

Financial Statements for the year ended 31 March 2021

Please DO NOT throw cigarette ends on the floor. Please use the bins provided.

No smoking. To smoke in the premises.

Automatic door



Creating homes. Building lives.

Jigsaw Homes Tameside
(formerly New Charter Homes)

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Company Information

Registration number	Companies Act 2006, number 3807022
Regulator of Social Housing Registration Number	LH4266
Registered office	Cavendish 249, Cavendish Street Ashton-under-Lyne Tameside Greater Manchester 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) O. Ryan
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



Community Clean up at Hillgate Estate
in Tameside receives praise from residents.

Chair's Statement

On behalf of the board of management, I am very pleased to present the report and financial statements for Jigsaw Homes Tameside 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

I would like to take this opportunity to outline our position on the most pressing current and developing issues in our operating environment and to signpost some of our priorities for the future.

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 employees 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 employees and customers. To this end we prioritised the continued safe provision of essential services such as supported housing and repairs services and we tripled our 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. Our development ambitions for the year were affected by the temporary closure of sites. In addition, the delivery of 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.

As the year progressed, we all became more accustomed to new ways of working and getting things done. Many of our employees found themselves working at home and living online—communicating through video conferencing and collaborating via the web. We also adjusted our service delivery to the constraints of the times. To mention just a few examples: we made thousands of well-being calls to our tenants, assisting and keeping in touch with the most vulnerable throughout the year; we introduced a meal delivery service to the flats of our older tenants; we directly financed and supported foodbanks through the *Jigsaw Foundation*; and we issued much-needed winter warmer and energy advice packs.

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 progress the organisation. We will take stock of the lessons learned through a review in the coming year.

At the time of writing, the pandemic is not yet over and its aftershocks may well continue to repeat for years to come with effects that we cannot yet fully foresee. Our stress testing analysis continues to demonstrate however that the Association stands on a very secure financial footing.

Our financial strength and proven ability to adapt give the board and myself great confidence that the Association not only remains well-placed to continue to deliver for our customers during

uncertain times, but that we can continue to play our part in the nation's economic recovery, particularly through investment in our homes and through our house building programme.

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. I sincerely believe that Jigsaw Homes Tameside has a part to play in helping to address these issues both through our day-to-day work as a social landlord, but also by working together with our fellow Group member Jigsaw Support.

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 Jigsaw Homes Tameside, 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 which fit well with what the board want the organisation to deliver. 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.

Notably, environmental concerns and the zero carbon agenda in particular were at the root of many of the issues identified. In this context I am proud to announce that we have now committed to become a carbon neutral business by 2050, adopting an ambitious Sustainability Strategy during the year. As part of this work, in October 2020 the Group became an early adopter of the Good Economy's voluntary reporting framework for housing providers to report Environmental, Social and Corporate Governance (ESG) performance in a transparent, consistent and comparable way, so you can expect to receive clear updates on our progress during the coming years.

I must emphasise that the themes highlighted by the Jigsaw Conversation present us with significant challenges which will touch every part of our business. They will require concerted focus for years to come. However, although the scale of the task may be huge, it is certainly not insurmountable and we begin this new stage in our journey from a position of organisational strength and with great confidence.

I am really pleased that we have identified such a clear mandate from those who are most impacted

by our work. We will now move to more direct contact with our key partners, our funders and local authority colleagues in particular, to explore how we can work together to address these very important issues.

A handwritten signature in black ink, appearing to read 'Roli Barker', with a flourish at the end.

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:



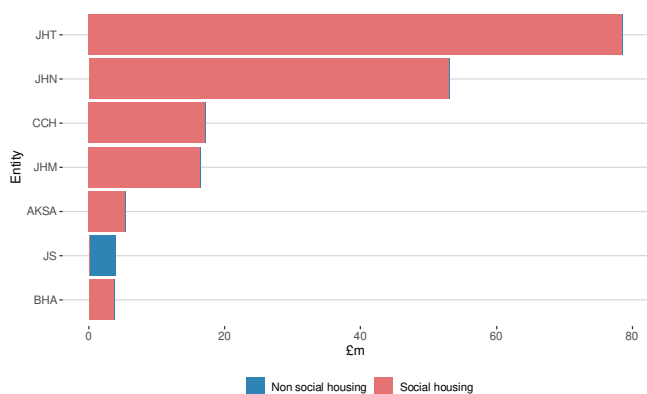
About Us

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 40), 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 34th largest housing group in the country¹. 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 15,720 homes — principally social

¹<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 two local authority areas.

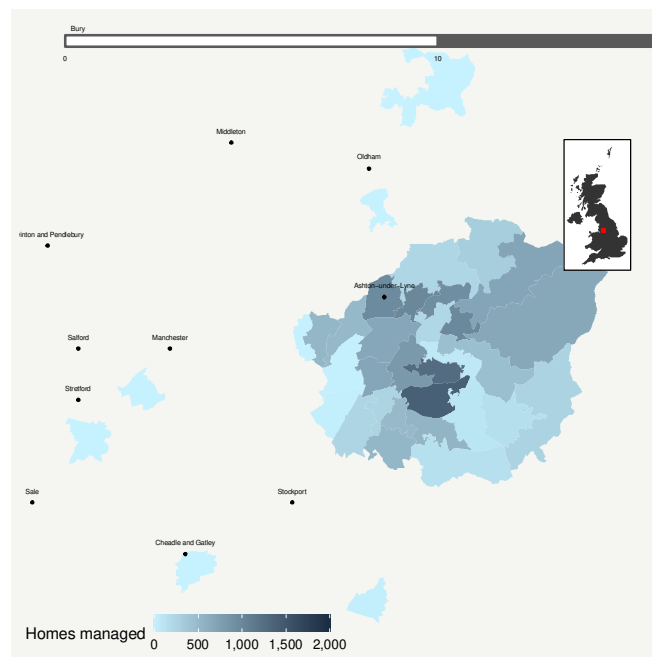


Figure 2: Location of housing stock — shading shows concentrations.

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.

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



Tameside S & Longden
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DONAT
FOOD

Donation to food banks:

Local food banks receive monies we had planned to spend on our Christmas Party.

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 15 of the 22 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 tenants refused visitors to their homes, particularly during the early months of the pandemic, and fewer people chose to move home during the year.

These aspects of the pandemic's impact therefore resulted in the following targets being missed in the final quarter of 2020/21:

- Median Void Length.
- Number of Properties Improved to SAP-D or above.
- Properties with Invalid Gas Certificates during Reporting Period.

During the early months of the 2020/21 financial year, whilst the first national lockdown was in place, we developed a significant backlog in gas and fire safety works. We understand that our experience was fairly typical in the housing sector, but this situation was of course a matter of concern for the board and one that was given due focus. The board is satisfied that reasonable and appropriate steps were taken to gain access to all properties that required gas or fire safety works. Furthermore we are pleased to report that as the first national lockdown eased somewhat in June and July 2020, and public confidence returned, we were able to increase access rates and the

services recovered. The impact of subsequent lockdowns on our performance in this area was much diminished.

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

Year-end performance for Customer Net Promoter Score was 26 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. 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 72% 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 five of the six KPIs established to monitor the delivery of this strategic objective were achieved in the year.

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

A summary of the Association's recent financial results is shown in Table 2 on page 17 and highlights of the Association's financial position are shown in Table 3 on page 17².

²Figures 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	3.46%	2.35%	↑
● Customer Net Promoter Score	VH	30	26	↓
Income Collected	VH	97.5%	100.6%	↑
● CRM actions completed	H	80%	72%	↓
Out-of-date Fire Risk Assessments	H	0	0	—
Percentage of non compliant Jigsaw Support contracts	H	8%	8%	—
Satisfaction with Repairs	H	88%	88%	—
Void Loss	H	1.69%	0.83%	↑
Average Time for Non-Emergency Repairs	M	15 days	8.5 days	↑
Emergencies Attended and Made Safe within 24hrs	M	97.0%	98.9%	↓
Enquiry Resolved at First Point of Contact	M	75%	N/A	—
Lost/Abandoned Calls	M	10%	5.9%	↑
● Median Void Length – General Needs	M	30 days	39 days	↓
● Median Void Length – Retirement Living	M	30 days	96 days	↓
● Median Void Length – Supported	M	7 days	9 days	↓
Number of Properties Improved to Level D or above	M	6	20	↑
Progress of Planned Programme	M	88%	104.6%	↑
Properties compliant with gas safety requirements at quarter end	M	100%	100%	—
● Properties with Invalid Gas Certificates during Reporting Period	M	0	14	↓
Responsive and Void Cost Per Unit	M	£807.18	£709.81	↑
RIDDOR incidents	M	0	0	—
Satisfaction with handling of ASB Case	M	70.0%	89.3%	↑
<i>Building a strong corporate foundation</i>				
EBITDA MRI Interest Cover	VH	133.89%	174.6%	↑
Gearing	VH	64.43%	52.3%	↑
Headline Social Housing Cost Per Unit	VH	£2857	£2,473	↑
Operating Margin	VH	27.96%	36.8%	↑
● Reinvestment	H	7.15%	1.3%	↓
Return on Capital Employed	H	4.2%	5.8%	↑
<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%	↑
<i>Growing the business</i>				
● New Supply Delivered	H	0.34%	0.06%	↓
New Property Sales	H	0 units	0 units	—
Starts on Site	H	50 units	111 units	↑

● 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.)

The board is pleased to report that *Operating Surplus* amounted to £29.2m or 38% 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 £10.0m in line with agreed debt profiles. £0.0m of loan finance was drawn-down in the year. At the year-end debt borrowings amounted to £316.5m, maturing as outlined in Note 18 to the financial statements.

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

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

The Association's development targets were reduced during the year in response to the impact of the pandemic in the first quarter of 2020/21. Our programme recovered during the remainder of the year with our Starts on Site exceeding target. However, our target for New Supply Delivered was not achieved.

In 2020/21 the Group's members delivered 10 units of affordable housing, as shown in Figure 3.

The economic impact of housing development can be estimated through the National Housing



Figure 3: New affordable housing delivered in 2020/21.

Federation's CEBR database³.

An estimate of the impact of the Association's development activity during the year is shown in Table 4. 95 jobs are estimated to have been supported through the Association's investment in new development in the year.

Homes provided	Jobs supported	Impact
10	95	£6m

Table 4: Local economic impact of housing development 2020/21.

The Association's provision of new housing generates wider value for society as new housing provides people with better places to live.

Through careful architectural design, the Association's housing developments also contribute to improvements to the general built environment and towards efforts to reduce carbon emissions. Figure 4 on the next page presents a selection of the new housing delivered by the Group's members in 2020/21, showcasing high design standards.

The Association's *Development Strategy* will yield 851 new affordable homes between 2021 and 2028.

³<http://www.housing.org.uk/topics/research/economic-impact-tool/>



Delivering new homes

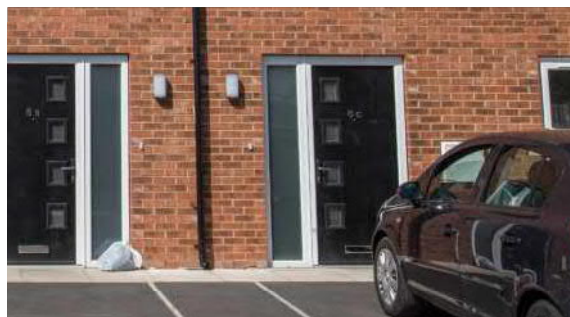


Figure 4: Good design in new housing 2020/21.

This is expected to inject an additional £93.3m into the local economies, supporting in excess of 1,608 jobs per annum.

At 31 March 2021, 207 properties were on-site.

Following the delivery of its *Development Strategy*, the Group's clear intention will be to deliver on our aim to maintain the output of the group-wide development programmes at 800 homes per annum.

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 24.

The statement by the the board in performance of their statutory duties is presented on page 28.

Year	Turnover £'000	Operating expenditure £'000	Operating surplus %	Retained surplus £'000	Retained surplus %
2017	72,554	49,083	33	5,840	8
2018	75,267	52,007	27	2,712	4
2019	76,965	55,421	29	4,403	6
2020	78,609	57,714	28	3,705	5
2021	76,948	49,113	38	9,936	13

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

Table 2: Five-year financial performance.

Year	2021	2020	2019	2018	2017
Housing properties at cost	528,835	521,997	520,760	476,565	468,398
Properties for sale	247	503	–	–	–
Cash at bank and short term deposits	38,209	30,980	14,039	7,358	11,420
Creditors amounts falling due within one year	10,445	9,254	6,720	14,553	12,350
Net current assets / (liabilities)	35,815	34,767	21,064	8,899	15,322
Total assets less current liabilities	508,292	507,952	502,584	494,183	492,585
Creditors amounts falling due after more than one year	329,043	338,639	337,084	333,086	334,200
Capital and reserves	179,249	169,313	165,500	161,097	158,385

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

Table 3: Consolidated financial position.

3. Governance



Staying COVID-19 Secure in 2020
The activities we have completed with the government's guidance on managing the risk of COVID-19

FIVE STEPS TO SAFER WORKING TOGETHER

- 1. We have carried out a COVID-19 risk assessment and shared the results with all people who work here
- 2. We have changed how we work and adapted activities to the new guidance
- 3. We have taken all necessary steps to help protect our customers
- 4. We have made all necessary steps to maintain a safe distance in our workplace
- 5. When people cannot see us, we have been displaying messages to encourage social distancing

The Dukinfield
Signed: *[Signature]* Date: 25/8/2020

Food Pantries on the Rise.
Dukinfield pantry supports those in need.

Corporate Structure and Governance **Claire Beaumont**

Attendance: 3/4 75%

In 2020/21 work continued to simplify the Group's corporate and governance arrangements⁴, resulting in the structure shown in Figure 5 on the next page. Figure 5 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.

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.

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.

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 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.

⁴See Note 1 to the Financial Statements on page 40 for details.

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

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

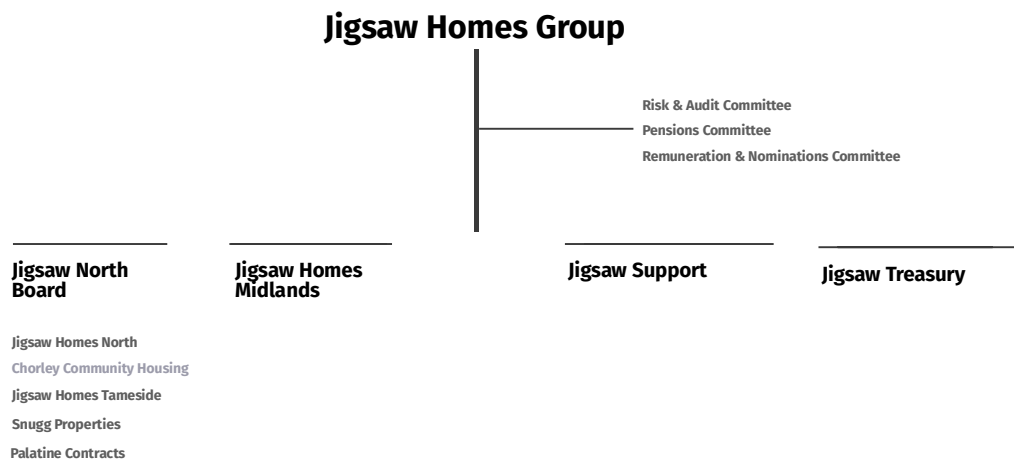


Figure 5: Corporate and governance structure — board meetings for the organisations that fall under Jigsaw North are held contemporaneously using overlapped meetings.

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.

Oliver Ryan

Attendance: 2/4 50%

Oliver has been Tameside Council’s nominee on the board since 2019. He has a strong background in finance and politics. As well as being a Councillor for the Audenshaw ward he is also the council’s Executive Member for Finance and Economic Growth.

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".

Streamlined Energy and Carbon Reporting (SECR)

The green house gas emissions and energy usage for Jigsaw Homes Group for the period April 2020 to March 2021 are reported below. We have decided to disclose emissions for the whole Group to show good practice in reporting and completeness of activities.

Scope 1 & Scope 2 Emissions

Table 5 on the following page summarises Scope 1 and Scope 2 emissions.

Scope 3 Emissions

We calculate Scope 3 emissions to be 65,906 tCO₂e and this includes emissions from downstream leased assets, business travel, transmission and distribution of electricity including estimates of homeworking electricity and gas usage.

Methodology Used

The reporting boundary covers the emissions within the operational control of Jigsaw Homes Group. We have followed the 2019 UK Government environmental reporting guidance. We have used the *GHG Protocol Corporate Accounting and Reporting Standard (revised edition)* and emission factors from the UK Government's *GHG Conversion Factors for Company Reporting 2020* to calculate the above disclosures. The emissions from our stock were calculated using SAP10.2 values. Homeworking emissions were calculated using the methodology laid out in the white paper by

EcoAct⁵. As working conditions are still being established, there remains uncertainty around the data available to calculate these emissions.

Energy Efficiency Action

Our Corporate Plan is supported by changes to the Group's 30 Year Financial Plan which includes significant new financial commitments amounting to c. £535m to progress the Group's zero carbon and sustainability agenda.

In the reporting year some notable successes include the installation of:

- seventeen vehicle charging stations at office sites to add to our existing stock of vehicle chargers that were already installed.
- new energy-efficient boilers at one of our depots which has helped save c.10,000 kWh of energy over the year.
- new LED lights throughout all of our offices and depots saving c. 14,500 kWh of energy year on year.
- new LED emergency lighting to 1,302 general needs communal sites and where applicable fitted with motion sensors, which we estimate will save 11.72t CO₂e per year.
- a further 266 energy saving lights across our Miles Platting PFI project which we estimate has saved 2.39t CO₂e in the year.

In addition, we have:

- We are supported our tenants to reduce energy by continuing to fit LED lights in some kitchens and bathrooms in their homes and providing them with replacement bulbs.
- We have continued to use our scheduling system to help reduce travel distances and ensure that drivers are directed to jobs close to their current location to help reduce mileage.

⁵<https://eco-act.com/resources/>

	Emission Source	2021	tCO ₂ e	2020	tCO ₂ e
		Activity Data		Activity Data	
Scope 1	Combustion of gas for heating offices and communal areas of housing stock	24,961,787 kWh	4,590	24,734,990 kWh	4,731
	Combustion of fuel for transport purposes	415,304 l	1,055	528,000 l	1,365
	Refrigerants and other process gases from own maintenance activities	80 kg	0.24	250 kg	0.75
Total Scope 1			5,645		6,097
Scope 2	Purchased electricity (location based)	6,830,791 kWh	1,593	8,691,442 kWh	2,222
Total Scope 1 & 2			7,238		8,318
Intensity Ratio /home managed			0.22		0.26

Table 5: SECR Scope 1 and Scope 2 Emissions.

Further Information

There is some uncertainty within the data we report as we did not have a full set of mileage data and approximately half of our properties currently do not have smart meters. Where data was missing, an average based on known data was calculated. All electricity and gas data is taken from invoices and much of this was from estimated meter readings. We continue to work on improving our data collection and verification.

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 6 on the next page summarises the Association's risk map at 31 March 2021. The assessment shows 47 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 6 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 / 3rd 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 6: Risk analysis – the ongoing COVID-19 pandemic has resulted in a significant risk to the business of Non-Cyber Business Disruption.



Figure 7: 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 8: 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 87.0% (2020: 86%) of borrowings were at fixed rates between 5.0% and 8.1% with an average borrowing rate of 5.8%.

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 £38.2m (2020: £31m) of cash balances and in excess of £0m (2020: £23.5m) 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.

Statement by the Board in Performance of Their Statutory Duties

The board of Jigsaw Homes Tameside consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Association for the benefit of its customers, staff and external stakeholders in the decisions taken during the year ended 31 March 2021.

In doing so, the board continues to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the Association's employees,
- the need to foster the Association's business relationships with suppliers, customers and others,
- the impact of the Association's operations on the community and the environment,
- the desirability of the Association maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the board of management of the Association.

Throughout this annual report, we provide examples of how we have had regard to matters set out above when performing our statutory duties and in particular:

- Our Corporate Plan is designed to have a long-term beneficial impact in the areas in which the Association operates and to contribute in delivering the Group's Mission of Creating Homes, Building Lives. We will continue to operate our business within tight budgetary controls aiming to achieve maximum value for money, in the delivery of our strategic objectives. Please see the Financial Statements of our parent, Jigsaw Homes Group, for details of our performance with respect to the 2019 Value for Money metrics published by the Regulator of Social Housing.
- At every board meeting, the board of management alongside the executive management team, together review the progress against that year's business plan priorities. This collaborative approach by the board, together with the board's approval of the Corporate Plan helps it to promote the long-term success of Association. Ultimately board decisions are taken against the backdrop of what it considers to be in the best interests of the long-term success of the Association, its stakeholders, including our employees, the community and environment, our suppliers and customers.
- Our employees are fundamental to the delivery of our Corporate Plan. We recognise that our employees help us maintain our strong reputation for high standards of business conduct and are fundamental in delivering our business plan priorities. We aim to be a responsible employer in our approach to the pay, benefits and overall terms and conditions that our employees receive. The health, safety and well-being of our employees is a paramount consideration in the way we operate. The board regularly reviews and monitors safety performance, with the aim of continually making the Association safer for our entire workforce. In addition, we take on board the views of our employees in shaping the our future direction through the Jigsaw Voice employee group and regular employee briefings.
- our duty, in accordance with our constitution is to build, renovate and manage low-cost housing for rent and sale

in addition to working to regenerate neighbourhoods alongside providing a range of supported housing to help people live independently. Our Corporate Plan has been informed by years of extensive engagement with our customers, enabling us to gain an understanding of their views and priorities, communicating and listening through new channels such as the various social media channels, our innovative online resident involvement platform/consultation vehicle Jigsaw Rewards and the Jigsaw Tenant Scrutiny Panel.

- we also aim to act responsibly and fairly with how we engage with our suppliers. Our Business Continuity response to the COVID-19 pandemic as services were able to be maintained, uninterrupted, included maintaining prompt payments to support our suppliers in the unprecedented times. We remain fully transparent and engaged with both our lenders and our regulator, the RSH. The close working relationship with lenders was instrumental when in May 2020, the Group restructured its treasury arrangements through the creation of a treasury vehicle, Jigsaw Treasury Limited, through which all its future treasury arrangements will be organised. This restructuring has enabled the Group and the Association to benefit from pooling of assets and resources to significantly increase financial capacity to further increase the Group's financial strength and to underpin the Group's future growth aspirations.
- our Corporate Plan took into account the impact of the Association's operations on the community and environment together with our wider societal responsibilities, in particular how we impact the regions in which we operate. Several performance measures in our Corporate Plan will deliver environmental improvements not just in the properties we own and manage, but in the wider neighbourhoods in which we operate.
- as the board of management, our intention is to behave both responsibly and fairly and to ensure that the executive management team operate the business in a responsible manner, operating within the high standards

of business conduct and good governance expected for a business such as ours in the sector in which we operate and in doing so, will contribute to the delivery of our Corporate Plan. The intention is to nurture our reputation, through the delivery of the Corporate Plan, that reflects our responsible behaviour. The board understands that strong governance is essential to the success of the Association. Annually a full board appraisal review process is undertaken to evaluate board member performance and we continue to review the governance framework in order to ensure its principles and processes continue to drive the highest levels of business standards and best practice.

An abridged version of the Group's Corporate Plan is available on the Group's website.

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 Companies Act 2006 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.

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 Companies Act 2006, 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

Based on the following assessment the board is comfortable that the Association continues to be a going concern and have therefore produced financial statements on a going concern 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.

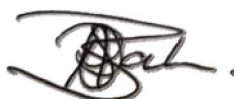
The board is, to the best of its knowledge, satisfied that covenant compliance is maintained throughout the life of the plan on the basis that the thirty year financial plan has been stress tested to withstand significant composite risks materialising without breaching lender covenants, thus confirming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



Blooming Lovely

Residents win gardening award from RHS.

4. Financial Statements

Independent Auditor's Report to the Members of Jigsaw Homes Tameside

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 Companies Act 2006, 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 Jigsaw Homes Tameside ("the Association") for the year ended 31 March 2021 which comprises the Association statement of comprehensive income, the Association statement of financial position, the Association 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.

Independence

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.

Conclusions Relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The board are responsible for the other information. The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Chair's Report, the Strategic Report and the Statement of Corporate Governance and Internal Controls 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.

Other Companies Act 2006 Reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Board have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Association, or returns adequate for our audit have not been received from branches not visited by us; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board member and or directors' remuneration specified by law are not made; 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 29, 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.

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, revaluation of investment properties 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 have been 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. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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...

Helen Knowles (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK 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	76,948	78,609
Operating expenditure	3	(49,113)	(57,714)
Profit on disposal of fixed assets	5	1,335	1,017
Operating surplus	8	29,170	21,912
Interest receivable	6	45	84
Interest and financing costs	7	(19,294)	(18,514)
Gift Aid		15	223
Supplus for the year		9,936	3,705
Total comprehensive income for the year		9,936	3,705

The Financial Statements and notes on pages 37 to 59 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

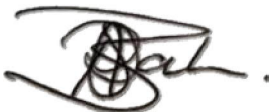


B. Moran
Secretary

Statement of Financial Position

At 31 March 2021		2021	2020
	Notes	£'000	£'000
Fixed assets			
Tangible fixed assets	11	471,597	471,555
Investment properties	12	880	1,630
		472,477	473,185
Current assets			
Stock	13	247	503
Trade and other debtors	14	7,804	12,538
Cash and cash equivalents	15	38,209	30,980
		46,260	44,021
Less: Creditors: amounts falling due within one year	16	(10,445)	(9,254)
Net current assets		35,815	34,767
Total assets less current liabilities		508,292	507,952
Creditors: amounts falling due after more than one year	17	(329,043)	(338,639)
Total net assets		179,249	169,313
Reserves			
Revenue reserve		179,249	169,313
Total reserves		179,249	169,313

The Financial Statements and notes on pages 37 to 59 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

Statement of Changes in Equity

	Revenue reserve £'000	Total £'000
Balance at 31 March 2019	165,500	165,500
Surplus from Statement of Comprehensive Income	3,705	3,705
Balance at 31 March 2020	169,313	169,313
Surplus from Statement of Comprehensive Income	9,936	9,936
Balance at 31 March 2021	179,249	179,249

The results for the year relate wholly to continuing activities and the notes on pages 40 to 59 form an integral part of these financial statements.

Notes to the Financial Statements

1. Legal Status

Jigsaw Homes Tameside is incorporated in England under the Companies Act 2006 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 6: 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

Based on the following assessment the board is comfortable that the Association continues to be a going concern and have therefore produced financial statements on a going concern 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.

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:

Development expenditure

The Association capitalises development expenditure in accordance with the accounting policy described on page 45. Initial capitalisation of costs is based on management's judgement when a development scheme is confirmed, usually when board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

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.

Revaluation of investment properties

The Association carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Association engaged independent valuation specialists to determine fair value at 31 March 2021. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate.

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.

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.

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:

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

Table 7: 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:

Asset type	Rate
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 8: Fixed Asset Depreciation Rates.

Capitalisation of Interest and Administration Costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Property Managed by Agents

Where the Association carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the majority of the financial risk, income includes only that which relates solely to the Association. In both cases, the assets and associated liabilities are included in the Statement of Financial Position.

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.

Investment Property

Investment property includes commercial and other properties not held for the social benefit of the Association.

Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

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.

Disposal Proceeds Fund (DPF)

Receipts from the sale of certain properties less the net book value of the property and the costs of disposal were credited to the DPF until 6 April 2017. In these cases, the creditor can be carried forward until it is used to fund the acquisition of new social housing so long as this is before 6 April 2020 or the Association has sought permission from the Regulator of Social Housing to extend this period.

Retirement Benefits

Defined benefit pensions schemes

Under defined benefit accounting, for all such schemes the Association participates in, the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Defined contribution pensions schemes

In relation to defined contribution schemes in which the Association participates in, contributions payable are charged to the Statement of Comprehensive Income in the period to which they relate.

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	Operating expenditure	Disposal of property, plant & equipment	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (Note 3c)	70,158	(43,555)	–	26,603
Other social housing activities:				
Other activities	6,790	(5,558)	–	1,232
Non-social housing activities:				
Disposal of fixed assets (Note 5)	–	–	1,335	1,335
Total	76,948	(49,113)	1,335	29,170

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

	2020			
	Turnover £'000	Operating expenditure £'000	Disposal of property, plant & equipment £'000	Operating surplus £'000
Social housing lettings (Note 3c)	71,490	(51,246)	–	20,244
Other social housing activities:				
Other activities	7,119	(6,468)	–	651
Non-social housing activities:				
Disposal of fixed assets (Note 5)	–	–	1,017	1,017
Total	78,609	(57,714)	1,017	21,912

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
Income					
Rent receivable net of identifiable service charges and net of voids	62,558	3,336	26	65,920	66,621
Service charge income	3,905	208	2	4,115	4,753
Amortised government grants	117	6	–	123	116
Turnover from social housing lettings	66,580	3,550	28	70,158	71,490
Operating expenditure					
Management	16,467	878	8	17,353	22,319
Service charge costs	2,003	107	1	2,111	–
Routine maintenance	10,450	557	4	11,011	10,204
Planned maintenance	3,250	173	1	3,424	5,785
Major repairs expenditure	1,626	87	–	1,713	1,445
Bad debts	109	6	–	115	608
Depreciation of housing properties	7,306	389	3	7,698	10,759
Depreciation of other fixed assets	123	7	–	130	126
Operating expenditure on social housing lettings	41,334	2,204	17	43,555	51,245
Operating surplus on social housing lettings	25,246	1,346	11	26,603	20,245
Void losses	628	33	–	661	684

4. Accommodation Owned, Managed and in Development

	2021 Owned	No. of units Managed	2020 Owned	No. of units Managed
Social Housing				
General needs housing				
Social rent	11,977	3	12,009	4
Affordable rent	2,172	1	2,187	1
Market rent	88	–	88	–
Sheltered housing for older people	675	–	655	–
Supported housing	206	–	121	–
Low-cost home ownership	7	–	4	–
Leasehold where the Group owns the freehold	590	1	592	–
Total units social housing	15,715	5	15,656	5

The Association owns 46 (2020: 0) properties which are managed by others.

In Development	2021 No. of units	2020 No. of units
Social Housing		
General needs housing		
Affordable rent	188	76
Supported housing	–	27
Low-cost home ownership	19	–
Total units social housing	207	103

Movement in the year (owned properties)	No. of units
Opening number of units at 1 April 2020	15,656
New units developed	
Affordable rent	9
Shared Ownership	3
Supported housing	27
Units sold	
Social rent	(26)
Affordable rent	(3)
Units demolished	
Social rent	(5)
Supported housing	(7)
Other adjustments	
Social rent	(1)
Affordable rent	(21)
Supported housing	65
Sheltered housing for older people	20
Leasehold where the Group owns the freehold	(2)
Closing number of units at 31 March 2021	15,715

5. Profit on Disposal of Fixed Assets

	2021	2020
	£'000	£'000
Proceeds of sales	3,459	4,360
Carrying value	(2,098)	(3,282)
Incidental costs	(26)	(61)
Total profit	1,335	1,017

6. Interest Receivable

	2021	2020
	£'000	£'000
Bank interest receivable	45	84
Total	45	84

7. Interest and Financing Costs

	2021	2020
	£'000	£'000
Loans and bank overdrafts	19,403	18,461
Early redemption costs	–	83
Interest capitalised on housing properties under construction	(109)	(30)
Total	19,294	18,514

The weighted average interest on borrowings of 5.8% (2020: 5.2%) 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	13	12
Depreciation:		
Depreciation of housing properties	7,698	10,761
Depreciation of other fixed assets	130	126

9. 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.

10. Employee Information

	2021	2020
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:		
Management and administration	13	19
Housing, support and care	93	110
Other	35	49
Total	141	178

	2021 £'000	2020 £'000
Staff costs		
Wages and salaries	4,400	4,722
Social security costs	402	432
Other pension costs	642	717
Total	5,444	5,871

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

11. Tangible Fixed Assets

Housing properties	Social housing properties for letting completed £'000	Social housing properties for letting under construction £'000	Shared ownership properties under construction £'000	Total housing properties £'000
Cost				
At start of the year	517,774	3,273	950	521,997
Additions to properties acquired	14	7,191	(713)	6,492
Capitalised administration costs	–	136	(1)	135
Interest capitalised	–	99	10	109
Transfers to/from stock	–	–	256	256
Component replacements	2,084	–	–	2,084
Components replaced cost	(839)	–	–	(839)
Schemes completed	1,684	(1,684)	–	–
Disposals cost	(1,399)	–	–	(1,399)
At end of the year cost	519,318	9,015	502	528,835
At start of the year	57,831	–	–	57,831
Charge for the year	7,698	–	–	7,698
Components replaced	(839)	–	–	(839)
Disposals	(187)	–	–	(187)
At end of the year	64,503	–	–	64,503
Net book value:				
At 31 March 2021	454,815	9,015	502	464,332
At 31 March 2020	459,943	3,273	950	464,166

The weighted average interest on borrowings of 5.8% (2020: 5.2%) 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 19 on page 57.

	2021 £'000	2020 £'000
Works to existing properties in the year:		
Improvement works capitalised	2,084	2,269
Amounts charged to expenditure	16,148	17,434
Total	18,232	19,703

Other fixed assets	Land and buildings	plant & machinery	Furniture and equipment	Total other fixed assets
	£'000	£'000	£'000	£'000
Cost				
At start of the year	9,841	65	74	9,980
Additions to properties acquired	–	–	6	6
At end of the year	9,841	65	80	9,986
Depreciation and impairment				
At start of the year	2,487	65	39	2,591
Charge for the year	126	–	4	130
At end of the year	2,613	65	43	2,722
Net book value:				
At 31 March 2021	7,228	–	37	7,265
At 31 March 2020	7,354	–	35	7,388

12. Investment Properties

	2021	2020
	£'000	£'000
At start of year	1,630	1,630
Additions	–	–
Disposals	(750)	–
Gain/(loss) from adjustment in value	–	–
At end of year	880	1,630

Fair value of the investment properties is based on a valuation on 31 March 2019 by independent valuer Bruton Knowles. The valuer holds a Royal Institution of Chartered Surveyors qualification and has recent experience in the location and class of investment property being valued. The valuation was made on an existing use value basis in accordance with the RICS Valuation - Professional Standards January 2014 Global & UK Edition (as amended April 2015). A formal valuation is carried out every three years.

13. Stock

	2021	2020
	£'000	£'000
First tranche shared ownership properties		
Completed	–	–
Work in progress	–	503
Outright sale properties		
Completed	–	–
Work in progress	247	–
Materials stock	–	–
Total	247	503

14. Trade and Other Debtors

	2021	2020
	£'000	£'000
Rent arrears	4,558	4,100
Less: provision for bad debts rents	(3,965)	(3,507)
Sub-total	593	593
Trade debtors	705	585
Less: provision for bad debts trade	–	(241)
Sub-total	705	344
Prepayments and accrued income	79	970
Amounts owed by group undertakings	6,345	10,499
Other debtors	82	132
Total due within one year	7,804	12,538
Debtors due after more than one year	–	–
Total	7,804	12,538

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.

15. Cash and Cash Equivalents

	2021	2020
	£'000	£'000
Cash at bank	38,209	30,980
Total	38,209	30,980

16. Creditors: Amounts Falling Due Within One Year

	2021	2020
	£'000	£'000
Trade creditors	624	330
Social housing grant received in advance	–	201
Amounts owed to group undertakings	1,800	3,505
Intercompany loans	2,551	–
Rents and service charges paid in advance	2,898	2,357
Accruals and deferred income	1,531	1,634
Deferred capital grant (Note 19)	123	121
Other creditors	918	1,106
Total	10,445	9,254

17. Creditors: Amounts Falling Due After More Than One Year

	2021	2020
	£'000	£'000
Social housing loans (Note 18)	–	324,800
Deferred capital grant (Note 19)	16,469	12,799
Recycled capital grant fund (Note 20)	222	102
Disposal proceeds fund (Note 21)	19	938
Intercompany loans	312,333	–
Total	329,043	338,639

18. Debt Analysis

	2021	2020
	£'000	£'000
Intercompany / social housing loans		
Loans repayable by instalments:		
Within one year	2,551	–
In one year or more but less than two years	1,626	8,100
In two years or more but less than five years	10,863	31,650
In five years or more	270,833	286,800
Loans not repayable by instalments:		
Within one year	–	–
In one year or more but less than two years	–	–
In two years or more but less than five years	30,677	–
In five years or more	–	–
Fair value adjustment on financial instruments	–	–
Less: loan issue costs	(1,667)	(1,750)
Total loans	314,883	324,800

In May 2020, the Group consolidated its treasury arrangements under Jigsaw Treasury Limited. At this point the Jigsaw Homes Tameside became a member of the combined borrowing group managed by Jigsaw Treasury Limited whereby all its external funding was transferred to and replaced by intercompany loans with Jigsaw Treasury Limited. Therefore the disclosure above has been produced for comparative purposes whereby current figures represent intercompany loans with Jigsaw Treasury Limited and the figures for the previous year are the corresponding figures for the loans with external funding providers.

All loans are repayable with interest chargeable at varying rates from 1.1% to 8.1% during the year.

The interest rate profile of the association at 31 March 2021 was	Total	Variable rate	Fixed rate	Weighted	Weighted
	£'000	£'000	£'000	average rate	average term
				%	Years
Instalment loans	285,873	11,503	274,371	6.30	12
Non-instalment loans	30,677	30,677	–	1.20	4
Total loans	316,550	42,179	274,371	5.80	11

At 31 March 2021 the Group had the following borrowing facilities:	£'000
Undrawn facilities	–
Total	–

19. Deferred Capital Grant

	2021	2020
	£'000	£'000
At start of the year	12,920	11,206
Grant received in the year	2,900	1,080
Disposals	–	(22)
Released to income in the year	(123)	(116)
Additions from RCGF (Note 20)	920	339
Adjustment	(25)	433
At end of the year	16,592	12,920
Amount due to be released within one year	123	121
Amount due to be released after more than one year	16,469	12,799
Total	16,592	12,920

20. Recycled Capital Grant Fund

	2021	2020
	£'000	£'000
At the start of the year	102	–
Inputs: grants to recycle	120	–
Recycling: grants recycled	–	102
At the end of the year	222	102

21. Disposal Proceeds Fund

	2021	2020
	£'000	£'000
At the start of the year	938	1,277
Amounts utilised in the year	(919)	(339)
At the end of the year	19	938
Amount three years or older where repayment may be required	19	–

The regulator's requirements and power to recover disposal proceeds fund balances ceased to be effective on 6 April 2020, however the Association will apply the funds as it would have previously, despite the rules no longer applying.

22. Non-Equity Share Capital

The Association is limited by guarantee and therefore has no share capital.

23. Reserves

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

24. Capital Commitments

	2021	2020
	£'000	£'000
Capital expenditure contracted for but not provided for in the Financial Statements	19,459	10,745
Capital expenditure authorised by the Board but not yet been contracted for	16,644	18,383
Total	36,103	29,128
The Association expects these commitments to be financed with:		
Social housing grant	5,041	5,564
Proceeds from the sales of properties	2,594	3,224
Committed loan facilities and surpluses generated from operating activities	28,468	20,340
Total	36,103	29,128

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

25. Grant and Financial Assistance

	2021	2020
	£'000	£'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as deferred capital grant (Note 19)	16,592	12,920
Recognised as income in Statement of Comprehensive Income	20,105	19,982
Total	36,697	32,902

26. Related Parties

	Income	Expenditure	Gift Aid	Debtors/ (Creditors)
	£'000	£'000	£'000	£'000
Jigsaw Homes Group	-	(15,247)	-	5,955
Jigsaw Homes North	-	-	-	(59)
AKSA Housing Association	-	-	-	30
Beech Housing Association	-	-	-	1
Chorley Community Housing	-	-	-	(3)
Cavendish Property Developments	-	-	-	48
Palatine Contracts	-	(4,505)	-	(865)
Jigsaw Support	-	-	-	161
Gedling Homes	-	-	-	(4)
New Charter Building Company	-	(13,529)	15	(720)

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.

During the year one tenant, Janet Mutch, served as a member of the board. Their tenancy is on normal social housing terms and they were unable to use their position on the board to their advantage.

27. 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 or from Cavendish 249, Cavendish Street, Ashton-under-Lyne, Tameside, OL6 7AT.



Creating homes. Building lives.

Jigsaw Homes Thameside

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