

# Financial Statements for the year ended 31 March 2021



Creating homes. Building lives.

(Beech Housing Association transferred its engagements to JHN on 30 June 2021)

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# Company Information

**Registration number** Co-operative and Community Benefit Societies Act 2014, number 24230R

**Regulator of Social Housing Registration Number** SL3463

**Registered office**  
 Cavendish 249  
 Cavendish Street  
 Ashton-under-Lyne  
 Tameside  
 OL6 7AT

**Board members**  
 R. Barker (chair)  
 S. Akhtar  
 C. Beaumont  
 L. Garsden  
 A. Leah  
 P. Lees  
 J. Mutch  
 L. Picart (appointed May 2021)  
 H. Roberts (executive member)

**Senior management team**  
 H. Roberts, Group Chief Executive  
 B. Moran, Deputy Chief Executive  
 P. Chisnell, Executive Director of Finance  
 D. Kelly, Group Director of Neighbourhoods & Support  
 A. Marshall, Group Director of Asset Management  
 K. Marshall, Group Director of Development & People

**Company Secretary** B. Moran

**Bankers**  
 National Westminster Bank Plc.  
 Manchester City Centre Branch  
 PO Box 305  
 Spring Gardens  
 Manchester  
 M60 2DB

**Auditors**  
 BDO LLP  
 3 Hardman Street  
 Manchester  
 M3 3AT

# 1. Introduction



## The Show Must Go On

Socially distanced events are put on safely to help with the wellbeing of our residents.

## Chair's Statement

On behalf of the board of management, I am very pleased to present the report and financial statements for Beech Housing Association Limited for the 2020/21 financial year.

This document sets out a comprehensive account of our activities during 2020/21 and provides an insight into the Association's efforts to deliver on its strategic priorities:

- Caring for our customers, our assets and neighbourhoods
- Building a strong corporate foundation
- Valuing staff
- Growing the business

In furtherance of these strategic priorities, it should be noted that the Association completed a transfer of its engagements to fellow group member Jigsaw Homes North shortly after the end of the financial year, in June 2021.

This move will further simplify the corporate structure of Jigsaw Homes Group, reducing duplication of effort and helping resources to be more fully utilised.

These Financial Statements will therefore be the last to be published for Beech Housing Association Limited.

### Responding to COVID-19

Not many people will look back on the last year with fondness, but my colleagues on the board, our executive team and the Group employees who deliver our services can all at least take some satisfaction from the quality of the Association's local response to the global COVID-19 pandemic.

Our initial focus as the pandemic emerged was to ensure that we acted swiftly to protect the safety of our workers and customers. To this end we prioritised the continued safe provision of essential services such as supported housing and repairs services and the Group tripled its capacity for home working within a matter of days of the announcement of the first national lockdown on 23 March 2020.

Our work throughout the subsequent months was of course impacted by the restrictions placed on our activity as part of the government's lockdown measures. The delivery of some services inside the homes of our tenants were delayed due to the fact that some tenants were understandably reticent to permit visitors. Whilst we found this to be a particular issue in the early part of the first national lockdown of March–June 2020, access to the homes of our tenants has continued to present us with some challenges throughout the last 12 months with a corresponding reduction in some non-urgent work including some elements of our Planned Maintenance Programmes.

We have worked hard however to successfully manage the challenge of COVID-19: by securing personal protective equipment; introducing COVID Secure methods of working; and through regular communications with tenants, we provided assurance that vital work such as gas inspections and urgent repairs could be carried out safely and these services fully recovered.

Our response to the pandemic has once again proven that *necessity is the mother of invention* and whilst some of the new ways of working we introduced are perhaps best seen as temporary measures, others have genuine promise to improve working practices. The Group will take stock of the lessons learned through a review in the coming year.

The pandemic has brought into sharp relief unfairness in our society—perhaps most clearly manifested in the disproportionate deaths due to COVID-19 within black, Asian and minority ethnic communities. More generally, we have seen how those who live on the lowest incomes and live in the poorest housing have been most impacted by health inequality, food poverty, a lack of financial resilience and indeed by a lack of trust in social and health institutions.

More positively, the national response to the pandemic also presents us with hope. The success of the government's programme to bring *Everybody In* reduced rough sleeping to practically zero overnight and saved hundreds of lives in the process. The success of this scheme proves what can be achieved with political will, national resources and focused effort.

At Beech Housing Association Limited, the experience of this generation-defining event has

certainly made us a better team. My hope is that it may also lead to wider change to make us a better society.

## Our Future Plans

Last year in my introduction to this document I explained that our Group had reached a crossroads. The board anticipated that the foundational internally-focused work involved with the creation of a new Group of our size would essentially be completed during 2020. I noted that it was time to begin to look outwards, now as a stronger organisation, to reassess the difference we would be able to make to the world around us.

To help us to achieve this, in 2020 the Group launched the *Jigsaw Conversation* to consult on our future direction. The aim of this work was to align our plans with the priorities of our tenants, employees and board members and to better understand the issues our key stakeholders felt we could do more to tackle. Launching a wide-ranging consultation programme in the midst of a global pandemic was not without its challenges but I am pleased to report that through this work we were able to gain the views of close to 700 individuals—employees, residents and board members.

The Jigsaw Conversation identified clear themes for the future. The themes are:

- Building safety—making our homes safer places to live in.
- Our homes and spaces—reducing our carbon footprint and improving our existing homes and green spaces.
- Our tenancy offer—looking at the types of homes we offer, improving our estates and offering more support for the mental well-being of our residents.
- Our future development product—looking at how we can work to create more sustainable and energy efficient homes in the future.

Beech Housing Association Limited's corporate journey has now completed, following our transfer of engagements to fellow group member, Jigsaw Homes North, in June 2021. I am pleased however

that our work in helping to establish these important future strategic priorities for Jigsaw Homes Group will influence its work for years to come.

On a more personal level, as all of the individuals that have worked so hard to make the Association a success in the last year will continue to be involved with Jigsaw Homes North, the values of Beech Housing Association Limited will very much continue to live on.



**Roli Barker**

Association Chair

## Our vision:

We want everyone to live successfully in a home they can afford.

## Our mission:

Creating homes. Building lives.

## Our values and behaviours:





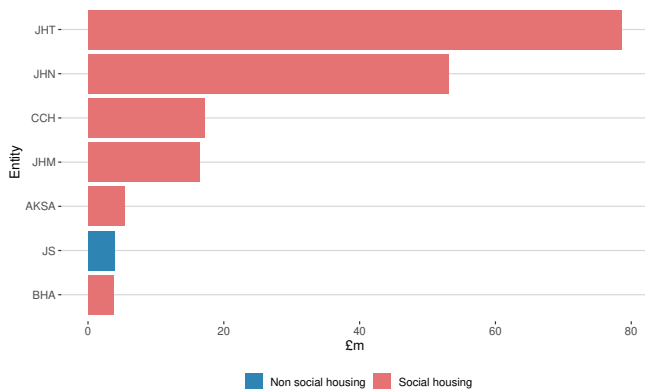
## About Us

Our Group comprises ten organisations working in unison to tackle inequality throughout the North West and East Midlands.

Following further work to simplify our corporate structure in the year (see Note 1 to the Financial Statements on page 34), the principal members of the Group are:

- Chorley Community Housing Limited
- Jigsaw Homes Midlands
- Jigsaw Homes North
- Jigsaw Homes Tameside
- Jigsaw Support

As measured by financial turnover, Jigsaw is the 34<sup>th</sup> largest housing group in the country<sup>1</sup>. The turnover of the Group’s principal members during 2020/21 is shown in Figure 1 on the current page.



Source: financial statements 2020/21.

**Figure 1:** Turnover analysis — the vast majority of the Group’s turnover is based on social housing activities. Note that AKSA and BHA transferred their engagements to Jigsaw Homes North in June 2021.

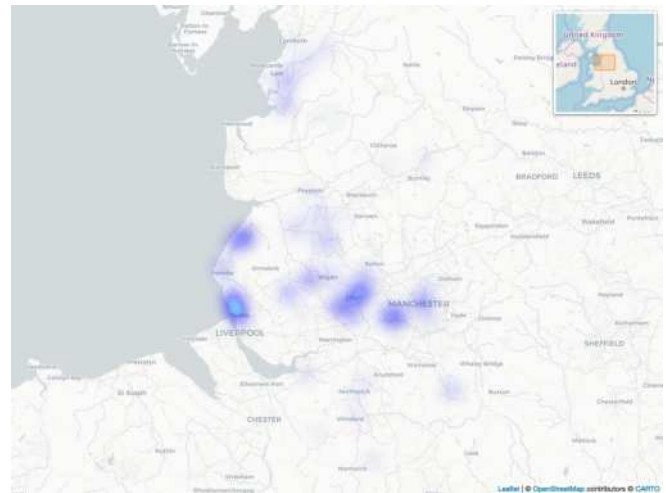
## Our Activities

The Association builds, renovates and manages low-cost housing for rent and sale.

The core of our business is centered on the management of 1,390 homes — principally social

<sup>1</sup><https://www.gov.uk/government/publications/2019-global-accounts-of-private-registered-providers>

housing for rent. The location of the homes we manage is shown in Figure 2 on this page. The Association is active in 14 local authority areas.



**Figure 2:** Location of housing stock — shading shows concentrations.

We work to help regenerate neighbourhoods and increase life opportunities for disadvantaged individuals and communities.

We also provide a range of supported housing services to help people live independently and to successfully maintain their tenancies. This work is often funded through external contracts that are delivered on a commercial basis.

At the year-end, it was the intention of the Board to move the trade and assets of the Association to Jigsaw Homes North via a Transfer of Engagements. The Association will then be wound up during 2021/22, further details of the transfer are set out at Note 2 to the Financial Statements.

## Vision, Mission and Corporate Values

### Vision

Our Vision is:

"We want everyone to live successfully in a home they can afford."

### Mission

We will do this by:

"Creating homes. Building lives."

## Corporate Values

We will ensure that the following values are evident through our work:

- Empowerment
- Social Impact
- Efficiency
- Collaboration
- Innovation

## **2. Strategic Report**



**Walk to the windowsill**

Residents planted seeds and herbs for home cooking.

## Review of the Year

### Operational Performance

The Association has established a suite of performance measures to track performance against its corporate objectives. Year-end performance is shown in Table 1 on the next page and is discussed below.

#### Caring for Our Customers, Our Assets and Neighbourhoods

Table 1 on the following page shows that six of the 20 KPIs established to monitor the delivery of this strategic objective were achieved in the year.

The COVID-19 pandemic resulted in three national lockdowns during 2020/21 and a series of regional restrictions which impacted on the Group's operations. Understandably, we also found that many residents refused visitors to their homes — particularly during the early months of the pandemic — and fewer people chose to move home during the year.

Of course, during the year the livelihoods of some of our residents were also disrupted by the pandemic either through a loss of work or by being furloughed by their employer.

These aspects of the pandemic's impact therefore resulted in the following targets being missed:

- Current Tenant Arrears.
- Median Void Length.
- Progress of Planned Programme.
- Number of Properties Improved to SAP-D or above.
- Void Loss.

Of the remaining targets that were not achieved in this area, two were "very high" or "high" priority KPIs: *Customer Net Promoter Score* and *CRM Actions Completed*.

Year-end performance for Customer Net Promoter Score was 0 against a KPI target of 30. This KPI continued to display wide variation across the Group's members and also between quarters

within the year (the target being achieved in the previous quarter). Due to the nature of how Net Promoter Score is calculated, it is prone to wider sampling error than other measures of satisfaction. We undertook research during the year to identify the drivers of Net Promoter Score and found that there are some linkages to the age of the tenant, the balance of their rent account, the number of times they ordered repairs in the last 12 months and the level of deprivation in the local area. We will explore these findings further with our tenants during the coming year, with a focus on how we can improve the repairs service to increase tenant satisfaction.

CRM Actions Completed was a new KPI that was set following the introduction of a new Customer Relationship Management system part-way through the year. Year-end performance was 63% against the 80% target. We believe that the target was missed due to staff adapting to the new system and expect it to be achieved in the coming year.

#### Building a Strong Corporate Foundation

Table 1 shows that four of the six KPIs established to monitor the delivery of this strategic objective were achieved in the year.

The impact of COVID-19 directly led to one target in this area being missed—*Reinvestment*—due to a decline in planned maintenance during periods of national and regional lockdown.

A summary of the Association's recent financial results is shown in Table 2 on the next page and highlights of the Association's financial position are shown in Table 3 on page 14<sup>2</sup>.

The board is pleased to report that *Operating Surplus* amounted to £2m or 53% of turnover.

During the year, the Group consolidated the majority of its external third-party funding into Jigsaw Treasury Limited and Jigsaw Treasury Limited now acts as the main funding vehicle for all members of the Group.

With regard to loan finance, during the year the Association repaid £3m in line with agreed debt profiles. £0m of loan finance was drawn-down in the year. At the year-end debt borrowings

<sup>2</sup>Figures prior to 2019 relate solely to Adactus Housing Group Ltd.

- KPI	KPI priority	Target	Actual	Trend
<i>Caring for our customers our assets and neighbourhoods</i>				
● Current Tenant Arrears	VH	2.86%	3.02%	↓
● Customer Net Promoter Score	VH	30	0	↓
Income Collected	VH	97.5%	99.7%	↑
● CRM actions completed	H	80%	63%	↓
Out-of-date Fire Risk Assessments	H	0	0	—
● Satisfaction with Repairs	H	88.0%	96.8%	↑
● Void Loss	H	0.80%	1.55%	↓
Average Time for Non-Emergency Repairs	M	15 days	8.1 days	↑
● Emergencies Attended and Made Safe within 24hrs	M	97.0%	90.4%	↓
Enquiry Resolved at First Point of Contact	M	75%	N/A	—
● Lost/Abandoned Calls	M	10%	13.4%	↓
● Median Void Length – General Needs	M	30 days	36 days	↓
● Median Void Length – Retirement Living	M	30 days	39 days	↓
● Number of Properties Improved to Level D or above	M	1	0	↑
● Progress of Planned Programme	M	88%	64%	↓
Properties compliant with gas safety requirements at quarter end	M	100%	100%	—
Properties with Invalid Gas Certificates during Reporting Period	M	0	0	—
● Responsive and Void Cost Per Unit	M	£321.51	£380.95	↓
RIDDOR incidents	M	0	0	—
Satisfaction with handling of ASB Case	M	70.0%	N/A	—
<i>Building a strong corporate foundation</i>				
EBITDA MRI Interest Cover	VH	194.09%	235.9%	↑
Gearing	VH	28.4%	32.4%	↓
Headline Social Housing Cost Per Unit	VH	£1809	£1590	↑
Operating Margin	VH	38.94%	45.87%	↑
● Reinvestment	H	0.27%	0.11%	↓
Return on Capital Employed	H	3.73%	5.93%	↑
<i>Valuing staff</i>				
● Compliance With Mandatory Training	M	98%	96.7%	↓
Employee Net Promoter Score	M	20	52	↑
Employee Sickness	M	4.4%	2.8%	↑
Employee Turnover	M	3.8%	2.6%	↑

● Out of target performance    ↑ improving trend    ↓ deteriorating trend    — no change in trend.

**Table 1:** Quarterly KPI performance at year end (financial data based on unaudited management accounts.)

Year	Turnover £'000	Operating expenditure £'000	Operating surplus %	Retained surplus £'000	Retained surplus %
2017	4,885	2,298	33	104	2
2018	3,759	2,083	50	770	20
2019	3,677	2,212	44	444	12
2020	3,738	2,081	51	116	3
<b>2021</b>	<b>3,798</b>	<b>2,156</b>	<b>53</b>	<b>(253)</b>	<b>(7)</b>

The above figures are extracted from previous financial statements based on accounting standards effective at those dates.

**Table 2:** Five-year financial performance.

amounted to £13.2m, maturing as outlined in Note 17 to the financial statements.

be wound up. Please refer to Note 2 of the Financial Statements for further details of the accounting impact of this transaction.

## Valuing Staff

Table 1 shows that 3 of the 4 KPI targets established to monitor the delivery of this strategic objective were achieved in the year.

The *Compliance With Mandatory Training* target was narrowly missed but positive progress was made in the year.

Notably, the year-end result for *Employee Net Promoter Score* far exceeded target. This was at least in part due to the strong endorsement by employees of the Association's response to the COVID-19 pandemic, with the speed of decision making and communication with employees particularly praised in feedback from employees.

## Growing the Business

The Association is not currently actively developing.

**Note:** Please see the financial statements of our parent — Jigsaw Homes Group — for a full report on the value for money performance of the Group, including details of our performance with respect to the 2020 Value for Money metrics published by the Regulator of Social Housing.

The Board's view of the key risks to the business and an explanation of how these are mitigated is included in the analysis of the Association's corporate risk position at the end of the financial year on page 20.

Jigsaw Homes Group continues to follow its Corporate Plan aim to fully integrate the legacy Adactus and New Charter organisations within the Group. As part of this plan it has been agreed by the Board that Beech Housing Association Limited will be subsumed by Jigsaw Homes North via a Transfer of Engagements post year-end. There will be no change to the nature in which the assets and liabilities are used and managed as a result of this Transfer of Engagements. Following the transfer the Association will

<b>Year</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Housing properties at cost	40,779	41,306	42,299	43,041	43,850
Cash at bank and short term deposits	1,889	5,587	4,600	4,518	4,032
Creditors amounts falling due within one year	2,538	3,534	2,492	2,447	2,291
Net current assets / (liabilities)	(471)	2,401	2,460	2,386	1,873
Total assets less current liabilities	34,607	38,338	39,618	40,559	41,155
Creditors amounts falling due after more than one year	27,146	30,624	32,020	33,405	34,771
Capital and reserves	7,461	7,714	7,598	7,154	6,384

The above figures are extracted from previous financial statements based on accounting standards effective at those dates.

**Table 3:** Consolidated financial position.



# 3. Governance



## Digital lettings

Voids and lettings team bring in e-signature software.

## Corporate Structure and Governance

In 2020/21 work continued to simplify the Group's corporate and governance arrangements<sup>3</sup>, resulting in the structure shown in Figure 3 on the next page. Figure 3 highlights how the Group uses overlapped boards to simplify its governance arrangements and to make the best use of the shared skill-set of board members and directors.

As part of this work, the Association transferred its engagements to fellow Group member, Jigsaw Homes North, on 30 June 2021.

At the time of writing, the Group is progressing the transfer of engagements of Chorley Community Housing into Jigsaw Homes North, a process that is expected to complete during 2021/22.

### Board Members Serving at the End of the Financial Year

#### Roli Barker

##### Chair of the board

*Attendance: 4/4 100% (Board), 5/5 100% (Group Board)*

Roli is a Director at the Big Life Group responsible for the Big Issue North, Big Life Homes, and their service user involvement project, *Community Voice*. Roli has extensive experience as a Senior Project and Development Manager for a diverse range of corporate and non-profit organisations, including the London 2012 Olympic and Paralympic Games and Shelter. Most recently she was responsible for the design, implementation, and delivery of a £1.2 million project to transform Greater Manchester's private rented sector for low-income households. Roli is a fellow of the Royal Society of Arts and a member of the Institute of Fundraising.

#### Shoab Akhtar

*Attendance: 3/4 75%*

Shoab is currently employed by Onward Homes and has served as a councillor on Oldham Council since 2000, sitting on various committees and holding different cabinet portfolios. He was mayor of Oldham in 2008/09, and served as deputy

<sup>3</sup>See Note 1 to the Financial Statements on page 34 for details.

leader from 2011 to 2014 and is currently a member of the planning committee. Shoab is also a governor at Oldham Sixth Form College and a member of the Oldham Enterprise Trust.

#### Claire Beaumont

*Attendance: 3/4 75%*

Claire joined North Board in April 2019. She is a partner in the Commercial Property Team at Gorvins Solicitors specialising in property investment and finance but with broad experience across the sector working with a variety of clients who are active in the market. Claire is a former Chairman of the Association of Women in Property Northwest Branch and remains part of the committee and as a mentor, assisting the association in encouraging women into the property sector.

#### Lynne Garsden

*Attendance: 4/4 100%*

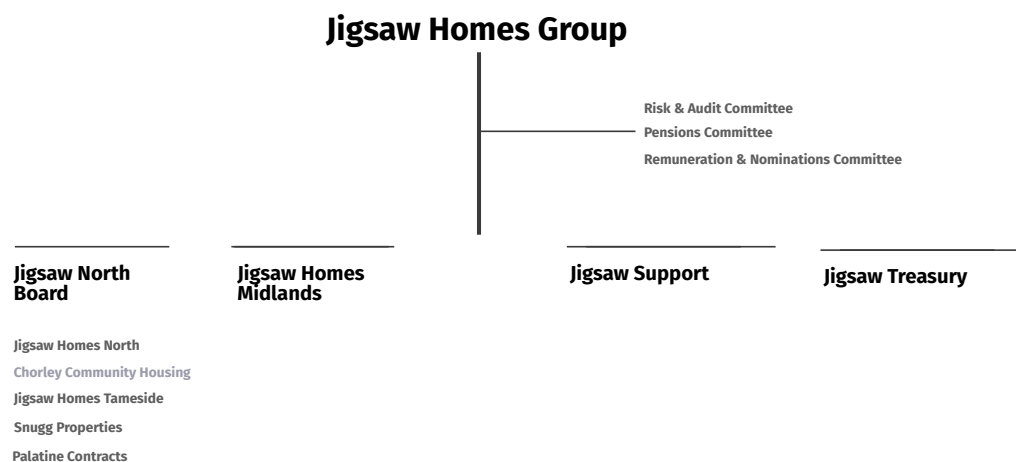
Lynne is a former fellow of the Royal Institution of Chartered Surveyors. She has over 35 years' experience in the property market, handling lettings, sales, development appraisals, rent reviews and acquisitions. A founding partner of Guest Garsden Property Consultants in Manchester, Lynne has dealt with instructions as an expert under Civil Procedure Rules to both County Court and High Court in respect of valuations on both commercial and residential developments. She has 13 years' experience on the board of another housing association, including five years as its chair.

#### Andrew Leah

*Attendance: 4/4 100%, 4/4 100% (R&A Committee)*

Andrew spent his career in local government, retiring as Head of Housing and Planning with Tameside MBC in 2013. He was responsible for an extensive range of council services including the full range of housing duties as well as delivering significant performance improvements and efficiency savings. He holds professional qualifications in Housing, Environmental Health and Management.

#### Paul Lees



**Figure 3:** Corporate and governance structure — board meetings for the organisations that fall under Jigsaw North are held contemporaneously using overlapped meetings.

*Attendance: 4/4 100% (Board), 4/4 100% (R&A Committee)*

Paul worked for over 20 years in the role of chief executive of the Adactus Housing Group and its predecessor, County Palatine Housing Society. He has spent his career in social housing, working for both housing associations and local authorities.

### Janet Mutch

*Attendance: 4/4 100%*

Janet brings a wealth of customer service and employment knowledge to the Board through her role as retail manager for Cancer Research and previous role with Willow Wood Hospice. Living and working in Tameside gives Janet a strong understanding of the issues facing our customers and the wider community.

### Hilary Roberts

*Attendance: 4/4 100% (Board), 5/5 100% (Group Board)*

Hilary is the group chief executive of Jigsaw. She has lead responsibility to work with the board of management to develop and implement corporate strategy.

She has a strong background in business growth and property development having held senior roles in this area for over 20 years.

## Corporate Responsibility

### Employees

The Association recognises that the success of the business depends on the quality of its managers and employees. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

The board is aware of its responsibilities on all matters relating to health & safety. The Group has prepared detailed health & safety policies and provides employee training and education on health & safety matters.

### Diversity and Inclusion

The Association recognises its responsibilities to provide equality of opportunity, eliminate discrimination and promote good relations in its activities as a landlord, managing agent, employer, contractor, partner and purchaser.

We are totally opposed to all forms of discrimination on the grounds of race, national origin, ethnic origin, nationality, religion, belief or lack of religion or belief, gender, gender reassignment status, being married or a civil partner, pregnancy or maternity, sexual orientation, disability or age.

The Association's policy in this area is available to download from the Jigsaw website: search for "equality and diversity".

## **Modern Slavery and Human Trafficking Statement**

The Association is absolutely committed to preventing slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking.

The Association's policy in this area is available to download from the Jigsaw website: search for "modern slavery".

## Risk Management and Internal Controls

The board has overall responsibility for the system of internal control and risk management across the Association and for reviewing its effectiveness. The board also take steps to ensure the Association adheres to the Regulator of Social Housing's *Governance and Financial Viability Standard* and its associated *Code of Practice*. The Risk & Audit Committee is responsible to the board for monitoring these arrangements and reporting on their effectiveness.

### Risk Management

Figure 4 on the following page summarises the Association's risk map at 31 March 2021. The assessment shows 44 risks which could impact on the delivery of the Association's corporate objectives categorised by the impact areas of 'People', 'Strategic', 'Financial', 'Business Interruption' and 'Reputation'.

The diagram highlights that the ongoing COVID-19 pandemic continues to expose the Association to a significant risk of Non-Cyber Business Disruption due to the potential for staff shortages and / or restrictions on corporate activity. This risk continues to be actively managed by the Group's COVID Response Team.

Elsewhere, the Group's controls work to mitigate the likelihood or impact of risks. As a result, the residual assessment of all but one risk falls within the acceptable levels defined in the Group's *Risk Management Strategy*.

Figure 4 also shows how the Group's risk register is dominated by 'People' risks – predominantly health & safety and safeguarding concerns. We have adopted comprehensive policies in both of these areas to ensure that these risks are given due attention.

Our most significant residual risks are:

- Non-Cyber Disruption to the Business.
- Failure of Controls Leads to Death or Injury from Fire.
- Death or Serious Injury (Staff / 3<sup>rd</sup> Party).

- Ineffective Safeguarding of Staff, Customers and Third Parties.
- Cyber Disruption.
- Breach of Data Regulations.

In accordance with the Group's *Risk Management Strategy*, the risk map is reviewed quarterly by the Group's Risk & Audit Committee and by board. The committee presides over a programme of internal audit work which is based on the risks identified.

### Internal Controls Assurance

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 significant risks faced by the Association is ongoing and has been in place throughout the period commencing 1 April 2020 up to the date of approval of this document.

Key elements of the control framework include:

- Formal policies and procedures are in place, including the documentation of key processes and rules for the delegation of authorities (Scheme of Delegation). These policies and procedures are reviewed by the board and executive management team on an agreed cycle.
- A performance management framework is in place to provide monitoring information to the board and management. Employee progress against agreed, documented objectives is formally reviewed.
- Management report regularly on risks and how these are managed.
- The board receives quarterly information on the financial performance of the business together with a summary of key performance indicators covering the main business risks.



The area of each rectangle is proportional to the assessment of Inherent Risk, darker shading indicates higher Residual Risk.

**Figure 4:** Risk analysis – the ongoing COVID-19 pandemic has resulted in a significant risk to the business of Non-Cyber Business Disruption.



**Figure 5:** Examples from the Group’s suite of performance dashboards.

- Forecasts and budgets are prepared which allow the board and management to monitor financial objectives and risks. Monthly management accounts are prepared promptly and reported to board on a quarterly basis; with significant variances from budget investigated and accounted for. This reporting includes the monitoring of all loan covenants.
- There is a robust approach to treasury management supported by third party advisors.
- Regular monitoring of loan covenants and requirements of new loan facilities is in place.
- All significant new initiatives and projects are subject to formal appraisal and authorisation procedures by the appropriate board with clear links to the requirements of the Risk Management Policy.
- The Remuneration and Nominations Committee has oversight of the Association’s

approach to board appraisal, recruitment and succession.

- Experienced and suitably qualified employees are responsible for important business functions.
- A co-sourced internal audit service is provided by the Group, incorporating a team managed by a qualified, full-time employed audit manager complemented by third party expertise. The Risk & Audit Committee approves the annual audit plan and reviews internal audit reports as well as those from management and any third-party reviews including reports from tenant scrutiny.
- The Risk & Audit Committee reports quarterly to the board and reviews the assurance procedures, ensuring that an appropriate range of techniques is used to obtain the level of assurance required by the board.
- Risks are identified, assessed and documented in a risk register with details of how each risk will be managed. The risk register is reviewed on a quarterly basis by the executive management team and Risk & Audit Committee. Quarterly risk updates are also provided to each board within the Group. Internal audit independently reviews the risk identification procedures and control process implemented by management and reports to Risk & Audit Committee.
- The executive management team also reports to the board on significant changes in the business and external environment which affect significant risks.
- The Group's *Probity and Anti-Fraud Policy* clearly lays out the approach to be taken with respect to whistle-blowing, anti-corruption and fraud.
- The Risk & Audit Committee and board review and approve this statement of the Association's internal controls assurance.
- A theft and fraud register is maintained by the Group Company Secretary and any fraud is reported to the Risk & Audit Committee.



**Figure 6:** Our tenant scrutiny panels undertake deep-dive investigations into areas voted for by tenants.

The Association uses various financial instruments including loans, cash and other items such as rent arrears and trade creditors that derive directly from its operations. The main purpose of these financial instruments is to raise finance for the delivery of the Association's objectives.

The existence of these financial instruments exposes the Association to a number of financial risks. The main risks arising from the Association's financial instruments are considered by board to be interest rate risk, liquidity risk and credit risk. In accordance with its *Risk Management Policy* and *Treasury Management Strategy*, the board reviews and agrees policies for managing each of these risks as summarised below.

### Interest Rate Risk

The Association finances its operations through a mixture of retained surpluses and bank borrowings. The Association's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities.

The Association currently borrows from a variety of lenders at both fixed and floating rates of interest. The Association's *Treasury Management Strategy* targets the level of fixed rates of interest to be up to 100% of its loan portfolio. At the year-end 56% (2020: 51%) of borrowings were at fixed rates between 1.2% and 7.4% with an average borrowing rate of 4.8%.



## Liquidity Risk

The Association seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and wisely.

The Association has a clear focus on cash collection and monitors cash-flow forecasts closely and regularly, to ensure it has sufficient funds to meet its business objectives, pay liabilities when they fall due and ensure adequate liquidity with respect to emerging risks.

With respect to short term liquidity, at the year-end the Association had access to £1.9m (2020: £5.6m) of cash balances and in excess of £2.3m (2020: £0m) of undrawn committed bank facilities.

## Credit Risk

The Association operates a prudent policy in respect of funding counterparties and aims to minimise the risk of financial loss or liquidity exposure associated with any counterparty. Short term investments are widely diversified and are kept at a minimum by temporarily repaying revolving credit facilities in order to manage working capital requirements. During 2021 all cash investments were held with counterparties which met the requirements of Group's *Treasury Management Strategy*.

The Association seeks to minimise the credit risk relating to tenant rent arrears through its robust recovery procedures, providing support to existing tenants where necessary and by pre-let screening applicants for new tenancies. The Group's money advice service provides the necessary support to tenants and the Group's arrears recovery team closely monitors tenant arrears as a whole.

## Compliance

This document has been prepared in accordance with applicable reporting standards and legislation. The board confirms that the Association has complied with the regulator's *Governance and Financial Viability Standard*.

## Code of Governance

During 2020/21 the Association's Code of Governance was *Excellence in Governance* (National Housing Federation, 2015). The board is pleased to report full compliance with the Code.

## Regulatory Framework

The Association is subject to the Regulator of Social Housing's Regulatory Framework. The board is pleased to report full compliance.

## Statement of Responsibilities of the Board for the Report and Financial Statements

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

Under the Co-operative and Community Benefit Societies Act 2014 and social housing legislation the board are required to prepare financial statements for each financial year in accordance with *United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)*.

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.

As explained in Note 2 to the Financial Statements, the board do not believe the going concern basis to be appropriate and, in consequence, these Financial Statements have not been prepared on that basis.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Association and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the 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 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 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.

## Going Concern

The board do not believe the going concern basis to be appropriate and, as a consequence, these Financial Statements have not been prepared on that basis.

The Association's activities, its current financial position and factors likely to affect its future

development are set out within the Strategic Report.

The Board approved the Association's 2021/22 budget prior to the start of the financial year and approved the Association's thirty year financial plan shortly afterwards. The board is content that these plans were affordable and that the financial statements should be prepared on a going concern basis.

The board reviewed a range of scenarios and stress tests in order to fully understand the potential impact on the thirty year financial plan and the Group's loan covenant position. This considered how alternate projections for inflation, interest rates and house prices impact on the Group's loan covenant position. The alternate projections for inflation, interest rates and house prices arise from three different macroeconomic scenarios

- A forecast based on central estimates of the Economic and Fiscal Outlook published by The Office for Budget Responsibility where available and otherwise, on sector norms.
- The 2021 Bank of England stress test scenario which outlines an imagined severe path for the economy during 2021-25 based on a deep double dip recession caused by the COVID-19 pandemic.
- A *Black Swan Event* which combines the worst independent ten year movements in recent memory of each macroeconomic variable into a single unprecedentedly challenging scenario.

The stress tests also considered the materialisation of significant financial risk to the business using current risks as recorded in the Group's Risk Map to explore further where combinations of key risks unexpectedly materialise and when combined with the more pessimistic macroeconomic scenarios outlined above, where either risk event would present the business with variants of a *Perfect Storm*.

The board continues to review the financial plan with the executive team to make any necessary changes and continue to work with our customers and stakeholders to deliver our services.

The length of the COVID-19 pandemic and the impact of the measures taken by the Government to contain this remain unknown and outside of the Association's control. However in 2020/21, the board implemented processes to manage cashflow on a weekly basis and review financial stability as the situation progresses. Board approved Recovery Plans are in place should further corrective action be required.

The Association has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association also has long-term financial plans which show that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

The board is, to the best of its knowledge, satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the thirty year financial plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants, thus confirming the future viability of the Association.

## Auditor

All of the current board members have taken the steps that they ought to have taken to ensure they are aware of any information needed by the Association's auditor for the purposes of their audit, and to establish that the auditor is aware of that information. The board members are not aware of any relevant audit information of which the auditor is not aware.

BDO LLP has expressed their willingness to continue in office as the Association's auditors.

Approved by the Board on 7th September 2021 and signed on its behalf on 23rd September 2021 by:



**Roli Barker**

Association Chair



## Summer Fun

Residents in Collyhurst and North Manchester take part in gardening activities.

# **4. Financial Statements**

# Independent Auditor's Report to the Members of Beech Housing Association Limited

## Independence

### Opinion on the Financial Statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of 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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Beech Housing Association Limited ("the Association") for the year ended 31 March 2021 which comprises the statement of comprehensive income, the statement of financial position, the statement of changes in equity, 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 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.

### Emphasis of Matter - Financial Statements Prepared on a Basis Other than Going Concern

We draw attention to Note 2 to the financial statements which explains that the activities of the organisation have been transferred to a fellow Group member via a Transfer of Engagement and so the board do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in respect of this matter.

### Other Information

The board are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Chair's Statement, Report of the Board of management and Strategic Report 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 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 and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- 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;
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board**

As explained more fully in the Statement of Board Responsibilities set out on page 24, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 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 Association or to cease operations, or have no realistic alternative but to do so (see 2 for further details on this matter).

### **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 of the Association and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the financial statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

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 to manipulate financial results and management bias in accounting estimates.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to the impairment, defined benefit obligation, investment property valuation and useful economic lives.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management and journals posted after the year end.
- In respect of income from contracts, projects and property sales, these will be agreed to support providing evidence of delivery and timing of delivery.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing.

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](http://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:  
HELEN KNOWLES  
DAED9B91914A4A7...

## BDO LLP, Statutory Auditor

Manchester 30 September 2021

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



## Statement of Comprehensive Income

Year ended 31 March 2021		2021	2020
	Notes	£'000	£'000
Turnover	3	3,798	3,738
Cost of sales	3	–	1
Operating expenditure	3	(2,156)	(2,081)
Profit on disposal of fixed assets	5	372	262
<b>Operating surplus</b>	<b>8</b>	<b>2,014</b>	<b>1,920</b>
Interest receivable	6	4	25
Interest and financing costs	7	(804)	(880)
<b>Surplus before tax</b>	<b>8</b>	<b>1,214</b>	<b>1,065</b>
Taxation	9	(2)	(49)
<b>Surplus for the year after tax</b>			
Suplus for the year		1,212	1,016
<b>Other comprehensive income</b>			
Gift Aid		(1,465)	(900)
<b>Total comprehensive income for the year</b>		<b>(253)</b>	<b>116</b>

The Financial Statements and notes on pages 31 to 51 were approved and authorised for issue by the Board on 7th September 2021 and signed on its behalf on 23rd September 2021 by:



R. Barker  
**Chair**



B. Moran  
**Secretary**



H. Roberts  
**Executive Member**

## Statement of Financial Position

At 31 March 2021		2021	2020
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible fixed assets	12	35,078	35,937
		<b>35,078</b>	<b>35,937</b>
<b>Current assets</b>			
Trade and other debtors	13	178	348
Cash and cash equivalents	14	1,889	5,587
		<b>2,067</b>	<b>5,935</b>
Less: Creditors: amounts falling due within one year	15	(2,538)	(3,534)
<b>Net current assets</b>		<b>(471)</b>	<b>2,401</b>
<b>Total assets less current liabilities</b>		<b>34,607</b>	<b>38,338</b>
Creditors: amounts falling due after more than one year	16	(27,146)	(30,624)
<b>Total net assets</b>		<b>7,461</b>	<b>7,714</b>
<b>Reserves</b>			
Revenue reserve		7,461	7,714
<b>Total reserves</b>		<b>7,461</b>	<b>7,714</b>

The Financial Statements and notes on pages 31 to 51 were approved and authorised for issue by the Board on 7th September 2021 and signed on its behalf on 23rd September 2021 by:



R. Barker  
**Chair**



B. Moran  
**Secretary**



H. Roberts  
**Executive Member**

## Statement of Changes in Equity

	<b>Revenue reserve £'000</b>	<b>Total £'000</b>
<b>Balance at 31 March 2019</b>	<b>7,598</b>	<b>7,598</b>
Surplus from Statement of Comprehensive Income	1,016	1,016
Gift aid (Note 25)	(900)	(900)
<b>Balance at 31 March 2020</b>	<b>7,714</b>	<b>7,714</b>
Surplus from Statement of Comprehensive Income	1,212	1,212
Gift aid (Note 25)	(1,465)	(1,465)
<b>Balance at 31 March 2021</b>	<b>7,461</b>	<b>7,461</b>

The results for the year relate wholly to continuing activities and the notes on pages 34 to 51 form an integral part of these financial statements.

# Notes to the Financial Statements

## 1. Legal Status

Beech Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing.

The registered office is Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

The Association is a member of the Jigsaw Homes Group Structure (the Group), of which Jigsaw Homes Group Limited is the parent company. At the year end, the Group comprised the following principal entities:

Name	Incorporation	RSH registration	Parent
AKSA Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Beech Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Cavendish Property Developments Limited	Companies Act 2006	Non-registered	JHG
Chorley Community Housing Limited	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes Midlands	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes North	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Homes Tameside	Companies Act 2006	Registered	JHG
Jigsaw Support	Co-operative and Community Benefit Societies Act 2014	Registered	JHG
Jigsaw Treasury Limited	Companies Act 2006	Non-registered	JHG
Palatine Contracts Limited	Companies Act 2006	Non-registered	JHN
Snugg Properties Limited	Companies Act 2006	Non-registered	JHN

**Table 4:** Principal group members.

The board of Jigsaw Homes North is the corporate trustee of the James Tomkinson Memorial Cottages Trust.

During the year, the following changes to the Group's corporate structure were made:

- In January 2021 New Charter Homes changed its name to Jigsaw Homes Tameside.
- In February 2021 Adactus Housing Association changed its name to Jigsaw Homes North.
- On 31 March 2021 New Charter Building Company Limited transferred its assets and liabilities by way of a Business Transfer Agreement to Jigsaw Homes Group Limited.

Shortly after the financial year-end, further changes were made:

- In June 2021 AKSA Housing Association Limited transferred its engagements to Jigsaw Homes North.
- In June 2021 Beech Housing Association Limited transferred its engagements to Jigsaw Homes North.

## 2. Principal Accounting Policies

## Basis of Accounting

The financial statements have been prepared in accordance with applicable law, the United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 (SORP). The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies.

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in pounds sterling.

The Association has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Basic Financial Instruments; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jigsaw Homes Group Limited as at 31 March 2021 and these financial statements may be obtained from their registered office.

## Going Concern

The Board of Jigsaw Homes Group have decided to subsume the activities of Beech Housing Association Limited within the activities of Jigsaw Homes North. This will be completed via a Transfer of Engagement post year-end.

Following this transaction Beech Housing Association Limited will be wound up, as a result of this decision management believe the Association no longer remains a going concern as the entity will be wound up within 12 months of the Financial Statements being signed. For this reason, the board have made the decision to produce the Financial Statements on a basis other than going concern.

The board asserts that the transfer will have no impact on the use of the assets and liabilities of the Association beyond the transfer of legal title. No adjustments are required to the Financial Statements as a result of preparing them on a basis other than going concern.

## Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

### *Basis of Preparation*

The board have prepared the accounts on a basis other than going concern. This is due to their assessment that the decision made to transfer the activities of the Association to Jigsaw Homes North

post year-end means the going concern basis would not be appropriate. For further details see the Strategic Report and Note 2 to the Financial Statements.

#### *Categorisation of housing properties*

The Association has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Association has considered if the asset is held for social benefit or to earn commercial rentals.

#### *Impairment*

The Association has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

#### *Tangible fixed assets*

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

#### *Impairment of non-financial assets*

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

Following the assessment of the indicators of impairment, it was viewed that the COVID-19 pandemic was a potential trigger for impairment in relation to stock and work in progress. Following a review, no adjustment to carrying values was required.

## Turnover and Revenue Recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income recognised in relation to the period when the goods or services have been supplied.

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

Revenue is recognised on completion if the sale of goods or services is short-term in nature. Where this is not the case, revenue is recognised in proportion to the stage of completion at the reporting date. Revenue recognition commences only when the outcome of the goods and services rendered can be reliably measured, by reference to individual terms and conditions within each service contract, and it is probable that the economic benefits associated with the contract will flow to the Association, otherwise it is recognised to the extent costs are incurred.

Supporting People contract income received from Administering Authorities is accounted for as 'Charges for support services'.

Service charge income and costs are recognised on an accruals basis. The Association operates both fixed and variable service charges on a scheme by scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or

deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required a provision may be built up over the years in consultation with residents. Until costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

### Loan Interest Costs

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

### Loan Finance Issue Costs

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

### Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the financial statements, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Association operates and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the year-end date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Association can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## Value Added Tax

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the financial statements are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

## Gift Aid

Donations payable to charitable entities within the Jigsaw Homes Group are treated as distributions and are presented within the Statement of Changes in Equity.

## Tangible Fixed Assets and Depreciation

### *Housing properties*

Housing properties are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, e.g. a local authority, are included as an asset and equal liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Freehold land is not depreciated.

Major repairs to properties of a capital nature, which will result in an increase in the net rental income over the life of the property, are capitalised under the component accounting principles described below.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELS), each component is accounted for separately and depreciated over its individual UELS. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELS of the component categories.

UELS for identified components are as follows:

<b>Component</b>	<b>Years</b>
Boilers	15
Kitchens	20
Lifts	25
Bathrooms	30
Doors	30
Windows	30
Roofs	80
Structure	100

**Table 5:** Useful Economic Lives.

### *Other fixed assets*



Other tangible fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following rates:

<b>Asset type</b>	<b>Rate</b>
Land & buildings	3.33% on cost or length of lease
Furniture, fixtures & fittings	10% per annum on cost
Office & computer equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

**Table 6:** Fixed Asset Depreciation Rates.

## Leasing

Rental payments under operating leases 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 on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Assets held under finance leases are included in the Statement of Financial Position and depreciated in accordance with the Association's accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the income statement for the period of the lease in proportion to the balance of capital repayments outstanding.

## Stock and Properties Held for Sale

Stock of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

## Debtors and Creditors

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

## Sinking Fund

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

## Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

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

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

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

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

## Social Housing Grant (SHG) and Other Government Grants

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

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Grants due from government organisations or received in advance are included as current assets or liabilities.

## Non-Government Grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

## Recycling of Capital Grant

Where SHG is recycled, as described above, the SHG is credited to a fund which appears as a creditor in the Statement of Financial Position, until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year in the Statement of Financial Position.

If there is no requirement to recycle or repay the grant on disposal of an asset any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

## Reserves

The Association designates those reserves which have been set aside for uses which, in the judgement of the board, prevent them from being regarded as part of the general reserves of the Association.

General reserves reflects accumulated surpluses for the Association which can be applied at its discretion for any purpose.

## 3. Turnover

### 3a) Turnover, cost of sales, operating expenditure and operating surplus.

	2021				
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	3,726	–	(2,156)	–	1,570
<b>Other social housing activities:</b>					
First tranche low cost home ownership sales	–	–	–	–	–
Other activities	72	–	–	–	72
<b>Non-social housing activities:</b>					
Disposal of fixed assets (Note 5)	–	–	–	372	372
<b>Total</b>	<b>3,798</b>	<b>–</b>	<b>(2,156)</b>	<b>372</b>	<b>2,014</b>

### 3b) Turnover, cost of sales, operating expenditure and operating surplus.

	2020				
	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	3,682	–	(2,081)	–	1,601
<b>Other social housing activities:</b>					
First tranche low cost home ownership sales	–	1	–	–	1
Other activities	56	–	–	–	56
<b>Non-social housing activities:</b>					
Disposal of fixed assets (Note 5)	–	–	–	262	262
<b>Total</b>	<b>3,738</b>	<b>1</b>	<b>(2,081)</b>	<b>262</b>	<b>1,920</b>

**3c) Turnover and operating expenditure.**

	General housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total 2021 £'000	Total 2020 £'000
<b>Income</b>					
Rent receivable net of identifiable service	925	841	1,006	2,772	2,743
Service charge income	52	351	365	768	750
Amortised government grants	37	58	91	186	189
<b>Turnover from social housing lettings</b>	<b>1,014</b>	<b>1,250</b>	<b>1,462</b>	<b>3,726</b>	<b>3,682</b>
<b>Operating expenditure</b>					
Management	100	113	222	435	435
Service charge costs	63	342	358	763	745
Routine maintenance	106	113	128	347	287
Planned maintenance	58	50	40	148	200
Major repairs expenditure	23	14	–	37	2
Bad debts	8	8	16	32	5
Property lease charges	44	–	–	44	47
Depreciation of housing properties	74	95	181	350	360
<b>Operating expenditure on social housing lettings</b>	<b>476</b>	<b>735</b>	<b>945</b>	<b>2,156</b>	<b>2,081</b>
<b>Operating surplus on social housing lettings</b>	<b>538</b>	<b>515</b>	<b>517</b>	<b>1,570</b>	<b>1,601</b>
Void losses	6	27	–	33	14

**4. Accommodation Owned and Managed**

	2021 Owned	No. of units Managed	2020 Owned	No. of units Managed
<b>Social Housing</b>				
General needs housing				
Social rent	190	25	190	27
Affordable rent	9	6	9	6
Sheltered housing for older people	208	–	208	–
Low-cost home ownership	419	265	424	265
Leasehold where the Group owns the freehold	268	–	266	–
<b>Total units social housing</b>	<b>1,094</b>	<b>296</b>	<b>1,097</b>	<b>298</b>

The Association owns 43 (2020: 49) properties which are managed by others.

Movement in the year (owned properties)	No. of units
<b>Opening number of units at 1 April 2020</b>	<b>1,097</b>
<b>Units sold</b>	
Shared Ownership	(3)
<b>Closing number of units at 31 March 2021</b>	<b>1,094</b>

## 5. Profit on Disposal of Fixed Assets

	2021	2020
	£'000	£'000
Proceeds of sales	915	997
Carrying value	(543)	(735)
<b>Total loss</b>	<b>372</b>	<b>262</b>

## 6. Interest Receivable

	2021	2020
	£'000	£'000
Bank interest receivable	4	25
<b>Total</b>	<b>4</b>	<b>25</b>

## 7. Interest and Financing Costs

	2021	2020
	£'000	£'000
Loans and bank overdrafts	799	875
Amortisation of loan fees	5	5
<b>Total</b>	<b>804</b>	<b>880</b>

The weighted average interest on borrowings of 4.8% (2020: 4.9%) was used for calculating capitalised finance costs.

## 8. Operating Surplus

	2021	2020
	£'000	£'000
The operating surplus is stated after charging:		
Auditor's remuneration (excluding VAT):		
Audit of subsidiaries	9	7
Fees payable to the company's auditor & its associates for other services to the Group		
Taxation advice	6	3
Depreciation of housing properties	350	360
Depreciation of other fixed assets	25	25

## 9. Taxation

Group	2021	2020
	£'000	£'000
<b>Current tax</b>		
Current tax on income for the year	–	58
Adjustments in respect of previous periods	1	(14)
<b>Total current tax charge</b>	<b>1</b>	<b>44</b>
<b>Deferred tax</b>		
Adjustment in respect of previous years	1	–
Effect of tax rate change on opening balance	–	5
<b>Total deferred tax charge</b>	<b>1</b>	<b>5</b>
<b>Total tax recognised in the Statement of Comprehensive Income</b>	<b>2</b>	<b>49</b>

	2021			2020		
	Current tax £'000	Deferred tax £'000	Total tax £'000	Current tax £'000	Deferred tax £'000	Total tax £'000
Recognised in Statement of Comprehensive Income	1	1	2	44	5	49
<b>Total tax</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>44</b>	<b>5</b>	<b>49</b>

Reconciliation of effective tax rate	2021 £'000	2020 £'000
Surplus for the year	1,212	1,016
Total tax expense	2	49
<b>Surplus excluding taxation</b>	<b>1,214</b>	<b>1,065</b>
Tax using the UK corporation tax rate of 19% (2020: 19%)	231	202
Amounts credited directly to other comprehensive income	(278)	(171)
Fixed asset differences	-	21
Other permanent differences	14	-
Income not taxable for tax purposes	(35)	(35)
Adjustments in respect of prior periods	2	(14)
Tax rate differences on deferred tax	-	5
Chargeable gains	68	41
<b>Total tax charge</b>	<b>2</b>	<b>49</b>

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020 ) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Association's future current tax charge accordingly. The deferred tax assets at 31 March have been calculated based on these rates.

## 10. Directors' Remuneration

The group chief executive, executive directors and non-executive directors are remunerated by Jigsaw Homes Group Limited. Their costs are recharged to all Group subsidiaries on an on-going basis.

## 11. Employee Information

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	2021	2020
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Housing, support and care	3	3
<b>Total</b>	<b>3</b>	<b>3</b>

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	2021 £'000	2020 £'000
<b>Staff costs</b>		
Wages and salaries	92	80
Social security costs	7	5
Other pension costs	4	4
<b>Total</b>	<b>103</b>	<b>89</b>

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During the year, there were no employees who received more than £60,000 per annum in remuneration.

## 12. Tangible Fixed Assets

Housing properties	<b>Social housing properties for letting completed £'000</b>	<b>Shared ownership properties completed £'000</b>	<b>Total housing properties £'000</b>
<b>Cost</b>			
At start of the year	20,287	21,019	41,306
Component replacements	37	–	37
Components replaced cost	(11)	–	(11)
Disposals cost	–	(553)	(553)
<b>At end of the year cost</b>	<b>20,313</b>	<b>20,466</b>	<b>40,779</b>
<b>Depreciation and impairment</b>			
At start of the year	3,629	1,955	5,584
Charge for the year	193	158	351
Components replaced	(11)	–	(11)
Disposals	–	(33)	(33)
<b>At end of the year</b>	<b>3,811</b>	<b>2,080</b>	<b>5,891</b>
<b>Net book value:</b>			
<b>At 31 March 2021</b>	<b>16,502</b>	<b>18,386</b>	<b>34,888</b>
At 31 March 2020	16,658	19,064	35,722

All properties are held on either a freehold or long leasehold basis. There are 189 properties held on a long leasehold basis with an associated cost of £10m. 1% of the remaining lease periods are greater than 70 years.

The weighted average interest on borrowings of 4.8% (2020: 4.9%) was used for calculating capitalised finance costs.

The Association considers its housing schemes to represent separate cash generating units (cgus) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2018. During the current year, the Association has carried out a review of impairment. This review involved an assessment of existing social housing properties to determine if there has been any indicator of impairment in the current financial year. This review is done at a scheme level, which is deemed to be an appropriate level of a cash generating unit of housing property assets. Where any potential indicator as defined in FRS 102.27 *Impairment of Assets* is identified, a review of the affected scheme is undertaken to determine if an impairment is required.

Examples of key indicators for impairment include:

- Change in government policy, regulation or legislation which has a material detrimental impact.
- A change in demand for a property that is considered irreversible.
- Material reduction in the market value of properties intended to be sold.
- Obsolescence of a property or part of a property.

An assessment was carried out to identify impairment indicators linked to the fixed assets at year end. Perhaps of most note is the fact that COVID-19 has not to date had a detrimental impact on the market value of housing properties and demand remains healthy. There were no indicators identified that required a full impairment review to be carried out using the depreciated replacement cost methodology. Details of Social Housing Grant received during the year are provided in Note 18 on page 49.

	<b>2021 £'000</b>	<b>2020 £'000</b>
Works to existing properties in the year:		
Improvement works capitalised	37	126
Amounts charged to expenditure	531	488
<b>Total</b>	<b>568</b>	<b>614</b>



<b>Other fixed assets</b>	<b>Furniture and equipment £'000</b>	<b>Total other fixed assets £'000</b>
<b>Cost</b>		
At start of the year	339	339
Disposals		–
<b>At end of the year</b>	<b>339</b>	<b>339</b>
<b>Depreciation and impairment</b>		
At start of the year	124	124
Charge for the year	25	25
Disposals		–
<b>At end of the year</b>	<b>149</b>	<b>149</b>
Net book value:		
<b>At 31 March 2021</b>	<b>190</b>	<b>190</b>
At 31 March 2020	215	215

### 13. Trade and Other Debtors

	<b>2021 £'000</b>	<b>2020 £'000</b>
Rent arrears	154	95
Less: provision for bad debts rents	(36)	(13)
<b>Sub-total</b>	<b>118</b>	<b>82</b>
Trade debtors	13	–
Less: provision for bad debts trade	(11)	–
<b>Sub-total</b>	<b>2</b>	<b>–</b>
Prepayments and accrued income	10	23
Amounts owed by group undertakings	4	–
Other debtors	44	243
Total due within one year	178	348
<b>Total</b>	<b>178</b>	<b>348</b>

A number of tenants in arrears are in formal repayment agreements with the Association. An assessment of the net present value of those repayment agreements was carried out. The potential adjustment identified was insignificant and was less than the provision for bad debts against those tenancies. On this basis, no adjustment has been made in the financial statements in relation to the net present value of the repayment agreements.

### 14. Cash and Cash Equivalents

	<b>2021 £'000</b>	<b>2020 £'000</b>
Cash at bank	1,889	5,587
<b>Total</b>	<b>1,889</b>	<b>5,587</b>

## 15. Creditors: Amounts Falling Due Within One Year

	2021 £'000	2020 £'000
Loans and overdrafts (Note 17)	801	798
Trade creditors	8	15
Amounts owed to group undertakings	60	186
Funds held on behalf of homeowners	924	907
Rents and service charges paid in advance	196	185
Deferred tax	45	45
Corporation tax	(23)	–
Other taxation and social security payable	–	30
Accruals and deferred income	145	1,063
Deferred capital grant (Note 18)	184	187
Other creditors	198	118
<b>Total</b>	<b>2,538</b>	<b>3,534</b>

## 16. Creditors: Amounts Falling Due After More Than One Year

	2021 £'000	2020 £'000
Social housing loans (Note 17)	12,345	15,391
Deferred capital grant (Note 18)	14,801	15,233
<b>Total</b>	<b>27,146</b>	<b>30,624</b>

## 17. Debt Analysis

	2021 £'000	2020 £'000
<b>Social housing loans</b>		
<b>Loans repayable by instalments:</b>		
Within one year	802	798
In one year or more but less than two years	805	802
In two years or more but less than five years	2,442	2,428
In five years or more	3,401	4,220
<b>Loans not repayable by instalments:</b>		
In one year or more but less than two years	–	8,013
In two years or more but less than five years	5,763	–
Less: loan issue costs	(67)	(72)
<b>Total loans</b>	<b>13,146</b>	<b>16,189</b>

Loans from external funders are secured by fixed charges on individual housing properties. All loans are repayable with interest chargeable at varying rates from 0% to 0% during the year.

The interest rate profile of the association at 31 March 2021 was	Total	Variable rate	Fixed rate	Weighted average rate	Weighted average term
	£'000	£'000	£'000	%	Years
Instalment loans	7,450	–	7,450	7.46	9
Non-instalment loans	5,763	5,763	–	1.32	2
<b>Total loans</b>	<b>13,213</b>	<b>5,763</b>	<b>7,450</b>	<b>4.78</b>	<b>6</b>

## 18. Deferred Capital Grant

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At start of the year	15,420	16,028
Disposals	(249)	(419)
Released to income in the year	(186)	(189)
<b>At end of the year</b>	<b>14,985</b>	<b>15,420</b>
Amount due to be released within one year	184	187
Amount due to be released after more than one year	14,801	15,233
<b>Total</b>	<b>14,985</b>	<b>15,420</b>

## 19. Recycled Capital Grant Fund

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At the start of the year	–	–
Inputs: grants to recycle	266	185
Transfer to other RP within the Group – Jigsaw Homes North	(266)	(185)
<b>At the end of the year</b>	<b>–</b>	<b>–</b>

## 20. Non-Equity Share Capital

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Allotted issued and fully paid		
At the start of the year	26	26
<b>At the end of the year</b>	<b>26</b>	<b>26</b>

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up, and are not redeemable. Each share has full voting rights. All shares are fully paid.

## 21. Reserves

Revenue reserves records retained earnings and accumulated losses. Share capital represents the nominal values of shares that have been issued.

## 22. Capital Commitments

	2021 £'000	2020 £'000
Capital expenditure authorised by the Board but not yet been contracted for	–	454
<b>Total</b>	<b>–</b>	<b>454</b>
The Association expects these commitments to be financed with:		
Committed loan facilities and surpluses generated from operating activities	–	454
<b>Total</b>	<b>–</b>	<b>454</b>

The above figures include the full cost of shared ownership properties contracted for.

## 23. Operating Leases

Operating lease payment obligations are as follows:

	2021 £'000	2020 £'000
<b>Land and buildings:</b>		
Within one year	39	39
In one year or more but less than five years	157	157
In five years or more	219	258
<b>Total</b>	<b>415</b>	<b>454</b>

Lease agreements do not include contingent rent or restrictions. Leases for land & buildings include renewal periods after five years throughout the lease.

## 24. Grant and Financial Assistance

	2021 £'000	2020 £'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant (Note 18)	14,985	15,420
Recognised as income in Statement of Comprehensive Income	3,425	3,239
<b>Total</b>	<b>18,410</b>	<b>18,659</b>

## 25. Related Parties

	Income £'000	Expenditure £'000	Gift Aid £'000	Debtors/ (Creditors) £'000
Jigsaw Homes Group	–	(948)	–	4
Jigsaw Homes North	–	–	(1,465)	(60)
Jigsaw Homes Thameside	–	–	–	(1)

The Jigsaw Group Structure is shown in Note 1.

Jigsaw Homes Group Limited provides core administration, finance, development, management and maintenance services for each of the Group's subsidiaries. All transactions are recharged from the Group under a management agreement at an agreed return on cost.

## 26. Ultimate Controlling Party

The ultimate controlling party of the Association is Jigsaw Homes Group Limited, which is an entity registered under the Co-operative and Community Benefit Societies Act 2014 and a registered provider of social housing under the Housing Act. The consolidated financial statements of Jigsaw Homes Group Limited can be obtained via the Group's website at [www.jigsawhomes.org.uk](http://www.jigsawhomes.org.uk) or from Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.

## **27. Post-year Events**

Following the year end, on 30 June 2021 AKSA Homes and Beech Housing Association's activities have been subsumed by Jigsaw Homes North via a Transfer of Engagements. Details of the strategic reasons for this decision are set out within the Strategic Report.





Creating homes. Building lives.

Beech Housing Association Limited

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