Report and consolidated financial statements

For the year ended 31 March 2023

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Association information

FCA registration number:	7648 The Havebury Housing Partnership is a charitable society registered under the Co-operative and Community Benefit Societies Act 2014.
Regulator for Social Housing registration number:	LH4339 The Association is a Registered Provider of Social Housing.
Office:	Havebury House, Western Way, Bury St Edmunds, Suffolk IP33 3SP
Board Chairman	William Howard Cresswell
Board Vice Chairman	Mark Webster
Board Directors	Kym Hudson Adam Colby Sara Garnham *(appointed 17 May 2022)* Claire Davis *(appointed 20 September 2022)* Alicia Mortlock *(appointed 20 September 2022)* Deb Thomas *(appointed 7 June 2022 Member, 20 September 2022 Board)* Nikki Stonebridge *(resigned 25 July 2022)* Clive Gardner *(retired 20 September 2022)* Ian Mashiter *(retired 20 September 2022)* Clive Springett *(retired 20 September 2022)*
Chief Executive	Andrew Smith
Director of Operations	Jenny Spoor
Director of Resources & Company Secretary	Marie McCleary

Director of Development & Deputy Chief Executive	Scott Bailey	
Bankers/Funders	***Pension Insurance Corporation Plc*** 14 Cornhill, London, EC3V 3ND	***Barclays Bank Plc*** Level 27, 1 Churchill Place, London, E14 5HP
	BP Pension Trustees Limited Chertsey Road, Sunbury on Thames Middlesex, TW16 7BP	***Phoenix Life Limited*** 1 Wythall Green Way Wythall, Birmingham B47 6WG
	The Lincoln National Life Insurance Company c/o Macquarie Investment Management Advisers, 100 Independence Mall West, 610 Market Street – 9th Floor Philadelphia, PA 19106	***Just Retirement Ltd*** Enterprise House Bancroft Road, Reigate Surrey, RH2 7RP
	Macquarie Bank Limited c/o Bank of New York Mellon, London branch, One Canada Square London, E14 5AL	***Lloyds Bank Plc*** 10 Gresham Street London, EC2V 7AE
	NatWest Bank 135 Bishopsgate, London, EC2M 3UR	
Principal Solicitors	***Capsticks LLP*** 1 St George's Road, Wimbledon, London, SW19 4DR	
External Auditors	***Beever and Struthers*** 150 Minories, London, EC3N 1LS	

Chairman's statement

Welcome to my inaugural Chair's Statement. I was delighted to be appointed as Chair of the Board, a position I assumed at the Annual General Meeting in September, following my appointment early last year. Firstly, I would like to express my gratitude to Ian Mashiter, who successfully guided Havebury as Chair over the past three years. His leadership was particularly invaluable in navigating the challenges posed by the global pandemic and the accompanying political and economic uncertainties. I'd also like to extend our gratitude to the retiring Chairs: Clive Springett and Clive Gardner as well as Sandy Norris who stepped down as Chair of the Tenants' Forum and assumed the honorary role as a Havebury Life President.

With a portfolio of over 7,000 owned and managed homes, we have emerged stronger and more resilient, celebrating our 20th anniversary over the summer months last year. To commemorate this milestone, we held a series of events and activities, providing an excellent opportunity for our new Board and Committee members to engage with our residents and our teams.

At our Annual General Meeting we approved our new governance structure. This followed a rigorous review undertaken by Savills earlier in the year. This review was supported by resident engagement specialists, TPAS, who collaborated with our residents, board members and our team, to design a new approach to resident engagement and involvement that complemented and strengthened the Governance review. This ensures that our new structure effectively incorporates the resident voice at all levels of governance.

Mark Webster now chairs the new Homes and Investment Committee, which evolved from the Development Committee, while Kym Hudson stepped up to Chair Audit and Risk Committee. Additionally, we welcome four new members, Deb Thomas, Sara Garnham, Alicia Mortlock and Claire Davis. Sara holds the Chair for Tenant Experience Committee and Alicia the role of Tenant Experience Committee Vice Chair. Claire chairs the People, Remuneration and Nominations Committee. These committees will all be supported by our newly formed Tenant Voice Panels.

Over the past year, our primary focus has been on refreshing our focus on our residents and communities. We relaunched our estate walkabouts, working with agencies and partners to reach out and talk to our residents about the issues and challenges they face. We've reorganised our neighbourhood services with a return to a patch-based approach, enabling our teams to build stronger relationships with the communities they support. We consulted on a new repairs service with feedback from over 500 residents about what was important to them and how we could improve, shaping our new policy.

The financial year saw the advent of the highest rate of inflation for forty years. As a Board, we remain acutely aware of the financial difficulties faced by many of our residents. Havebury has a support fund of £250,000, which is managed by our income and welfare team. By the end of the year, we had provided assistance to 1,024 households, totalling £192,000.

Under normal circumstances the rent increase for the coming year would have been 1% above the inflation rate for September. As the inflation rate in September was exceptionally high, the government set a cap for rent increases for the year commencing 1 April 2023. In line with the majority of the sector, the Board took the difficult decision to apply this rent cap increase in full. This was seen to be essential given the increases in costs we, along with the rest of our sector, were facing to maintain and improve the condition of our homes, in particular starting the programme of works to improve the energy efficiency of our homes up to a minimum of Energy Performance Certificate EPC (C) standard by 2030 and meet the inflation increases on other costs. At the same time the Board agreed to maintain the support fund for 2023/24 to support those residents most impacted by the current financial challenges.

We continue to invest in building affordable and social housing to meet housing need in our area. Last year, we successfully completed 196 new homes, with an additional 236 currently under development. Through Shared Ownership and staircasing sales, we generated an income of £7.6 million, surpassing our budget of £6.7 million. These proceeds were used to fund the cost of building the Shared Ownership homes and contributing to the cost of new social housing.

Whilst we have seen strong performance in Shared Ownership sales the current economic climate and its potential impact on the level of income from Shared Ownership sales is putting increased uncertainty on our short term financial planning assumptions. This has contributed to the Regulator of Social Housing regrading, along with many other housing associations our financial rating of V2, which is still compliant with their requirements.

Moreover, we are committed to investing in the improvement of our existing homes. Through a joint bid with our Independent East partnership, we secured £1.4 million from the Social Housing Decarbonisation Fund, which will contribute to our efforts to achieve a minimum EPC (C) rating for our homes by 2030. In late summer, we proactively initiated a Damp and Mould Campaign, providing additional support and assistance while promptly addressing any issues. We have a fully validated stock condition survey, and our business plan reflects considerable investment to help us work towards net zero carbon.

Our dedication to supporting the most vulnerable members of our communities remains unwavering. We are pleased to have received continued funding for Tayfen House, our direct access homeless hostel and outreach project here in Bury St Edmunds. Additionally, we are collaborating with West Suffolk Council to identify and acquire homes for refugees from Afghanistan and Ukraine. Earlier this year, we became the first Housing Association to sign up to Unison's Anti-Racism Charter.

We are also committed to supporting and developing our teams. In our first attempt, we achieved Great Place to Work Certification and were recognised as one of the top 100 Great Places for Women to Work. We have implemented an active learning and development program, tailored to support our high-performing individuals and ensure personalised development opportunities for all our people. Furthermore, we are delighted to have launched our apprenticeship programme, currently supporting eight apprentices across the organisation.

As a thriving business, our refinancing in 2021 positioned us strongly. Throughout the past year, we have pursued further refinancing to maintain our status as a financially robust and independent organisation, all of which ensures we are well-equipped to face the next 20 years.

WH Cresswell
Chair

Report and consolidated financial statements for the year ended 31 March 2023

Strategic report
Principal activities

The group comprises The Havebury Housing Partnership ('the Association'), and its two subsidiary undertakings, Havebury Homes Limited and Design & Build Services East Limited (dormant) (together 'the group').

The group's principal activity is the management and development of affordable housing in Suffolk and its neighbouring counties.

The Association operates three key business streams:

- housing for rent, primarily by families who are unable to rent or buy at open market rates
- supported housing and housing for older people
- low-cost home ownership, primarily shared ownership

As well as managing 7,251 social housing properties (as at 31 March 2023), the Association develops new affordable housing under the Homes England Affordable Homes Programme (AHP).

Our objectives

Our Strategic Objectives, as set out in our Corporate Plan 2023-2026, are as follows:

Objective	Measure	Target
Being a great landlord	Overall satisfaction	Maintain top quartile
Developing new affordable homes	New build completions	c. 210 per year
Investing in existing homes and communities	% of homes meeting the current / revised Decent Homes Standard; and	100% / road map to 100%
	% of homes health and safety compliant	100%
Playing our part in addressing climate change	Energy efficiency	EPC (C) by 2030
Building a great team	Employer Net Promoter Score	Improving (link to sector / out of sector Team Effectiveness Quotient)
Remaining a thriving business	Loan Covenants; and	Covenants met (with buffer)
	Operating Costs	Median cost per home

Group structure

The Havebury Housing Partnership is the Group parent. The Association undertakes our social housing activity and is regulated by the Regulator of Social Housing. The Group includes two subsidiary companies:

- Havebury Homes Limited – provides housing for sale, which is not actively trading.
- Design & Build Services East Limited a dormant company.

Vision and values

Our vision is "creating Homes and Communities".

Our values are

- Respecting
- Engaging
- Fair

These values reflect Havebury, where we respect our colleagues, residents and stakeholders. Where we are prepared to engage with our stakeholders to deliver strong vibrant communities and where we are ready to roll up our sleeves and work collaboratively with others to deliver better outcomes. Engaging also reflects our 'ask' of our colleagues to be engaged in our organisation, demonstrating accountability and ownership. To push ourselves to try something new, expand our knowledge and deliver more. Underpinning all of this is our deep-rooted sense of fairness, our commitment to social justice, to ensuring equality of access for all, not judging others and being balanced and measured in all our dealings.

Customers

Our customers are diverse. They are our housing property residents, individuals who purchase our shared ownership properties as well as those with whom we work in our neighbourhoods.

Our aim is to deliver an outstanding service in everything we do, through whatever touch points our customers have with us. We monitor our performance and listen to our customers to make sure we are always improving what we do. The more we know about how our customers feel about our services, the more we are able to provide a personalised experience, and further shape our services around them.

Our housing residents form the largest of our customer bases. As such there are two resident posts on our Board and a committee for our resident voice called the Tenant Engagement Committee.

Our people

We recognise that the success of our business depends on the quality of our people. Our policy is to ensure that training, career development and promotion opportunities should be available to all employees. Havebury is recognised as a "Great Place To Work", and a top 100 UK employer "Great Place for Women to Work".

We are committed to equal opportunities and we support the employment of disabled people, both in recruitment and in retention of employees who become disabled whilst employed by Havebury. Our mean gender pay gap at 5 April 2023 was 16.2% (2022: 24.8%) and median was 12.9% (2022: 20.8%). Whilst the trend highlights an improvement there is still work to do close the gap. It's important to note that for males and females undertaking the same role there is no pay discrepancy, the gap arises because of underrepresentation of males in the lower paid roles, and females in the higher paid roles.

The Board is aware of its responsibilities on all matters relating to health and safety. Havebury has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

Principal strategic and operational risks

Economic uncertainty and inflation volatility

Changes in the global and national economic environment such as interest rates, inflation and house prices could have an adverse impact on the long-term financial viability of Havebury.

We are responding to these risks by focusing on delivering efficiencies within our operating model, seeking to invest wisely to future proof our asset base and continuing to deliver our new build programme to continue to deliver revenue growth. The budget setting process sets a benchmark for where we expect costs to be and how affordable they are. Regular reporting against budgets and forecast are received by the Leadership Team & Board. There is an annual review of new development appraisal assumptions and contract terms are in place to protect Havebury to some extent from price increases. The majority of our loan portfolio is fixed, limiting our exposure to interest rate volatility.

The Board has established clear financial golden rules in the form of buffers against financial targets and covenant requirements.

The business plan forecast demonstrated that Havebury could, with some mitigating actions such as reprofiling project spend and introducing efficiencies in procuring some maintenance services, absorb multiple competing adverse movements of the assumption values used and still remain compliant with all its funding covenants. Continued regular testing of the business plan has been and continues to be undertaken to reflect contemporary economic forecasts. This stress testing informs decision-making and facilitates a rapid response to changes as they arise.

Health and safety

Ineffective management of health and safety compliance could lead to the death or serious injury of residents or staff.

A framework is in place for monitoring health and safety compliance and remedial actions, including a suite of KPIs covering gas, fire, asbestos, water hygiene, lifts and electrical safety. A robust process is in place for dealing with serious incidents, recording and learning from them.

All compliance certification for new developments are signed-off by specialists within the Asset Management team. A documented process, with controls on our housing management system, does not allow properties to be let prior to this. All development CDM responsibilities are discharged to the principal contractor and principal designer, the process for doing so is checked by our legal advisers and employers agent.

We receive subscriptions and attend relevant conferences/seminars to monitor the latest changes in health and safety legislation. We can therefore review policies and procedures in sufficient time to ensure compliance.

We have implemented a new process for managing damp and mould reports and cases, additionally we have invested in extra resource.

Periodic reconciliation of asset data in our systems with servicing/inspection records mitigates data inaccuracies.

Responsible persons for each compliance area have the appropriate training/qualifications or are working towards them. Contractor competency (that all operatives are appropriately registered/qualified) is checked at the award of contract and annually thereafter.

Robust policies, procedures and processes are in place; covering our approach to compliance against gas, fire, asbestos, water hygiene, lifts and electrical safety legislation; each setting out clear roles and responsibilities.

New developments and shared ownership sales

Failing to deliver the development programme on time and in budget could lead to schemes being developed that are not financially viable, deteriorating the underlying financial viability of the business. Deterioration in the housing market could reduce the planned surplus from shared ownership sales which could have an adverse impact on the business plan and cashflow.

There are a number of controls in place to manage these risks. All development schemes are approved by Leadership Team and the Homes & Investment Committee (subject to the Scheme of Delegated Authority.) As part of the approval a detailed risk assessment of the scheme is provided including financial stress testing scenarios, standard items of risk as well as bespoke risks pertaining to the individual development.

There are eight trigger monitoring measures reviewed monthly by Executive Directors and quarterly by the Homes and Investment Committee. Appraisals are based on prudent assumptions and reviewed annually. Shared Ownership forecasts and cashflows are reviewed against plan and stress tested. A range of mitigation options are in place for each scheme. An escalation process clearly sets out the actions to be taken in the event of a crystallisation of this risk.

Cyber security

Failure to identify and prevent cyber based threats could lead to data loss, damage to reputation and sanctions from the Information Commissioner and the Regulator.

An ICT operational risk register is in place identifying risks and ensuring mitigating controls are put into place and managed.

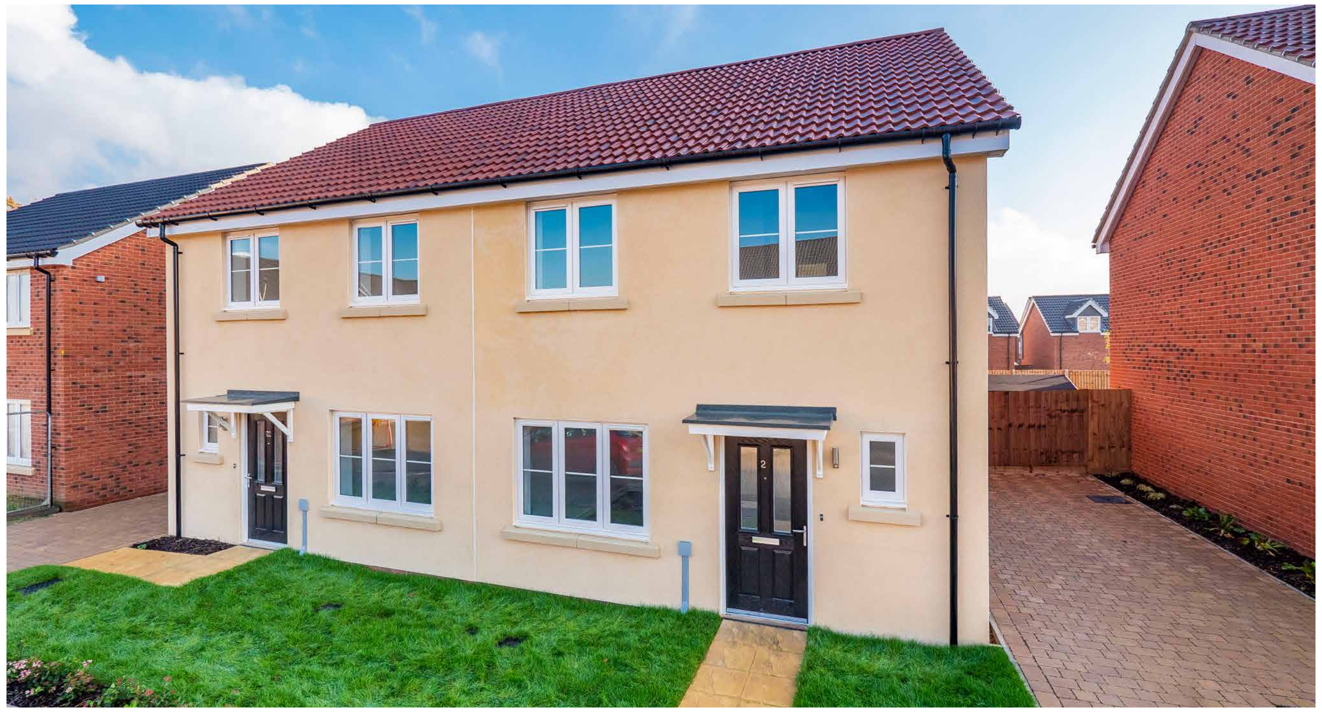
An Information Security Framework (ISF) has been implemented and allows for deep dives into specific cyber risks. Analysis of third party incidents and our own near misses are conducted within the ISF. Anti-Virus and ransomware detection is on all devices. We are using best of breed tools for email security, phishing awareness training amongst our users and managing our response to threats. Systems and patches updates are applied as they become available.

Meeting environmental legislation targets

The government has set ambitious strategies both for social housing, to meet EPC (C) by 2030, and for the country to meet net zero carbon targets by 2050. These require significant investment, resources, and skills. Prescriptive legislation may be introduced, and the sector is likely to benefit from innovation, grant funding and reducing costs, however much of this remains unclear.

We have been improving our stock condition information data and have built in financial provision in our 30-year business plan for additional investment from 2025.

An Asset Management Strategy for 2022-26 was approved by board in the year. Projects from this, including EPC (C) have been added to the annual delivery plan.



Report and consolidated financial statements for the year ended 31 March 2023

Financial performance review

Key metrics

Financial ratios	2022/23	2021/22
Turnover (£'000)	50,298	46,228
Operating Margin – Social housing Lettings	17.7%	26.6%
Operating Margin	22.9%	25.9%
Other key performance indicators		
Homes in management	7,251	7,074
Current residents rent arrears as a percentage of rent due	2.3%	2.5%
Rent loss due to voids as a percentage of rent due	1.3%	1.5%
Overall satisfaction (STAR)	82.1%	93.5%

Turnover

Turnover increased by £4.0m to £50.3m (2022: 46.2m). Of this 84.3% (2022: 84.9%) was generated from our core social housing lettings activities, with additions of new social housing properties and application of rent increases leading to an increased turnover of £3.2m for this portfolio in the year. A further 15.3% (2022: 13.9%) of turnover was generated from first tranche shared ownership sales.

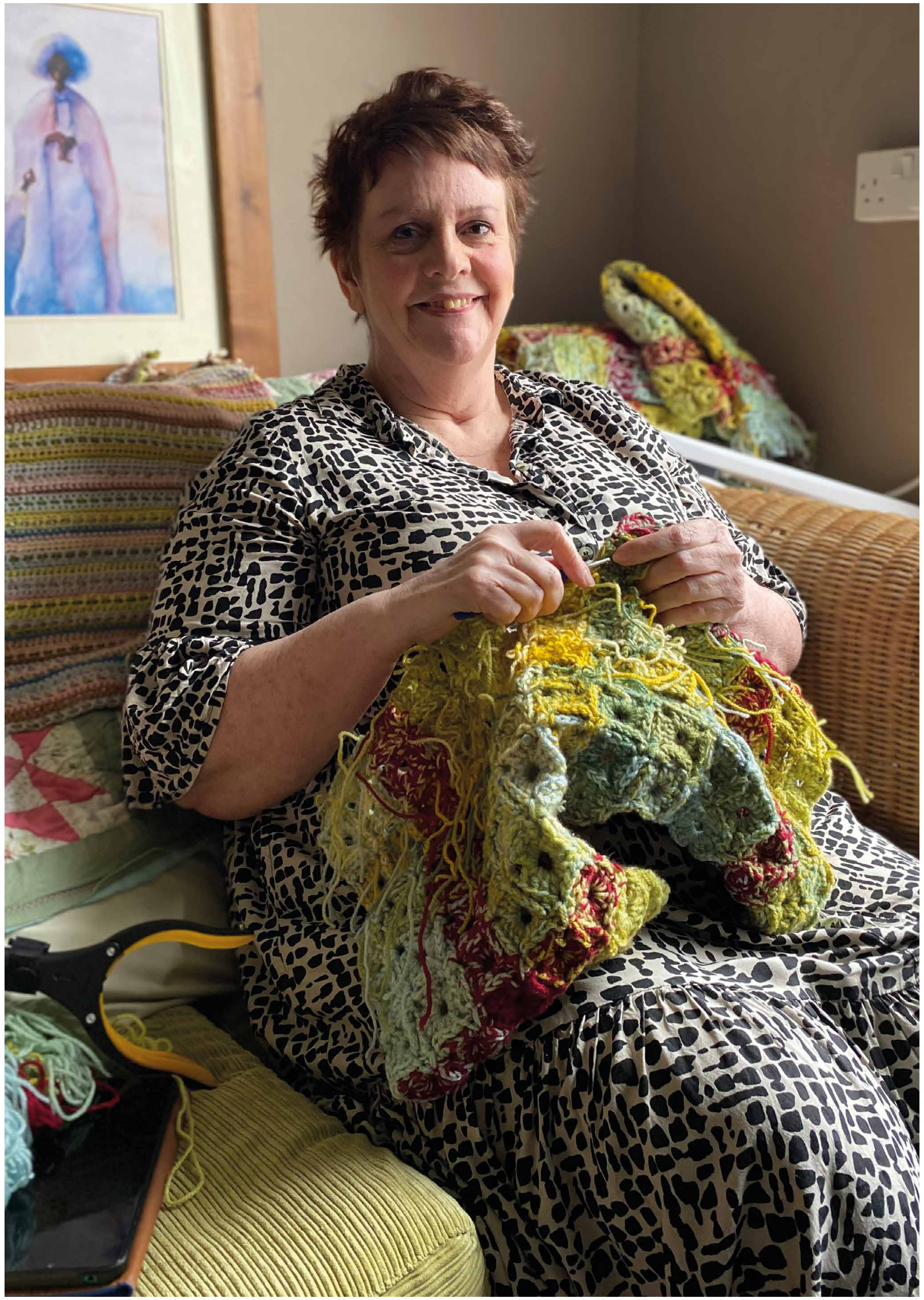
Operating margins and surplus

The reduction in operating surplus to 22.9% (2022: 25.9%) reflects the impact of higher expenditure during the financial year resulting from greater inflation on costs and a focus by the business to tackle the repairs backlog, a legacy from Covid-19.

Other key performance indicators

196 new homes were completed during the year (2022: 180). After five Right to Buy Sales, eight Right to Acquire Sales and six Shared Ownership Staircasing to full ownership sales, there are 7,251 properties owned and in management by Havebury at 31 March 2023 (2022: 7,074).

In the 12 months to the end of March, we have received 804 responses to the STAR survey. TLF Research conducted 451 of these by telephone, with the remainder via e-mail. This is in contrast to the 2019 survey which was conducted entirely by telephone. This makes a like-for-like comparison difficult given the change to our methodology with telephone surveys driving a higher satisfaction rate. Although when extracted from our blended methodology our telephone survey results remain broadly similar to those in 2019. We also made some changes to our services, and our front-line teams continue to address individual expressions of dissatisfaction, including continuing to improve the repairs service and the wider quality of communication with our residents. We will continue to learn from complaints workshops that are being delivered from mid-April 2023. TLF will commence surveying against the new Tenant Satisfaction Measures from April 2023.



Five year summary

The group's five-year Statement of Comprehensive Income; Statement of Financial Position and Statement of Cash Flows are summarised below:

For the year ended 31 March	2023 (£'000)	2022 (£'000)	2021 (£'000)	2020 (£'000)	2019 (£'000)
Statement of comprehensive income					
Total turnover	50,298	46,228	42,116	42,139	42,054
Operating surplus	11,568	12,013	12,478	12,227	13,100
Surplus for the year transferred to reserves	2,195	2,775	3,700	3,939	5,268
Statement of financial position					
Housing properties	406,752	387,238	372,076	353,198	330,622
Other fixed assets	2,319	2,507	2,752	2,989	3,075
Intangible assets	385	460	534	615	471
Fixed assets	409,456	390,205	375,362	356,802	334,168
Net current assets/(liabilities)	8,471	(1,609)	9,874	11,169	3,579
Total assets less current liabilities	417,927	388,596	385,236	367,971	337,747
Creditors (due over one year)	(228,682)	(205,237)	(213,537)	(202,992)	(185,865)
Deferred income grant	(33,288)	(30,191)	(28,208)	(25,579)	(17,065)
Pensions liability	-	(3,270)	(9,538)	(4,331)	(6,093)
Total net assets	155,957	149,898	133,953	135,069	128,724
Other long-term liabilities					
Reserves					
: revenue	69,908	63,475	47,092	48,208	41,117
: revaluation	86,049	86,423	86,861	86,861	87,607
	155,957	149,898	133,953	135,069	128,724
Statement of cash flows					
Cash generated from operating activities	23,550	22,209	19,325	20,555	24,808
Cash flow from investing activities	(26,908)	(19,655)	(17,991)	(23,723)	(33,350)
Cash flow from financing activities	3,594	(1,979)	655	7,735	7,366
Cash and cash equivalents at start of year	14,831	14,256	12,267	7,700	8,876
Cash and cash equivalents at end of year	**15,067**	**14,831**	**14,256**	**12,267**	**7,700**

Social housing lettings

Social housing lettings activities form the core of our business, contributing £7.5 million to the Group's operating surplus with operating margins of 17.7% (2022: 26.6%). Despite an increase in social housing lettings turnover in the year of £3.2 million, the operating margin was lower due to the inflationary impact on costs and a focus by the business to tackle the repairs backlog, a legacy from Covid-19. Rent void losses were 1.3% (2022: 1.5%) and the arrears as a % of debt was 2.29% (2022: 1.96%) against a target of 2.38%.

Our main social housing tenures are:

- General housing, social rent – regulated under a formula rent regime
- General housing, affordable rent – up to 80% of the market rent
- Supported housing – accommodation is provided alongside support, supervision or care
- Shared ownership – rent is due on the unsold share of the property.

Development & shared ownership sales

Good quality social housing provides families and individuals safe and secure homes from which to build successful lives. Where it is managed and maintained appropriately, social housing offers more than accommodation; it improves employment opportunities and facilitates social mobility. Development of new homes is the most effective method for increasing a provider's social value. In a climate where 1.2 million households are on local authority waiting lists, 47% of whom are deemed to have housing need which affords them a priority, our contribution to new housing supply is critically important.

Our 2017/18 – 2022/23 development programme completed in the year and of the 1,227 target, 1,186 properties were completed, 41 short, with the shortfall reprofiled into future years. Our 2023/24 – 2027/28 programme has a target of 1,050 properties to be built.

During the year there were 66 (2022: 61) first tranche shared ownership property sales, with a turnover of £7.7m (2022: £6.4m).

Statement of financial position

Housing properties, held at depreciated historical cost, are valued at £406.8m (2022: £387.2m). Havebury has a strong performance history of consistently delivering more new social housing than peers of a similar size. During the year £24.0m was invested in development of new social housing properties and £3.5m in capital improvements to existing properties. Havebury disposed of £1.2m of housing properties and recognised a depreciation charge on assets in use of £6.7m.

The Statement of Financial Position indicates total assets less current liabilities of £417.9m (2022: £388.5m) owing to an increase in total fixed assets of £20.0m and a reduction in current liabilities of £10.0m. The movement in current liabilities is due to £10.0m of debt repaid in March 2023.

Pension asset – the LGPS scheme asset has been restricted to £nil (2022: (£3.3m)). The asset has been restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met as a reduction in future contributions is not available and contributions are not based on the FRS 102 valuation. An asset was therefore not recognised.

Cash flows

£23.4m (2022: £22.2m) was generated from operating activities during the year ended 31 March 2023. The purchase of new properties and capital maintenance spend of £32.5m (2022: £23.9m) was offset by receipts from sales of housing properties of £3.4m (2022: £2.5m) and grants received of £3.5m (2022: £2.3m) so net cash outflows from investing activities were £26.5m (2022: £19.7m).

£40m (2022: £45m) new debt was drawn during the year. In addition £10m was repaid to Barclays, and the Revolving Credit Facility (RCF) of £16.5m was repaid in full. Net cash flows for financing activities was £3.4m inflow (2022: £2.0m outflow).

Treasury management

The management of treasury is key to ensuring sufficient facilities are in place to support our corporate plan and its development programme. Our Treasury Management Policy sets the framework for managing the treasury activities and encompasses strong governance procedures. The Board approves the policy and a documented Treasury Plan is prepared at least every year and signed off by the Board.

Capital structure

Havebury is financed by a combination of retained reserves, loan facilities and government grant for social housing. During the 2021/22 financial year the Association refinanced and took out a £150m private placement. An initial drawdown from this facility was made in December 2021, with a staged drawdown in October 2022. The facility has two further staged drawdowns which will be taken in October 2023 and October 2024.

At 31 March 2023 Havebury had total loan facilities of £360m (2022: £370m) of which £230m (2022: £216.5m) were drawn and £130m (2022: £153.5m) were undrawn. Security is in place for £90m of the undrawn facilities, with work ongoing to finish the security required for the staged drawdown of £40m due in October 2024. The Revolving Credit Facility of £60m is fully secured and available within 48 hours.

Covenants

Havebury's private placement and bank debt include various covenants and undertakings. The financial covenants are primarily in respect of interest cover, gearing and asset cover. Compliance with financial covenants is monitored on an ongoing basis with tighter embedded golden rules for interest cover and gearing metrics and there have been no covenant compliance or golden rules breaches during the financial year. Future compliance is considered as part of regular forecasting and as part of the business planning process.

Key Covenant Ratios	2022/23	2021/22
EBITDA MRI : Interest	135%	146%
Asset cover	191%	157%
Gearing	53.5%	53.3%

Interest rate risk management

Havebury manages its exposure to interest fluctuations on its borrowings by balancing both fixed and variable rate facilities.

The Association's treasury policy is to keep between 60% and 90% of its borrowings at fixed rates of interest. As at 31 March 2023, 100% of the Association's borrowings were at fixed rates (2022: 92.3%). The Board agreed a waiver from the treasury management policy during the year, owing to delays in the development programme impacting the drawdown of additional variable rate debt. Further details on the profile of borrowings can be found in note 21. The fixed rates of interest range from 0.94% to 5.00% (2022: 0.94% to 5.05%).

Liquidity

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

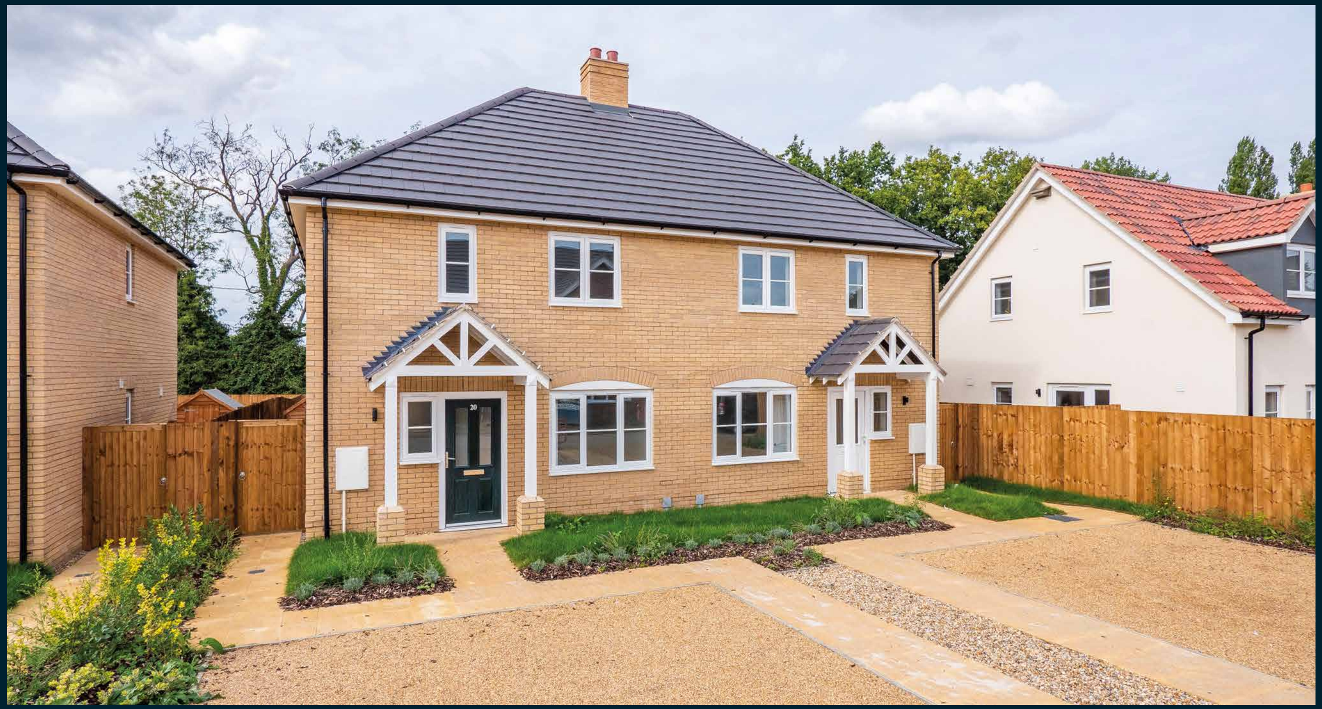
Liquidity	2022/23 (£'000)	2021/22 (£'000)
Cash and cash equivalents	15,067	14,831
Available undrawn facilities	60,000	43,500
Available Liquidity	**75,067**	**58,331**
Staged drawdown due in 1 year	30,000	40,000
Liquidity	**105,067**	**98,331**

Value for Money report

What value for money means to Havebury

Providers are required to follow the Regulator of Social Housing's (RSH) Value for Money Standard. The standard requires us to provide evidence in the statutory accounts to enable stakeholders to understand performance against value for money targets and any metrics set out by the RSH (and how that performance compares to peers), and measurable plans to address any areas of underperformance including clearly stating where improvements would not be appropriate and the rationale for this. This section therefore sets out our performance against the RSH's seven metrics: reinvestment, new supply delivered, gearing, EBITDA MRI, headline social housing cost per unit, operating margin and return on capital employed. In addition, a suite of our own measures of value set by the Board are reported. Benchmarking of each indicator has been carried out to compare performance to peers, using either the sector global accounts or HouseMark. Areas of underperformance, where performance falls below the median, have also been explained.

For us, value for money is about maximising resources available to deliver our vision and objectives to the benefit of the communities we serve. Value for money is delivered through our strong value for money culture, sound financial and business planning, effective procurement, performance management, resident scrutiny and governance functions. Value is considered in the context of our charitable objectives. The provision of a variety of social housing products assists to relieve poverty and provide homes for persons in necessitous circumstances. Our community focus on existing estates and in considering new developments, helps foster homes and neighbourhoods for residents to thrive. The work of our Income, Tenancy and Estates and Tayfen teams assist in maximising income, training, and employment opportunities. As a developing housing association, we are actively involved in regeneration, building preservation and improvement of housing stock and the environment. Our core value for money objective is to maintain median cost whilst



delivering our new build commitments as outlined in the corporate plan, and achieving or working towards top quartile performance. The organic growth will positively impact on economy, enhance our business health, benefit financial performance, and increase capacity to build more homes in future. During 2022/23, 196 new homes were completed, 37 for social rent, 72 affordable rent and 87 shared ownership.

Headline social housing cost per unit (CPU) increased by 19% in 2022/23, falling just above the 2021/22 sector median. Driven by economic factors such as wages, shortage of labour and supply of goods, and a continued focus on improving repairs and maintenance, other providers will also have experienced increased costs in 2022/23. We therefore expect to maintain our median position going forward, in line with our value for money objective.

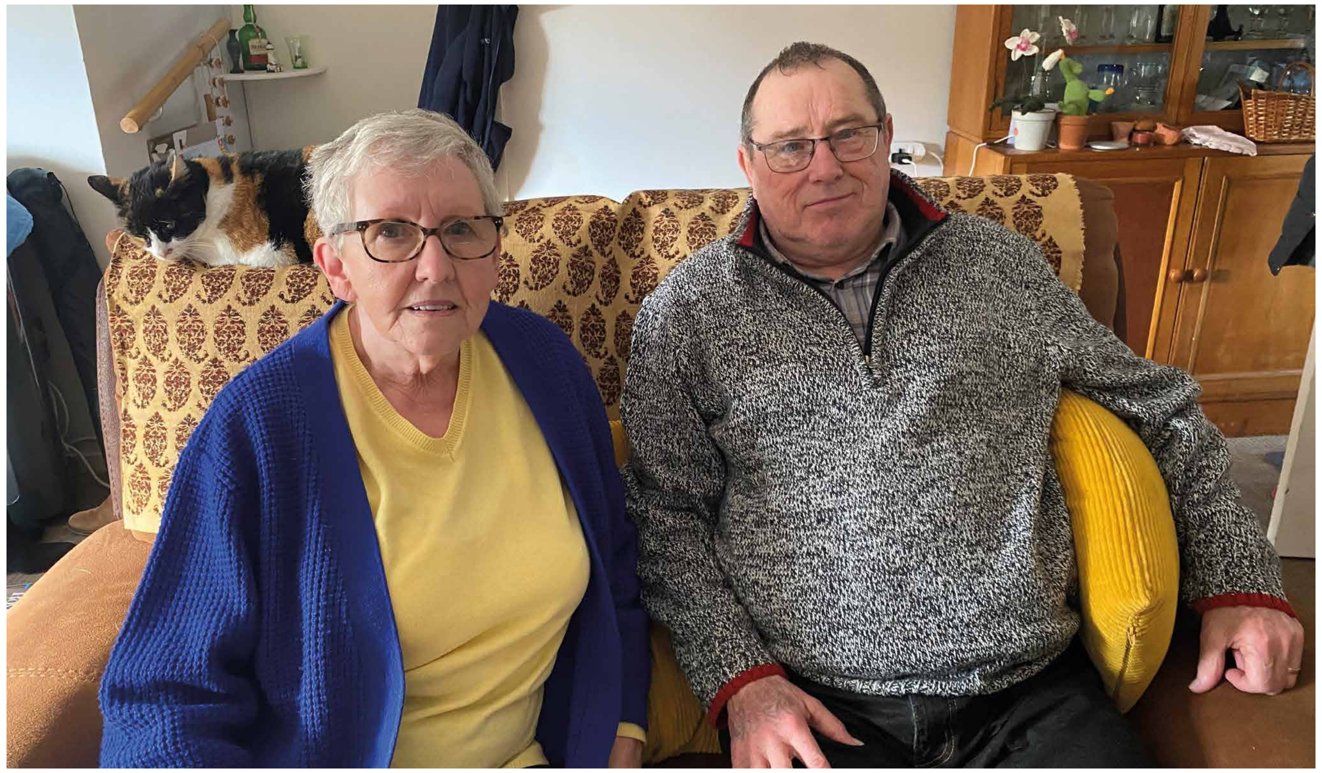
The Board has overall responsibility for value for money and continued to review our value for money performance throughout 2022/23. Against each objective in our corporate plan, we have also set a number of key performance indicators to be tracked throughout the life of the plan. A link to which is provided here or can be found at www.flipsnack.com/75CB9FB9E8C/our-new-corporate-plan-23-26.html

Performance against the Regulator of Social Housing's Value for Money Metrics

The RSH's value for money metrics are split into measures of economy, efficiency and effectiveness. The assessment of our performance below is benchmarked against the latest release of global accounts, relating to the financial year 2021/22. Red (quartile 4), Amber (quartile 3), Yellow (quartile 2), Green (quartile 1) indicates the position of our 2022/23 outturn against the 2021/22 quartiles.

Value for money metrics - economy

The CPU metric enables providers to assess their expenditure in a format that can easily be compared to peers. Regression analysis conducted by the RSH indicated organisational and local environmental characteristics drive much of the variance seen between providers, however CPU is also reflective of efficiency and levels of investment, say in major repairs.



	Havebury 2022/23	Havebury 2022/23 (budget)	Havebury 2021/22	Sector 2021/22 median	PlaceShapers 2021/22 median	Peer group 2021/22 median
Headline social housing CPU	£4,382	£4,080	£3,689	£4,150	£4,011	£3,758

Headline social housing CPU has increased by 19%, with expenditure used in the calculation rising from £26.1m in 2021/22 to £32.0m in 2022/23. This is attributable to greater maintenance and major repairs expenditure (£14.8m in 2021/22 to £18.7m in 2022/23) and costs allocated to the service charges category increasing from £3.4m to £4.7m. CPU falls just above the 2021/22 sector median. Driven by economic factors such as wages, shortage of labour and supply of goods, and a continued focus on improving repairs and maintenance, other providers will also have experienced higher costs in 2022/23. We therefore expect to maintain our median position going forward, in line with our value for money objective.

	Havebury 2022/23	Havebury 2022/23 (budget)	Havebury 2022/23	Sector 2021/22 median	PlaceShapers 2021/22 median	Peer group 2021/22 median
Management	£1,028	£1,060	£945	£1,133	£1,080	£944
Service charges	£644	£640	£426	£471	£426	£435
Maintenance	£1,563	£1,290	£1,283	£1,232	£1,252	£1,212
Major repairs	£1,013	£950	£874	£921	£972	£874
Other costs	£134	£140	£162	£203	£195	£171

The increase in service charges in 2022/23 is a result of a significant increase in utility costs. Historically, our major repairs programme has been the key driver in our position compared to peers, excluding which CPU is typically quartile one. Spend on doors, windows, insulation and fencing previously carried out on a reactive basis will from 2023/24 be carried out under planned replacement programmes, delivering enhanced value. Major repairs CPU outturn was above the 2022/23 budget of £950 and as we continue to return to a full programme post pandemic, we expect it to increase to £1,242 in 2023/24. Spend on routine and planned maintenance increased due to overspends on gas repairs, painting, materials, and additional expenditure on scaffolding as we used a contractor to complete some unplanned roofing works. In addition, there was extra demand arising from rectifying damp and mould issues and we used two designated contractors to recover our voids backlog. This arrangement is now at an end, and our in-house technicians have resumed carrying out void repairs. Void levels have improved significantly, and income lost to voids reduced.

Value for money metrics - efficiency

As a measure of our value for money (efficiency) performance, reference is drawn to our position compared to peers in the context of our corporate objectives. Reinvestment looks at investment in properties (existing as well as new supply) as a percentage of the value of properties held. It provides important context, demonstrating surpluses are not being generated at the expense of investment in new and existing properties. Reinvestment has increased due to larger development and major works programmes in 2022/23 than in 2021/22, as they continued to build back up to more typical levels post pandemic. Being above the median, our reinvestment is greater than that of most other providers demonstrating our ongoing commitment to make a significant contribution to new supply, whilst also maintaining the condition of existing units.

	Havebury 2022/23	Havebury 2022/23 (budget)	Havebury 2021/22	Sector 2021/22 median	PlaceShapers 2021/22 median	Peer group 2021/22 median
Reinvestment	6.8%	9.6%	5.9%	6.5%	6.8%	6.3%
Gearing	52.5%	51.9%	53.3%	44.1%	45.2%	53.3%
EBITDA MRI interest cover	126%	139%	146%	146%	143%	159%
Operating margin	19.2%	21.2%	24.2%	20.5%	20.4%	24.5%
Operating margin (SHL)	18.6%	22.1%	26.6%	23.3%	22.0%	27.0%
Return on capital employed	2.9%	2.5%	3.1%	3.2%	3.2%	3.4%

Gearing is a measure of a provider's net debt compared to the value of its assets. Our net debt relative to assets is healthy, falling in quartile two compared to the sector and reflecting the development programme and appetite for growth. Gearing has changed little between years with net debt increasing, from £200m to £213m, proportionately to the value of assets, from £387m to £407m. EBITDA MRI approximates cash generated and presenting it as a multiple of interest shows the level of headroom on meeting interest payments on outstanding debt. Albeit interest payable, financing costs and interest capitalised reduced slightly between years, the decrease reflects a reduction in operating surplus less gain on disposals of fixed assets from £11.2m in 2021/22 to £9.6m in 2022/23.

Although a key indicator, we are aware profitability is not the only measure of success. Whilst a high surplus is encouraging for lenders, it is important that this does not come at the cost of delivering quality services. Operating margin in 2022/23 was both lower than in 2021/22, and the original 2022/23 budget (21.2%). Despite turnover increasing by £4.1m to £50.3m this reflects both the planned and unplanned increases in costs across operational areas. Return on capital employed (ROCE) illustrates the return generated by a provider compared to its asset base. In 2022/23 ROCE was impacted too by the increase in costs and lower operating margin.

Value for money metrics - effectiveness

	Havebury 2022/23	Havebury 2022/23 (budget)	Havebury 2021/22	Sector 2021/22 median	PlaceShapers 2021/22 median	Peer group 2021/22 median
New supply delivered (social)	2.7%	3.0%	2.5%	1.4%	1.6%	2.0%

Development of new homes is the most effective method for increasing a provider's social value. Both as a percentage of stock and in absolute terms, our development programme is significant, satisfying one of the core strategic objectives of delivering new affordable homes. Maintaining a strong rate of development is essential to our Corporate Plan and value for money aspirations.

Performance against Havebury's own value for money targets

In addition to the RSH's value for money metrics, performance against our own value for money indicators and a comparison to peers is set out below. The suite of measures is made up of sector scorecard indicators not already covered by the RSH's value for money metrics and others from Havebury's performance management framework. Red (quartile 4), Amber (quartile 3), Yellow (quartile 2), Green (quartile 1) indicates the position of our 2022/23 outturn against the 2021/22 quartiles.

	2022/23 Result	2022/23 Target	Sector 2021/22 quartile 1	Sector 2021/22 median	Sector 2021/22 quartile 3
Being a great landlord					
Customer satisfaction with overall service provided	82.1%	85.0%	85.2%	79.4%	73.8%
New complaints received	188				
Customer satisfaction with last repair	87.8%	91.0%	92.0%	88.0%	82.0%
Developing new affordable homes					
Social housing units developed (absolute)	196	176	279	107	32
Customer satisfaction with new build home	98.2%	92.0%	100.0%	96.9%	86.5%
Investing in existing homes and communities					
% of properties with a valid gas safety certificate	100.0%	100.0%	100.0%	100.0%	99.87%
% of homes with a valid fire risk assessment	100.0%	100.0%	100.0%	100.0%	100.0%
Customer satisfaction with ASB case handling	74.2%	89.0%	86.2%	68.7%	58.6%
Customer satisfaction with area as a place to live	80.4%	83.0%	86.0%	81.4%	79.5%
Playing our part in addressing climate change					
Average SAP rating	74.1		73.5	72.0	71.0
% of homes EPC (C) or above	69.3%	73.9%			
Building a great team					
Average days/shifts lost to sickness	7.8	5.4	7.4	9.6	11.8
Staff turnover	15.7%	15.0%	14.4%	18.7%	24.1%
% of staff who say Havebury is a 'Great Place to Work'	84				
Remaining a thriving business					
Rent collected	98.86%	99.38%	100.87%	99.98%	99.38%
Current resident arrears (net of HB) as a % of debt	2.29%	2.38%	1.19%	2.38%	3.09%
Property occupancy rate	99.45%	99.10%	99.82%	99.60%	99.20%
Rent loss from void properties as a % of debt	1.28%	1.22%	0.84%	1.23%	1.65%
Ratio of responsive repairs to planned maintenance	0.89	0.67	0.51	0.67	0.86
Overheads as a % of turnover*	11.99%		11.96%	13.99%	15.94%

* reported one year behind other metrics

In 2022/23 overall customer satisfaction was collected under HouseMark's STAR methodology, via a combination of telephone and email surveys. Our relative position will improve as most housing associations migrate to a blended approach. We expect to regain our place in the top quartile of providers against the regulator's new TSMs in 2023/24. This is through work we're doing to address dissatisfaction and continue to improve our repairs and maintenance services. Relative to our size, we are a top quartile developer of new homes. These homes were of a high standard, with almost perfect customer satisfaction with their quality.

At the end of 2022/23 all gas safety certificates, and fire risk assessments were up to date. Whilst below a very challenging target, performance against customer satisfaction with antisocial behaviour (ASB) case handling was above the median. During the year an external review of the ASB service was conducted, with implementation of the recommendations made supporting us to our target of top quartile performance in future years. We were successful in our bid for funding from Wave 2 of the Social Housing Decarbonisation Fund, and a programme of works including replacement doors, windows, and external wall insulation will commence in 2023/24, increasing the proportion of homes with an EPC rating of C or above, as we work towards the 2030 target. Both staff sickness and turnover rates are positive to the sector median. Staff turnover has settled after an increase in 2021/22. We remain certified as a 'great place to work' with 84% of employees agreeing with the statement in the latest survey. Current resident arrears tracked our forecast profile based on residents continuing to transition to Universal Credit and increased less than expected between year-end 2021/22 and 2022/23, with performance ranking comfortably better than the median. Overheads as a percentage of turnover is below the median. This indicates that back-office functions are lean compared to most other providers, in theory allowing for greater investment in front line or added value services.

From a procurement perspective value for money encompasses a number of elements. Price and the Total Cost of Ownership, alongside quality, assurance of supply, innovation, sustainability and service. These VFM elements are not and should not just be considered during a tender process but throughout the contract lifecycle.

The strategy during the 2 years of implementation has supported and addressed these VFM elements alongside reducing and mitigating risk and subsequent impacts on VFM from areas such as compliance with PCR 2015, improvements in contract management and implementation of Havebury model form contracts.

Whilst we have not been sheltered from the external economic challenges, we have been able to manage and where possible mitigate some of these via improved collaborative working, increasing spend under contract to provide increased visibility of contractual price increase implications but also working alongside our contractors to mutually agree inflationary impacts and ensure that any outcome enables both parties to remain as viable businesses.

There will always be challenges for us to overcome, the strategy has and is enabling us to both identify and manage these challenges in a more robust and proactive way.

Areas of underperformance

Headline social housing cost per unit, EBITDA MRI, operating margin and return on capital employed were all affected in 2022/23 by both planned additional investment and unplanned expenditure across operational activities. The rising costs of utilities, materials and services also impacted operating surpluses, resulting in performance against the metrics being adverse to budget. We expect however other providers to have experienced similar challenges and our position to be more favourable against the corresponding 2022/23 quartiles once available. Additionally, surpluses are budgeted to increase in 2023/24.

As we recovered from the post pandemic repairs backlog, addressed challenges with our materials supplier, and experienced increased demand, some residents were understandably unhappy with the time taken for routine repairs to be completed. Over the course of 2022/23 however, we filled several vacancies in our asset management team, supported managers to focus on key areas for improvement and worked closely with our materials provider to enhance performance. Further to this we opened a new distribution hub, increased flexibility in how we source materials and gained efficiencies in our scheduling. The effect has realised better performance and repair turnaround times and this, alongside the launch of a new repairs policy in early 2023/24, will increase customer satisfaction with the service to achieve top quartile. Void performance has improved significantly with our position against peers impacted significantly by the number of properties empty in the early months of 2022/23. 2023/24 targets have been set to reflect this and achieve top quartile.

In our latest general survey, customer satisfaction with area as a place to live decreased in line with overall satisfaction. As benchmarking data catches up, the repairs service continues to improve and we address other issues of dissatisfaction, we expect to regain our top quartile status for customer satisfaction against the regulator's new Tenant Satisfaction Measures in 2023/24. Although current arrears performance at year-end was favourable to target, rent collected placed in quartile four of the 2021/22 benchmarking data. This was attributable to increased former resident arrears and a reduced credit balance. It is possible that this reflects the first significant impact on rental income of the current cost of living crisis. We continue to monitor this closely and are aware other providers have experienced a similar trend, which we will expect to see reflected in the 2022/23 benchmarking data once available. In the meantime, we continue to provide assistance through our hardship fund and are reviewing the structure of our approach to ensure it maximises income and best supports residents.

Future developments

A key influence on the timing of borrowings is the rate at which development activity takes place. The Board has approved plans to spend £33m during the next financial year to develop affordable housing as we continue to invest in the area. This will be funded from the loan facilities and grants from Homes England. In addition to our undrawn available loan facilities of £60m, we have a further £70m which will be drawn down over the next two years, as it becomes contractually available and in line with our business plan.

The Association continues to assess the impact of welfare reform policies on its business plan and intended future developments. Other initiatives will be developed over the next year to assist our residents in dealing with the cost-of-living crisis, especially in relation to rent charges. A support fund of £250k was available during the 2022/23 financial year and will be available for 2023/24.

Statement of compliance

In preparing this Strategic Report and Board Report, the Board has followed the principles set out in the Statement of Recommended Practice: Accounting by registered social housing providers 2018 (SORP).

Remuneration of board directors

Board Members receive a payment for their work following benchmarking advice from a sector consultant working to national guidelines. Both individual and collective Member performance is appraised annually with the objective of enabling the Board to ensure that it is fit for purpose.

	Marie McCleary
Board Chair	Company Secretary
WH Cresswell	Marie McCleary

Date: 8 August 2023

Report of the Board

The Board of Havebury is pleased to present its report together with the audited financial statements of The Havebury Housing Partnership, for the year ended 31 March 2023.

Compliance with the RSH Governance and Financial Viability Standard

As required by the Accounting Direction, the Board has completed an annual self-assessment of our compliance with the Governance and Financial Viability Standard. As part of this review, the Board have considered legal compliance through identifying, with legal advice, all applicable legislation, our teams have self-assessed against this schedule and provided evidence to support their assessment of compliance. We have undertaken a detailed process of self-assessing compliance with relevant legislation aided by independent legal advice. This exercise demonstrated substantial compliance with relevant legislation with a limited number of areas where further evidence was required to demonstrate compliance. These areas were minor in nature and the additional work to demonstrate compliance is expected to complete by July 2023.

With regular management reports on data protection, we confirm compliance with new data protection legislation while continuing to improve alignment of our policies and procedures with good practice. Following this review, the Board can confirm compliance with the Governance and Viability Standard with no qualifications. In addition, the Board carries out an annual self-assessment against the RSH Economic and Consumer Standards to ensure that we are compliant and that any plans for continuous improvement are documented.

The Board has adopted the HQN Form Follows Function Toolkit to guide its approach to future opportunities for collaborative working.

Compliance with the National Housing Federation (NHF) Code of Conduct and NHF Code of Governance 2020

We have complied with the NHF Code of Governance and the NHF Code of Conduct as evidenced by an annual self-assessment with the Codes which is reported to the Strategic Board. The NHF launched a new Code of Governance in 2020 and Havebury's Board adopted that new code in December 2020.

Governance

Havebury has a G1/V2 rating and remains committed to continuously reviewing and improving its governance arrangements to ensure they are fit for purpose while maintaining a Board with the necessary skills and experience to determine the strategic direction of the organisation. In response to the turbulent financial climate with increasing inflation and rising interest rates, for the first time the Regulator for Social Housing (RSH) has regraded our Viability rating from V1 to V2, a compliant rating. The RSH considers that our financial plan supports our financial strategy, that we have effective treasury management arrangements that have ensured access to adequate liquidity and that our business plan forecasts compliance with our lender covenants. The RSH considers that the high inflation environment and our exposure to the housing market as a result of our shared ownership sales reduces our capacity to respond to adverse events during the current period of economic volatility. We mitigate the risk of exposure to shared ownership risk with prudent assumptions on anticipated sales values and development cost. We also have a set of trigger indicators which help us identify signs of market changes and sales demand. In the current climate our treasury arrangements ensure we have limited exposure to interest rate volatility.

Havebury remains committed to upholding the highest standards of governance. In 2022 the Board and members in their Annual General Meeting (AGM) approved new governance arrangements following an independent external review, carried out every three years. The pre-existing governance arrangements have served Havebury well, and changes were recommended to reflect a more challenging operating environment. Through implementing these changes we have strengthened our ambition to:

a) strengthen the resident voice;

b) address the requirements set out in the NHF Code of Governance 2020;

c) better align with the intentions set out in the Social Housing White Paper;

d) strengthen our ambition to provide decent homes; and

e) better address our carbon footprint.

We undertake a review of the effectiveness of our governance arrangements and individual member appraisals, annually. We regularly assess the skills required to oversee our business activities, along with our board recruitment and succession plan, to ensure that our Board remains fit for purpose and consists of individuals with the right expertise, who are representative of the communities we serve and some of whom have lived experience of the services we provide.

Whistleblowing

We operate a whistleblowing policy and encourage our people to use this process to report serious concerns, in confidence. The policy clearly sets out who deals with and how any instances are responded to. There were no reported instances of whistleblowing in the period.

Board

The Board is the ultimate governing body of the Group. It comprises up to 12 non-Executive Directors and meets quarterly for formal business meetings, we have recently increased the membership to enhance resident involvement in decision making. Outside of these quarterly meetings the board meets to consider matters that need decisions, during the past year the board met 9 times, mostly in relation to rent increases and financing decisions. In addition, strategic planning events are held with all members at least twice a year.

Our members receive remuneration to compensate them for the time they devote to fulfilling their role and the valuable contribution they make. Members are drawn from a broad range of professional, lived experience and business backgrounds to ensure there is an optimum mix of diversity, skills and expertise present on our Board and Committees. We have in the last year made progress in improving the diversity of our membership, whilst ensuring we have the necessary skills onboard. We also have an infrastructure in place to help us drive a stronger level of mutual engagement with our residents to ensure that their voice is clearly heard by our members.

Until October 2022 the Strategic Board delegated some of its responsibilities to the Group Audit and Risk Committee, the Operations Committee, the Remuneration and Governance Committee and the Development Committee.

Following the implementation of the external governance review, from October 2022 the following arrangements are in place:

Group audit and risk committee

The role of this Committee is to oversee the work of both the internal and external audit function and to oversee the risk management framework, internal control framework, regulatory and legal compliance for the Group. The Committee reviews the audited financial statements for all parts of the Group and recommends them to the Board for approval. It submits an annual report on internal controls to the Board. Through the reports it receives, the Group Audit and Risk Committee determines whether the Group has appropriate systems of internal control and is able to comply with all its obligations in this area. It also oversees regulatory compliance.

Tenant experience committee

Tenant Experience Committee is a committee of the Board whose purpose is to ensure the customer voice is heard when strategic and operational matters, which may affect residents and other members of the community, are considered by the Board or its committees.

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It enables the Board to be accountable to residents for the Havebury Group's performance and decisions it has taken and contributes to an effective co-regulatory relationship between Havebury and its residents.

Homes and investment committee

The Homes & Investment Committee is a committee of the Board whose purpose is to assist in ensuring that Havebury's objectives for the delivery of new homes and investment in existing homes are met. It plays an important role in considering the way in which Havebury's resources are invested in new and existing homes, whilst also taking into account the challenge of achieving net zero carbon emissions.

People, remuneration and nominations committee

The People, Remuneration & Nominations Committee is a committee of the Board of the Havebury Group, whose purpose is to support the long-term success of the business by ensuring appropriate arrangements are in place for the recruitment, remuneration and development of the Chief Executive & Executive Directors, Board and committee members, including the chair. Committee is responsible for overseeing appraisal arrangements for Havebury's Board and committee members and reviewing governance effectiveness and maintains responsibility for nominations and succession planning. It is also responsible for overseeing the pay award for employees and organisational culture, including reviewing the implementation of the Havebury Group's people and equality, diversity and inclusion (EDI) strategies, in support of embedding a positive resident focused culture.

These Committees have clear terms of reference and delegated authority, which are set out in the Group Standing Orders and the Group Scheme of Delegated Authority. They report back to the Board regularly and, where appropriate, their recommendations are fully considered and approved. These Committees are chaired by a non-executive member of the Board and have a Groupwide remit. Matters which fall outside of the remit of these Committees and need consideration outside of formal Board meetings may be dealt with on an ad hoc basis by a Task and Finish Group, comprising of both non-executive and executive directors.

Management arrangements

The executive directors are the Chief Executive, Director of Resources and Company Secretary, Director of Operations and Director of Development. They hold no interest in Havebury's shares and act as executives within the authority delegated by the Board. The executive directors served throughout the year. Company insurance policies indemnify board members and officers against liability when acting for Havebury.

Service contracts

The Chief Executive and the other executive directors are employed on the same terms as other employees, their notice periods being six months.

Pensions

The executive directors are members of the Aviva Group scheme, a defined contribution scheme. They participate in the scheme on the same terms as all other eligible staff.

Other benefits

The executive directors are entitled to other benefits such as a car allowance.

Going concern

Havebury's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. Havebury has in place long term debt facilities of £360m (including £130m of undrawn facilities as at 31 March 2023), which provide adequate resources to finance committed reinvestment and development programmes, along with Havebury's day to day operations. The long-term facilities include £70m with deferred drawdowns, over the period from October 2023 to October 2024. Havebury also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis and having received a supporting Going Concern paper which included additional analysis and commentary, the Board has a reasonable expectation that Havebury has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Control environment and internal controls

The processes to identify and manage the key risks to which Havebury is exposed are an integral part of the internal control environment. Such processes, which are reviewed annually and revised where necessary, include strategic planning, the recruitment of experienced executive Directors and senior staff, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection, and environmental performance.

The Board's responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness is set out in the internal controls assurance statement below:

Statement of the Board's responsibilities on internal controls assurance

The Board is ultimately responsible for ensuring the Group establishes and maintains a system of internal control appropriate to the business environment in which it operates. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements in exercising control include:

1) Board approved terms of reference and delegated authorities for Audit and Risk, Tenant Experience Committee, Homes and Investment and People, Remuneration and Nominations committees
2) Clearly defined management responsibilities for the identification, evaluation and control of significant risks
3) Robust strategies and business planning processes, with detailed financial budgets, forecasts and formal development appraisal targets which are regularly reviewed
4) Formal recruitment, retention, training and development policies for all staff
5) Established authorisation and appraisal procedures for significant new initiatives and commitments
6) Robust treasury management, which is subject to external review each year
7) Regular reporting to the appropriate committee on key business objectives, targets and outcomes
8) Board approved whistle-blowing, anti-bribery and corruption, and money laundering policies
9) Board approved fraud procedures, covering prevention, detection and reporting together with recoverability of assets
10) Regular monitoring of loan covenants and requirements for new loan facilities
11) Annual review of Regulator of Social Housing 'Economic and Consumer Standards'
12) An annual legal compliance review, externally assessed this year
13) Cyber security action plan including Cyber Essentials Plus certification alongside a Business Continuity plan.

The Board confirms that it has a strategy and procedure for anti-fraud and corruption. The system of internal controls is ongoing and has been in place for the year to 31 March 2023 and up to the date of approval of the annual report and financial statements.

The Board recognises its responsibility for the system of internal control and for reviewing its effectiveness. The Board confirms that all necessary actions are taken to remedy any significant failings or weaknesses which may have been identified during the year through Internal Audit Reports and other independent reviews.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control. The Board receives Audit & Risk Committee meeting minutes and Chairs' verbal updates.

The Audit & Risk Committee has received the annual report of the internal auditor and has reported its findings to the Board. The Board confirms no weaknesses were found in the internal controls for the year ended 31 March 2023 which might otherwise have resulted in material losses, contingencies or uncertainties which require disclosure in this report. The Internal Audits carried out during the year and associated assurance ratings were as follows:

Audit	Assurance level provided
Human Resources: Recruitment & Selection	Strong
ICT Strategy and Cyber Security	Significant
Equality and diversity	Significant
Disrepairs	Significant
Complaints management	Significant
Fixed Assets, Rental Income, Hardship	Significant
Anti-Fraud & Whistleblowing	Significant
Planned & Responsive Repairs	Significant
Tenancy Changes & Mutual Exchanges	Significant
Supplier Contract Management	Significant - Draft
HR - Performance Management	Reasonable
Clean Growth Strategy - EPC (C)	Draft

The Board is responsible for preparing the Financial Statements and Annual Report in accordance with applicable law and regulations.

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

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and which disclose, with reasonable accuracy at any time, the financial position of the RP and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the RP and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Strategic Report includes a fair review of the development and performance of the business and the position of the Association, and its subsidiaries included in the consolidation, together with the disclosure of the principal risks and uncertainties they face. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

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Information and reporting systems

Financial reporting procedures include detailed budgets for the year ahead and a long-term business plan. These are reviewed and approved by the Board and monitored throughout the year. Quarterly performance reports are prepared for each Committee as appropriate and for the Board. The Board and its Committees meet regularly and receive other reports on Business-Critical Indicators to assess progress towards the achievement of key business objectives, targets and outcomes. The outcomes of these reviews have been reported to the Board throughout the year. In light of the current economic climate the Board has decided to continue to review the business plan at every meeting.

Monitoring arrangements

Regular management reporting on control issues provides assurance to successive levels of management and to the Board. It is supplemented by regular reviews by internal audit, which provides independent assurance to the Board via the Audit & Risk Committee. The arrangements include a rigorous procedure, monitored by the Audit & Risk Committee, for ensuring that corrective action is taken in relation to any significant control issues.

Fraud

A formal written policy dealing with detected, suspected or attempted fraud is in place and is reviewed by the Board on a rolling 3-year cycle. All such frauds are reported to senior financial management for investigation and reported to the Audit & Risk Committee, and in the case of frauds exceeding £1,000, to the Regulator of Social Housing. A formal Fraud Register is maintained that is signed off annually by the Chair of the Audit & Risk Committee. The Chair of the Audit & Risk and all other Committees report back to the Board at the next Board meeting. In the year, there were no detected, suspected or attempted frauds that resulted in financial or reputational loss to Havebury. There are no significant failings or weaknesses identified in the review and the internal audit carried out this year provided a significant level of assurance.

Auditors

The Board appointed the auditors Beever and Struthers to undertake the 2022/23 audit. The directors approved the provision of all information required by Beever and Struthers to undertake the audit.

Disclosure of Information to the Auditors

We, the members of the Board who held office at the date of approval of these Financial Statements as set out above, confirm so far as we are aware, that there is no relevant audit information of which the Group's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

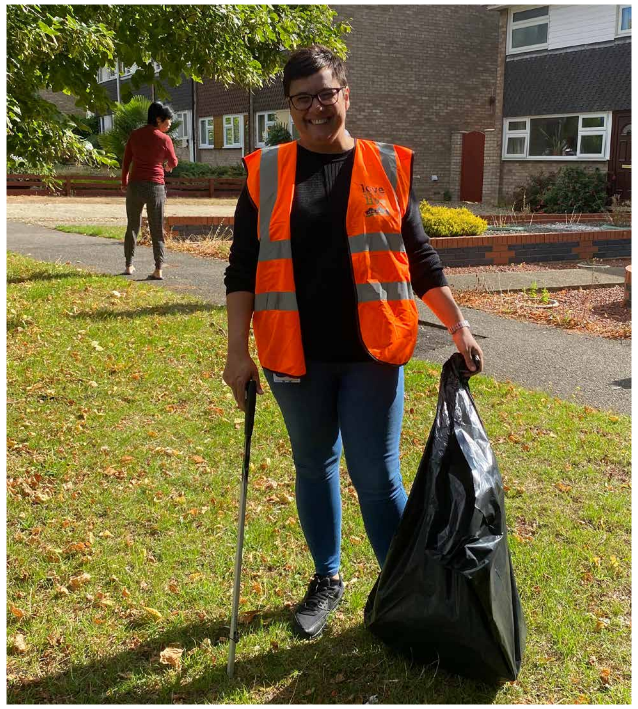
Annual general meeting

The annual general meeting will be held on 26 September 2023.

The report of the Board was approved by the Board on 8 August 2023 and signed on its behalf by:

Board Chair
WH Cresswell

Date: 8 August 2023



Independent Auditor's report

to members of The Havebury Housing Partnership

Opinion

We have audited the financial statements of The Havebury Housing Partnership (the 'Association') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies in note 1. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023, and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Society Act 2014 requires us to report to if, in our opinion:

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

Responsibilities of the Board for the financial statements

As explained more fully in the Responsibilities of the Board set out on page 23, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Report and consolidated financial statements for the year ended 31 March 2023

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

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

Beever and Struthers

Beever and Struthers
Chartered Accountants and Statutory Auditor
150 Minories
London
EC3N 1LS

Date: 8 September 2023

Statement of comprehensive income

For the year ended 31 March 2023

	Note	2023 Group £'000	2023 Association £'000	2022 (Restated) Group £'000	2022 (Restated) Association £'000
Turnover	3	50,298	50,306	46,228	45,866
Cost of Sales	3	(5,123)	(5,124)	(5,175)	(4,834)
Operating Costs	3	(35,542)	(35,543)	(29,846)	(29,839)
Surplus on sale of housing properties	6	1,935	1,935	806	806
Operating Surplus	**3,5**	**11,568**	**11,574**	**12,013**	**11,999**
Interest receivable	7	156	156	2	4
Interest payable	8	(9,529)	(9,529)	(9,240)	(9,241)
Surplus before taxation		**2,195**	**2,201**	**2,775**	**2,762**
Taxation		-	-	-	-
Surplus for the financial year		**2,195**	**2,201**	**2,775**	**2,762**
Actuarial gain in respect of pension scheme	**11**	**3,864**	**3,864**	**7,038**	**7,038**
Total comprehensive income for the year		**6,059**	**6,065**	**9,813**	**9,800**

The results related wholly to continuing activities.

The notes on pages 35 to 61 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 8 August 2023 and signed on its behalf by:

Board Chair
William Howard Cresswell

Marie McCleary
Company Secretary
Marie McCleary

Kym Hudson
Audit and Risk Committee Chair
Kym Hudson

Statement of financial position

For the year ended 31 March 2023

	Note	2023 Group £'000	2023 Association £'000	2022 (Restated) Group £'000	2022 (Restated) Association £'000
Tangible Fixed Assets					
Housing properties	12	406,752	406,752	387,238	387,238
Other tangible fixed assets	13	2,319	2,319	2,507	2,507
		409,071	409,071	389,745	389,745
Intangible Assets	14	385	385	460	460
Total Fixed Assets		**409,456**	**409,456**	**390,205**	**390,205**
Current Assets					
Stock	16	-	-	-	-
Properties for Sale	16	3,974	3,974	4,828	4,828
Debtors	17	1,978	1,977	1,300	1,298
Cash at bank and in hand		15,067	15,067	14,831	14,820
		21,019	**21,018**	**20,959**	**20,946**
Deferred income falling due within one year	22	(326)	(326)	(316)	(316)
Creditors: amounts falling due within one year	18	(12,222)	(12,222)	(22,252)	(22,245)
Net current assets/(liabilities)		**8,471**	**8,470**	**(1,609)**	**(1,615)**
Total assets less current liabilities		**417,927**	**417,926**	**388,596**	**388,590**
Creditors: amounts falling due after more than one year	19	(228,682)	(228,682)	(205,237)	(205,237)
Net pension liability	11	-	-	(3,270)	(3,270)
Deferred income - grant	22	(33,288)	(33,288)	(30,191)	(30,191)
Total net assets		**155,957**	**155,956**	**149,898**	**149,892**
Capital and Reserves					
Non-equity share capital	24	-	-	-	-
Revaluation reserve		86,049	86,049	86,423	86,423
Income and Expenditure reserve		69,908	69,907	63,475	63,469
Retained Funds		**155,957**	**155,956**	**149,898**	**149,892**

The notes on pages 35 to 61 form an integral part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 8 August 2023 and signed on its behalf by:

Board Chair
William Howard Cresswell

Marie McCleary
Company Secretary
Marie McCleary

Kym Hudson
Audit and Risk Committee Chair
Kym Hudson

Statement of changes in reserves

For the year ended 31 March 2023

Group	Revaluation Reserve £'000	Income and Expenditure Reserve £'000	Total £'000
Balance at 1 April 2021 restated	**86,861**	**53,119**	**139,980**
Prior year adjustment (note 29)	-	106	106
Surplus for the year	-	2,774	2,774
Actuarial gain in respect of pension schemes	-	7,038	7,038
Transfer from revaluation reserve to income and expenditure reserve	(438)	438	-
Balance at 1 April 2022 restated	**86,423**	**63,475**	**149,898**
Surplus for the year	-	2,195	2,195
Actuarial gain in respect of pension schemes	-	3,864	3,864
Transfer from revaluation reserve to income and expenditure reserve	(374)	374	-
Balance at 31 March 2023	**86,049**	**69,908**	**155,957**

Association	Revaluation Reserve £'000	Income and Expenditure Reserve £'000	Total £'000
Balance at 1 April 2021 restated	**86,861**	**53,125**	**139,986**
Prior year adjustment (note 29)	-	106	106
Surplus for the year	-	2,762	2,762
Actuarial loss in respect of pension schemes	-	7,038	7,038
Transfer from revaluation reserve to income and expenditure reserve	(438)	438	-
Balance at 1 April 2022 restated	**86,423**	**63,469**	**149,892**
Surplus for the year	-	2,200	2,200
Actuarial gain in respect of pension schemes	-	3,864	3,864
Transfer from revaluation reserve to income and expenditure reserve	(374)	374	-
Balance at 31 March 2023	**86,049**	**69,907**	**155,956**

The notes on pages 35 to 61 form part of these financial statements.

Statement of cash flows

For the year ended 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000
Net cash generated from operating activities	**26**	**23,550**	**22,209**
Cash flow from investing activities			
Purchase and construction of housing properties		(32,896)	(23,911)
Purchase of other tangible fixed assets	13	(79)	(42)
Purchase of intangible assets	14	(15)	(29)
Proceeds from sale of tangible fixed assets		3,353	2,453
Costs relating to sale of tangible fixed assets		(885)	(440)
Proceeds from sale of other tangible fixed assets		3	4
Grants received	22	3,480	2,308
Interest received	7	131	2
		(26,908)	**(19,655)**
Cash flow from financing activities			
Interest paid		(9,684)	(9,048)
Loan issue costs		(222)	(931)
Loan drawdowns	21	40,000	45,000
Loan repayments	21	(26,500)	(37,000)
		3,594	**(1,979)**
Net change in cash and cash equivalents		**236**	**575**
Cash and cash equivalents at beginning of year		14,831	14,256
Cash and cash equivalents at end of the year		**15,067**	**14,831**

Notes to the financial statements

1 Legal status

The Association is a charitable society registered under the Co-operative and Community Benefit Societies Act 2014. The Association is also a Registered Provider of Social Housing with the Regulator of Social Housing. The registered office is Havebury House, Western Way, Bury St Edmunds, Suffolk IP33 3SP. The Association's principal activity is the provision of social housing.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-registered
The Havebury Housing Partnership	Co-operative and Community Benefit Societies Act 2014	Registered
Havebury Homes Limited (T/A Four Sail Homes)	Companies Act 2006	Non-registered
Design & Build Services East Limited*	Companies Act 2006	Non-registered

*Design and Build Services East Limited is a dormant company.

The Association is registered with the Financial Conduct Authority (FCA) registration number 7648.

2 Accounting policies:

Basis of accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group Financial Statements.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Account Direction for registered providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £'000 for the year ended 31 March 2023.

The Group's financial statements have been prepared in compliance with FRS 102.

Parent company disclosure exemptions

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

- No cash flow statement has been presented for the Parent Entity.
- Disclosures of the Parent Entity's financial instruments have been presented as equivalent disclosures and have been provided in respect of the group as a whole,
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Entity as their remuneration is included in the totals for the Group as a whole.

The Board is satisfied that the current accounting policies are the most appropriate for the Group.

Basis of consolidation

The consolidated financial statements of the Association have been prepared as required by SORP 2018 and incorporate, under the acquisition method, the financial statements of the Association and enterprises controlled by the Association (its subsidiaries) made up to the 31 March each year.

Going concern

The Group's financial statements are prepared on a going concern basis. The Board has reached a conclusion about the ability of the organisation to continue as a going concern and has concluded that the organisation is a going concern.

The directors have come to this conclusion because of the business plan of the Group which will continue for the foreseeable future. The Association also has access to funds in the form of bank loans which will provide cash for future expansion of the business in line with the Corporate Plan.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the notes to the accounts. The items in the financial statements where these judgements and estimates have been made include:

Cost allocation for mixed tenure developments

Where the Association has developed a mixed tenure scheme that incorporates general needs, shared ownership and open market sale units, a cost allocation is required to take place. Management have currently allocated costs on the basis of floor area across the units in the scheme (note 12).

Once the apportionment has been finalised, management will split the shared ownership element between fixed assets and current assets based on the proportion of the expected sales percentage. This value is in line with the current assumptions used for a development scheme appraisal which as at 31 March 2022 was 35% of the property. For schemes completed after 31 March 2023, this percentage will reduce to 25% for land led units. The percentage for S106 developments will remain at 35%. However, if the actual sales percentage is available management have made the decision to use the sales percentage as the best source of information. The amount which is held as a non-current asset is then depreciated using the same policy as all other fixed assets.

Categorisation of housing properties

In accounting for housing properties in the financial statements all units have been classified as Property, Plant and Equipment (PPE) under section 17 of FRS 102 (note 12). Management have made the judgement that properties do not meet the definition of an investment property as per section 16 of FRS 102 because housing properties are used for charitable purposes rather than for capital appreciation.

Impairment

An assessment is made at each reporting date as to whether there are any indications that a fixed asset (including housing properties) may be impaired, or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value in use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to reflect the asset's revised carrying amount (less any residual value) over its remaining useful life.

Leased assets

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Pensions

The Association participates in the Suffolk County Council Pension Fund (SCCPF) which is a defined benefit pension scheme which provides benefits based on final pensionable pay. The scheme falls under the Local Government Pension Scheme (LGPS).

The assets of the scheme are kept separately from those of the Association and are invested in independently managed funds. Contributions to the scheme are calculated as a percentage of pensionable salaries. The employer's contribution is charged to the Statement of Comprehensive Income during the period of the employee's pensionable service.

Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pension costs are spread evenly through the Statement of Comprehensive Income over the average remaining service lives of current employees.

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available funds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds, with terms and currencies consistent with those of the benefit obligations.

Gains or losses relating to the defined benefit pension scheme are recognised through the Statement of Comprehensive Income. The difference between interest income on plan assets and actual returns on plan assets is recognised in the Statement of Comprehensive Income.

For the year ended 31 March 2023 the pension asset has been restricted to comply with FRS 102 paragraph 28, as a reduction in future contributions is not available and contributions are not based on the FRS 102 valuation.

Other key sources of estimation and assumptions:

Bad debts

A provision is created for bad debts based on the age of rental arrears. Arrears in respect of former residents and in respect of current residents where the debt is over one year old are fully provided for (note 17). Arrears which are less than one year old are provided for at varying percentage rates.

Accruals

Accruals for certain items are estimated based on work completed but where no invoice has been issued at the reporting date and in subsequent weeks (note 18). Management is satisfied that estimates made are reliable and in line with expectations.

Useful lives of housing properties

The Association has made accounting estimates regarding the component life of the Association's housing properties. Components are depreciated over the useful economic life as detailed out in the notes to these financial statements (note 12). The accounting policy listed is in line with the capital replacement policy followed by the Association. As a result, management are satisfied that the accounting estimates are in line with other policies in place around the organisation.

Tangible fixed assets and depreciation

Housing properties

Tangible Fixed assets are stated at cost less accumulated depreciation, which is calculated per component of the property, and adjusted for impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of major capital improvements.

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold housing properties other than freehold land to their estimated residual value, on a straight-line basis, over their estimated useful economic lives.

Major components are treated as separable assets and depreciated on a straight-line basis over their expected useful economic lives, or the lives of the structure to which they relate if shorter, at the following annual rates:

Structure	1.0%
Roofs	1.6%
Kitchens	5.0%
Bathrooms	4.0%
Central Heating	6.7%
Electrical Rewires	3.3%
Windows	4.0%
Doors	3.3%

A full year depreciation charge is provided in the year of acquisition with no depreciation charge provided in the year of disposal of assets.

Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values on a straight-line basis over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other tangible fixed assets are:

Freehold office building	over 40 years
Stores building	over 5 years
Furniture, fixtures and fittings	10%
Computers and office equipment	25%
Motor vehicles, plant and equipment	20%

A full year depreciation charge is provided in the year of acquisition with no depreciation charge provided in the year of disposal of assets.

Intangible fixed assets

Intangible fixed assets are stated at cost, less amortisation. Amortisation is provided at a rate calculated to write off the cost, less estimated residual values, on a straight-line basis over the expected useful lives of the assets as follows:

Computer software	10%

A full year amortisation charge is provided in the year of acquisition with no amortisation charge provided in the year of disposal of assets.

Turnover

Turnover comprises rental and service charge income receivable, income from shared ownership first tranche sales, income from open market sales, other services included at the invoiced value (excluding VAT) of goods and services supplied in the period, Supporting People grants and amortised Government grants.

Rental income is recognised from the point when it becomes due. Income from Shared Ownership first tranche sales and open market sales is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People grants are recognised as they fall due under the contractual arrangements with Administering Authorities.

Stock

Stock is stated at the lower of the cost and net realisable value. There is currently no stock that the Group holds.

Properties for sale

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The expected first tranche proportion is classed as a current asset and included in Properties for Sale and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in Housing Properties at cost, less any provisions needed for depreciation or impairment. Shared ownership first tranche sales and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, interest capitalised, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Interest capitalised

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of interest on Government grants received in advance; or

b) interest on borrowings of the Association as a whole, after deduction of interest on Government grants received in advance, to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the Statement of Comprehensive Income in the year.

Government grants

Government grants are receivable from Homes England and are utilised to part-fund the capital cost of housing properties. Government grants due from Homes England, or received in advance, are included as a current asset or liability respectively.

Government grants received for completed schemes are treated as deferred income and represented as a liability on the Statement of Financial Position. Government grants received in respect of revenue expenditure are shown in the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

In accounting terms, the gross cost of such development schemes is recognised in the financial statements as cost of construction when invoiced to the Association. On completion of such development schemes the Association has the liability for repayment of Government grants received from the Homes England, where this applies. In cash flow terms, only the net cost of development is recognised.

Government grants are subordinated to the repayment of loans, by agreement with Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included on the Statement of Financial Position within Creditors.

Government grants are amortised at a rate of 1% per annum and recognised in income.

Other grants

Other grants receivable are in respect of revenue expenditure and are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Donated land

Land donated by local authorities and others is added to the cost of housing properties at the market value of the land at the time of the donation.

Taxation

The Association is a charitable registered society under the Co-operative and Community Benefit Societies Act 2014 registered with the FCA and with HM Revenue and Customs. Accordingly, the Association has no liability to corporation tax on its surplus.

Value added tax (VAT)

The Group is registered for VAT. The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset respectively. At 31 March 2023 there was no liability.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year ends on 31 December each year and employees are entitled to carry forward 5 days of unused holiday. A holiday pay accrual is recognised in the Statement of Comprehensive Income for unutilised employee benefits at 31st March.

Retirement benefits

The Association also operates a defined contribution pension plan administered by Aviva. The pension costs for the year are charged to the Statement of Comprehensive Income as they accrue.

Community investment

The Association makes grants to specific community investment projects approved by the Neighbourhood Investment Panel and the Directors. The full amount of the grant is charged to the Statement of Comprehensive Income on approval and is shown as a current liability until drawn down by the agency. Grants received by the Association in connection with Community Investment projects are included in the Statement of Financial Position as a current liability on receipt and are recognised in the Statement of Comprehensive Income as the related expenditure is incurred.

Investments

Investments are held at cost, less any provision for impairment.

Financial instruments

Financial assets and liabilities are recognised when the Association has a contractual obligation for the instrument. These are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial debt is classified as a financial instrument under Sections 11 and 12 of FRS 102 and should be accounted for as either basic or other. Depending on the type of instrument, there is a different accounting treatment. Financial debt classified as basic is accounted for using the amortised cost model, whereas debt categorised as other is treated under the fair value model, with movements flowing through the Statement of Comprehensive Income on an annual basis.

Where there is an option in a loan agreement for early repayment of the loan, FRS 102 does not stipulate whether the financial debt should be classified as basic or other. As per the loan agreement the organisation has the option to proceed with early repayment of the facilities.

Bank loans are held at cost less issue costs which are amortised over the life of the loan. The Association has a £360 million facility of which £60 million is at variable rates of interest.

Financial assets

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at transaction price. The Association continues to recognise debtors until they are disposed or settled and to not measure financing transactions at present value. The decision has been taken because of the immateriality of the transactions.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the trade debtor over the present value of future cash flows discounted using the original effective interest rate. Subsequent reversals of impairment losses, that objectively relate to an event occurring after the impairment loss was recognised, are recognised in the Statement of Comprehensive Income.

Financial liabilities

Creditors payable within one year that do not constitute a financing transaction are initially measured at transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

The Association continues to recognise creditors until they are disposed or settled and to not measure financing transactions at present value. The decision has been taken because of the immateriality of the transactions.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual right to receive cash flow expires or is settled, or substantially all the risks and rewards of ownership have been transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell it entirely to an unrelated party. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

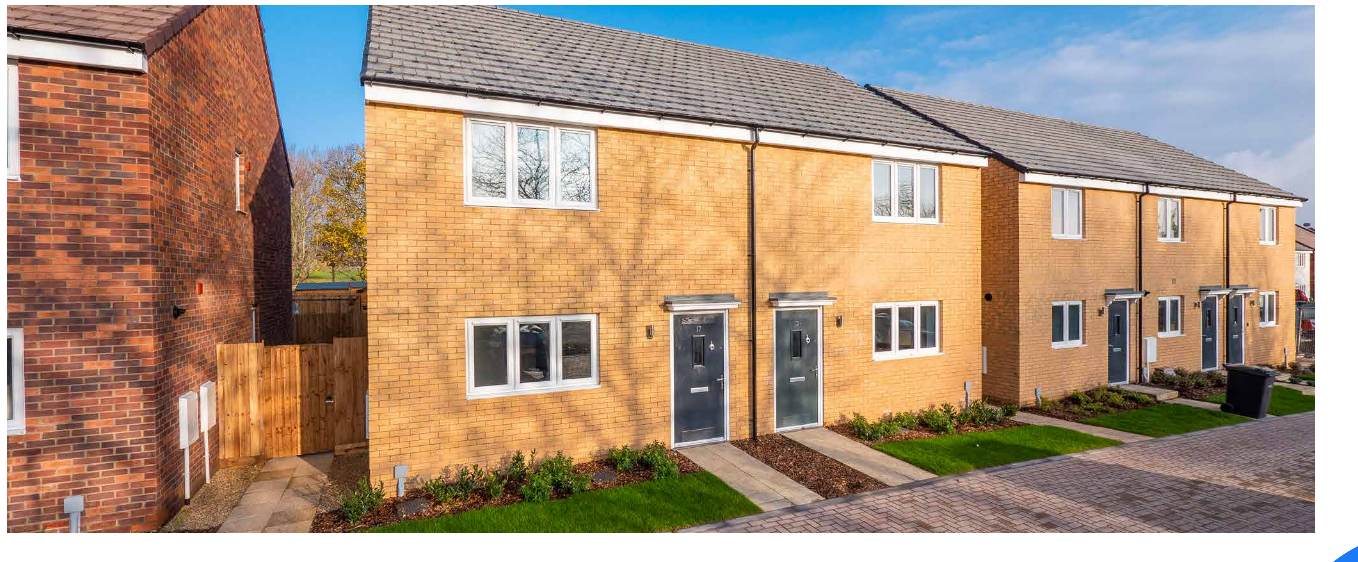
Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event where it is more than probable that an outflow of economic benefit will occur and can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Reserves

The Association establishes restricted funds for specific purposes where their use is subject to restrictions imposed by third parties. Reserves of the Association represent the following:

- the Revaluation Reserve shows cumulative revaluation gains and losses in respect of land and buildings under the previous accounting policy of the Association, prior to the adoption of “deemed cost”. The difference between historical cost depreciation and depreciation charged on the deemed cost valuation is transferred from the revaluation reserve to the income and expenditure reserve.
- the Income and Expenditure Reserve shows cumulative gains and losses recognised in the Revenue Reserve.



3a Particulars of turnover, cost of sales, operating expenditure and operating surplus

Group & Association	2023				
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposal £'000	Operating surplus £'000
Social housing lettings	42,421	-	(34,530)	-	7,891
Other social housing activities					
First Tranche Shared Ownership Sales	7,678	(5,123)	-	-	2,555
Charges for support services	198	-	(198)	-	-
Development Services	-	-	(766)	-	(766)
	7,876	**(5,123)**	**(964)**	**-**	**1,789**
Activities other than social housing					
Community Initiatives	-	-	(48)	-	(48)
Other	1	-	-	-	1
	1	**-**	**(48)**	**-**	**(47)**
Surplus on disposal of property, plant and equipment	-	-	-	1,935	1,935
Total	**50,298**	**(5,123)**	**(35,542)**	**1,935**	**11,568**

Report and consolidated financial statements for the year ended 31 March 2023

3a Particulars of turnover, cost of sales, operating expenditure and operating surplus (continued)

Group & Association	2022 (Restated)				
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Surplus on disposal £'000	Operating surplus £'000
Social housing lettings	39,234	-	(28,794)	-	10,440
Other social housing activities					
First Tranche Shared Ownership Sales	6,429	(4,834)	-	-	1,595
Charges for Support Services	143	-	(143)	-	-
Development Services	-	-	(986)	-	(986)
	6,572	**(4,834)**	**(1,129)**	**-**	**609**
Activities other than social housing					
Community Initiatives	-	-	77	-	77
Open Market sales	364	(341)	-	-	23
Other	58	-	-	-	58
	422	**(341)**	**77**	**-**	**158**
Surplus on disposal of property, plant and equipment	-	-	-	806	806
Total	**46,228**	**(5,175)**	**(29,846)**	**806**	**12,013**

3b Turnover, cost of sales, operating costs and operating surplus particulars of income and expenditure from social housing lettings

Group & Association	2023					2022
	General Housing £'000	Supported Housing and Housing for older people £'000	Shared Ownership £'000	Other £'000	Total £'000	Total £'000
Social housing lettings						
Rent receivable net of identifiable service charges	35,726	1,531	1,315	1,326	39,898	37,391
Service charges receivable	502	1,047	152	172	1,873	1,460
Net rental income	**36,228**	**2,578**	**1,467**	**1,498**	**41,771**	**38,851**
Amortised government grants	321	-	-	-	321	265
Other income	302	13	2	12	329	119
Turnover from social housing lettings	**36,851**	**2,591**	**1,469**	**1,510**	**42,421**	**39,235**
Expenditure on social housing lettings						
Management	(6,889)	(308)	(133)	(119)	(7,449)	(6,684)
Service charge costs	(2,597)	(1,922)	(59)	(94)	(4,672)	(3,013)
Routine maintenance	(7,398)	(357)	(19)	(214)	(7,988)	(7,151)
Planned maintenance	(3,147)	(90)	(13)	(97)	(3,347)	(1,927)
Major repairs expenditure	(3,037)	(551)	(30)	(182)	(3,800)	(2,843)
Bad debts	(224)	(17)	-	(5)	(246)	(173)
Property lease charges	(10)	-	-	-	(10)	(14)
Depreciation of housing properties	(6,892)	-	(126)	-	(7,018)	(6,990)
Operating costs on social housing lettings	**(30,194)**	**(3,245)**	**(380)**	**(711)**	**(34,530)**	**(28,795)**
Operating surplus on social housing lettings	**6,657**	**(654)**	**1,089**	**799**	**7,891**	**10,440**
Void losses (within Net rental income above)	**533**	**72**	**-**	**163**	**768**	**791**

4 Accommodation in management and development

Group and association

At the end of the period the number of properties in management for each class of accommodation was as follows:

	2022 No.	Additions No.	Disposals No.	Other No.	2023 No.
Social housing:					
General housing					
- social rent	4,719	37	(14)	5	4,747
- affordable rent	1,708	72	(2)	(6)	1,772
Supported housing and housing for older people	348	-	-	(1)	347
Intermediate rent	3	-	-	2	5
Total	**6,778**	**109**	**(16)**	**-**	**6,871**
Shared ownership	296	87	(3)	-	380
Group owned and managed	**7,074**	**196**	**(19)**	**-**	**7,251**
Accommodation in development at the year end	303				236

5 Operating surplus

This is arrived at after charging / (crediting):

	2023		2022	
	Group £'000	Association £'000	Group £'000	Association £'000
Depreciation of housing properties	6,747	6,747	6,583	6,583
Component Write off Depreciation	271	271	407	407
Depreciation of other tangible fixed assets	267	267	287	287
Amortisation of intangible fixed asset	90	90	88	88
Operating Leases	193	193	92	92
External auditor's remuneration (excluding VAT):				
- for audit services	60	60	48	44
- for non-audit services relating to continuing activities	-	-	5	2
Internal auditors' remuneration (including VAT where applicable)	**36**	**36**	**35**	**35**

6 Surplus on sale of housing properties

Group and Association	Right to Buy Sales £'000	Low-Cost Home ownership Staircasing Sales £'000	Others £'000	2023 Total £'000	2022 Total £'000
Disposal proceeds	645	596	2,096	3,337	2,453
Right to Buy: Share to Council	(394)	-	-	(394)	(885)
Carrying value of fixed assets	(173)	(312)	(506)	(991)	(737)
Administrative costs of sale	(17)	(1)	1	(17)	(21)
Total	**61**	**283**	**1,591**	**1,935**	**806**

7 Interest receivable

	2023		2022	
	Group £'000	Association £'000	Group £'000	Association £'000
Interest receivable and similar income	156	156	2	4
	156	**156**	**2**	**4**

8 Interest payable

	2023		2022	
	Group £'000	Association £'000	Group £'000	Association £'000
Bank Loans and overdrafts	9,972	9,972	9,720	9,721
Pension (note 11)	95	95	197	197
Other fees and commissions	242	242	357	357
	10,309	**10,309**	**10,274**	**10,274**
Interest payable capitalised on housing properties under construction	(780)	(780)	(1,034)	(1,034)
	9,529	**9,529**	**9,240**	**9,241**
Capitalisation rate used to determine the amount of finance costs capitalised during the period	**4.11%**	**4.11%**	**4.00%**	**4.00%**

9 Board, executive directors & leadership team - group and association

The Leadership Team of Havebury are considered to be the key personnel.

Group and Association	2023 £'000	2022 £'000
Total remuneration of Leadership Team	863	782
Aggregated amount of Leadership Team pension contributions	87	79
	950	**861**

Amounts paid to the Leadership Team total £950,349 (2022: £860,680). The Leadership Team is made up of five Assistant Directors and four Executive Directors, including the Chief Executive. Eight of the Leadership Team are members of the money purchase scheme and one is a member of the LGPS.

The Chief Executive is the highest paid Executive Director. The emoluments paid to the Chief Executive were £137,872 (2022: £137,618) The Association made pension contributions on behalf of the Chief Executive of £13,992 (2022: £14,151) who is a member of the money purchase scheme.

The emoluments paid to the highest paid Non-Executive Director, the Chairman of the Board, were £8,142 (2022: £11,000). Expenses reimbursed during the period to Non-Executive Directors amounted to £1,203 (2022: £113).

Associate members	2023 Salary (£)	2022 Salary (£)
WH Cresswell	8,142	968
M Webster	7,035	7,000
K Hudson	6,239	5,000
I Mashiter	5,651	11,000
S Garnham	5,614	-
A Colby	5,000	5,000
C Davis	4,974	-
C Gardner	4,381	8,000
J Foster	4,195	4,000
K Harris	4,000	4,000
T Pinter	4,000	4,000
P Basford	4,000	4,000
W Bryant	4,000	4,000
S Burton	4,000	4,000
J Harkness	4,000	4,000
D Thomas	3,707	-

Associate members	2023 Salary (£)	2022 Salary (£)
C Springett	3,505	7,000
B Johnson	3,393	-
A Ovcerenko	3,151	1,590
A Mortlock	2,670	-
M Tutton	2,000	4,000
N Stonebridge	1,500	4,500
J Cormack	1,469	-
S Wilson	667	4,000
Total	**97,293**	**86,058**

10 Employees

Group and Association	2023 No.	2022 No.
Total number of employees	**251**	**231**
Average monthly number of employees of the group and Association, by directorate, expressed in full time equivalents:		
Chief Executives	9.4	9.4
Resources	44.1	35.6
Operations	155.0	123.1
Development	16.6	13.7
	225.1	**181.8**

	£'000	£'000
Employee costs:		
Wages and salaries	8,390	7,410
Social security costs	819	694
Other pension costs	1,435	1,410
	10,644	**9,514**

The Association's employees are members of one of two employee pension schemes, these being the Suffolk County Council Pension Fund (SCCPF), or the money purchase scheme administered by Aviva. The SCCPF is closed to new employees who have the option of joining the Aviva administered scheme.

The full-time equivalent number of staff (including directors) who received remuneration in the following bandings, including employer's pension contributions and employer's national insurance, were:

	2023 No.	2022 No.
£60,001 to £70,000	6	4
£70,001 to £80,000	2	-
£80,001 to £90,000	4	3
£90,001 to £100,000	2	-
£100,001 to £110,000	-	1
£110,001 to £120,000	-	-
£120,001 to £130,000	2	3
£130,001 to £140,000	1	-
£150,001 to £160,000	1	1

11 Pensions

Suffolk county council pension fund (SCCPF)

The SCCPF is a multi-employer scheme with more than one participating employer, which is administered by Suffolk County Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2023.

Contributions

The employer's contributions to the SCCPF by the Association for the period ended 31 March 2023 were £503,000 (2022: £506,000) and the employer's contribution rate has been fixed as 24.2% of pensionable pay until 31 March 2024. The estimated employer's contributions for the year to 31 March 2024 will be approximately £514,000.

Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 102 basis were:

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.75%	2.70%
Rate of increase in salaries	3.95%	3.90%
Rate of increase in pensions in payment	2.95%	3.20%

Mortality assumptions

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2023	2022
Male	21.8 years	21.9 years
Female	24.6 years	24.3 years

The average life expectancy for an employee retiring at 65 that is aged 45 at the reporting date is:

	2023	2022
Male	23.6 years	22.9 years
Female	25.7 years	26.1 years

Amounts recognised in the Statement of Financial Position:

	2023 £ '000	2022 £ '000
Fair value of Employer's Assets	46,357	46,667
Present value of Funded Liabilities	(35,046)	(49,937)
Restriction of pension asset	(11,311)	-
Net Asset / (Liability)	**-**	**(3,270)**

11 Pensions (continued)

The actuarial valuation has resulted in a Net Pension Asset of £11.3m. The Group has restricted the pension asset at £NIL value in the Statement of Financial Position. There is no link between any potential cash refund and the accounting position of the fund, as no funding arrangement, and there is no impact on any contributions being made. While the Association may have access to a surplus at some stage on wind up, the value would not be the accounting position. An asset was therefore not recognised.

Amounts recognised in the Statement of Comprehensive Income of the defined benefit schemes are as follows:

	2023 £ '000	2022 £ '000
Current service cost	1,003	1,043
Past service cost	-	37
Net interest on the net defined benefit pension liability	95	196
Employer contributions	(503)	(506)
Actuarial (gain)/loss	(15,176)	(7,038)
Restriction of pension asset	11,311	-
	(3,270)	**(6,268)**

Changes in the present value of the defined benefit obligation:	2023 £ '000	2022 £ '000
Defined benefit obligation at 1 April	49,937	52,438
Service cost	1,003	1,080
Interest Cost	1,350	1,050
Contribution by scheme participants	139	137
Actuarial (gains)/losses	(16,451)	(3,780)
Benefits paid	(932)	(988)
Defined benefit obligation at 31 March	**35,046**	**49,937**

Changes in the fair value of plan assets:	2023 £ '000	2022 £ '000
Plan assets at 1 April	46,667	42,900
Interest Income	1,255	854
Return on assets	(1,275)	3,258
Contribution by employer	503	506
Contribution by scheme participants	139	137
Benefits paid	(932)	(988)
Plan assets at 31 March	**46,357**	**46,667**

11 Pensions (continued)

Return on plan assets:	2023 £ '000	2022 £ '000
Return on plan assets	(1,275)	3,258

Major categories of plan assets as a percentage of total plan assets:	2023	2022
Equities	70%	70%
Bonds	21%	21%
Property	8%	8%
Cash	1%	1%

Money purchase scheme

There was nothing outstanding as at the 31 March 2023 (2022: £Nil) relating to the money purchase scheme. The total contributions paid for the financial year were £602,186 (2022: £479,193).

12 Tangible fixed assets - housing properties

Group and Association	Housing properties held for letting £'000	Housing properties under construction £'000	Shared ownership properties held for letting £'000	Shared ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2022	395,350	14,528	28,741	6,188	444,807
Additions	-	17,409	-	5,732	23,141
Works to existing properties	3,544	-	-	-	3,544
Interest capitalised (note 8)	-	581	-	209	790
Disposals	(2,796)	-	(292)	-	(3,088)
Schemes completed	16,525	(16,525)	9,961	(9,961)	-
At 31 March 2023	**412,623**	**15,993**	**38,410**	**2,168**	**469,194**
Depreciation					
At 1 April 2022	(56,827)	-	(742)	-	(57,569)
Charged in year	(6,621)	-	(126)	-	(6,747)
Disposals	1,856	-	18	-	1,874
At 31 March 2023	**(61,592)**	**-**	**(850)**	**-**	**(62,442)**
Net book value					
At 31 March 2023	**351,031**	**15,993**	**37,560**	**2,168**	**406,752**
At 31 March 2022	338,523	14,528	27,999	6,188	387,238

12 Tangible fixed assets - housing properties

A full valuation of the properties was undertaken at 31 March 2014 and upon adoption of FRS 102 this has been used to determine the deemed cost. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Since then, completed housing properties are stated at Historical Cost.

The Board has carried out an impairment review in accordance with FRS 102 of individual fixed assets and income generating units. Following this review, the Board concluded that no impairment charge was required for the year.

The carrying amount of properties which are secured for borrowings is £298 million.

Group and Association	2023 £ '000	2022 £ '000
Expenditure on works to existing properties		
Amounts capitalised	3,544	2,934
Amounts charged to Statement of Comprehensive Income	3,590	5,177
Total expenditure on works to existing properties	**7,134**	**8,111**
Total Interest Capitalised		
Amounts capitalised at 1 April	6,368	5,334
Amounts capitalised in year (note 8)	780	1,034
Amounts capitalised at 31 March	**7,148**	**6,368**

13 Tangible fixed assets - other

Group and Association	Freehold offices £'000	Furniture fixtures and fittings £'000	Computers and office equipment £'000	Motor vehicles, plant and equipment £'000	Total £'000
Cost					
At 1 April 2022	3,739	965	962	143	5,809
Additions	-	4	54	21	79
Disposals	-	-	(533)	(39)	(572)
At 31 March 2023	**3,739**	**969**	**483**	**125**	**5,316**
Depreciation					
At 1 April 2022	(1,663)	(583)	(919)	(137)	(3,302)
Charged in year	(135)	(87)	(39)	(6)	(267)
Disposals	-	-	533	39	572
At 31 March 2023	**(1,798)**	**(670)**	**(425)**	**(104)**	**(2,997)**
Net book value					
At 31 March 2023	**1,941**	**299**	**58**	**21**	**2,319**
At 31 March 2022	2,075	381	45	6	2,507

13 Tangible fixed assets - other (continued)

The Association's freehold office property was valued by FPD Savills, Chartered Surveyors, in October 2011 on a Market Value basis. The full valuation of the property was undertaken in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The property was valued at £1.8m.

The Board has considered the valuation and has recognised that the valuation does not fully take into account the location and design of the premises which are of specific benefit to the Association. The Board has no intention to dispose of the properties in the foreseeable future and is therefore satisfied that the valuation of freehold office properties at cost less depreciation is appropriate.

14 Intangible assets

Group and Association	Software £ '000
Cost	
At 1 April 2022	889
Additions	15
Disposals	-
At 31 March 2023	**904**
Amortisation	
At 1 April 2022	(429)
Charged in period	(90)
Disposals	-
At 31 March 2023	**(519)**
Net book value	
At 31 March 2023	**385**
At 31 March 2022	460

15 Investments

The Association has an interest of £1 in a subsidiary called Havebury Homes Limited, registered in England. The subsidiary is currently inactive and wholly owned. The financial year end is 31 March 2023.

Havebury Homes Limited	2023 £ '000	2022 £ '000
% of ordinary shares held	100%	100%
Capital and reserves at 31 March	2	7
Profit for the year	**2**	**7**

The Association has an interest of £1 in a subsidiary called Design & Build Services East Limited, registered in England. The subsidiary is currently dormant and wholly owned. The financial year end is 31 March 2023.

Design & Build Services East Limited	2023 £ '000	2022 £ '000
% of ordinary shares held	100%	100%
Capital and reserves at 31 March	-	-
Profit for the year	**-**	**-**

16 Stock

Properties held for sale First Tranche Shared Ownership	2023		2022	
	Group £'000	Association £'000	Group £'000	Association £'000
Completed	2,284	2,284	2,582	2,582
Work in Progress	1,690	1,690	2,246	2,246
	3,974	**3,974**	**4,828**	**4,828**

Havebury does not hold any stock on vans or in our warehouse.

17 Debtors

	2023		2022	
	Group £'000	Association £'000	Group £'000	Association £'000
Rent and service charges receivable	1,554	1,554	1,328	1,328
Less: Provision for bad and doubtful debts	(1,108)	(1,108)	(938)	(938)
Other debtors	86	85	201	199
Prepayments and accrued income	1,446	1,446	709	709
	1,978	**1,977**	**1,300**	**1,298**

Report and consolidated financial statements for the year ended 31 March 2023

18 Creditors: amounts falling due within one year

	2023		2022 (Restated)	
	Group £'000	Association £'000	Group £'000	Association £'000
Bank Loans (note 21)	-	-	10,000	10,000
Issue Costs	-	-	(4)	(4)
Trade creditors	1,161	1,161	1,256	1,255
Rent and service charges received in advance	846	846	844	844
Other taxation and social security	196	196	203	202
Other creditors	459	459	1,047	1,048
Accruals and deferred income	9,560	9,560	8,906	8,900
	12,222	**12,222**	**22,252**	**22,245**

Payments to creditors

The Association's payment policy is to pay purchase invoices within 30 days of receipt, or earlier if alternative payment terms have been agreed.

19 Creditors: amounts falling due after more than one year

	2023		2022 (Restated)	
	Group £'000	Association £'000	Group £'000	Association £'000
Bank Loans (note 21)	230,000	230,000	206,500	206,500
Issue Costs	(1,490)	(1,490)	(1,383)	(1,383)
Recycled Capital Grant Fund (note 20)	172	172	120	120
	228,682	**228,682**	**205,237**	**205,237**

20 Recycled capital grant fund

Group and Association	2023 £ '000	2022 £ '000
At 1 April	120	112
Grant proceeds recycled	52	37
Withdrawals	-	(29)
At 31 March	**172**	**120**

No withdrawals were made during the financial year.

21 Borrowings

Group and Association	2023 £ '000	2022 (Restated) £ '000
Debt repayable		
As at 31 March	**230,000**	**216,500**

	2023 £ '000	2022 £ '000
Loans repayable by Instalments		
In five years or more	135,000	135,000
Loans not repayable by Instalments		
Repayable with one year	-	10,000
In two years or more but less than five	15,000	16,500
In five years or more	80,000	55,000
Total repayable	**230,000**	**216,500**

The bank loans are secured by fixed charges on individual properties and they bear interest at floating rates (linked to SONIA) and fixed rates. The floating rate arrangements are quarterly interest rates linked to SONIA. The unexpired term of fixed rate arrangements ranges from 1 to 40 years. The weighted average interest rate on all drawn loans at 31 March 2023 was 4.11% (2022: 4.00%).

Bank loans are held at cost less issues costs. During the year £40m was drawn from the Private Placement and £26.5m was repaid by the Association. At 31 March 2023 the Association had undrawn available loan facilities of £60m (2022: £43.5m) and £70m loan facilities with deferred drawdowns, over the period from October 2023 to October 2024.

22 Deferred captial grant

Group and Association	2023 £ '000	2022 £ '000
As at 1 April	30,506	28,475
Capital grant received	3,480	2,308
Grant receipts accrued	-	29
Capital grant recycled	(51)	(39)
Capital grant amortisation	(321)	(267)
As at 31 March	**33,614**	**30,506**
Capital grant to be released within one year	326	316
Capital grant to be released in more than one year	**33,288**	**30,191**

Social Housing grants are repayable in the event of the disposal of the related property. When this occurs, the total original grant is repayable and this comprises the unamortised balance together with the amortised amount. At the end of the year, the total amount of Social Housing grant potentially repayable was £34.9m (2022: £31.5m).

23 Financial instruments

The carrying amount of the Group and Association's financial instruments at 31 March 2023 were:

	2023		2022 (Restated)	
	Group £'000	Association £'000	Group £'000	Association £'000
Financial Assets				
Debt instruments measured at amortised cost	565	565	608	606
Financial Liabilities				
Debt instruments measured at amortised cost	240,460	240,461	227,073	227,066

Financial liabilities excluding trade creditors

The Group and Association's financial liabilities were all sterling denominated. The interest rate profile of the Group and Association's financial liabilities, before loan issue costs at 31 March was as follows:

Group and Association	2023 £ '000	2022 £ '000
Fixed rate	230,000	200,000
Floating rate	-	16,500
	230,000	**216,500**

The maturity profile of debt is shown in note 21. The fixed rate financial liabilities have unexpired fixed periods ranging from 1 to 40 years and a weighted average fixed rate of 4.09% (2022: 4.60%). The floating rate financial liabilities comprise bank loans that bear interest at rates based upon the three-month SONIA.

24 Non-equity share capital

	2023 £	2022 £
At 1 April	12	12
Shares Cancelled	(4)	-
At 31 March	**8**	**12**

The share capital of the Association consists of shares with a nominal value of £1 each which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. Where a shareholder ceases to be a member that person's share is cancelled and the amount paid up thereon becomes the property of the Association.

25 Capital commitments

Group and Association	2023 £ '000	2022 £ '000
Capital expenditure commitments are as follows:		
Expenditure contracted for but not provided in the accounts	55,464	35,607
Expenditure authorised by the Board, but not contracted	50,826	20,123
	106,290	**55,730**

Capital commitments will be financed through borrowings under existing loan arrangements. These existing loan arrangements amount to £130 million of undrawn borrowings, £60 million of which is available for immediate draw down. The remaining £70 million will be provided in two separate tranches over the next two years. These borrowings will be utilised to fund the Development Programme of 1,050 homes by March 2028. Government grant under the Homes England programme will be utilised to part fund the commitments of the development programme. Government grant received will be allocated on a per scheme basis and is directly received by the organisation.

Operating leases

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

	2023 £ '000	2022 £ '000
Land and buildings		
Within one year	13	11
Within two to five years	51	45
Over five years	1,136	1,021
	1,200	**1,077**
Office equipment		
Within one year	9	9
Within two to five years	2	2
	11	**11**
Motor Vehicles		
Within one year	32	46
Within two to five years	47	59
	79	**105**

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26 Cash flow from operating activities

	Note	Group 2023 £'000	Group 2022 £'000
Surplus for the year		2,195	2,774
Adjustments for non-cash items:			
Depreciation of Fixed Assets	5, 12, 13	7,014	6,870
Amortisation for Intangible assets	5, 14	90	88
Pension costs less contributions payable	11	500	770
Right to Buy overhead		-	(14)
Grant amortisation	22	(321)	(268)
Gain on disposal of housing fixed assets	6	(1,935)	(808)
Interest payable	8	9,529	9,240
Interest receivable	7	(156)	(2)
		16,916	**18,650**
Working capital movements			
Decrease / (Increase) in Properties for outright sale	16	5,033	1,769
Decrease / (Increase) in Stock	15	-	-
Decrease / (Increase) in Debtors		(60)	(287)
(Decrease) / Increase in Creditors		1,661	2,077
Net cash inflow from operating activities		**23,550**	**22,209**

27 Analysis of changes in net debt

Group restated	At 1 April 2022 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2023 £'000
Cash and cash equivalents:				
Cash	14,489	323	-	14,812
Cash equivalents	342	(87)	-	255
	14,831	**236**	**-**	**15,067**
Borrowings:				
Debt due within one year	(9,996)	10,000	(4)	-
Debt due after one year	(205,117)	(23,278)	(115)	(228,510)
	(215,113)	**(13,278)**	**(119)**	**(228,510)**
Total	**(200,282)**	**(13,042)**	**(119)**	**(213,443)**

28 Related parties

Group and association

Related parties include those in a position who can influence decision making.

During the year to 31 March 2023, there were two resident members (2022: one) who served on the Board one of whom resigned from their position and received emoluments for their service to the Association as part of the monthly payroll of £4,170 (2022: £4,500).

Their tenancies are on normal commercial terms and they are not able to use their position to their advantage. There were no other transactions with Board members. Aggregate rent paid in the year for the period where they were Board members was £3,709 (2022: £5,490). At 31 March 2023 there were no rental arrears (2022: £nil).

During the year to 31 March 2023, one Borough Councillor (2022: one) served consecutively as a Board director and on the Audit & Risk Committee as Chair receiving emoluments for their services paid as part of the monthly payroll amounted to £3,505 (2022: £7,000). All transactions with the Councillor are on normal commercial terms and the Borough Councillor is not able to use their position to their or the Council's advantage. There were no other transactions with the councillor during the financial year (2022: Nil) and no outstanding balances due (2022: £Nil).

During the year to 31 March 2023, six residents (2022: four) served on the Audit & Risk Committee or Tenant and Experience Committee or prior to the governance structure amendments, Operations Committee. Residents received emoluments of £15,287 (2022: £13,591). Their tenancies are on normal commercial terms and they are not able to use their position to their advantage. During the financial year the Association entered into no transactions with Committee members (2022: none). Any transactions are completed on normal commercial terms and there is no outstanding balance as at 31 March 2023 (2022: £Nil). Aggregate rent paid in the year was £19,981 (2022: £20,865). At 31 March 2023 rental arrears of Tenant and Experience Committee amounted to £Nil (2022: Nil).

The Association has not recognised provisions for any outstanding balances and as a result there is no expenditure recognised for any related parties as at 31 March 2023.

During the year, the following transactions occurred with Havebury Homes Limited, a wholly owned subsidiary of Havebury Housing Partnership:

	2023 £ '000	2022 £ '000
Professional fees recharged to Havebury Homes Limited	1	1
Loan interest charged to Havebury Homes Limited	-	2
Loans repaid	-	335

29 Prior year adjustment

The group reviewed the calculation of the amortised cost of the loans in place at 31 March 2022 and the associated effective interest calculation. An adjustment has been made to the carrying value of the amortised debt as a result of this review.

At 31 March 2022	Before Restatement £'000	Adjustment £'000	After Restatement £'000
Income & Expenditure Reserve at 31 March 2021	47,090	6,029	53,119
Total comprehensive income for the year	9,812	106	9,918
Transfer from revaluation reserve to income and expenditure reserve	438	-	438
Income & Expenditure Reserve at 31 March 2022	**57,340**	**6,135**	**63,475**

At 31 March 2022	Before Restatement £'000	Adjustment £'000	After Restatement £'000
Debt net of financing fees due under one year	10,055	(59)	9,996
Debt net of financing fees due after one year	211,193	(6,076)	205,117

Havebury
Housing Partnership

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