Brighton Housing Trust

Financial Statements

Year ended 31st March 2020

Companies House Number 01618610

Charity Commission Number 284839

Regulator for Social Housing Number H1696

Contents

Reference and Administrative Details

Board of Management

Joan Mortimer, Chair
Hugh Burnett OBE DL - Resigned 11/12/2019
Sarah Butler
Kirsty Coates
Leona Daniel
Melanie Davis
Paul Featherstone - Appointed 1/04/2020
Peter Freeman
Roger Hinton
Kelvin MacDonald
Gerald Main
Ian Millar
Bill Randall
Mary Tawiah
Paul Williams - Appointed 1/04/2020
Nick Wilmore - Appointed 1/04/2020

Governance Committee

Joan Mortimer, Chair
Peter Freeman
Melanie Davis

Finance, Audit and Risk Committee

Peter Freeman, Chair
Hugh Burnett OBE DL - Resigned 11/12/2019
Leona Daniel
Roger Hinton
Kelvin MacDonald
Mary Tawiah
Paul Williams - Appointed 1/04/2020

Operations & Personnel Committee

Melanie Davis, Chair
Kirsty Coates
Sarah Butler
Paul Featherstone - Appointed 1/04/2020
Gerald Main
Ian Millar
Joan Mortimer
Bill Randall
Nick Wilmore - Appointed 1/04/2020

Remuneration Committee

Melanie Davis, Chair
Kirsty Coates
Sarah Butler
Paul Featherstone - Appointed 1/04/2020
Gerald Main
Ian Millar
Joan Mortimer
Bill Randall
Nick Wilmore - Appointed 1/04/2020

Executive Management

Andy Winter
Chief Executive

David Chaffey
Director of Housing & Property

Sunil Desai
Director of Finance & Resources

Nikki Homewood
Director of Advice & Support Services

Rachael Kenny - Appointed 18/05/2020
Director of Mental Health & Support Services

Company Secretary & Registered Office

Sunil Desai
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Principal Solicitors

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Bankers

Royal Bank of Scotland
PO Box 300
Brighton
East Sussex

Auditors

BDO LLP
2 City Place
Beehive Ring Road
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West Sussex
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Chair's Report

Brighton Housing Trust continues to be an organisation that takes everything in its stride. We have continued to deliver excellent services during a year in which, not only, have we have merged with another organisation (Sussex Oakleaf) from the 1st of April 2020, but a year in which we have had to react to a global pandemic.

We have continued to look after the welfare of our tenants and clients in these difficult times and we have also worked with a number of organisations to facilitate the provision of accommodation to seek to ensure that no-one is homeless in Brighton and Hove in this time of crisis.

During 2019/20 we worked with 6,934 clients and tenants. A large number, but sadly lower than the previous year due to the ending of the Welfare Benefits Project in East Sussex and the loss of our Mental Health and Wellbeing service during the year.

However, with Sussex Oakleaf joining forces with us from the 1st of April 2020, this gives us the opportunity to expand the range of our services into Mid & West Sussex and to build on the excellent reputations of both organisations in delivering a range of mental health services. It has also given us the opportunity to welcome three new Board Members from the Sussex Oakleaf Board onto the BHT Board; Nick Wilmore, Paul Featherstone and Paul Williams.

BHT continues to receive external validation for our services, with retention of our ISO9001 accreditation, retention of our Special Quality Mark from the Legal Aid Agency and Silver accreditation with Investors in People. We are extremely proud to have achieved three 'Outstanding' ratings from the Care Quality Commission. Out of 200 community based services in Brighton and Hove, only eight have achieved an 'Outstanding' rating, so we are delighted that three of these are delivered by BHT.

We continue to generate a surplus year on year. Our 2019/20 surplus was £121k (2019: £236k), a figure we want to increase in future years to strengthen our financial viability so that we can invest in current and new services and continue to invest in our Asset Management Plan.

This year, as before, I have been much moved by meeting our clients and tenants whose lives have been turned around for the better by BHT. During 2019/20 we worked with 6,934 (2018/19: 7,853) clients and tenants with the aim of bringing about a positive change to their opportunities and wellbeing. People who, because of the efforts of BHT staff and volunteers, have retained their homes, found homes, received support, recovered from addictions, started new jobs, regained their lives. People who often become volunteers for BHT and some who eventually become BHT front-line staff inspired to help others.

They, like BHT, are having to face the uncertainty posed, not only by the recent years of austerity, but also by the Covid-19 pandemic. What the future holds, the state of public finances and the ability of individuals to continue to support our work, is precarious. However, I have confidence that in the leadership offered by an excellent Board and Executive Management Team and the expertise and dedication of the entire BHT team, we are well placed to survive this adversity and offer new and innovative services of quality well into the future.

J Mortimer

J Mortimer

Chair of the Board

Date 29th Sept 2020

Report of the Board

The Directors are pleased to present their Annual Report and the Financial Statements of Brighton Housing Trust (BHT) for the year ended 31st March 2020.

THE AIMS AND OBJECTIVES OF THE ORGANISATION

BHT's overall Mission is to combat homelessness, create opportunities for our clients and tenants, and to promote change. In order to do this, BHT has established five Strategic Objectives. These Objectives are:

- *Empowering Clients and Tenants*: Clients and tenants are supported to take greater control over their own lives. This includes helping people come to terms with mental health problems, thereby reducing hospital admissions and allowing people to live more independently. People with addictions are supported into abstinence and recovery, thereby increasing life choices around education, training and employment as well as sustainable housing. Those facing homelessness were supported by the Advice Centres where we prevented 927 (2019: 775) households from becoming homeless, with all the negative consequences to their lives and those of their children. Those with a limited or no history of employment are supported to gain work experience, undertake education and training, and secure employment.

- *Improving Our Services*: All services are reviewed on an annual basis and teams prepare improvement plans to ensure that their services remain relevant to client needs and meet local strategic priorities. We achieved our target of improving our *Investors in People* rating from Bronze to Silver. We review and act on feedback received from tenants and clients to improve services. This includes reviewing learning from complaints received.

- *Increasing Our Influence*: By promoting the experience of our tenants and clients, we attract attention from policymakers, commissioners and other opinion makers. We remain a 'Go To' organisation for the media and have had input into various policy reviews at a local and national level. Through our leadership of the Fulfilling Lives Partnership in the south-east, the Manifesto for Change sets out a number of measures to improve and strengthen services offered to those who have multiple and complex needs.

- *Improving Our Financial Strength*: By retaining a clear focus on the financial performance of the organisation and seeking opportunities to grow as well as spreading costs more widely, we improve our financial strength. The merger of Sussex Oakleaf with BHT, which took place on the 1st of April 2020, has allowed the spreading of costs and risk and increased our cash balances by £446k.

- *Seeking Quality Growth*: The merger with Sussex Oakleaf had, as one driver, the expansion into new areas of operation. This has already led to new opportunities in both Mid Sussex and Crawley. A review of existing assets has presented opportunities for the redevelopment of two sites owned by BHT to increase the number of homes that we provide.

Underpinning these objectives, are our five values (COLLABORATION, BEING ACCOUNTABLE, EMPOWERING PEOPLE, INSPIRING CHANGE and DELIVERING EXCELLENCE) which guides how we undertake our work to achieve these objectives.

OUR BUSINESS MODEL

Our business model is based on six core principles:

- *Recruiting and Retaining Quality Staff*: We have continued to have a workforce equipped to deliver services of excellence.

BHT's salaries and employment terms remain competitive locally so that we can attract quality applicants and we do not lose key staff to partners and competitors. No difficulties have been experienced in recruitment. While staff turnover has been higher than anticipated, no underlying negative causes have been identified. We have increased our Investors in People accreditation to Silver, evidence that we are achieving continuous improvement in our employment practices.

- *Maximizing Income Streams:* Income from rents and service charges made up just over 50% of our income. Voids were 4% compare to a target of 2.7%. This adverse trend was due to higher than budgeted voids in Supported Housing. This is not an ongoing issue, nor does it reflect an underlying problem. Increased loss of income through void properties were offset, in part, by better than target rent collection. Arrears were 2.5% (£158k) on 31st March 2020 compared to a budgeted forecast of 5.8% (£372k). This reflects strong performance in both Housing Services and Support Housing. While high levels of bad debt write offs can disguise poor performance in rent collection, bad debts to 31st March 2020 were lower than historic levels: £29k (2019: £38k) in Supported Housing and £67k (2019: £90k) in Housing Services. Other income streams were on or near target, although fundraising income was £212k against a budget target of £300k.

- *Delivering Value for Money:* BHT continues to have a focus on Value for Money (VfM) as part of its continuous improvement process and by developing its own VfM framework. We regularly monitoring these by reviewing service usage, a focus on our income & expenditure, measuring both strategic and operational key performance indicators and we will use the VfM framework once finalised, which will focus on outcomes for our clients and tenants.

- *Maintaining Liquidity:* Our cash balances as at 31st March 2020 remain healthy, at £2.8m which includes the RBS Treasury Account balance of £1m, (2019: £2.9m). It should be noted that our minimum cash balance target of £1.5m continues to be exceeded. The merger with Sussex Oakleaf from April 2020, has resulted in cash balances increasing by a further £446k. A challenge over the next five years is to ensure that sufficient funds are generated to allow us to meet the investment needs set out in our Asset Management Strategy, averaging c£450k per annum.

- *Securing Profitable Growth:* As mentioned above, the merger with Sussex Oakleaf has already led to new opportunities in both Mid Sussex and Crawley. A review of existing assets has presented opportunities for the redevelopment of two sites owned by BHT to increase the number of homes that we provide.

FINANCIAL RESULTS

A surplus of £121k (2019: £236k) was generated during the year. A priority moving forward is to increase surplus levels, to strengthen our financial viability, invest in current and new services, and allow us to invest in our major works programme.

- *Income:* Total income of £12.3m (2019: £12.5m) was received during the year. Overall, income was £62k or ½% lower than budgeted. This was due, in part, to lower rental income (£84k) and lower fundraising income (£76k). This was offset by additional income of £98k from the new Assessment Hub and Crash Pad.

- *Expenditure:* Total expenditure of £12.2mk (2019: £12.2m) was made during the year. Overall, expenditure was only £5k less than budget with some overspends and underspend compensating for each other. There was an overspend of £121k on mandatory Health & Safety compliance works. It should be noted that much of this expenditure was one off in nature as there has been a catch up on works outstanding and such an overspend is not expected to be incurred again.

While others in our peer group have reported significant increases in arrears as a result of the roll-out of Universal Credit, we have been able to maintain arrears levels notwithstanding a modest increase in arrears of those tenants who have migrated to the new benefit. A refocusing of staff resources has resulted in this risk being successfully mitigated.

Our Balance Sheet also continues to be in a healthy position with Total Net Assets of £10.0m (2019: £9.9m), supported by Income & Expenditure Reserve of £8.3m (2019: £8.0m), Restricted Reserves of £0.8m (2019: £1.1m) and Free Reserves of £854k (2019: £755k).

DEVELOPMENT & PERFORMANCE IN THE FINANCIAL YEAR

The Trust's Board received quarterly reports to monitor performance within the organisation. The performance measures included financial and operational performance indicators, including:

- Cash management – cash flows and average cash balances decreased marginally during the year with cash at bank and in hand as at 31st March 2020 – £2.9m (2019: £3.0m);
- Void loss in Supported Housing – voids as a % of gross rents of 6.3% (2019: 6.1%) (target: 3.9%);
- Void loss in Housing Services – voids as a % of gross rents of 1.3% (2019: 1.5%) (target: 3.9%);
- Bad debts in Supported Housing – bad debts as a % of rents receivable of 0.7% (2019: 1.4%) (target: 1.5%);
- Bad debts Housing Services – bad debts as a % of rents receivable of 0.9% (2019: 2.3%) (target: 1.5%);
- Gas safety certificates – units with a valid safety certificate 98.2% (2019: 99.1%) (target: 100%);
- Staff sickness – working days lost per FTE employee 7.9 days (2019: 7.7 days) (target: 7.0 days);

FUTURE PROSPECTS

Notwithstanding the concern of funding our Asset Management Plans going forward, the challenges successfully faced to date as a result of the Covid-19 pandemic demonstrates an organisation that is well-governed and well-managed, able to flex its operations according to circumstances, not least ones that could not be foreseen.

Covid-19 itself will result in new opportunities as our communities and economy recovers from the financial and psychological injuries caused by the pandemic.

Sussex Oakleaf joining BHT from 1st April 2020, has already led to opportunities for the development of new services in Mid & West Sussex. There also opportunities we are actively seeking to acquire and develop additional accommodation in Brighton and Hove, and BHT has plans to develop land it owns and to redevelop a site currently with low density occupation. The merger has also allowed us to increase capacity at a senior management level, in part to manage the enlarged organisation but also to increase capacity to bid for new contracts and services.

We have appointed a Head of Business Development to allow focus on the identification of new opportunities and to work with others to secure new business.

Our staff are the vehicles through which we can deliver our charitable and strategic objectives. We continue to invest in the recruitment and retention of quality staff at all levels. Although during the Covid-19 pandemic we furloughed staff in our Learning and Development Team, the team had successfully introduced an online training programme that has enabled staff to continue with their personal and professional development during the lockdown.

Governance arrangements have been reviewed and strengthened in recent years. The appointment of two tenants as independent members of the Board has corrected an area of deficit that had been identified. The appointment of three Board members to the Board from Sussex Oakleaf has further strengthen the range and expertise of Board members.

HEALTH AND SAFETY

Following the dreadful fire at Grenfell Tower, we have had, like many other organisations, a renewed focus on fire safety. During the year we undertook fresh fire risk assessments of all properties, carrying out additional remedial tasks to improve fire safety at a cost of £121k above budget, this overspent has been offset in part by savings elsewhere within the overall housing property costs.

Gas Safety Inspections: our performance for the final quarter of 2019/20 was 98.2%, where gas safety inspections were completed in time and the relevant certificate was on file. The percentage was lower than expected due to access issues and onset of the Covid-19 pandemic. Our performance was back up to 100% in the next quarter.

SAFEGUARDING

Following failings in some international aid agencies, along with safeguarding failures in domestic charities, BHT has considered the robustness of its own policies and procedures in this and other areas. The Board acknowledges the general alert issued in June 2020 by the Charity Commission regarding this, particularly at a time where governance and management arrangements might be compromised by the Covid-19 pandemic.

BHT has robust processes and reporting arrangements in place, including our Whistleblowing procedures, that are widely publicised including on our website, and clients are asked specific questions in surveys regarding their confidence in the organisation's policies and procedures. Training on safeguarding is part of the mandatory training for staff.

STAFFING

Our staff are our most valuable resource. Through them we deliver our strategic objectives, not least excellent services. We have strengthened capacity at a senior level through the creation of a Director of Mental Health and Support Services and designated another senior employee as Head of Business Development. These additions will help to provide strategic management capacity within the enlarged organisation going forward. Staff sickness management continues to be an area we are working on and there was an average of 8 days absence per employee during the year. Further work is required to reduce this to the target of an average of 7 days per average.

BOARD MEMBERSHIP

BHT seeks to appoint and retain Board members who have the skills, knowledge, business acumen, integrity, values and commitment to leave the organisation with drive, ambition and enthusiasm. We recruit new board members through open advertisement and the effective use of our wide sector networks. No new board members were appointed during the year although three members of the Sussex Oakleaf Board transferred to the BHT board as independent members from 1st April 2020.

The appointment in December 2018 of two tenants as independent members of the Board has corrected an area of deficit that had been identified. These members are now playing an increasingly full part in the business of the Board.

Board members are appointed on a voluntary basis and receive out-of-pocket expenses. No other payments are made to the chair or the individual board members.

The Board and its Committees undertake annual reviews and appraisals of their activities helping ensure that we comply with the National Housing Federation's Code of Governance.

The policy for delegated levels of decision-making between Board and the Executive Management Team is clearly defined within Standing Orders and a separate Schedule of Delegation which is reviewed and approved by the Board on a regular basis.

The Chair of the Board undertakes individual reviews with all Board members. During 2019/20, such reviews were conducted with all bar one Board member.

COVID-19

The COVID-19 pandemic has impacted the organisation and our business continuity plans are being tested and proving to be robust. Within days of the start of the pandemic for us, almost 100 members of staff were working remotely from their office base, delivering frontline services through social media channels, while central support staff in the Finance, Human Resources, IT and Governance & Administration teams were able to continue to deliver almost all functions seamlessly. The organisation has taken advantage of the governments Job Retention scheme, furloughing 16 employees including the Learning and Development team since most training courses were delivered face-to-face. However, having invested in online training during the last year, training opportunities continued for all members of staff. Initially we stopped our housing management plans due to the lockdown restrictions but since then we are now running a comprehensive service again.

The pandemic has had a direct impact on the organisations ability to organise fundraising events. It is anticipated that this will result in a shortfall of fundraising income of around £170,000 in 2020/21.

We continue to deliver most of our frontline services (Including Sussex Oakleaf services from 1st April 2020) throughout the lockdown and there has been little, if any, impact on performance. We have worked with the local authorities and commissioners to ensure that those clients / tenants facing homelessness, mental health, addictions difficulties or in the need of legal advice have been able to access our services. BHT have assisted in ensuring all homeless people in Brighton were accommodated at the onset of the pandemic.

The experience of the pandemic has allowed the organisation to start reviews on how it operates, and further changes will be made during 2020/21, not least in anticipation of a future pandemic lockdown. Various business processes will be re-engineered so that the organisation can continue to operate in an optimum manner.

Our response to the Covid-19 pandemic has demonstrated an organisation that is well-governed and well-managed, able to flex its operations according to circumstances, not least ones that could not be foreseen. BHT has had relatively few opportunities to benefit from financial packages made available by government and through charitable trusts and foundations because our turnover is greater than £5 million. In addition to the furloughing of sixteen members of staff, two grants / contracts were secured, totalling £103k, and smaller sums have been received to support tenants and clients during the lockdown.

RISKS, UNCERTAINTIES AND OPPORTUNITIES

The COVID-19 pandemic is providing both opportunities and challenges moving forward. There is uncertainty regarding the public finances and the possible reintroduction of austerity measures. While it is unlikely that the measures will be as stringent as those introduced in 2010, they are likely to be more long-lasting. The financial and psychological injury caused by COVID-19 may result in new services for the organisation, not least in areas such as Crawley and Mid Sussex which will be particularly impacted by the effect the pandemic is having on the aviation industry.

The organisation has a well-developed and mature approach to strategic risk. The Strategic Risk Register provides the Board with clear information on three key areas, which are improving our financial strength, our operating environment and increase our influence / reputation. Underneath the three areas, there are eighteen specific risks identified. The specific risks identified are reviewed on a quarterly basis by the Executive Management Team and reported on a regular basis to both the Finance, Audit and Risk Committee the full Board. Detailed information provided includes the quantification of individual risks, the management strategy for mitigating their likelihood and impact, and a recovery strategy should one or more risks impact at the same time.

GOING CONCERN

Following assessment of BHT's financial position and resources, together with a review of budgets for 2020/21 and the cashflow position for the next eighteen months, the Board believes that the Trust can manage its business risks, financial forecast (including monthly cashflow forecasts with sensitivity analysis) and has a reasonable expectation that BHT has adequate resources to continue operating for the foreseeable future. For this reason, BHT continues to adopt the going concern basis of accounting in preparing the annual financial statements. Based on this assessment the Board have concluded that a material uncertainty does not exist, and the Trust is expected to continue to operate for the foreseeable future.

Notwithstanding the risks and uncertainties that we face, we are confident that BHT has a positive future. We have reached this conclusion by reference to -

- Over 50% of our income comes from rental and service charge income, a relatively secure income stream and one which is well managed within the organisation. 83.4% of this income is paid directly to BHT from Housing benefits, Universal Credit and Adult Social Care; which provides confidence in future payments of this stream of income.
- For 2021/22, 62% for our contracted income is secure, most other income is secure during the lifetime of contracts, and should these contracts be terminated, and we can flex costs accordingly.
- Notwithstanding current challenges relating to charitable fundraising, any shortfall is likely to be temporary and is not expected to have a material impact on our assessment of going concern.
- Controls we have on inflationary aspects of our salary and reward structures.
- Our cash balances, at the point of signing these accounts, is almost 100% greater than the £1.5 million head room agreed as policy. We have also undertaken a cashflow forecast for the next 18 months (April 2020 to September 2021) and this shows we will be able to maintain a healthy £3m cash balance. Sensitivity analysis for higher levels of inflation on this forecast show that we would continue to maintain cashflows above our £1.5 million target.
- Our very limited exposure to fluctuations in the money markets, and where we have borrowing, this is at a fixed rate and our non-involvement in the developing properties for sale.
- Our ability to withdraw from activities with reasonable notice should they become an unacceptable drain on the cash resources of the organisation.

COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Board has reviewed the Trust's compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and has concluded that BHT complies with the Standard. The Trust has reviewed its Assets and Liabilities Register to ensure that it meets the requirements. There is ongoing work on this Register to ensure that it remains accurate and complete, and that timely adjustments are made as circumstances require.

INTERNAL CONTROLS

In accordance with regulatory expectations of the Regulator for Social Housing, the Board is required to conduct an annual review of the effectiveness of the systems of internal control, and to issue a formal statement within the annual report and accounts on the outcome of this review.

The Board acknowledges its ultimate responsibility for the system of internal controls, for reviewing the effectiveness of those controls and for managing the risk of fraud within the Trust. The Board also acknowledges that risk management and control processes should operate continuously and should be embedded within and across all activities. It should be recognised that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives will be achieved and to give reasonable assurance about the preparation and reliability of financial information and the safeguarding of the assets of the Trust.

BHT has adopted the National Housing Federation's Code of Governance 2015. A review of the Code was undertaken and the Board remains confident it complies with the Code.

The processes for identifying, evaluating and managing the significant risks faced by the Trust were in place for the year under review. During the pandemic, temporary arrangements for an Executive Board meeting monthly were put in place but normal Governance arrangements are expected to resume in September 2020. The elements of the control framework, incorporating the key sources of evidence utilised by the Board in reviewing the effectiveness of the system of internal control, include:

- a comprehensive risk management framework which identifies key risks to the business on a regular basis and seeks to mitigate and monitor the risks and the associated mitigation;
- an organisational structure with clearly defined lines of responsibility and delegation of authority set out in the Trust's standing orders and financial regulations;
- a Code of Ethics supported by a framework of policies and procedures, with which employees must comply;
- a three year risk-based strategic internal audit plan and the consideration by the Finance, Audit & Risk Committee of all internal audit reports produced during the year;
- the monitoring of action plans arising from audits to ensure that recommendations have been implemented;
- the review of audit reports undertaken by regulators, funders and commissioning bodies;
- approval of the annual budget by the Board;
- comprehensive budgetary control arrangements which identify variances and their underlying causes;
- a performance reporting framework which involves the setting of a suite of Strategic and Operational Key Performance Indicators (SPIs and KPIs) targets and the measurement of achievement against theses KPIs;
- a whistleblowing policy providing staff and third parties with confidential channels of communication to report unlawful, improper or suspicious activity and
- maintenance of a fraud register with reporting to the Board if fraud occurs.

The Board's review of the effectiveness of the Trust's system of internal control has identified no significant failings, weaknesses or instances of fraudulent activity which have resulted in material misstatement or loss that require disclosure within the financial statements for the year ended 31st March 2020, and up to the date of signing these financial statements.

VALUE FOR MONEY

BHT continues to have a focus on Value for Money (VfM) as part of its continuous improvement process and by developing its own VfM framework.

For BHT, value for money is about using of our resources both staffing and monetary to achieve our Mission, Values and Objectives. We regularly monitoring these by reviewing service usage, focusing on our income & expenditure, measuring both strategic & operational key performance indicators and we will use the VfM framework once finalised, which will focus on outcomes for our clients and tenants. Our Client and Tenant Survey 2019 had a much improved response rate giving us greater confidence in the data. The results for customer and repairs satisfaction were slightly down on last year but broadly in line with our peers. We are holding focus groups to address these areas and our newly formed scrutiny panel uses the results in deciding what topics to focus on and report back to the Board.

It should be noted that BHT operates in an environment where constraints are placed upon it, by having a climate where funding is restricted from the erosion to the value of NHS / Local Authority funded contracts, whilst our costs are increasing.

This means that we cannot achieve all our aims within appropriate timescales resulting in BHT being forced to be more resourceful and finding innovate ways to continue to improve our services. Examples of this include setting up Brighton's Choir with No Name; working with the Council to provide server weather emergency provision for the homeless community; Occupational Therapy and drama students enhancing our service provision at no additional cost; we negotiated a 10% reduction on bus tickets for clients (Route One project) and free for First Base clients; appeals for donations of coffee, shower gel, towels etc which would otherwise we would have to purchase and obtaining annual advice legal training for free by using our contacts. We have also intensified our approach to fundraising by increasing the amount raised whilst reducing the cost of publicist activities. Our rent collection, voids and arrears management processes have been reviewed and training provided which has led to BHT needing to use less than expected of our bad debt provision, which is good especially given the context of the difficulties with the role out of Universal Credit. In additional, we continue use special external procurement specialists to ensure we get the best deals particularly with utility costs increasing.

Achieving VfM is therefore a necessity and it is also the right thing to do in order to maximise the benefit derived from our services by our beneficiaries. The Chair's Report together with this report demonstrates clearly the number of tenants and clients that use our wide range of services and performance has improved whilst demand for our services continues to increase. This is demonstrated by the following key performance indicators which also reflect on our VfM –

- Total rent received in Supported Housing – rent received as a % of amounts due 100.6%, (2019: 101.4%) (target: 98.5%).
- Total rent received In Housing Services – rent received as a % of amounts due 98.5%, (2019: 99.9%) (target: 98.5%).
- Arrears management Supported Housing – gross arrears as a % of annual rent roll of 1.6%, (2019: 1.8%) (target: 2.5%).
- Arrears management Housing Services– gross arrears as a % of annual rent roll of 3.5%, (2019: 4.5%) (target: 5.8%).

BHT is in process of agreeing a new value for money framework which reviews improvements in Efficiency, Economy and Effectiveness across the Trust, drawing on evidence supplied to funders and commissioners where available. This would also form a part of the continual improvement process and a rigorous process of challenge.

The Regulator for Social Housing has issued value for money metrics and BHT figures are shown below -

Value for Money Metrics	Acuity Median 2019/20	BHT 2019/20	BHT 2018/19
Reinvestment	4%	**6%**	6%
New Supply Delivered	0%	**0%**	0%
Gearing	17%	**3%**	3%
EBITDA Major Repairs Included Interest Cover	249%	**9%**	7%
Headline Social Housing Cost per Unit	£4,636	**£3,587**	£3,953
Operating Margin	18%	**1%**	2%
Return on Capital Employed	2%	**1%**	1%

These types of metrics are generally used by larger housing associations with development portfolios and all of these metrics are not applicable to BHT as its primary focus is on Combating Homelessness, Creating Opportunities and Promoting Change. To compare our performance against these metrics, we use the Acuity benchmarking group data for small housing providers in the South East and London as shown above. This table above shows that BHT compares favourably on Reinvestment, Gearing and Social Housing Cost per Unit and there is improvement needed on our Operating Margin and rate of Return on Capital Employed.

In the future alongside these metrics above, BHT will define and show value, by drawing on our strategic objectives and our impact on clients and tenants and from the other Acuity benchmarking information available.

USE OF RESERVES

Accumulated reserves are deployed to achieve our principal objective of supporting homeless and vulnerable people. After setting aside an amount to cover day to day financial commitments, reserves are invested in the refurbishment and redecoration of property that provides accommodation and services to our clients and tenants. At the end of the year, we had reserves of £9.2m (2019: £8.7m) of which the level of free reserves, i.e. those reserves that we can use to fund our Asset Management Plan and where the cash is readily accessible were £854k (2019: £755k).

The Trust aims to hold a minimum of 1.5 months of operating cash outflow requirements in cash or short-term investments in order to manage short term volatility in income or liquidity. At the 31st March 2020 the Trust had cash cover of 2.84 months (2019: 2.95) compared to a target of 1.5.

The Board of Management has identified the main financial risks to the organisation to be:

- Failure to meet income targets in supported housing and housing services;
- Failure to meet income targets for Advice Services;
- Impact on income from welfare reform;
- Further cuts to the value of advice and support contracts; and
- Failure to achieve profitable growth.

In the light of these risks and in order to meet future investment opportunities, the Board has also identified the need to strengthen the reserves of the organisation with the aim to build up free reserves of £1m.

POST BALANCE SHEET EVENTS

From the 1st of April 2020, Sussex Oakleaf successfully joined with BHT. We are in the process of aligning our policies & procedures and our branding, with the aim to complete this by the end of next year.

BOARD MEMBERS' RESPONSIBILITIES

The Board are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable law and regulations. Company law and social housing legislation requires the Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the association and of the surplus or deficit of the association for that period.

In preparing these financial statements, the Board are required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board members are responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

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

Auditors

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

BDO LLP have expressed their willingness to continue. A resolution for the re-appointment of BDO LLP as auditors of the Trust is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

J Mortimer
Chair of the Board

Date 29th Sept. 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHTON HOUSING TRUST

Opinion

We have audited the financial statements of Brighton Housing Trust ("the Trust") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of the Trust's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where -

- the Board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Board are responsible for the other information. Other information comprises the information included in the Chair's Report and the Strategic Report from the Board of Management, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Chair's Report and the Strategic Report from the Board of Management 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.

Independent Auditor's Report to the Members of Brighton Housing Trust (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding obtained of the Trust and its operating environment during the audit, we have not identified material misstatements in the Strategic Report from the Board of Management.

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

- adequate accounting records have not been kept by the Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board members responsibilities statement set out on page 13, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the members of the Trust, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Laurence Elliott (Senior Statutory Auditor) Date: 8 October 2020
For and on behalf of BDO LLP, Statutory Auditor, Gatwick, UK

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

Statement of Comprehensive Income for the year ended 31st March 2020

	Note	2020 £	2019 £
Turnover	4	**12,283,126**	12,441,019
Operating costs	4	**(12,120,775)**	(12,154,139)
Operating surplus	4,8	**162,351**	286,880
Interest receivable and similar income	12	**12,636**	8,890
Interest and financing costs	13	**(54,048)**	(59,451)
Surplus before taxation		**120,939**	236,319
Taxation on surplus		**-**	-
Surplus before and after taxation and total comprehensive income for the financial year		**120,939**	236,319

All activities relate to continuing operations.

The notes on pages 20 to 40 form part of these financial statements.

Statement of Financial Position at 31st March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets - housing properties	14	**19,215,434**	19,000,758
Tangible fixed assets – other	15	**1,709,623**	1,736,405
		20,925,057	20,737,163
Current assets			
Debtors - receivable within one year	16	**1,393,499**	1,574,893
Cash and cash equivalents		**2,872,310**	2,988,498
		4,265,809	4,563,391
Creditors: amounts falling due within one year	17	**(1,965,570)**	(2,014,378)
Net current assets		**2,300,239**	2,549,013
Total assets less current liabilities		**23,225,296**	23,286,176
Creditors: amounts falling due after more than one year	18	**(13,028,152)**	(13,245,492)
Provision or liabilities - other provisions	21	**(206,244)**	(170,723)
Total Net assets		**9,990,900**	9,869,961
Capital and reserves			
Restricted Reserves	28	**808,954**	1,133,274
Income and Expenditure Reserves	28	**9,181,946**	8,736,687
Total Reserves		**9,990,900**	9,869,961

The notes on pages 20 to 40 form part of these financial statements.

Company Number No.01618610
Registered Charity No.284839

The financial statements were approved and authorised by the Board on the 21 September 2020 and were signed on the Board's behalf by:

J MORTIMER
Chair of the Board

P FREEMAN
Chair of Finance, Audit & Risk Committee

Statement of Changes in Reserves for the year ended 31st March 2020

	Note	Restricted Reserves	Income and Expenditure Reserves	Total
		£	£	£
Balance at 1st April 2019		1,133,274	8,736,687	9,869,961
Surplus for the year		43,374	77,565	120,939
		1,176,648	8,814,252	9,990,900
Reserves Transfers:				
Restricted income from income and expenditure reserves	28	(367,694)	367,694	-
Balance at 31st March 2020		808,954	9,181,946	9,990,900

Statement of Changes in Reserves for the year ended 31st March 2019

	Restricted Reserves	Income and Expenditure Reserves	Total
	£	£	£
Balance at 1st April 2018	1,430,741	8,202,901	9,633,642
Surplus for the year	32,153	204,166	236,319
	1,462,894	8,407,067	9,869,961
Reserves Transfers:			
Restricted income from income and expenditure reserves	(329,620)	329,620	-
Balance at 31st March 2019	1,133,274	8,736,687	9,869,961

The notes on pages 20 to 40 form part of these financial statements.

Statement of Cash Flows for the year ended 31st March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Surplus for the financial year		**120,939**	236,319
Adjustments for:			
Depreciation of fixed assets - housing properties	14	**323,903**	372,854
Depreciation of fixed assets - other	15	**79,609**	80,726
Amortised grant	5	**(158,152)**	(158,152)
Interest payable and finance costs	13	**54,048**	59,451
Interest received	12	**(12,636)**	(8,890)
Accelerated depreciation	14	**11,356**	17,148
Decrease / (increase) in trade and other debtors	16,29	**181,394**	(157,090)
(Decrease) / increase in trade creditors and other creditors	17,29	**(51,269)**	54,741
Increase in provisions	21	**35,521**	2,265
Net cash generated from operating activities		**584,713**	499,372
Cash flows from investing activities			
Interest received	12	**12,636**	8,890
Purchases of fixed assets - housing properties	14	**(549,935)**	(489,570)
Purchases of fixed assets - other	15	**(52,827)**	(124,652)
Receipt of grant		**11,922**	-
Net cash from investing activities		**(578,204)**	(605,332)
Cash flows from financing activities			
Interest paid	13	**(54,048)**	(59,451)
Repayment of loans – other	20	**(68,649)**	(66,012)
Net cash used in financing activities		**(122,697)**	(125,463)
Net decrease in cash and cash equivalents		**(116,188)**	(231,423)
Cash and cash equivalents at beginning of year		**2,988,498**	3,219,921
Cash and cash equivalents at end of year		**2,872,310**	2,988,498

The notes on page 20 to 40 form part of these financial statements.

INDEX OF NOTES

General notes

Statement of Comprehensive Income related notes

Statement of Financial Position related notes

1. Legal Status

The Trust is registered with the Financial Conduct Authority and is registered with the Regulator for Social Housing as a social housing provider. The Trust is a charitable housing association, a company limited by guarantee under the Companies Act 2006 and is governed by its Memorandum and Articles of Association. The Trust is also registered with the Charity Commission and as such is governed by applicable Charities Act legislation. Brighton Housing Trust is public benefit entity registered in England with Charity number 284839, Regulator of Social Housing number H1696 and Company number 01618610. Registered Office is 144 London Road Brighton East Sussex BN1 4PH.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Brighton Housing Trust includes FRS 102 "the Financial Reporting Standard applicable in the United Kingdom, the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers, "Accounting by registered social housing providers" 2018, the Accounting Direction for Private Registered Providers of Social Housing 2019, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Trust's management to exercise judgement in applying the Trust's accounting policies. These estimates and judgements are outlined in Note 3.

The following principal accounting policies have been applied:

Going Concern

Following assessment of BHT's financial position and resources, together with a review of budgets for 2020/21 and the cashflow position for the next eighteen months, the Board believes that the Trust can manage its business risks, financial forecast (including monthly cashflow forecasts with sensitivity analysis) and has a reasonable expectation that BHT has adequate resources to continue operating for the foreseeable future. For this reason, BHT continues to adopt the going concern basis of accounting in preparing the annual financial statements. Based on this assessment the Board have concluded that a material uncertainty does not exist, and the Trust is expected to continue to operate for the foreseeable future.

Notwithstanding the risks and uncertainties that we face, we are confident that BHT has a positive future. We have reached this conclusion by reference to -

- Over 50% of our income comes from rental and service charge income, a relatively secure income stream and one which is well managed within the organisation. 83.4% of this income is paid directly to BHT from Housing benefits, Universal Credit and Adult Social Care; which provides confidence in future payments of this stream of income.
- For 2021/22, 62% for our contracted income is secure, most other income is secure during the lifetime of contracts, and should these contracts be terminated, and we can flex costs accordingly.
- Notwithstanding current challenges relating to charitable fundraising, any shortfall is likely to be temporary and would not have a material impact on our assessment of going concern.
- Controls we have on inflationary aspects of our salary and reward structures.
- Our cash balances, at the point of signing these accounts, is almost 100% greater than the £1.5 million head room agreed as policy. We have also undertaken a cashflow forecast for the next 18 months (April 2020 to September 2021) and this shows we will be able to maintain a healthy £3m cash balance. Sensitivity analysis for higher levels of inflation on this forecast show that we would continue to maintain cashflows above our £1.5 million target.
- Our very limited exposure to fluctuations in the money markets, and where we have borrowing, this is at a fixed rate and our non-involvement in the developing properties for sale.
- Our ability to withdraw from activities with reasonable notice should they become an unacceptable drain on the cash resources of the organisation.

Income

Income is measured at the fair value of the consideration received or receivable. The Trust generates the following material income streams:

- Rental income receivable (after deducting lost rent from void properties available for letting);
- Service charges receivable;
- Revenue grants from statutory and other authorities; and
- Legal Aid Association income.

Rental Income

Rental income from residential properties is recognised in the Statement of Comprehensive Income when it falls due.

Supported Housing Schemes

The Trust receives Supporting People grants from a number of Boroughs and County Councils. The grants received in the period as well as costs incurred by the Trust in the provision of support services have been included in the Statement of Comprehensive Income. Any excess of cost over the grant received is borne by the Trust where it is not recoverable from tenants.

Service Charges

The Trust adopts the fixed method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded based on the estimated amounts chargeable.

Legal Aid Association Income

Legal Aid income is accounted for when earned. Income is recognised at agreed rates for all work carried out up to the balance sheet date. Any income earned, where full settlement will not be received until the case is closed, is accrued and stated at the lower of cost and net realisable value.

Expenditure

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts.

Costs of generating income comprise the costs associated with generating donations, attracting fundraising, delivering services that are funded by grants, providing advice services funded by the Legal Aid Agency and providing housing services funded by rent and service charge income.

Charitable activities comprise all costs incurred in the pursuit of the charitable objectives of BHT. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure therefore include support costs and an apportionment of overheads, as show in note 5.

Support costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of BHT.

Management of Units Owned by Others

Rent and grant income receivable are included in income. The costs of carrying out the management of contracts and rechargeable expenses are included in operating costs.

Schemes Managed by Agents

Income from these schemes is included within rent receivable. The costs associated with these properties relate to depreciation and loan interest. No management fees are charged by the agents.

Finance Costs

Interest is incurred on loans held by the Trust and is charged to the Statement of Comprehensive Income.

Current and Deferred Taxation

The Trust is a Charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, it is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

Impairment of Fixed Assets

The housing property portfolio for the Trust is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Trust looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

No properties have been valued at Value in Use – Service Potential (VIU-SP).

The Trust defines cash generating units as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

Value Added Tax

The Trust charges Value Added Tax (VAT) on a small proportion of its income relating to legal and IT services 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 Trust and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Pension Costs

The Trust operates a defined contribution pension scheme with Scottish Widows and 2 (2019: 2) staff members belong to the NHS pension scheme. The assets of the schemes are held separately from those of the Trust. Contributions to the schemes are charged to the profit and loss in the year in which they become payable.

Tangible Fixed Assets - Housing Properties

All housing properties are stated at cost together with incidental costs of acquisition less depreciation and impairment (where applicable).

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Depreciation of Housing Property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Land is not depreciated on account of its indefinite useful economic life.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description	Economic useful life (years)
Structure	100
Kitchen	20
Bathroom	30
Roofs	60
External doors	30
Boilers	15
Heating	30
External windows	30

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease; when the lease and building elements are depreciated separately over their expected useful economic lives.

Tangible fixed assets – Other

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Trust adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Trust. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of Other Tangible Fixed Assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Leasehold properties and improvements	Lease term
Freehold non-housing properties (excluding land)	100
Fixtures, fittings, tools and equipment	5
Computers	4

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Government Grants

Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (see table of useful economic lives above).

Where a social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

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

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of comprehensive income statement in other operating expenses.

Recoverable Amount of Rental and Other Trade Receivables

The Trust estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Loans

All loans held by the Trust are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price. FRS102 requires that basic financial instruments are subsequently measured at amortised cost.

Cash and Cash Equivalents

Cash and cash equivalents in the Trust's Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

Leased Assets - Lessee

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Provision for Liabilities

The Trust has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on stock transfers and leaseholders, dilapidations, restructuring.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

Contingent Liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Covid-19 has not triggered any reductions for BHT's property values as net rental inflows are broadly not affected due to both ongoing high demand for social housing, the limited impact on future cash flows due to highly certain rental streams and the impact of rising bad debts/arrears being limited;
- whether there are indicators of impairment of the Trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Trust has considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The Trust have also considered impairment based on their assumptions to define cash or asset generating units.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 14 and 15)*

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

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

- *Rental and other trade receivables (debtors) (see note 16)*

  The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

  Provision of potential rental bad debts is based on 100% or former tenant arrears balances and for current balances, a variable percentage specific to each service based on past write-off levels.

4 Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus

	Turnover 2020 £	Operating Costs 2020 £	Operating Surplus/ (Deficit) 2020 £
Social Housing Lettings (Note 5)	**6,311,371**	**(5,051,964)**	**1,259,407**
Other Social Housing Activities			
Supporting people	**1,136,052**	**(1,104,326)**	**31,726**
Other	**1,062,141**	**(1,032,479)**	**29,662**
Total Social Housing	**8,509,564**	**(7,188,769)**	**1,320,795**
Activities other than Social Housing Activities (Note 6)			
Legal Advisory Services	**1,256,314**	**(1,431,879)**	**(175,565)**
Day Centre	**731,071**	**(770,417)**	**(39,346)**
Non-housing rent income	**32,710**	**(32,710)**	**-**
Other activities	**1,753,467**	**(2,697,000)**	**(943,533)**
Total Activities other than Social Housing	**3,773,562**	**(4,932,006)**	**(1,158,444)**
Total	**12,283,126**	**(12,120,775)**	**162,351**

	Turnover 2019 £	Operating Costs 2019 £	Operating Surplus/ (Deficit) 2019 £
Social Housing Lettings (Note 5)	6,422,433	(5,845,337)	577,096
Other Social Housing Activities			
Supporting people	1,177,459	(1,142,873)	34,586
Other	1,064,427	(1,033,161)	31,266
Total Social Housing	8,664,319	(8,021,371)	642,948
Activities other than Social Housing Activities (Note 6)			
Legal Advisory Services	1,239,831	(1,619,036)	(379,205)
Day Centre	691,690	(762,562)	(70,872)
Non-housing rent income	27,502	(27,502)	-
Other activities	1,817,677	(1,723,668)	94,009
Total Activities other than Social Housing	3,776,700	(4,132,768)	(356,068)
Total	12,441,019	(12,154,139)	286,880

5 Income and Expenditure from Social Housing Lettings

	General Needs £	Supported Housing £	Temporary Social Housing £	**Total 2020 £**	Total 2019 £
Income					
Rents net of identifiable service charges	2,332,276	1,292,188	311,893	**3,936,357**	3,994,264
Service charge income	525,321	1,482,278	128,527	**2,136,126**	2,099,785
Release of government capital grants	110,514	47,638	-	**158,152**	158,152
Other income	(7,266)	88,002	-	**80,736**	170,232
Turnover from social housing lettings	2,960,845	2,910,106	440,420	**6,311,371**	6,422,433
Expenditure					
Management	(40,403)	(209,875)	(20,463)	**(270,741)**	(360,426)
Service charge costs	(1,048,976)	(2,466,772)	(313,404)	**(3,829,152)**	(4,559,268)
Routine maintenance	(295,798)	(129,620)	(21,705)	**(447,123)**	(399,034)
Planned maintenance	(31,237)	(497)	(222)	**(31,956)**	(173)
Major repairs expenditure	(103,478)	(14,295)	(2,651)	**(120,424)**	(140,592)
Bad debts	(9,286)	(7,777)	(246)	**(17,309)**	4,158
Depreciation of housing properties:					
- annual charge	(156,403)	(156,062)	(11,438)	**(323,903)**	(372,854)
- accelerated depreciation	(8,183)	(3,173)	-	**(11,356)**	(17,148)
Operating expenditure on social housing lettings	(1,693,764)	(2,988,071)	(370,129)	**(5,051,964)**	(5,845,337)
Operating surplus/(deficit) on social housing lettings	1,267,081	(77,965)	70,291	**1,259,407**	577,096
Void losses *(memorandum only)*	(38,598)	(197,423)	(20,806)	(256,827)	**(253,728)**

The difference between £1,210,869 and £549,935 (both Note 14) is repairs and maintenance costs. The difference of £660,934 is repairs and maintenance expenditure. This amount has been split between Social Housing (£579,115) as detailed in note 5) and supporting people (£81,819).

6 Particulars of Turnover from Non-Social Housing Activities

Advice Services:	**2020 £**	2019 £
Legal aid including costs & disbursements recovered	**875,962**	730,681
Grant contract incomes	**344,152**	488,192
Donations, fundraising and other income	**36,200**	20,957
Total for Advice Services	**1,256,314**	1,239,830

Day Centre	**2020 £**	2019 £
Grant contract incomes	**561,991**	559,362
Lunches	**2,789**	1,734
Donations, fundraising & other income	**166,291**	130,593
Total for Day Centre	**731,071**	691,689

6 Particulars of Turnover from Non-Social Housing Activities *(continued)*

	2020	2019
	£	£
Non-housing rent income		
Renaissance House	**32,710**	27,502
Total for Non-housing rent Income	**32,710**	27,502

	2020	2019
	£	£
Other Activities		
Grant contract incomes	**1,484,951**	1,561,057
BHT IT Solutions	**102,033**	79,069
Donations & fundraising	**43,850**	82,442
Other Income	**122,633**	95,109
Total for other activities	**1,753,467**	1,817,677
Turnover from non-social housing activities	**3,773,562**	3,776,698

7 Units of Housing Stock

	2020 Number	2019 Number
General needs social housing	**305**	305
Supported housing	**125**	125
Total social housing units	**430**	430
Total owned	**430**	430
Accommodation managed for others	**293**	295
Total managed accommodation	**723**	725
Units managed by other Trusts	**6**	6
Total owned and managed accommodation	**729**	731

8 Operating Surplus

	2020 £	2019 £
The operating surplus is arrived at after charging:		
Depreciation of housing properties - annual charge	**323,903**	372,854
Depreciation of other tangible fixed assets	**79,609**	80,726
Operating lease charges – land, building and vehicles	**1,458,562**	1,444,794
Auditor's remuneration (Including VAT):		
- fees payable for the audit of the annual accounts of the Trust	**29,280**	26,574

9 Employees

	2020	2019
	£	£
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	**5,532,645**	5,588,993
Social security costs	**455,995**	472,220
Cost of defined contribution scheme	**272,219**	208,396
	6,260,859	**6,269,609**

The average number of employees (including Executive Management Team) expressed as full time equivalents (calculated based on a standard working week of 37 hours) during the year was as follows:

	2020	2019
	£'000	£'000
Administration	**61**	58
Housing, Support and Care	**133**	143
	194	201

The full time equivalent number of staff receiving remuneration, including company pension contribution, in excess of £60,000 was:

	2020	2019
	No.	No.
£60,000 - £69,999	**2**	2
£70,000 - £79,999	**1**	1
£80,000 - £89,999	**0**	1
£90,000 - £99,999	1	0

10 Directors and Senior Executive Remuneration

The directors are defined as the members of the Board of Management, the Chief Executive and the Executive Management Team (EMT) disclosed on page 2.

Key management personnel are defined as members of the EMT. Their remuneration is disclosed below:

	2020 £	2019 £
Executive directors' emoluments	286,816	282,578
Contributions to money purchase pension schemes	15,708	11,255
Total	302,524	293,833

None of the members of the Board of Management received any emoluments 2020: nil (2019: nil). The Board of Management received £251 (2019: £327) for board expenses during the year.

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments was £85,943 (2019 - £84,673). Additionally, pension contributions of £4,727 (2019: £3,387) were made to a defined contribution pension scheme on his behalf as an ordinary member of the scheme.

As a member of the company pension scheme, the pension entitlement of the Chief Executive is identical to those of other members.

There were 4 directors in the Trust's defined contribution pension scheme (2019: 4).

11 Board Members

	Member of				
Board Members	Remuneration Committee	Finance Audit & Risk Committee	Operations & Personnel Committee	Governance Committee	Association Board
Joan Mortimer	√		√	√	√
Hugh Burnett OBE DL		√			√
Leona Daniel		√			√
Peter Freeman		√		√	√
Kirsty Coates	√		√		√
Sarah Butler	√		√		√
Ian Millar	√		√		√
Melanie Davis	√		√	√	√
Roger Hinton		√			√
Kevin MacDonald		√			√
Bill Randall	√		√		√
Gerald Main	√		√		√
Mary Tawiah		√			√

No remuneration was paid to Board members. (2019: nil).

12 Interest Receivable and Income from Investments

	2020 £	2019 £
Interest receivable and similar income	**12,636**	8,890

13 Interest Payable and Similar Charges

	2020 £	2019 £
Interest on loans and overdrafts	**54,048**	59,451

14 Tangible Fixed Assets – Housing Properties

	General Needs £	Supported Housing £	Total £
Cost			
At 1 April 2019	14,823,125	9,954,494	24,777,619
Additions:			
- replaced components	288,208	156,399	444,607
- other	69,866	35,462	105,328
Disposals:			
- replaced components	(60,943)	(13,102)	(74,045)
At 31st March 2020	**15,120,256**	**10,133,253**	**25,253,509**
Depreciation:			
At 1 April 2019	(3,322,190)	(2,454,671)	(5,776,861)
Charge for the year	(156,403)	(167,500)	(323,903)
Eliminated on disposals:			
- replaced components	52,760	9,929	62,689
At 31st March 2020	**(3,425,833)**	**(2,612,242)**	**(6,038,075)**
Net book value at 31st March 2020	**11,694,423**	**7,521,011**	**19,215,434**
Net book value at 31st March 2019	**11,500,935**	**7,499,823**	**19,000,758**

The net book value of housing properties may be further analysed as:

	2020 £	2019 £
Freehold	**15,926,651**	15,708,087
Long Leasehold	**2,530,402**	2,507,688
Leasehold Improvements	**758,381**	784,983
	19,215,434	19,000,758

Total Social Housing Grant received is as follow:

	2020 £	2019 £
Capital Grant – Housing Properties	**15,827,196**	15,815,224

Total Trust expenditure during the year on works to existing properties was £1,210,869 (2019: £1,118,864) of which £549,935 (2019: £489,570) has been capitalised. The difference between £1,210,869 and £549,935 is repairs and maintenance costs. This amount has been split between Social Housing £599,503 (2019: £539,799) (as detailed in note 5) and supporting people £61,431 (2019: £89,495). Of the amounts capitalised, £444,607 (2019: £380,961) relates to the replacement of components whilst £105,328 (2019: £108,609) relates to the enhancement of properties.

A full valuation was carried out as at 31st March 2014, at which time the Trust's Freehold and Long Leasehold housing properties were valued at £16,240,000 (Existing Use Value – Social Housing). The reason for the valuation was for the adoption of FRS102.

The valuation was undertaken by Jones Lang LaSalle, the Trust's professional external valuer and was prepared in accordance with the Royal Institute of Chartered Surveyors' (RICS) Valuation Standards 7th Edition ("Red Book"). The valuation method discounts the cash flow from rental income less management and repairs expenditure to their present value using a discount rate. A discount rate of between 6% and 6.5% was applied to all rental stock. The rental income growth assumption is in accordance with the Rent Influencing Regime and at is a rate of CPI plus 1% per annum.

The Trust had property with a net book value of £19,215,434 pledged as security at 31st March 2020 (2019: £19,000,758).

15 Tangible Fixed Assets - Other

	Non-Housing Property £	Fixtures, Fittings and Equipment £	IT Equipment and Software £	Total £
Cost or valuation				
At 1 April 2019	2,088,325	439,985	855,639	3,383,949
Additions	15,680	29,056	8,091	52,827
At 31st March 2020	2,104,005	469,041	863,730	3,436,776
Depreciation				
At 1 April 2019	(455,519)	(408,128)	(783,897)	(1,647,544)
Charge for year	(28,265)	(15,725)	(35,619)	(79,609)
At 31st March 2020	**(483,784)**	**(423,853)**	**(819,516)**	**(1,727,153)**
Net book value at 31st March 2020	**1,620,221**	**45,188**	**44,214**	**1,709,623**
Net book value at 31st March 2019	**1,632,806**	**31,857**	**71,742**	**1,736,405**

Total Capital Grant received is as follows:

	2020 £	2019 £
Capital Grant – Freehold Non-Housing Properties	**680,000**	680,000

The net book value of non-housing property may be further analysed as:

	2020 £	As Restated 2019 £
Freehold	**1,479,335**	1,484,554
Long Leasehold	**140,886**	148,252
At 31st March	**1,620,221**	1,632,806

16 Debtors

	2020 £	2019 £
Due within one year		
Rent and service charge arrears	**368,791**	335,682
Less: Provision for doubtful debts	**(95,979)**	(120,456)
	272,812	215,226
Other debtors	**321,756**	509,498
Prepayments and accrued income	**798,931**	850,169
	1,393,499	1,574,893

17 Creditors: Amounts Falling Due Within One Year

	2020 £	2019 £
Loans and borrowings (note 20)	**67,912**	66,050
Trade creditors	**481,511**	457,778
Taxation and social security	**133,672**	142,995
Other creditors	**196,409**	320,260
Accruals and deferred income	**927,315**	869,143
Deferred Capital Grant (note 19)	**158,751**	158,152
	1,965,570	2,014,378

18 Creditors: Amounts Falling Due After One Year

	2020 £	2019 £
Loans and borrowings (Note 20)	**419,631**	490,142
Deferred Capital Grant (Note 19)	**12,608,521**	12,755,350
	13,028,152	13,245,492

19 Deferred Capital Grant

	2020 £	2019 £
At 1 April	**12,913,502**	13,071,654
Addition	**11,922**	-
Released to income during year	**(158,152)**	(158,152)
At 31st March	**12,767,272**	12,913,502

	2020 £	2019 £
In one year or less, or on demand	**158,751**	158,152
In more than one year but not more than two years	**158,751**	158,152
In more than two years but not more than five years	**476,252**	474,457
In five years or more	**11,973,518**	12,122,741
	12,767,272	12,913,502

20 Loans and Borrowings

Maturity of debt:

	Bank Loans 2020 £	Bank Loans 2019 £
In one year or less, or on demand	**67,912**	66,050
In more than one year but not more than two years	**69,066**	69,584
In more than two years but not more than five years	**41,853**	109,683
In five years or more	**308,712**	310,875
	487,543	**556,192**

Loans are secured by specific charges on the housing properties of the Trust. The loans bear interest at fixed rates ranging from 9.25% to 13.375% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. There were no issue costs associated with the loans.

21 Provisions for Liabilities

	Dilapidations 2020 £	2019 £
At 1 April	**170,723**	168,458
Released to income and expense	**35,521**	2,265
Charged as at 31st March	**206,244**	170,723

Maintenance costs of returning properties under operating leases to their landlords in a lettable state. These costs are subject to the lease conditions; includes only client/tenant damage and exclude landlord responsibility repairs.

22 Pensions

Defined Contribution Scheme

A defined contribution pension scheme is operated by the Trust on behalf of the employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund provided by Scottish Widows. The pension charge represents 5.5% (2019: 4%) of pensionable salary contributions payable by the Trust to the fund and amounted to £272,219 (2019: £208,396). Contributions totalling £40,356 (2019: £29,240) were payable to the fund at the year end and are included in creditors.

There are two staff members who belong to the NHS pension scheme (2019: 2). Membership to this scheme is not open to other BHT members of staff. The Trust contributes 14% (2019: 14%) of pensionable salaries of members to this scheme.

23 Contingent Liabilities

Grants received in respect of leasehold improvements of £703,244 have been written off to the income and expenditure account (2019: £703,244). The conditions for the repayment of one of these grants are set out below:

Brighton and Hove Clinical Commissioning Group has made grants of £453,930 (2019: £453,930). The Trust will be required to pay a penalty to them if any of the associated leases are sold prior to their expiry. The penalty would be the total value of the capital grant limited to the maximum open market premium achievable for the sale of the lease. This is secured by way of charge over the leasehold properties. The Trust has no plans to sell the lease prior to its expiry.

The Trust received Social Housing Grants which were used to fund the acquisition and development of housing properties and their components. A grant of £3,699,074 received in respect of housing properties held at 31st March 2020 in respect of adoption of historic cost. The Trust has a future obligation to recycle such grant once the properties are disposed of. At 31st March 2020, the value of grant received in respect of these properties that had not been disposed of was £12,116,149 (2019: £12,274,301). In addition, non-social housing grants of £639,200 (2019: £639,200) had been received in respect of properties that had not been disposed of.

Grant received in respect of the Archway project for improvements of £11,922 (2019: nil)

The Trust has no plans to sell properties, so no provision has been recognised in these financial statements.

24 Operating Leases

The Trust had minimum lease payments under non-cancellable operating leases as set out below:

Amounts Payable as Lessee

	2020	2019
	£	£
Not later than 1 year	**1,458,562**	1,444,794
Later than 1 year and not later than 5 years	**3,241,583**	3,717,664
Later than 5 years	**3,002,799**	3,430,917
Total	**7,702,944**	8,593,375

Amounts Receivable as Lessor

	2020	2019
	£	£
Not later than 1 year	**16,381**	18,786
Later than 1 year and not later than 5 years	**-**	-
Total	**16,381**	18,786
Average rents receivable from tenants per week	**127,189**	121,728

25 Capital Commitments

There were capital commitments contracted for five properties for £80k as at 31st March 2020 (2019: £68k for one property).

26 Related Party Disclosures

Two members of our Board are also tenants of BHT. These Board members pay rent and service charges and these transactions have taken place at arm's length. The average rent charge for the type of property rented is £105 (2019: £106) per week including service charges. The rent charge paid by both Board members is £105 (2019: £106) per week. There were no other related party transactions in the year to 31 March 2020.

One Board member whose partner is member of The Board of Sussex Interpreting Services, who are a supplier of Services to BHT Advice, there were 7 (2019: 10 restated) transactions and the sum paid was £597 (2019: £1,468 restated).

There is also a further Board member is a director of The Brighton & Hove Chamber of Commerce which provides training for senior staff and Trustee of BHT Charitable Trust. There were 12 (2019: 12) transactions and the sum paid was £418 (2019: £403). There were no (2019: nil) transactions with BHT Charitable Trust.

27 Members' Liability

The Trust has no share capital and the liability of the members is limited by guarantee as set out in the provisions of the Memorandum and Articles of Association.

Each of the 13 (2019: 13) members has undertaken to contribute £1 in the event of the Trust being wound up.

28 Capital and Reserves

Restricted Reserves

	1 April 2019	Income	Expenditure	Released to General Reserves	31 March 2020
	£	£	£	£	£
Advice Plus	-	-	(3,676)	-	(3,676)
The Academy	86,330	97,091	(97,655)	-	85,766
Reaching Communities /First Impressions	(7,268)	-	-	-	(7,268)
Fulfilling Lives	678,667	1,196,301	(1,137,720)	-	737,248
Eastbourne Housing Access	155,351	-	(495)	(154,856)	-
Hastings Housing Access	220,194	-	(7,356)	(212,838)	-
East Brighton Gateway	-	-	(3,116)	-	(3,116)
Total Restricted Reserves	1,133,274	1,293,392	(1,250,018)	(367,694)	808,954
Unrestricted Reserves	8,736,687	11,002,370	(10,924,805)	367,694	9,181,946
Total Reserves	9,869,961	12,295,762	(12,174,823)	-	9,990,900

	1 April 2018	Income	Expenditure	Released to General Reserves	31 March 2019
	£	£	£	£	£
Advice Plus	9,484	-	-	(9,484)	-
The Academy	85,853	94,895	(94,418)	-	86,330
Reaching Communities /First Impressions	(7,268)	-	-	-	(7,268)
Finding Futures	58,166	-	-	(58,166)	-
Fulfilling Lives	646,945	1,242,912	(1,211,190)	-	678,667
Private Accommodation Access Team	96,550	-	-	(96,550)	-
Eastbourne Advice Services	53,778	-	-	(53,778)	-
Eastbourne Housing Access	155,351	-	-	-	155,351
Hastings Housing Access	227,770	-	(7,576)	-	220,194
East Brighton Gateway	104,112	16,000	(8,470)	(111,642)	-
Total Restricted Reserves	1,430,741	1,353,807	(1,321,654)	(329,620)	1,133,274
Unrestricted Reserves	8,202,901	11,096,102	(10,891,936)	329,620	8,736,687
Total Reserves	9,633,642	12,449,909	(12,213,590)	-	9,869,961

Reserve	Purpose and restriction in use
Advice Plus	Local advice services in East Sussex
The Academy	Helping homeless people move into employment and accommodation
Reaching Communities /First Impressions	Helping homeless people overcome barriers to employment
Finding Futures	Provision of activities to vulnerable individuals to improve confidence
Fulfilling Lives	Promoting change with people with multiple and complex needs
Private Accommodation Access Team	Helping people access accommodation in the private rented sector
Eastbourne Advice Services	Provides specialist housing advice in Eastbourne area
Eastbourne Housing Access	Support for individuals to access private rented sector in Eastbourne
Hastings Housing Access	Support for individuals to access private rented sector in Hastings
East Brighton Gateway	Partnership based learning and education activities
East Brighton New Deal for Communities	Community learning centre based at Whitehawk Inn in East Brighton

Release of Restricted Reserves to General Reserves is the result of funding for specific projects coming to an end and the funder confirming that no future liability exists. During 2019/20, a total sum of £367,694 (2019: £329,620) was released from Restricted Reserves to General Reserves.

29 Financial Instruments

The Trust's financial instruments may be analysed as follows:

	2020 £	2019 £
Financial Assets		
Financial assets measured at historical cost		
- Trade receivables	**368,791**	335,682
- Other receivables	**1,120,687**	1,359,667
- Cash and cash equivalents	**2,872,310**	2,988,498
Total financial assets	**4,361,788**	4,683,847

	2020 £	2019 £
Financial Liabilities		
Financial liabilities measured at amortised cost		
- Loans payable	**487,543**	556,192
Financial liabilities measured at historical cost		
- Trade creditors	**481,511**	457,778
- Other creditors	**1,257,396**	1,332,398
Total financial liabilities at historic cost	**1,738,907**	1,790,176
Total financial liabilities	**2,226,450**	2,346,368

30 Net Fund Reconciliation

	1 April 2019 £	Cashflows £	31 March 2020 £
Cash at Bank and in Hand	2,988,498	(116,188)	2,872,310
Bank Loans	(556,192)	68,649	(487,543)
TOTAL	2,432,306	(47,539)	2,384,767

31 Subsequent Events

Sussex Oakleaf

From the 1st of April 2020, Sussex Oakleaf successfully became part of BHT, bringing both staffing and financial resources in an enlarged organisation assisting BHT to deliver additional mental health services across mid-Sussex.

COVID -19

The COVID-19 pandemic impacted on the organisation towards the end of the financial year. Business continuity arrangements were put to the test and proved robust. The organisation has taken advantage of the governments Job Retention scheme and we continue to deliver most of our frontline services (Including Sussex Oakleaf services from 1st of April 2020) throughout the lockdown and there has been little, if any, impact on performance.

We have worked with the local authorities and commissioners to ensure that those clients / tenants facing homelessness, mental health, addictions difficulties or in the need of legal advice have been able to access our services. BHT have assisted in ensuring all homeless people in Brighton were accommodated at the onset of the pandemic.