements of the Regulator for Social Housing Value for Money Standard.

iv) Financial performance for the year

The Board is pleased to report another strong financial performance for the year with a healthy total comprehensive income for the Group of £6,411k (2021 - £2,191k), after accounting for an actuarial gain of £1.2m on the Social Housing Pension defined benefit scheme (2021 – loss of £3.1m). Operational performance is broadly consistent with 2021 with operational surplus, before 'other gains', reported for the Group of £5,086k (2021 - £6,195k) with the main movement being higher operating costs compared to last year. The cash generated from the surplus has enabled the Group to continue to invest in both its existing stock and new developments, for both rent and low cost shared ownership. The group completed 70 (2021: 82) new affordable homes during 2021/22. These new homes are a combination of Leeds Federated's own development and S106 schemes with regional and national housebuilders, reflecting the group's strong partnership approach to delivering new affordable homes.

Financial position

The Group's five-year statements of income and expenditure and comprehensive income and balance sheets / statement of financial position are summarised in the table on page 21.

The Group's statement of comprehensive income and statement of financial position for the year ended 31 March 2022 are included on pages 30 and 32.

Accounting policies

The Group's principal accounting policies are set out on pages 37 to 42 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include component accounting and housing property depreciation.

Housing properties and other fixed assets

The board is pleased to note a 0.91% (2021 – 1.51%) increase in property stock this year, with the total number of social homes (including bed spaces) in management now standing at 4,184 (2021 – 4,157). In addition, there are 85 non-social bed-spaces (2021: 85) and 241 units managed by others (2021: 232). The social housing properties were carried in the balance sheet at cost (after depreciation) of £213.6m (2021 - £205.2m).

A small number of properties are classified as Investment Properties. They are carried in the balance sheet at market valuation of £8.2m (2021 - £7.6m).

The Group's hub offices and depot are included within other fixed assets at depreciated cost.

During the year, the Group invested £194k (2021: £463k) in its capitalised computer equipment mainly on improvements to the housing management system in the development of Origin2.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 *(continued)*

Financial performance for the year *(continued)*

Pension costs

The Group participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit scheme. The Group has contributed to the scheme in accordance with levels set by the actuaries. The latest triennial actuarial valuation of the SHPS was undertaken as at 30 September 2020. The disclosure note can be found on page 63-66.

Capital structure and treasury policy

The Group has £97m of secured funding facilities and as at 31 March there was £48m available in the form of undrawn facilities and cash to fund future development and capital spending. The annually approved Treasury Annual Plan and Treasury Policy sets out how the group manages treasury risks including interest rates, refinancing, and counterparty risks as well as determining future borrowing plans to ensure adequate funding in place to meet business plan requirements. All lenders' covenants were met during the year and the Board expects to remain compliant in the foreseeable future.

Cash flows

Cash inflows and outflows during the year are shown in the consolidated statement of cash flows on page 36. The cash inflow from operating activities decreased slightly this year to £7,412k (2021 - £8,537k). There was a net increase in cash for the year ended 31 March 2022 of £4,325k (2021 - decrease in cash £1,365k).

Future developments

The Board approved its March 2022 budget to spend an estimated £29.9m during the next financial year to acquire/build further affordable homes for sale and rent (2021 - £17.4m). £8.8m of funding is for committed schemes and £21.1m for uncommitted schemes. In the period between the budget being prepared and the end of the financial year, a further £0.5m of uncommitted cost was committed.

The Association's 5 year Corporate Plan for 2022 to 2027 sets out the growth aspiration to expand Leeds Federated's delivery of good quality homes – the Association will use its borrowing capacity to increase the amount of development undertaken, delivering on average 150 new homes per year until 2031/32.

The 2022/23 budget includes 133 completed new affordable homes, 41 of which are for shared ownership.

Statement of compliance

In preparing this Report of the Board and Strategic Report, the Board has followed the principles set out in the Statement of Recommended Practice (SORP): Accounting for registered social housing providers and the reporting requirements of FRS102.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Operational performance and value for money (continued)

	2022 £'000	2021 £'000	2020 £'000	2019 £'000 restated	2018 £'000
Group statement of comprehensive income					
Total turnover	25,482	25,614	27,568	26,015	23,414
Income from lettings	21,854	21,229	20,499	20,535	20,181
Operating surplus	5,086	6,195	6,861	6,580	8,169
Surplus for the year transferred to reserves (after pension)	6,411	2,191	9,336	2,111	6,179
Group statement of financial position					
Housing properties	213,625	205,164	204,666	197,191	190,713
Investment properties	8,221	7,641	6,830	6,830	5,537
Housing properties, net of depreciation	221,846	212,805	211,496	204,021	196,250
Other fixed assets	734	1,442	1,278	1,051	1,340
Fixed assets, net of depreciation	222,580	214,247	212,774	205,072	197,590
Fixed asset investments	2,661	22,753	2,047	1,795	1,647
Net current assets/(liabilities)	1,783	(4,071)	(1,449)	(4,721)	(274)
Total assets less current liabilities	227,024	232,929	213,372	202,146	198,963
Loans (due over one year)	54,567	62,438	52,762	45,582	46,367
Other long term liabilities (includes SHG under FRS102 and pension liability)	109,071	113,516	105,826	111,116	109,259
Reserves:- revaluation	-	-	-	-	-
- revenue	63,386	56,975	54,784	45,448	43,337
	227,024	232,929	213,372	202,146	198,963
Accommodation figures					
Social housing owned	4,403	4,374	4,314	4,197	4,060
Social housing leased	15	15	15	22	24
Non-social housing	85	85	85	85	85
Total housing stock owned at year end (number of dwellings)	4,503	4,474	4,414	4,304	4,169
Statistics					
Surplus for the year as % of turnover (after pension)	25.16%	8.55%	33.87%	8.11%	26.39%
Surplus for the year as % of income from lettings (after pension)	29.34%	10.32%	45.54%	10.28%	30.62%
Rent losses (voids and bad debts as % of rent and service charges receivable)	1.96%	2.23%	2.57%	2.50%	3.09%
Interest cover	270.33%	323.54%	289.38%	304.71%	375.00%
Gearing (total loans as % of capital grants plus reserves)	34.97%	42.26%	35.99%	32.72%	34.00%
Total reserves per home owned	14,123	12,778	12,454	10,616	10,455

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

v) Governance

Statement of Internal Controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

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

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for the Audit and Risk Committee and the Operations Committee;
- clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training and development policies for all staff;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- a thorough approach to treasury management which is subject to external review each year;
- regular reporting to the appropriate Committee on key business objectives, targets and outcomes;
- Board approved Whistleblowing policy;
- Board approved Bribery, Fraud and Money Laundering policy, covering prevention, detection and reporting, together with recoverability of assets; and
- regular monitoring of loan covenants and requirements for new loan facilities.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit and Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives reports from the Audit and Risk Committee together with minutes of Audit and Risk Committee meetings. At the end of each financial year, the Chair of the Audit and Risk Committee reports to the Board on how the terms of reference for the Committee have been met during the year. In July 2021, the Board received the Company Secretary's annual review of the effectiveness of the system of internal control for the Association for 2020/21 in line with External Audit recommendations to only receive this after the External Auditor has reported its findings for the 2020/21 audit. The 2021/22 annual report of the Internal Auditor was received at the July 2022 Audit and Risk Committee meeting.

The current Internal Auditors are Beaver and Struthers who were reappointed in 2022 following a competitive tender process. The Internal Auditors have reported to Audit & Risk Committee four times during the year and the Association undertakes a performance review following each audit, on whether reporting timescales were achieved and annually on the mix of audit staff against the tendered mix. The External Auditors were reappointed in 2017 following a competitive tender process.

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Governance (*continued*)

Compliance with Governance and Financial Viability Standard

The Board receives on an annual basis an assessment of compliance with the Regulator of Social Housing's (RSH's) regulatory standards. The assessment undertaken for 2021/22 shows that we are fully compliant, which was noted by Board at their meeting on the 14 June 2022.

The Association received confirmation from the Regulator of Social Housing in November 2021 that it had retained its G1V1 gradings following the conclusion of the Stability Check process.

National Housing Federation (NHF) Code of Governance

The Board adopted the NHF Code of Governance 2020 from 1 April 2021. As part of the decision the Board considered a self-assessment against the code noting the work required within the year to be able to confirm compliance with all elements. An action plan was agreed which was monitored by the Governance and Remuneration Committee during the year. As at 31 March 2022, Leeds Federated were able to report compliance with the Code with the exception of the completion of the internal assessment against the code which is undertaken as part of the internal assurance process in May.

Effectiveness

Annual Board effectiveness and annual appraisals are carried out for each Board member. The results are analysed and reported through the Governance & Remuneration Committee to the Board and Committees to support and inform future succession, recruitment and learning and development requirements. The process is internally supported by the Company Secretary.

Equality, Diversity and Inclusion

In line with the NHF Code of Governance 2020 the Board approved a new Equality, Diversity and Inclusion Policy. The policy outlines that we will set targets against each of the protected characteristics where there is sufficient data to enable the comparison. The principles that we will monitor include: staff and Board being broadly representative of the customer base we serve and our customer base being broadly representative of the communities in which the stock is situated. Summary data of the demographic profile of customers, staff and board members are provided to the Board annually for review. The 2021/22 profile shows that the composition of the Board is generally reflective of the diversity of our customer base though it was noted recruitment opportunities and methods would be reviewed to increase applications from underrepresented groups, specifically disabled candidates at this time. When recruiting new Board members the Board consider the diversity balance and skills mix on the Board.

Ethnic Minority	40%	Average Age	53.4
Ethnic Majority	60%	Bisexual	0%
Female	40%	Gay	0%
Male	60%	Lesbian	0%
Disabled	0%	Heterosexual	100%
Non-Disabled	100%	Prefer Not to Answer	0%

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

Governance (continued)

Committees and Attendance

The attendance at the Board and Committee meetings during 2021/22 was:

Board/Committees	2022	2021
Board	83.7%	97.7%
Operations Committee	77.8%	100%
Audit & Risk Committee	93.8%	86.7%
Governance & Remuneration Committee	100%	100%
Development Committee	78.6%	73.7%

Names of Board Members sitting on each Committee as at 31 March 2022

Chair of the Board of Management	Kim Brear
Operations Committee	Claire Stone Chair Shaid Mahmood Dedra Otchere- Darko Stephen Dungworth Shubash Miah (Committee Member only)
Audit & Risk Committee	Martin Warhurst Chair Jaedon Green Robin Machell Innocent Moyo
Governance & Remuneration Committee	Jaedon Green Chair Martin Warhurst Claire Stone Kim Brear Robin Machell
Development Committee	Robin Machell Chair Claire Stone Shaid Mahmood Jaedon Green

Remuneration

Board Members are remunerated for their position on the Board. Within their Service Contract reference is made to the level of the fee being subject to an annual review by the Board. It was agreed that remuneration would be at median level (which is consistent with the Association's approach to setting staff salaries) and this be linked to an assessment of the following criteria:

- an independent assessment of the market
- any increase being paid to staff
- any increase paid to Senior Management Team
- the general economic climate

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Governance (*continued*)

There are no governance related matters to highlight this year.

Charitable donations 2022 - Nil (2021 - Nil).

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out in this Report of the board of management and strategic Report. The Group has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes along with the Group's day to day operations. The Group also has a long-term Business Plan which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The board approved the 2022/23 budget and business plan in March 2022 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

The ongoing impact of the pandemic and its financial effect alongside the economic impacts of Brexit and most recently the war in Ukraine is carefully monitored by the Senior Management Team and the board. Financial assumptions are used in the budget and business plan, particularly focusing on the next 5 years to ensure the Association remains a going concern. The Group's long-term business plan is stress tested twice yearly to assess the possible financial impacts and the resilience of the business plan including the range of available mitigation plans (further information is provided on page 4). The Perfect Storm multi-variate scenario resulted in covenant breaches that could be partially mitigated through existing identified cost reductions. Additional strategies remain available to the association including the re-phasing of retrofitting programmes and capital works and the delay or decisions to not proceed with development schemes in order to maintain liquidity and avoid covenant breaches. Through regular stress testing performed by the Group's treasury advisors the board receives assurance as to the financial viability of the Group.

The board will continue to review operational plans and performance with the Senior Management Team and to make the necessary changes in response to the pandemic and economic conditions that enable us to continue to work with our customers and stakeholders to deliver services whilst supporting and protecting staff and customers.

Given the strength of the balance sheet, liquidity, and availability of undrawn loan facilities, the board believes that, while uncertainty remains in respect of the on-going impact of the pandemic and the more recent deteriorating economic conditions, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Association's financial performance in 2021/22 proved resilient and on this basis the board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future; being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Statement of Board members' responsibilities

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

Statement of Board members' responsibilities (*continued*)

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and Association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

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

Annual General Meeting

The Annual General Meeting will be held on 8 September 2022. The AGM will be held virtually using existing conferencing facilities and a separate shareholder briefing will be held to update members on progress against the Corporate Plan, performance and future direction.

Auditors

All of the current Board Members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Board Members are not aware of any relevant audit information of which the auditors are unaware.

Governance

BDO LLP have expressed their willingness to continue.

By order of the Board



Kim Brear
Chair of the Board
Date 19 July 2022

Leeds Federated Housing Association Limited

Consolidated statement of comprehensive income for the year ended 31 March 2022

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's and the Association's 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 Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Leeds Federated Housing Association ("the Association") and its subsidiary ("the Group") for the year ended 31 March 2022 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We remain independent of the Group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the Association'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 board are responsible for the other information. The other information comprises the information included in the *annual report*, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Strategic Report, Report of the Board of Management and the value for money statements, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

1. the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
2. adequate accounting records have not been kept by the parent Association; or
3. a satisfactory system of control has not been maintained over transactions; or
4. the parent Association financial statements are not in agreement with the accounting records and returns; or
5. we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the board members responsibilities statement set out on pages 25 and 26, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding and accumulated knowledge of the Group and Association and the sectors in which the Group operates we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group and Association accounting policies, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and industry related

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (*continued*)

such as compliance with employment law and health & safety regulations. We held discussions with management and the Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud and reviewed the minutes of Board meetings throughout the period to corroborate our enquiries and to identify any other matters not already disclosed by management and the Directors.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, revenue being recognised in the correct period around the year end and management bias in accounting estimates.

Our audit procedures included, but were not limited to:

- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the defined benefit pension liability;
- Identifying and testing journal entries, in particular any manual journal entries in revenue and journals containing key words;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.
- Completing substantive and analytical procedures depending on revenue stream to ensure revenue has been included within the appropriate accounting period

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Julien Rye
657B95FCEECB4FF...

BDO LLP
Statutory Auditor
Leeds

Date: 2 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Leeds Federated Housing Association Limited

Report of the board of management and strategic report for the year ended 31 March 2022 (continued)

	Note	2022 £'000	2021 £'000
Turnover	4	25,482	25,614
Operating costs	4	(20,396)	(19,419)
Surplus on disposal of fixed assets	4	2,400	1,058
Movement in property and gilt valuations	4	473	664
Operating surplus	4	7,959	7,917
Other interest receivable and similar income	9	37	61
Interest and financing costs	10	(2,787)	(2,647)
Surplus for the financial year		5,209	5,331
Actuarial gain/(loss) on defined benefit pension scheme	28	1,202	(3,140)
Total comprehensive income for the year		6,411	2,191

All activities relate to continuing operations.

The financial statements were approved by the Board of Management on 19 July 2022 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 37 to 68 form part of these financial statements.

Leeds Federated Housing Association Limited

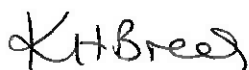
Association statement of comprehensive income for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	4	25,715	25,730
Operating costs	4	(20,391)	(19,414)
Surplus on disposal of fixed assets	4	2,400	1,058
Movement in property and gilt valuations	4	473	664
Operating surplus	4	8,197	8,038
Other interest receivable and similar income	9	37	61
Interest and financing costs	10	(2,787)	(2,647)
Surplus for the financial year		5,447	5,452
Actuarial gain/(loss) on defined benefit pension scheme	28	1,202	(3,140)
Total comprehensive income for the year		6,649	2,312

All activities relate to continuing operations.

The financial statements were approved by the Board of Management on 19 July 2022 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 36 to 66 form part of these financial statements.

Leeds Federated Housing Association Limited

Consolidated statement of financial position at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets - housing properties, depreciated cost	14	213,625	205,164
Tangible fixed assets – Other	15	734	1,442
Investment Properties	16	8,221	7,641
Investments	13	2,661	22,753
		225,241	237,000
Current assets			
Properties held for sale	20	1,185	1,442
Stock		121	28
Debtors	18	1,848	1,556
Investments	19	-	-
Cash at bank and in hand		8,712	4,387
		11,866	7,413
Creditors: amounts falling due within one year	21	(10,083)	(11,484)
Net current assets / (liabilities)		1,783	(4,071)
Total assets less current liabilities		227,024	232,929
Creditors: amounts falling due after more than one year	22	(159,824)	(170,442)
Net assets excluding pension liability		67,200	62,487
Pension liability	28	(3,814)	(5,512)
Net assets		63,386	56,975
Capital and reserves			
Called up share capital	29	-	-
Income and expenditure reserve		63,386	56,975
Total capital and reserves		63,386	56,975

The financial statements were approved by the Board of Management on 19 July 2022 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 37 to 68 form part of these financial statements.

Leeds Federated Housing Association Limited

Association statement of financial position at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets - housing properties, depreciated cost	14	214,643	205,944
Tangible fixed assets – Other	15	734	1,442
Investment properties	16	8,221	7,641
Investments	13	2,661	22,753
		226,259	237,780
Current assets			
Properties held for sale	20	1,185	1,442
Stock		121	28
Debtors	18	1,844	1,550
Investments	19	-	-
Cash at bank and in hand		8,504	4,287
		11,654	7,307
Creditors: amounts falling due within one year	21	(9,871)	(11,378)
Net current assets / (liabilities)		1,783	(4,071)
Total assets less current liabilities		228,042	233,709
Creditors: amounts falling due after more than one year	22	(159,824)	(170,442)
Net assets excluding pension liability		68,218	63,267
Pension liability	28	(3,814)	(5,512)
Net assets		64,404	57,755
Capital and reserves			
Called up share capital	29	-	-
Income and expenditure reserve		64,404	57,755
Total capital and reserves		64,404	57,755

The financial statements were approved by the Board of Management on 19 July 2022 and signed on its behalf by:

Board Member



Board Member



Secretary



The notes on pages 36 to 66 form part of these financial statements.

Leeds Federated Housing Association Limited

Group statement of changes in reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Share capital £'000	Total £'000
Balance at 1 April 2020	54,784	-	54,784
Surplus for the year	5,331	-	5,331
Actuarial loss on defined benefit pension scheme	(3,140)		(3,140)
Total comprehensive income for the year	2,191		2,191
Balance at 31 March 2021	56,975	-	56,975
Surplus for the year	5,209	-	5,209
Actuarial gain on defined benefit pension scheme	1,202		1,202
Total comprehensive income for the year	6,411		6,411
Balance at 31 March 2022	63,386	-	63,386

Leeds Federated Housing Association Limited

Association statement of changes in reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Share capital £'000	Total £'000
Balance at 1 April 2020	55,443	-	55,443
Surplus for the year	5,452	-	5,452
Actuarial loss on defined benefit pension scheme	(3,140)		(3,140)
Total comprehensive income for the year	2,312		2,312
Balance at 31 March 2021	57,755	-	57,755
Surplus for the year	5,447	-	5,447
Actuarial gain on defined benefit pension scheme	1,202		1,202
Total comprehensive income for the year	6,649		6,649
Balance at 31 March 2022	64,404	-	64,404

Leeds Federated Housing Association Limited

Consolidated cash flow statement for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Surplus for the financial year		6,411	2,191
Adjustments for:			
Depreciation of fixed assets – housing properties	14	4,671	4,663
Depreciation of fixed assets – other	15	395	482
Amortisation of loan set up costs	10	89	75
Amortised grant	8	(1,986)	(1,976)
Net fair value gains recognised in income statement	13	107	147
Movement in fair value of investments	16	(580)	(811)
Interest payable and finance costs	10	2,585	2,509
Interest receivable	9	(37)	(61)
Difference between net pension expense and cash contribution	11	(1,698)	2,511
Surplus on sale of fixed assets – housing properties	7	(2,398)	(1,058)
Surplus on sale of fixed assets – other	7	(2)	-
Increase in stock		(93)	(28)
(Increase)/decrease in debtors	18	(292)	330
Increase/(decrease) in creditors	21	240	(437)
Cash flows from operations		7,412	8,537
Cash flows from investing activities			
Proceeds from sale of fixed assets – housing properties	7	3,856	2,120
Proceeds from sale of fixed assets – other	7	4	-
Purchase of fixed assets – housing properties	14 & 4a	(15,147)	(8,321)
1 st tranche sales costs	4a	1,467	2,120
Purchase of fixed assets – other	15	(201)	(646)
Receipt of grant	24	0	1,861
Costs associated with selling properties		(77)	(28)
Bank interest received	9	7	3
Release/(purchase) of cash investment	13	20,015	(20,692)
Cash paid to THFC to hold for security after sale of property	13	0	(103)
Net cash from / (used in) investing activities		9,924	(23,686)
Cash flows from financing activities			
Interest paid	10	(2,937)	(2,800)
New loans – bank	26	-	20,000
Loan premium received	26	-	6,226
New loans – set up costs	26	(46)	(402)
Repayment of loans – bank	26	(10,028)	(9,240)
Net cash (used in) / from financing activities		(13,011)	13,784
Net increase / (decrease) in cash and cash equivalents		4,325	(1,365)
Cash and cash equivalents at beginning of year		4,387	5,752
Cash and cash equivalents at end of year		8,712	4,387

The notes on pages 37 to 68 form part of these financial statements.

Leeds Federated Housing Association Limited

Notes forming part of the financial statement for the year ended 31 March 2022

1 Legal status

The Association is registered under the Cooperative and Community Benefit Society Act 2014, and is registered with Homes England as a social housing provider. The registered office is 15th Floor, Pinnacle, 67 Albion Street, Leeds, LS1 5AA.

The companies, Leeds Federated Housing Association Limited and its subsidiary Leeds Federated Property Services Limited, are referred to as "the group". The principal activity of the group is the provision of social housing and housing management.

Leeds Federated Property Services Limited is a company limited by shares, registered with Companies House under the Companies Act 2006. The principal trading activity of the company is the development of new housing for sale to the Association.

2 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Leeds Federated Housing Association includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, "Accounting by registered social housing providers" 2018, and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. These estimates and judgements are disclosed in note 3.

Parent company disclosure exemptions

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

- only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- no cash flow statement has been presented for the parent company;
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole. There is no remuneration in the subsidiary company LFPS.

The following principal accounting policies have been applied:

Going concern

The Group's business activities, its current financial position and factors likely to affect its future development are set out in this Report of the board of management and strategic Report. The Group has in place long term debt facilities which provide adequate resources to finance committed reinvestment and development programmes along with the Group's day to day operations. The Group also has a long-term Business Plan which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The board approved the 2022/23 budget and business plan in March 2022 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

2 Accounting policies (continued)

The ongoing impact of the pandemic and its financial effect alongside the economic impacts of Brexit and most recently the war in Ukraine is carefully monitored by the Senior Management Team and the board. Financial assumptions are used in the budget and business plan, particularly focusing on the next 5 years to ensure the Association remains a going concern. The Group's long-term business plan is stress tested twice yearly to assess the possible financial impacts and the resilience of the business plan including the range of available mitigation plans (further information is provided on page 4). The Perfect Storm multi-variate scenario resulted in covenant breaches that could be partially mitigated through existing identified cost reductions. Additional strategies remain available to the association including the re-phasing of retrofitting programmes and capital works and the delay or decisions to not proceed with development schemes in order to maintain liquidity and avoid covenant breaches. Through regular stress testing performed by the Group's treasury advisors the board receives assurance as to the financial viability of the Group.

The board will continue to review operational plans and performance with the Senior Management Team and to make the necessary changes in response to the pandemic and economic conditions that enable us to continue to work with our customers and stakeholders to deliver services whilst supporting and protecting staff and customers.

Given the strength of the balance sheet, liquidity, and availability of undrawn loan facilities, the board believes that, while uncertainty remains in respect of the on-going impact of the pandemic and the more recent deteriorating economic conditions, this does not pose a material uncertainty that would cast doubt on the Association's ability to continue as a going concern. The Association's financial performance in 2021/22 proved resilient and on this basis, the board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the results of Leeds Federated Housing Association Limited and its only subsidiary undertaking as at 31 March 2022 as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Turnover

Turnover represents rental income and service charge income receivable, proceeds from first tranche shared ownership sales, fees and revenue grants from local authorities and Homes England (HE), management fees receivable and miscellaneous income. Income is measured at the fair value of the consideration received or receivable.

Rental income is recognised 14 days from availability at the point when properties under development become available for letting. Income from first tranche sales is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Service income and charges

The Group operates variable service charges, whereby the costs of the scheme are budgeted and any surplus/deficit in any financial year is recovered/refunded in future service charges. The costs for the provision of any communal service or facility within a housing scheme are recharged at cost plus a 15% admin charge to the tenants on that scheme. Expenditure is recorded when a service is provided and

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

2 Accounting policies (continued)

charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Bad debt

A bad debt provision of £790k is included within the financial statements. This includes 85% of current tenant arrears older than 13 weeks and 100% of former tenants' arrears, which includes collection fees associated with historical arrears and rechargeable repairs. Bad debt on other income sources is assessed depending upon the individual circumstances present.

Taxation

Leeds Federated Property Services is subject to Corporation Tax. The charge for taxation is based on the surplus for the year and takes into account taxation deferred. Surpluses are accrued and gift aided to Leeds Federated Housing Association under a Deed of Covenant.

Value added tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on expenditure to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the statement of comprehensive income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Interest payable

Interest payable is charged to the statement of comprehensive income in the year.

Pension costs

The Group participates in the Social Housing Pension Scheme (SHPS), a defined benefit pension scheme. Contributions are based on pension costs across the various participating Associations taken as a whole. The assets of the scheme are invested and managed independently of the finances of the Group.

For the year ending 31 March 2022 the Association's net defined benefit pension liability is £3,814k (31 March 2021 £5,512k), reflecting movement in scheme assets and liabilities of £1,698k in the year.

Supported housing managed by agencies

Social housing capital grants and other revenue grants are claimed by the Association as owner of the property and are included in its statement of financial position.

The treatment of other income and expenditure in respect of supported housing projects depends on whether the Association carries the financial risk. Where an agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the statement of comprehensive income includes only that income and expenditure which relates solely to the Association. Other income and expenditure of projects in this category is excluded from the Association's statement of comprehensive income (see note 4).

Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, incidental costs of acquisition, administration costs and expenditure incurred in respect of improvements or component replacements.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

2 Accounting policies (continued)

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale. The group's policy is to capitalise the costs associated with acquiring land and building, indirect costs directly attributable to the new build and development expenditure including direct development staff costs.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, are capitalised as improvements.

Properties held for sale

Shared ownership first tranche sales are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development costs. Net realisable value is based on estimated sales prices allowing for all further costs of completion and disposal. All properties are held within current assets, under properties held for sale and stock.

Sale of tangible fixed assets

The surpluses or deficits recognised on disposal of fixed property assets are determined by comparing the proceeds with the carrying amount and are recognised within 'operating surplus' in the statement of comprehensive income.

Investment properties

Investment properties consist of commercial units including shops and garages held for letting, which are not held for a social benefit. They are measured at cost on initial recognition and subsequently carried at fair value. The assessment of fair value is undertaken annually using an external valuer with Jones Lang LeSalle (JLL) completing the most recent valuation on 31 March 2022. No depreciation is provided and changes in fair value are accounted for in operating surplus.

Shared ownership properties

Under Shared Ownership arrangements, the Group disposes of a long lease to the occupier; the lease premium paid is for between 25% and 75% of the value. The occupier has a right to purchase further proportions up to 100%. A shared ownership property comprises two assets: that to be disposed of in the first tranche sale, which is recorded as a current asset and stated at the lower of cost and net realisable value; and that retained by the Group, which is recorded as a fixed asset in the same manner as for general needs housing properties held for rental.

Proceeds of sale for first tranches are accounted for as turnover in the statement of comprehensive income, with the apportioned cost being shown as cost of sales within operating results. Subsequent tranches sold ("staircasing") are reflected in the statement of comprehensive income as a surplus or deficit on sale of fixed asset housing properties.

Government Grants

Social Housing Grant (SHG) is receivable from Homes England (HE) to subsidise the cost of housing properties and is included in long term liabilities under creditors as deferred income. The grants are amortised to the statement of comprehensive income.

SHG due from HE, or received in advance of total development costs being incurred, is shown as a current asset or liability.

SHG is subordinated to the repayment of loans by agreement with HE. SHG is repayable unless formally abated and waived although it can be recycled. SHG is recycled on disposal of a property and is credited

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

2 Accounting policies (continued)

to a Recycled Capital Grant Fund, which is included as a creditor due within one year or due after more than one year, as appropriate. If the recycled capital grant fund is not used within a three year period in principle it becomes repayable unless HE agree otherwise.

Grants of a revenue nature are credited to the statement of comprehensive income in the period to which they relate.

Other capital subsidies

The Group has, in the past, received land and capital subsidy from Leeds City Council via Leeds Partnership Homes Limited (LPH) at £nil financial consideration in exchange for nomination rights to the completed dwellings. The policy of the Group is to include the value of the subsidy in long term liabilities under creditors as deferred income. The subsidies are amortised to the statement of comprehensive income over the period to which they relate.

Depreciation of housing properties

The group depreciates the major components at the following rates:

Structure	70 years
Roofs	70 years
Bathrooms	30 years
Central heating	30 years
Curtilage	30 years
Insulation	30 years
Windows and doors	30 years
Solar panels	25 years
Kitchens	20 years
Boilers	15 years

Freehold land is not depreciated.

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business if shorter.

Depreciation of other fixed assets

Depreciation is provided to write off the cost, less estimated residual values, of all other tangible fixed assets, evenly over their expected useful lives. No depreciation is provided on freehold land.

It is calculated at the following rates:

Office hubs and depots	10 years
Computer software	17% to 25%
Motor vehicles	25%
Office furniture and equipment	25%
Computer hardware	33%
Gardening equipment	50%

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

2 Accounting policies (continued)

Capitalisation of maintenance costs

Any expenditure on an existing property that meets one of the following circumstances is capitalised into one of the housing property components:

- Replacement of a component of the property that has been previously treated separately for depreciation purposes and has been depreciated over its individual useful economic life.
- The economic benefits of the property have been enhanced in excess of the previously assessed standard of performance.

Any expenditure on an existing property that does not replace a component or result in an enhancement of the economic benefits of that property is charged to the Statement of Comprehensive Income.

Operating Leases

Leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. A finance lease is identified when the risks and rewards of ownership have been transferred from the lessor to the lessee i.e. to the Association. All other leases are operating leases. Leases held include mainly office space, office equipment and vans. Management has therefore determined that all leases held are operating leases. They are accounted for on a straight-line basis over the term of the lease and reflect the amounts owed to the lessor.

Operating leases annual rents are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the statement of comprehensive income over the term of the lease.

Fixed asset investments

Investments held as fixed assets are stated at fair value. They are held at the gilt price on 31 March in any year or the investment fund value, whichever is applicable.

Financial Instruments

Financial Assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Loan premium

Premiums arising from the THFC and AHF loan drawdowns are recognised as a separate component of borrowing and shown within the statement of financial position as creditors. The premium is released over the term of the loan to the statement of comprehensive income within loan interest.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (*continued*)

3 Significant judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, significant material judgements and estimates have been made. These judgements and estimates are reviewed each year and are based on historical experience and knowledge, and expectations of future events.

The judgements and estimates which have a significant risk of causing a material misstatement to the assets and liabilities held include the following:

Impairment

This includes a review of external and internal indicators of impairment of the group's tangible assets.

Key external factors include social housing market value reductions or a significant change adversely impacting the social housing sector.

Key internal indicators include evidence of deterioration of assets, as well as consideration of the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. These indicators are evident from the ongoing review of asset performance including long term voids, properties under asset management review and properties which are held for sale or proposed for disposal.

The process for estimating the recoverable amount of housing assets involves:

- o Determine the level at which the recoverable amount is to be assessed (the asset or cash-generating unit (CGU) level (i.e. individual scheme).
- o Estimate the recoverable amount of the CGU (market value less costs to sell) i.e. the higher of market value less costs to sell, and value in use.
- o Calculate the carrying amount of the CGU (cost less depreciation and grant amortisation).
- o Compare the carrying amount to the recoverable amount to determine if an impairment loss has occurred i.e. where the carrying amount exceeds the recoverable amount.
- o If an impairment is identified the asset's carrying value is reduced to its recoverable amount and the losses are charged to operating surplus.

In the year ending 31st March 2022 an impairment to a computer system of £8.7k was recognised.

Defined benefit pension accounting

Leeds Federated participates in the Social Housing Pension Scheme (SHPS) defined benefit scheme which is accounted for in accordance with FRS102. Management's recognition of this defined benefit obligation is as advised by the SHPS administrators.

The critical underlying assumptions used by SHPS to calculate the scheme's assets and liabilities include estimates of the standard rates of inflation, mortality, discount rate and anticipated future salary increases, as supplied by SHPS. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expensed. In the year ending 31st March 2022 management engaged the services of First Actuarial to independently review these assumptions and provide assurance to management. As a result no changes were made to any of the assumptions.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

3 Significant judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

Financial Instruments

Loans – basic/non basic

The assessment of loans as basic financial instruments requires an element of judgement. The Association has reviewed its loan agreements and in discussions with funders has determined that they are all considered to be basic financial instruments in accordance with section 11 of FRS102. They are held in the Statement of Financial Position at gross proceeds net of financing costs, which are released over the life of the loan.

Fixed asset investments

Investments held as fixed assets include gilt holdings, sinking funds and a liquidity reserve fund. They are a requirement of some loans. Any movement in value is an expected consequence of maintaining these loans which support normal ongoing activities and any change in fair value is recognised as income or expenditure and shown within operating surplus.

Property categorisation

The categorisation of properties as investment properties or housing properties is determined by establishing which properties are held for the provision of social housing, or otherwise provided for social benefit. These properties are held as housing properties and all other properties are held as investment properties.

Housing properties:

Housing properties are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

The disposal of fixed property assets are deemed to be normal ongoing activities and are included in operating activities and shown within operating surplus. This includes staircases, right to buy, right to acquire and property disposals as a result of stock rationalisation.

Useful economic lives (UEL):

The group separately identifies the major components which comprise its housing properties, and depreciation is provided to write off the costs evenly over their expected UEL. Management have estimated the UEL of components by liaising with the asset team to gain their professional opinion based on knowledge and experience. When a component is replaced the carrying amount is written off to the statement of comprehensive income. The amount written off this year, and last, is insignificant in comparison to the costs of assets held which provides reassurance that assets are being held with the appropriate UEL.

Investment properties:

The Leeds Federated investment properties comprise commercial units and properties where market rent is charged. Each year the investment properties are professionally valued by a RICS approved valuer. Any changes in value are reflected in fixed assets with the movement reported in operating surplus, a process deemed to be in the normal course of business of holding investment properties whose revenue and costs are included within operating surplus, albeit non-social housing.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

3 Significant judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

The professional valuation uses the fair value which is the amount at which an asset could be exchanged in an arm's length transaction. There is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

In the year-ending 31st March 2022 the investment properties were valued by JLL and there was an increase to the investment property valuation of £580k.

Development costs

Capitalising development costs and holding costs for uncompleted schemes as work in progress in the statement of financial position involves an element of judgement to ensure that only costs are capitalised when it is more likely than not that a scheme is to continue. If it is identified that a scheme under development is not going to continue the accumulated abortive costs are written off to the statement of comprehensive income.

The anticipated costs to complete on a development scheme is based on anticipated construction, legal and other costs. Establishing the correct development costs determines the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the members' best estimate of sales value based on economic conditions within the area of development. The Association does not currently develop for outright sale however these are relevant for the appropriate allocation of costs for mixed tenure developments, and furthermore the allocation of costs relating to shared ownership between current and fixed assets.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

4 Particulars of turnover, operating costs and operating surplus – Group

	Turnover	Operating costs	Operating surplus
	2022	2022	2022
	£'000	£'000	£'000
Social Housing Lettings	21,131	(17,282)	3,849
Other social housing activities			
Agency charges	1,387	(1,006)	381
First tranche shared ownership sales	2,127	(1,467)	660
Feed in tariff income / gift aid	22	-	22
Development administration	-	(294)	(294)
	3,536	(2,767)	769
Non-social housing activities			
Lettings	723	(270)	453
Recharges	92	(77)	15
	815	(347)	468
	25,482	(20,396)	5,086
Surplus on disposal of fixed assets			2,400
Movement in property and gilt valuations			473
Total other gains			2,873
Operating surplus – continuing activities			7,959
Prior year comparative	Turnover	Operating costs	Operating surplus
	2021	2021	2021
	£'000	£'000	£'000
Social Housing Lettings	20,498	(15,765)	4,733
Other social housing activities			
Agency charges	1,310	(969)	341
First tranche shared ownership sales	2,981	(2,120)	861
Feed in tariff income / gift aid	13	-	13
Development administration	-	(234)	(234)
	4,304	(3,323)	981
Non-social housing activities			
Lettings	731	(253)	478
Recharges	81	(78)	3
	812	(331)	481
	25,614	(19,419)	6,195
Surplus on disposal of fixed assets			1,058
Movement in property and gilt valuations			664
Total other gains			1,722
Operating surplus – continuing activities			7,917

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

4 Particulars of turnover, operating costs and operating surplus (continued) – Association

	Turnover	Operating costs	Operating surplus
	2022	2022	2022
	£'000	£'000	£'000
Social Housing Lettings	21,131	(17,283)	3,848
Other social housing activities			
Agency charges	1,387	(1,006)	381
First tranche shared ownership sales	2,127	(1,467)	660
Feed in tariff income / gift aid	228	-	228
Development administration	27	(288)	(261)
	3,769	(2,761)	1,008
Non-social housing activities			
Lettings	723	(270)	453
Recharges	92	(77)	15
	815	(347)	468
	25,715	(20,391)	5,324
Surplus on disposal of fixed assets			2,400
Movement in property and gilt valuations			473
Total other gains			2,873
Operating surplus – continuing activities			8,197
Prior year comparative	Turnover	Operating costs	Operating surplus
	2021	2021	2021
	£'000	£'000	£'000
Social Housing Lettings	20,498	(15,765)	4,733
Other social housing activities			
Agency charges	1,310	(969)	341
First tranche shared ownership sales	2,981	(2,120)	861
Feed in tariff income / gift aid	106	-	106
Development administration	23	(229)	(206)
	4,420	(3,318)	1,102
Non-social housing activities			
Lettings	731	(253)	478
Recharges	81	(78)	3
	812	(331)	481
	25,730	(19,414)	6,316
Surplus on disposal of fixed assets			1,058
Movement in property and gilt valuations			664
Total other gains			1,722
Operating surplus – continuing activities			8,038

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

4 Particulars of turnover, operating costs and operating surplus (continued)

Income and expenditure from social housing lettings – Group

	General needs £'000	Supported housing £'000	Low cost home ownership £'000	Total 2022 £'000	Total 2021 £'000
Income					
Rents net of identifiable service charges*	16,244	1,084	1,178	18,506	17,751
Service charge income*	279	421	71	771	903
Amortised government grants	1,652	133	69	1,854	1,844
Turnover from social housing lettings	18,175	1,638	1,318	21,131	20,498
Expenditure					
Management	(4,482)	(448)	(183)	(5,113)	(5,288)
Service charge costs	(532)	(301)	(71)	(904)	(769)
Routine maintenance	(3,937)	(321)	(122)	(4,380)	(3,563)
Planned maintenance	(700)	(10)	(4)	(714)	(688)
Major repairs expenditure	(1,544)	(82)	(9)	(1,635)	(938)
Bad debts	(88)	(3)	3	(88)	(74)
Property lease charges	(4)	-	-	(4)	(7)
Impairment of housing properties	-	-	-	-	(39)
Depreciation of housing properties					
- annual charge	(3,903)	(263)	(224)	(4,390)	(4,324)
- accelerated on disposal of components	(53)	(1)	-	(54)	(75)
Operating costs on social housing lettings	(15,243)	(1,429)	(610)	(17,282)	(15,765)
Operating surplus on social housing lettings	2,932	209	708	3,849	4,733
Void losses	234	35	-	269	314

*All net of void losses

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

4 Particulars of turnover, operating costs and operating surplus (continued)

Income and expenditure from social housing lettings – Association

	General needs £'000	Supported housing £'000	Low cost home ownership £'000	Total 2022 £'000	Total 2021 £'000
Income					
Rents net of identifiable service charges*	16,244	1,084	1,178	18,506	17,751
Service charge income*	279	421	71	771	903
Amortised government grants	1,652	133	69	1,854	1,844
Turnover from social housing lettings	18,175	1,638	1,318	21,131	20,498
Expenditure					
Management	(4,483)	(448)	(183)	(5,114)	(5,288)
Service charge costs	(532)	(301)	(71)	(904)	(769)
Routine maintenance	(3,937)	(321)	(122)	(4,380)	(3,563)
Planned maintenance	(700)	(10)	(4)	(714)	(688)
Major repairs expenditure	(1,544)	(82)	(9)	(1,635)	(938)
Bad debts	(88)	(3)	3	(88)	(74)
Property lease charges	(4)	-	-	(4)	(7)
Impairment of housing properties	-	-	-	-	(39)
Depreciation of housing properties					
- annual charge	(3,903)	(263)	(224)	(4,390)	(4,324)
- accelerated on disposal of components	(53)	(1)	-	(54)	(75)
Operating costs on social housing lettings	(15,244)	(1,429)	(610)	(17,283)	(15,765)
Operating surplus on social housing lettings	2,931	209	708	3,848	4,733
Void losses	234	35	-	269	314

*All net of void losses

Particulars of turnover from non-social housing lettings – Group and Association

	2022 £'000	2021 £'000
Student accommodation	440	459
Market rent	283	272
External gardening contract	92	81
	815	812

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

5 Supported housing managed by agencies

Group and Association

Where the agency carries the financial risk, the Group's income and expenditure account includes only the income and expenditure for which it retains responsibility. The Group owns 234 supported housing units (2021: 217) that are managed on its behalf, under management agreements, by other bodies who contract with Supporting People Administering Authorities and carry the financial risk relating to the supported housing units.

	Number of bed spaces	
	2022 No.	2021 No.
Foundation	50	50
Turning Lives Around	48	49
Leeds Women's Aid	35	35
Community Links	20	20
Touchstone (Group homes and floating support)	13	13
Catholic Care	10	10
St Anne's	10	12
Harrogate Homeless	8	-
Gipsil	8	8
Others including 14 (2021:14) care home bed spaces	32	20
	234	217

6 Accommodation in management reconciliation

Group and Association

At the end of the year accommodation in management for each class of accommodation was as follows:

	2021	New Units	Open market sales	Right to acquire sales	Shared ownership sales	Other gains / (losses)	Other movement	2022
	No.	No.	No.	No.	No.	No.	No.	No.
Social housing								
Social rent:								
General needs	3,214	19	(23)	-	-	-	(110)	3,100
Supported housing	13	-	-	-	-	1	(7)	7
Housing for older people	255	-	-	-	-	-	-	255
Intermediate rent:								
General needs	24	-	-	-	-	-	(2)	22
Affordable rent:								
General needs	241	32	(3)	(1)	-	-	112	381
Supported housing	4	-	-	-	-	-	(4)	-
Low cost home ownership:								
Shared ownership	390	19	-	-	(9)	-	2	402

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

Shared ownership leaseholders paying service charge only	16	-	-	-	-	-	1	17
Social housing owned and managed	4,157	70	(26)	(1)	(9)	1	(8)	4,184
	2021	New Units	Open market sales	Right to acquire sales	Shared ownership sales	Other gains / (losses)	Other movement	2022
	No.	No.	No.	No.	No.	No.	No.	No.
Accommodation managed by others								
General needs – social rent	15	-	-	-	-	-	-	15
Supported housing – social rent	196	-	-	-	-	-	5	201
Supported housing – affordable rent	-	-	-	-	-	-	4	4
Care home bed spaces	14	-	-	-	-	-	-	14
Total social units managed by others	225	-	-	-	-	-	9	234
Non-social housing								
Student accommodation	62	-	-	-	-	-	-	62
Market rent	23	-	-	-	-	-	-	23
Total non-social housing unit units	85	-	-	-	-	-	-	85
Summary								
Social housing owned – managed and managed by others	4,382	70	(26)	(1)	(9)	1	1	4,418
Non-social housing owned – managed and managed by others	85	-	-	-	-	-	-	85
Total stock	4,467	70	(26)	(1)	(9)	1	1	4,503

*7 units are not reported in this note because they are not classified as owned and managed as defined by the Regulator of Social Housing in their FVA and Statistical Data Return (SDR). Under UK GAAP these units are correctly classified as Social Housing and are included as housing properties in the statement of financial position.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

7 Surplus on disposal of fixed assets

	Shared ownership staircasing 2022 £'000	Other housing properties 2022 £'000	Other fixed assets 2022 £'000	Total 2022 £'000	Total 2021 £'000
Disposal proceeds	989	2,867	4	3,860	2,120
Cost of disposals	(400)	(267)	(2)	(669)	(499)
Selling costs	(4)	(72)		(76)	(28)
Capital grant recycled (note 25)	(100)	(615)		(715)	(535)
Surplus on disposal of tangible fixed assets	485	1,913	2	2,400	1,058

During the year, 1 property used the right to acquire legislation to progress an outright sale (2021: 2). 9 shared owners increased their shares of equity to 100% (2021: 6) and 3 others increased their share of equity (2021: 4). The Association sold 26 properties on the open market (2021: 8 properties, 15 rooms) and an acoustic generator.

8 Operating surplus

This is arrived at after charging / (crediting):	2022 £'000	2021 £'000
Depreciation:		
- housing properties	4,610	4,542
- accelerated depreciation on replaced components	61	82
- impairment	-	39
- other tangible fixed assets	386	482
Amortisation of grants	(1,986)	(1,976)
Operating lease charges:		
- land and buildings	157	121
- other	115	67
Auditor's remuneration:		
- fees payable to the group's auditors for the audit of the group's annual accounts (excluding VAT)	22	20
- all other services	3	2

9 Interest receivable and similar income

Group and Association	2022 £'000	2021 £'000
Interest receivable and similar income	37	61

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

10 Interest and financing costs

Group and Association	2022 £'000	2021 £'000
Bank loans and overdrafts	2,579	2,507
Amortised loan costs	89	75
Recycled capital grant fund and sinking fund	6	2
Pension interest expense	113	63
	2,787	2,647

11 Employees

Group and Association	2022 £'000	2021 £'000
Staff costs (including directors) consist of:		
Wages and salaries *	5,135	4,724
Social security costs	492	419
Other pension costs	370	252
	5,997	5,395

*shown gross - wages and salaries of £991k (2021: £553k) have been capitalised as part of the development activity and as part of capitalised component replacements.

The average number of full time equivalent employees (including directors and agency staff covering permanent vacancies expressed as full time equivalents (calculated based on a standard working week of 37.5 or 40 hours) during the year was as follows:

Group and Association	2022 No.	2021 No.
Housing management	118	102
Administration	28	28
	146	130

During 2021 a new team was introduced to provide component replacement and major repairs services. This team has expanded and operated for the full financial year during 2022.

12 Directors' remuneration

Group and Association

The directors, who are considered to be the group's key management personnel, are defined as the members of the board of management, the Chief Executive and the executive management team disclosed on page 1.

	2022 £'000	2021 £'000
Executive directors' emoluments including pensions and benefits in kind	379	373
Amounts paid to non-executive directors including expenses	53	49

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

12 Directors' remuneration (continued)

The emoluments of the directors including benefits in kind but excluding pension contributions are:

	2022 £'000	2021 £'000
Chief Executive (highest paid director)	142	140
Operations Director	107	105
Finance and IT Director	107	106

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments was £150,880 (2021: £148,460). Pensions contributions of £8,837 (2021: £8,749) were made to the Social Housing Pension Scheme – Defined Benefit Scheme on his behalf.

As members of the Social Housing Pension Scheme, the pension entitlement of the directors is identical to those of other members. The Group does not make any further contribution to an individual pension arrangement for the Chief Executive.

Emoluments paid to the Board:

Emoluments paid during the year to Board members amounted to £51,710 (2021 - £48,080). Expenses paid during the year to Board members amounted to £492 (2021: £429).

Emoluments include:

Chair £11,150 p/a (2021 - £9,775) Chairs of the Audit & Risk, Operations and Governance & Remuneration and Development Committees each received £6,281 p/a (2021 - £6,220)
Board Members received £3,859 p/a (2021 - £3,822).

	2022 £'000	2021 £'000
Stuart White (Chair to 9/9/21)	5	10
Kim Brear (Chair from 9/9/21)	9	5
Claire Stone	6	6
Martin Warhurst	6	6
Robin Machell	6	6
Jaedon Green	5	4
Shaid Mahmood	4	4
Innocent Moyo	4	2
Dedra Otchere-Darko	4	2
Stephen Dungworth (from 10/9/21)	2	-
Sue Howlett (to 10/9/20)	-	3

The remuneration paid to staff (including executive management) earning over £60,000 upwards:

	2022 No.	2021 No.
£60,000 - £69,999	6	6
£70,000 - £79,999	1	-
£100,000 - £109,999	2	2
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

13 Fixed asset investments

Group and Association	As at 31 March 2022 £'000	Change in fair value £'000	Interest receivable £'000	Purchase of investments £'000	As at 31 March 2021 £'000
Interest in subsidiary (note 17)	-	-	-	-	-
Other fixed asset investments:					
THFC ISRF restricted access account	1,075	(70)	12	-	1,133
AHF ISRF restricted access account	569	(37)	17	-	589
THFC Trustees sinking fund account	324	-	-	-	324
THFC bLEND liquidity reserve fund	693	-	1	-	692
THFC bLEND cash security account	-	-	-	(20,015)	20,015
Total	2,661	(107)	30	(20,015)	22,753

Other fixed asset investments

Other fixed asset investment represents £718,528 of Gilt holdings, UKT 4.25% due 2039, acquired on 22 September 2009 and on 20 January 2011.

The THFC loan agreement requires a minimum of £717,550 to be held in an Interest Service Reserve Fund (ISRF), and as a result the investment has restricted access. Gilts were acquired to hold in the Interest Service Reserve Fund and are carried in the financial statements at market value together with cash held on deposit. The market value of this fund, at 31 March 2022 was £1,074,937 (2021: £1,132,588), including £91,724 cash held in a Barclays instant access account. Gilt interest of £11,692 was received.

A further tranche of the AHF loan was completed in September 2017, and added to tranche 1, and in line with the terms gilts were purchased and added to the original purchase for Tranche 1. These were held together with cash held on deposit as a requirement to hold a minimum of £433,950, to be held in an Interest Service Reserve Fund, and are carried in the financial statements at market value. The market value of this fund, at 31 March 2022 is £568,940, including £170,854 held in a Barclays instant access account. Gilt interest of £16,832 was received with accrued gilt interest of £3,805.

A sinking fund was set up during 2015-16. The current balance is £324,706, (2021: £324,563) as a result of right to acquire property sales held as security by THFC.

A new £20m bond with THFC bLEND was agreed during the 2020/21 year. The loan agreement requires that 1 year of interest payments are held in a bLEND liquidity reserve fund. This fund held £692,962 at 31st March 2022. A THFC bLEND account that was set up to hold the bond in a cash security account until property is secured on it has been released in the year.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

14 Tangible fixed assets – housing properties

Group	General needs Completed £'000	Non-social housing Completed £'000	General needs Under construction £'000	Shared ownership Completed £'000	Shared ownership Under construction £'000	Total £'000
Cost or valuation:						
At 1 April 2021	229,096	2,341	1,083	20,042	705	253,267
Additions:						
- construction costs	4,219	-	2,926	1,983	2,742	11,870
- replaced components	3,238	-	-	-	-	3,238
- transfer from other fixed assets	-	-	512	-	-	512
1 st tranche sales:	-	-	-	(1,428)	-	(1,428)
Reclassification of properties:						
- tenure changes during the year	(53)	-	-	53	-	-
Completed schemes:	861	-	(861)	238	(238)	-
Disposals						
- properties	(1,131)	-	-	(549)	-	(1,680)
- current assets movement (properties awaiting sale)	(286)	-	-	347	-	61
- replaced components	(455)	-	-	-	-	(455)
At 31 March 2022	235,489	2,341	3,660	20,686	3,209	263,385
Depreciation:						
At 1 April 2021	46,476	510	-	1,117	-	48,103
Charge for the year	4,344	53	-	213	-	4,610
Disposals:						
- properties	(336)	-	-	(27)	-	(363)
- current assets movement (properties awaiting sale)	(196)	-	-	-	-	(196)
- replaced components	(394)	-	-	-	-	(394)
At 31 March 2022	49,894	563	-	1,303	-	51,760
Net book value:						
At 31 March 2022	185,595	1,778	3,660	19,383	3,209	213,625
At 31 March 2021	182,620	1,831	1,083	18,925	705	205,164

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 *(continued)*

14 Tangible fixed assets – housing properties (continued)

Association	General needs Completed £'000	Non-social housing Completed £'000	General needs Under construction £'000	Shared ownership Completed £'000	Shared ownership Under construction £'000	Total £'000
Cost or valuation:						
At 1 April 2021	229,499	2,383	1,434	19,956	775	254,047
Additions:						
- construction costs	4,225	-	3,045	1,984	2,854	12,108
- replaced components	3,238	-	-	-	-	3,238
- transfer from other fixed assets	-	-	512	-	-	512
1 st tranche sales:	-	-	-	(1,428)	-	(1,428)
Reclassification of properties:						
- tenure changes during the year	(53)	-	-	53	-	-
Completed schemes:	861	-	(861)	238	(238)	-
Disposals:						
- properties	(1,131)	-	-	(549)	-	(1,680)
- current assets movement (properties awaiting sale)	(286)	-	-	347	-	61
- replaced components	(455)	-	-	-	-	(455)
At 31 March 2022	235,898	2,383	4,130	20,601	3,391	266,403
Depreciation:						
At 1 April 2021	46,476	510	-	1,117	-	48,103
Charge for the year	4,344	53	-	213	-	4,610
Disposals:						
- properties	(336)	-	-	(27)	-	(363)
- current assets movement (properties awaiting sale)	(196)	-	-	-	-	(196)
- replaced components	(394)	-	-	-	-	(394)
At 31 March 2022	49,894	563	-	1,303	-	51,760
Net book value:						
At 31 March 2022	186,004	1,820	4,130	19,298	3,391	214,643
At 31 March 2021	183,023	1,873	1,434	18,839	775	205,944

	2022 £'000	2021 £'000
Improvements to existing properties capitalised	3,238	2,771
Major repairs expenditure to statement of comprehensive income	1,635	938

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

15 Tangible fixed assets – other

Group and Association	Land and buildings £'000	Tools and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
At 1 April 2021	1,794	232	2,865	20	4,911
Additions	2	4	194	1	201
Disposals	(192)	(1)	(22)	-	(215)
Conversion to housing property	(1,362)	-	-	-	(1,362)
At 31 March 2022	242	235	3,037	21	3,535
Depreciation:					
At 1 April 2021	1,085	192	2,177	15	3,469
Charge for year	24	18	339	5	386
Disposals	(192)	-	(21)	-	(213)
Impairment	-	-	9	-	9
Conversion to housing property	(850)	-	-	-	(850)
At 31 March 2022	67	210	2,504	20	2,801
Net book value:					
At 31 March 2022	175	25	533	1	734
At 31 March 2021	709	40	688	5	1,442

16 Investment properties

The group's investment properties were revalued at 31 March 2022 by Jones Lang LeSalle (JLL), in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. As a result an increase in the valuation since the prior year has been reflected. The gain on revaluation of investment property arising in the year is £580k (2021 - £811k).

Movement on investment properties is as follows:

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Value as at 1 April	7,641	6,830	7,641	6,830
Revaluation (through Statement of Comprehensive Income)	580	811	580	811
Fair value as at 31 March	8,221	7,641	8,221	7,641

17 Investment in subsidiary

As required by statute, the financial statements consolidate the results of Leeds Federated Property Services Limited (LFPS), which was a subsidiary of the Association at the end of the year. The Association has the right to appoint members to the board of the subsidiary and thereby exercises control over it. Leeds Federated Property Services Limited is a non-regulated company.

Leeds Federated Housing Association is the ultimate parent undertaking. LFPS is a wholly owned subsidiary of the Association with a carrying value of £2 (2021: £2) and the principal activity of the company is the provision of design and build projects within the social housing sector.

During the year the Association had the following intra-group transactions with Leeds Federated Property Services Limited, a non-regulated entity:

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

17 Investment in subsidiary (continued)

	2022 £'000	2021 £'000	Allocation basis
Management services	239	121	Percentage of turnover
Staffing recharge	27	23	Administration time
Gift aid received	206	93	Accrued at year end (Deed of Covenant)

18 Debtors

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Rent and service charge arrears	1,443	1,434	1,443	1,434
Less: Provision for doubtful debts	(790)	(753)	(790)	(753)
	653	681	653	681
Social housing grant receivable	-	105	-	105
Amounts owed by group undertakings	-	-	-	-
Other debtors	230	222	230	222
Taxation and social security	4	6	-	-
Prepayments and accrued income	961	542	961	542
	1,848	1,556	1,844	1,550

19 Current asset investment

Group and Association	2022 £'000	2021 £'000
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Listed investments – restricted access accounts

-	-
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The Association holds 1 share, at a nominal value of £1, in Procurement For All Limited (in liquidation), representing a 16.67% shareholding.

The carrying value of these investments at 31 March 2022 is £1 (2021 - £1).

The assets and liabilities of this investment entity is not material to the Association or the Group Financial Statements.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

20 Properties held for sale

Group and Association	2022 £'000	2021 £'000
First tranche sale units	618	895
Staircasing units	-	70
Social units	567	477
	1,185	1,442

First tranche sale units are units for shared ownership awaiting first tranche sale. Staircasing units are shared ownership properties where the owner is purchasing a further share. Social units represent nine sales being progressed as at March 2022.

21 Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Trade creditors	428	277	428	277
Loans (note 26)	1,826	3,940	1,826	3,940
Rent and service charges received in advance	400	377	400	377
Recycled capital grant fund (note 25)	934	471	934	471
Contractors for capital work and retentions	991	976	576	976
Loan interest	281	345	281	345
Taxation and social security	147	130	147	130
Loan premium on AHF/ THFC drawdowns	358	358	358	358
Deferred income capital grants/other subsidy (note 23)	1,986	1,976	1,986	1,976
Other creditors	1,742	1,671	1,742	1,328
Amount owed to group undertakings	-	-	209	237
Accruals and deferred income	990	963	984	963
	10,083	11,484	9,871	11,378

22 Creditors: amounts falling due after more than one year

Group and Association	2022 £'000	2021 £'000
Loans (note 26)	54,567	62,438
Recycled capital grant fund (note 25)	1,255	1,439
Loan premium on AHF and THFC drawdowns	8,103	8,460
Deferred income – Capital Grants/other subsidy (note 23)	95,899	98,105
	159,824	170,442

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

23 Deferred income - capital grants and other subsidies

Group and Association	2022 £'000	2021 £'000
Total Social Housing Grant (SHG) received as at 31 March (note 24)	103,867	104,144
Total SHG amortisation	(17,611)	(15,970)
	86,256	88,174
Total other subsidies received as at 31 March	13,951	13,997
Total other subsidies amortisation	(2,322)	(2,090)
	11,629	11,907
Total deferred capital grant and other subsidies	97,885	100,081
Deferred capital grant and other subsidies due within one year	1,986	1,976
Deferred capital grant and other subsidies due in more than one year	95,899	98,105

24 Deferred capital grant

Group and Association	2022 £'000	2021 £'000
At 1 April	104,144	102,874
Grant received during the year	-	1,807
Grant recycled to Recycled capital grant fund (RCGF)	(714)	(534)
Grant recycled from Recycled capital grant fund (RCGF)	440	-
Released to income during the year	(3)	(3)
At 31 March	103,867	104,144

25 Recycled capital grant fund

Group and Association	2022 £'000	2021 £'000
At 1 April	1,910	1,374
Inputs to fund:		
- grants recycled	715	535
- interest accrued	4	1
Recycling of grant		
- purchase of properties	(440)	-
At 31 March	2,189	1,910
Amounts 3 years or older where repayment may be required	31	-

There has been an allocation of £440k for the purchase of eight affordable homes (£55k per property).

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

25 Recycled capital grant fund (continued)

Inputs to RCGF from recycling grant related to disposals in the year of twenty-five outright sales by auction, five staircasing sales and one RTA.

One further affordable home which will utilise £55k of RCGF has been purchased but the sale had not legally completed by 31st March '22. We are seeking confirmation from Homes England to carry forward £31k of grant over 3 years to utilise on this purchase, which legally completed on the 21st April '22. In respect of RCGF utilisation in 2022/23, we have the potential (subject to Homes England approval) to commit RCGF to support the Sugar Hill and Owlcotes Lane Strategic Partnership schemes, where we have switched the Outright Sale units to Shared Ownership. We are also looking to identify land acquisition opportunities for development by LFPS.

26 Loans and borrowings

Maturity of debt

Group and Association	2022 £'000	2021 £'000
In one year or less, or on demand	1,826	3,940
In more than one year but not more than two years	3,939	1,828
In more than two years but not more than five years	3,598	9,690
In more than five years	47,030	50,920
Total loans net of financing costs	56,393	66,378
Due within one year:		
Banks	1,826	3,940
Due after more than one year		
Banks	6,831	14,687
THFC	32,867	32,891
AHF	14,869	14,860
	54,567	62,438

Loans are shown net of financing costs of £838,540 (2021: £881,232), which will be released over the period of the loans.

The bank loans are secured by fixed charges on individual properties.

The loans from The Housing Finance Corporation (THFC) including THFC bLEND are secured by fixed charges on individual properties and are repayable on an interest-only basis during the term of the loans at fixed rates of interest ranging from 3.459% to 8.63%. The remaining principal sums fall to be repaid in 2023, 2039 and 2047.

There are two AHF facilities with one being for £5m at a 2.89% coupon rate and an effective rate of 2.073% and one being for £10m at a 2.89% coupon rate, with an effective rate of 1.983%. Both are repayable in August 2043.

The loans from the Co-operative bank is repayable quarterly over a term of 25 years at fixed rates of interest ranging from 3.31% to 5.18%. The principal sums fall to be repaid in the period 2024 to 2025.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

26 Loans and borrowings (continued)

A loan with Orchardbrook (ex Housing Corporation) is repayable in twice yearly instalments with an interest rate of 10.632% and a final payment date in 2032.

There is a total facility with Santander of £32m. Of this £2.25m is forward fixed at 1.34% to February 2024 with a 1.75% margin. The balance of £29.75m is a revolving credit facility of which none was drawn at 31 March 2021, leaving £29.75m available to draw. The interest on the variable balance is based upon LIBOR plus 1.75% margin. The facility is reduced by £1.5m each year from January 2024 to January 2026 with a final bullet to repay the balancing facility in January 2027.

During 2020/21 a £10m revolving credit facility (RCF) with Lloyds was agreed. This is in the process of being secured on property. Total set up costs of £86k for Lloyds have been capitalised and will be amortised over the life of the loan.

The RCF is unavailable to drawdown as at the 31st March 2022. On drawdown the Lloyds RCF's interest is based on SONIA plus 1% with a maturity date of 2025.

27 Financial instruments

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	9,595	5,290	9,620	5,306
Financial liabilities				
Financial liabilities measured at amortised cost	165,260	175,386	165,280	175,396

Financial assets measured at amortised cost comprise cash at bank and in hand and debtors excluding prepayments and taxation and social security.

Financial liabilities measured at amortised cost comprise creditors excluding loan premium.

28 Pensions

The Group and Association operate two pension schemes.

Defined benefit pension scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

28 Pensions (continued)

deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	31 March 2022	31 March 2021
	£'000	£'000
Fair value of plan assets	26,768	24,871
Present value of defined benefit obligation	(30,582)	(30,383)
Defined benefit asset/(liability) to be recognised	(3,814)	(5,512)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation	Period ended 31 March 2022
	£'000
Defined benefit obligation at start of period	30,383
Current service cost	249
Expenses	23
Interest expense	663
Member contributions	208
Actuarial losses (gains) due to scheme experience	1,734
Actuarial losses (gains) due to changes in demographic assumptions	(456)
Actuarial losses (gains) due to changes in financial assumptions	(1,605)
Benefits paid and expenses	(617)
Defined benefit obligation at end of period	30,582

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets	31 March 2022
	£'000
Fair value of plan assets at start of period	24,871
Interest income	550
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	803
Employer contributions	953
Member contributions	208
Benefits paid and expenses	(617)
Fair value of plan assets at end of period	26,768

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

28 Pensions (continued)

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £1,353,000 (prior year: £2,388,000)

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SoCI)	Period ended 31 March 2022 £'000
Current service cost	249
Expenses	23
Net interest expense	113

Defined benefit costs recognised in statement of comprehensive income (SoCI)	385
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Defined Benefit Costs Recognised in Other Comprehensive Income	Period ended 31 March 2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	803
Experience gains and losses arising on the plan liabilities - (loss)	(1,734)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	456
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	1,605
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain	1,130
Total amount recognised in other comprehensive income - gain	1,130

Assets	31 March 2022 £'000	31 March 2021 £'000
Global Equity	5,137	3,964
Absolute Return	1,074	1,373
Distressed Opportunities	958	718
Credit Relative Value	890	783
Alternative Risk Premia	883	937
Fund of Hedge Funds	-	3
Emerging Markets Debt	779	1,004
Risk Sharing	881	905
Insurance-Linked Securities	624	597
Property	723	517
Infrastructure	1,907	1,658
Private Debt	686	593
Opportunistic Illiquid Credit	899	632
High Yield	231	745
Opportunistic Credit	95	682
Cash	91	-
Corporate Bond Fund	1,786	1,470
Liquid Credit	-	297
Long Lease Property	689	487
Secured Income	997	1,034
Liability Driven Investment	7,469	6,321
Currency Hedging	(105)	-
Net Current Assets	74	151
Total assets	26,768	24,871

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (*continued*)

28 Pensions (continued)

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

Key Assumptions

	31 March 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.79%	2.19%
Inflation (RPI)	3.54%	3.20%
Inflation (CPI)	3.17%	2.65%
Salary Growth	4.17%	3.15%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance
		Life expectancy at age 65 (Years)
Male retiring in 2021		21.1
Female retiring in 2021		23.7
Male retiring in 2041		22.4
Female retiring in 2041		25.2

Defined contribution scheme

The company also participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pensions charge represents contributions payable by the company to the fund and amounted to £102,753 (2021: £98,422).

29 Share capital

	2022 £	2021 £
At 1 April	29	27
Shares issued in the year	1	2
	30	29

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

Leeds Federated Housing Association Limited

Notes forming part of the financial statements
for the year ended 31 March 2022 (continued)

30 Operating leases

The payments which the Association is committed to make under operating leases are as follows:

	Land and buildings 2022 £'000	Other 2022 £'000	Land and buildings 2021 £'000	Other 2021 £'000
Operating leases which expire:				
Within one year	82	103	-	-
In one to five years	179	136	149	355
Over five years	134	-	403	-
Total	395	239	552	355

31 Capital commitments

	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Commitments contracted but not provided for in the accounts	19,948	16,439	18,335	10,395
Commitments approved by the board but not contracted for	26,716	1,797	10,752	1,797
	46,664	18,236	29,087	12,192

The above commitments will be financed through a combination of borrowings and social housing grant.

32 Contingent liabilities

The group and association have one contingent liability at 31 March 2022 (2021: £nil).

We have been notified by the Trustee of the Social Housing Pension 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.

Leeds Federated Housing Association Limited

Notes forming part of the financial statements for the year ended 31 March 2022 (continued)

33 Related parties

The group has taken advantage of the exemption conferred by FRS 102, not to disclose party transactions with other group entities.

The Board includes two tenant members: Innocent Moyo and Dedra Otchere-Darko who hold tenancy agreements on normal terms and cannot use their position to their advantage. The rent charged for the year was:

	Rent charged weekly 2022 £	Rent charged weekly 2021 £	Balance at 31 March 2022 £	Balance at 31 March 2021 £
Tenant board member				
Innocent Moyo	95	92	(514)	(514)
Dedra Otchere-Darko	72	71	(198)	141
Sue Howlett	-	-	-	-

All rounded to the nearest pound. '-ve' = credit balance

34 Net debt reconciliation

Group	1 April 2021 £'000	Cash flows £'000	Other non-cash changes £'000	31 March 2022 £'000
Cash at bank and in hand	4,387	4,325	-	8,712
Bank and THFC loans	(66,378)	10,075	(90)	(56,393)
	(61,991)	14,400	(90)	(47,681)

Association	1 April 2021 £'000	Cash flows £'000	Other non-cash changes £'000	31 March 2022 £'000
Cash at bank and in hand	4,287	4,217	-	8,504
Bank and THFC loans	(66,378)	10,075	(90)	(56,393)
	(62,091)	14,292	(90)	(47,889)

35 Legislative provisions

The Association is registered under the Co-operative and Community Benefit Society Act 2014 and is a Registered Provider of Social Housing registered under the Housing and Regeneration Act 2008.