

**BHT Sussex**  
(formerly known as Brighton Housing Trust)

**Report and Financial Statements**  
**For the Year ended 31<sup>st</sup> March 2021**

Companies House Number 01618610

Charity Commission Number 284839

Regulator of Social Housing Number H1696

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<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	2
Chair's Report	3 - 4
Strategic Report from the Board of Management	5 – 16
Independent Auditor's Report	17 – 19
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Reserves	22
Statement of Cash Flows	23
Notes Forming Part of the Financial Statements	24 – 45

## Reference and Administrative Details

### Board of Management

Joan Mortimer, Chair  
Sarah Butler  
Kirsty Coates - Resigned 08/02/2021  
Leona Daniel  
Melanie Davis  
Peter Freeman  
Roger Hinton  
Kelvin MacDonald  
Gerald Main  
Ian Millar  
Bill Randall - Resigned 14/12/2020  
Mary Tawiah  
Paul Williams - Resigned 06/09/2021  
Paul Featherstone - Appointed 01/04/2020  
Nicholas Wilmore - Appointed 01/04/2020

### Governance Committee

Joan Mortimer, Chair  
Peter Freeman  
Melanie Davis

### Finance, Audit and Risk Committee

Peter Freeman, Chair  
Leona Daniel  
Roger Hinton  
Kelvin MacDonald  
Mary Tawiah  
Sarah Butler – Joined 14/12/2020  
Paul Williams

### Operations & Personnel Committee

Melanie Davis, Chair  
Kirsty Coates  
Sarah Butler  
Gerald Main  
Ian Millar  
Joan Mortimer  
Bill Randall  
Kelvin MacDonald – Joined 14/12/2020  
Nicholas Wilmore  
Paul Featherstone

### Remuneration Committee

Melanie Davis, Chair  
Kirsty Coates  
Sarah Butler  
Gerald Main  
Ian Millar  
Joan Mortimer  
Bill Randall  
Paul Featherstone  
Nicholas Wilmore

### 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  
Director of Mental Health & Support Services

### Company Secretary & Registered Office

Sunil Desai  
144 London Road  
Brighton  
BN1 4PH

### Principal Solicitors

DMH Stallard LLP  
1 Jubilee Street  
Brighton  
East Sussex  
BN1 1GE

### Bankers

Royal Bank of Scotland  
PO Box 300  
Brighton  
East Sussex

### Auditors

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

## Chair's Report

Nobody could have expected a year quite like the one just ended. Yet 2020/21, a year dominated by Covid-19 has demonstrated how robust an organisation BHT Sussex is. While many others had to suspend their services and furloughed staff, the vast majority of our services continued, either face-to-face or online.

The year started with the completion of the merger between Brighton Housing Trust and Sussex Oakleaf and ended with the merged organisation adopting a new name, BHT Sussex, and new Articles of Association, both of which reflects the work we do beyond housing and beyond Brighton and Hove.

Previously we reported that we are an organisation that takes everything in our stride. We adapted to working in all our residential services in a covid-secure way, continuing face-to-face engagement, while community-based advice and support services were delivered largely, remotely although, when needed, some in-person work continued.

Leaders in the organisation ensured that the required personal protective equipment was sourced, practice was adjusted, and new safeguards were introduced. The success of this can be measured by the absence of outbreaks anywhere in the organisation. We had fewer than ten confirmed cases of covid.

During 2020/21, we worked with 4,890 clients and tenants (2019/20: 6,934). Our day centre for rough sleepers, First Base, saw a reduction in the number of people using its service because of the government's 'Everyone In' initiative aimed at making sure that nobody should be living on the streets during the pandemic. Nevertheless, the service continued to see between six and twelve people new to rough sleeping every week during the pandemic and, in total, we worked with 701 individuals (2019/20: 1,275). I am also pleased to report that we ended the year with a net operating surplus of £379k, (2019/20: £121k) before adjustments for the transfer in of Sussex Oakleaf.

In collaboration with Brighton and Hove City Council and other charities, we assisted 517 individuals to move away from rough sleeping, including helping to move 423 people into emergency accommodation.

Our three advice centres in Brighton, Eastbourne and Hastings helped to prevent homelessness for 443 people and their families. This is lower than in previous years (2019/20: 927), but this was in spite of the government putting a hold on possession proceedings during the pandemic, which was a move we fully supported.

Our housing advisers raised £141,267 in Discretionary Housing Payment for 55 clients to help with a housing crisis, including to pay off rent arrears. Our welfare benefit advisers raised £3,262,710 in income for 512 clients.

Our immigration/asylum team secured refugee status, or the right to stay/enter in the country, for 41 of our clients over the past year. This number is significantly lower than last year because of cases being held up at the Home Office, due to the pandemic.

We remained in close contact with our tenants throughout the year, checking on their welfare and general wellbeing. While there have been reports of rent arrears throughout the country, arrears amongst our tenants actually fell, from 3.3% on 31st March 2020 to 2.8% on 31st March 2021.

While we put a total of 15 members of staff on furlough, most for short periods while services were restructured (such as our learning and development service), we did not compromise on quality.

## Chair's Report for the year ended 31<sup>st</sup> March 2021 (continued)

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We continue to receive external validation for our services. We retained our ISO9001 accreditation, as well as our Special Quality Mark from the Legal Aid Agency, and Silver accreditation with Investors in People.

The failure elsewhere to protect vulnerable people in care homes was not replicated in our homes where, because we employ motivated and committed staff, we had no cases of covid. Three of our care homes retain 'Outstanding' ratings from the Care Quality Commission and in their most recent assessment for Detox Support Project, Portland Road, Recovery Project, Sackville Gardens, and Shore House they said, "we have not found evidence that we need to carry out an inspection or reassess our rating at this stage". Of 200 community-based services in Brighton and Hove, only eight have achieved 'Outstanding' ratings.

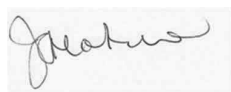
While our fundraising income reduced by almost 50%, because of the careful stewardship of our resources and the controls in place throughout the organisation, coupled with high levels of performance. This year's net operating surplus of £379k, is important as it allows us to invest in current and new services and allows us to invest in our Asset Management Plan, improving the quality and safety of our homes.

Board members have remained very supportive of staff, yet haven't held back from appropriate challenge. They have also been willing to show great flexibility as we adapted our governance practices in light of the pandemic. I would like to pay tribute to them, to our management team, and to all staff for their dedication and work throughout the pandemic.

I would also like to pay tribute to our Life President, Patricia Norman, who was involved in our work for over 50 years. Her death at the end of last year, at the age of 96, was sharply felt by all those who knew her.

My period of office ends in December 2021 and a new Chair elect has been selected. Serving BHT Sussex as its Chair since 2013 and working with the BHT Sussex team has been an honour and a privilege. We give hope to people who society has ignored, we change the lives of people who have experienced trauma, we provide recovery, opportunities and homes. 2020/21, in spite of the pandemic, has been no exception. When there is nobody else to turn to, BHT Sussex is there, changing lives across Sussex.

**Joan Mortimer**



**Chair of the Board**  
**Date – 28/9/21**

## Report of the Board

The Trustees are pleased to present their Annual Report and the Financial Statements of BHT Sussex (formerly known as Brighton Housing Trust) for the year ended 31<sup>st</sup> March 2021.

### THE AIMS AND OBJECTIVES OF THE ORGANISATION

Our overall Mission is to combat homelessness, create opportunities for our clients and tenants, and to promote change. In order to do this, we have 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.
- Prevention of Homelessness: Those facing homelessness were supported by the Advice Centres where we prevented 443 (2020: 927) 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. The reduction in the number of prevention cases was due to the government's moratorium on evictions.
- 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 Sussex, which took place on the 1st of April 2020, has allowed the spreading of costs and risk and strengthened our balance sheet by £666k.
- 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 sites in order to increase the number of homes that we provide.

Underpinning these objectives, are our five values: Collaboration; Being Accountable; Empowering People; Inspiring Change; Delivering Excellence. These values guide how we undertake our work to achieve these objectives.

## Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021

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### 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. Our 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. Few difficulties have been experienced in recruitment although there is a recognition that salary levels for staff who transferred from the former Sussex Oakleaf has posed a few recruitment challenges. 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.
- Maximising Income Streams: Income from rents and service charges made up just over 50% of our income. Voids were 6% compared to a target of 5%. This adverse trend was due to higher than expected voids in Supported Housing as a result of the restrictions due to the pandemic. This is not an ongoing issue as restrictions are lifted, 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 3.3% (£256k) on 31<sup>st</sup> March 2021 compared to a forecast of 5.8% (£426k). 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 31<sup>st</sup> March 2021 were lower than historic levels: £15k (2020: £29k) in Supported Housing and £12k (2020: £67k) in Housing Services. Other income streams were on or near target, although Legal Service income was £553k against a target of £667k.
- Delivering Value for Money: BHT Sussex continues to have a focus on Social Values (SV) and Value for Money (VfM) as part of its continuous improvement process and by developing its own SV and VfM Statement. 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 our SV and VfM Statement to focus on outcomes for our clients and tenants.
- Maintaining Liquidity: Our cash balance as at 31<sup>st</sup> March 2021 remains healthy, at £2.7m, (2020: £2.8m). It should be noted that our minimum cash balance target of £1.7m continues to be exceeded. When Sussex Oakleaf merged with us in April 2020, it resulted in our cash balances increasing by £447k. 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 £450k per annum. Our overall surplus for the year was £1,045k including £666k gift of assets from transfer in of Sussex Oakleaf.
- 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 Sussex to increase the number of homes that we provide.

### FINANCIAL RESULTS

A net operating surplus of £379k (2020: £121k) was generated during the year before adjustments of £666k for the transfer in of Sussex Oakleaf. 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 £13.7m (2020: £12.3m) was received during the year. Overall, income was £201k or 1.4% lower than expected. This was due, in part, to lower net rental income (£136k) and lower Legal Service income (£114k). This was offset by additional income of £41k from Fundraising and Donations.

## Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021

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*Expenditure:* Total expenditure of £13.3m (2020: £12.2m) was made during the year. Overall, expenditure was £540k less than expected. Lower staffing and related costs totalling £281k, account for the majority of this underspend. There were also lower costs for Repairs & Maintenance £62k, £92k lower overhead costs and there were some overspends and underspend compensating for each other.

While others in our peer group have reported significant increases in arrears as a result of Covid-19 and 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 £11.0m (2020: £10.0m), supported by Income & Expenditure Reserve of £10.1m (2020: £9.2m), Restricted Reserves of £0.9m (2020: £0.8m) and Free Reserves of £1.1m (2020: £854k).

### DEVELOPMENT & PERFORMANCE IN THE FINANCIAL YEAR

The Board of Trustees 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 31<sup>st</sup> March 2021 – £2.7m (2020: £2.9m).
- Void loss in Supported Housing – voids as a % of gross rents of 8.7% (2020: 6.3%), target: 3.9%.
- Void loss in Housing Services – voids as a % of gross rents of 2.0% (2020: 1.3%), target: 3.9%.
- Bad debts in Supported Housing – bad debts as a % of rents receivable of 0.3% (2020: 0.7%), target: 1.5%.
- Bad debts Housing Services – bad debts as a % of rents receivable of 0.4% (2020: 0.9%), target: 1.5%.
- Gas safety certificates – units with a valid safety certificate 100.0% (2020: 98.2%), target: 100%.
- Staff sickness – working days lost per FTE employee 6.2 days (2020: 7.9 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 joined us from 1<sup>st</sup> April 2020, has already led to opportunities for the development of new services in Mid and West Sussex and also our new name BHT Sussex. There are also opportunities to acquire and develop additional accommodation in Brighton and Hove, and we have plans to develop land we own 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.



## **Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021**

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### **FUTURE PROSPECTS (Continued)**

Our staff are our biggest asset 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 and in March we approved a new set of Articles of Association. All other governing documents have also been reviewed and updated. 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 strengthened the range and expertise of Board members.

### **HEALTH AND SAFETY**

Following the dreadful fire at Grenfell Tower, like many other organisations, we have had a renewed focus on fire safety. During the year we continued the H&S / Fire risk assessments of all properties, carrying out additional remedial tasks to improve fire safety at a cost of £197k.

Gas Safety Inspections: our performance for the final quarter of 2020/21 was 100%, 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 2021 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 have been working on and there was an average of 6.2 days absence per employee during the year, below the target of an average of 7 days.

### **BOARD MEMBERSHIP**

BHT seeks to appoint and retain Board members who have the skills, knowledge, business acumen, integrity, values and commitment to lead 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 1<sup>st</sup> April 2021.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021**

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### BOARD MEMBERSHIP (continued)

We have two tenants as independent members of the Board, correcting 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 2020.

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.

For a period during the year, in response to COVID-19, the Board established a Board Executive comprising the Chair of the Board and the Chairs of the two main committees. The Board Executive met with senior managers on a regular basis to ensure that critical decisions could be made in a timely fashion.

### COVID-19

Despite the COVID-19 pandemic and the restrictions, BHT Sussex has succeeded in carrying on its much needed work over the last year. This has included having virtual staff forums, a staff conference and Board / Committee meetings. We know that well over 200 members of staff have already had their first vaccination and the majority have also had their second jabs. While this does not make us immune from the risks posed by Covid, there is evidence that vaccinations will reduce the likelihood of contracting or passing on the virus and, if infected, they can reduce its severity. Notwithstanding the national easing of restrictions, the approach we will be taking within BHT Sussex will be characterised by a 'slow and steady' approach. We wish to be prudent in the way we plan our work and, as always, our priority is to try to keep all members of staff, tenants and clients as safe as possible. It would be such a shame to have got this far with relatively few confirmed cases to see a sudden spike in infections within the organisation.

Following the initial lockdown, we enabled well over 100 employees to work from home, achieving this within 24 hours. The government has now said that it is up to each employer to decide how to respond. Our Covid Task Team continues to meet twice a week and we will be considering how we will respond regarding social distancing, the numbers who can return to the office, the ongoing necessity to wear face masks, etc.

The majority of our staff have continued to work face-to-face with their clients. We recognise the increased risk that this has had and without this dedication, we would not have been able to ensure that all our services continued to be delivered throughout the pandemic.

The measures we have had in place throughout the pandemic are not being lifted for the time being. Notwithstanding what the government might announce, basic hygiene, physical distancing, and good ventilation requirements will continue in place. The wearing of facemasks, for example, will still be required and we must make sure that we don't ease up on cleansing workstations before and after use. We would like to thank all members of the staff for their efforts in these regards which have been significant in limiting the level of infections within the organisation to such very low levels. It is tempting to think covid might be all over, or might soon be, but it is not. The indicators are showing spikes in infections. So many people have made sacrifices and staff teams have adapted in the way that they are working to keep services operating and people safe.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021**

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Covid-19 (continued)

We are aware of the impact Covid and the restrictions have had on us, and how having to work in the ways that have been introduced across the organisation have been a source of stress and anxiety. We are particularly aware of the additional challenges faced by those of you with children at school and nurseries that might require your children to isolate. The discussion at Staff Forums and, particularly, the Staff Conference, brought home just how we have experienced Covid, individually and as staff teams.

### 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 management. Our 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 these three areas, there are ten specific risks identified. These risks 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 and 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 an assessment of our financial position and resources available going forward 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 Sussex has adequate resources to continue operating for the foreseeable future. For this reason, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notwithstanding the risks and uncertainties that we face, we are confident that BHT Sussex 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. 87.8% 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.

## **Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021**

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### GOING CONCERN (Continued)

- Our cash balances, at the point of signing these accounts, is almost 100% greater than the £1.7 million head room agreed as policy. We have also undertaken a cashflow forecast for the next 18 months (April 2021 to September 2022) and this shows we will be able to maintain a healthy £3m cash balance. Sensitivity analysis for higher levels of inflation and loss of a contract on this forecast shows that we would continue to maintain cashflows above our £1.7 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.

Based on this assessment the Board have concluded that a material uncertainty does not exist, and the organisation is expected to continue to operate for the foreseeable future.

### PENSIONS

BHT Sussex participates in the Scottish Widows Pension Scheme, the NHS Pension Scheme and also a Social Housing Pension Scheme, Growth Plan Scheme with TPT Retirement Solutions, please see note 22 to the Financial Statements for more details.

The TPT schemes is a multi-employer schemes which provides benefits to some 1,300 non-associated participating employers (see note 22) and applies to 38 former employees of Sussex Oakleaf. This scheme is classified as a 'last-man standing arrangement'; therefore, because of the merger, BHT Sussex has inherited the potential liabilities of Sussex Oakleaf for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

Participating employers of the TPT scheme are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. During 2020/21 BHT Sussex contributed £9,615 towards the pension deficit. The Board considers that the contribution rate demanded of the scheme is affordable.

All members contributing to Series 3 were switched to Growth Plan Series 4 in 2013, and any new employee contributions were made into Series 4 from the closure date onwards. Growth Plan Series 4 is a defined contribution scheme in which the assets are held separately from those of the entity in independently administered funds.

### COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Board has reviewed our compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and has concluded that BHT Sussex 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.

## Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021

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### INTERNAL CONTROLS (continued)

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 2020. A review of the Code has been undertaken and the Board is confident it complies with the Code.

The processes for identifying, evaluating and managing the significant risks faced by the Trust are ongoing, have been in place for the year under review and up to the date of approval of the annual report and accounts, and are regularly reviewed by the Board. 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 as set out in our 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 budgets and the Interim Strategic Business Plan 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 these KPIs;
- ✓ a new business appraisal policy which requires Board approval of proposals meeting certain financial and non-financial criteria combined with quarterly reporting to the Board;
- ✓ a whistleblowing policy providing staff and third parties with confidential channels of communication to report unlawful, improper or suspicious activity;
- ✓ The Board receives bi-annually a detailed report with KPI's on Health & Safety matters;
- ✓ maintenance of a fraud register with reporting to the Board if fraud occurs and
- ✓ The Board's review of the effectiveness of our 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 31<sup>st</sup> March 2021, and up to the date of signing these financial statements.

## Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021

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### VALUE FOR MONEY

BHT Sussex continues to have a focus on Social Value (SV) and Value for Money (VfM) as part of its continuous improvement process and has developed its own SV and VfM Statement.

#### What SV and VfM means at BHT Sussex

We exist for a social purpose and our efforts are focused on changing lives across Sussex. Our Mission and Values drive us forward, seeking to continuously learn and improve how we engage with our local communities and delivery our services.

Our Mission is to combat homelessness, create opportunities for our clients and tenants to improve their wellbeing and to promote positive change.

We are conscious that a robust approach to VfM is a regulatory requirement, but we would want to do it anyway. We aim to make a difference by the outcomes we achieve for our Clients, Tenants, and the communities in which we work and by being mindful of our staff's wellbeing.

The outcomes we achieve represent both the SV and VfM services that we provide as a viable and sustainable organisation. SV and VfM, therefore, aims to maximise our outcomes and make a bigger difference than if we had not taken a focused approach to it. Achieving VfM is at the heart of being a successful and effective social organisation.

#### What are the Outcomes we want to achieve ?

Over the past 50 years BHT has developed a diverse menu of services to support people who are homeless, or at risk of homelessness, and people who have complex needs.

Prevention is the cornerstone of what we do:

- Preventing homelessness;
- Preventing escalation of mental health issues across a broad spectrum - from admissions to psychiatric hospitals to the need to access secondary mental health services;
- Preventing negative consequences of addictions;
- Providing specialist housing, benefits and immigration Advice to prevent homelessness;
- Providing work, learning and employment opportunities to prevent unemployment and poverty;
- Where prevention has not been achieved, we look to mitigate the impact on individuals by providing effective, VfM services aimed at changing lives and
- BHT Housing Services provides homes for over 450 residents in Brighton and Hove, Eastbourne and Hastings. We provide good quality, safe and secure general needs housing at sub-market rents for those who cannot afford to rent or buy their own home.

We are very conscious of our role in our local communities. In addition, many of our tenants represent positive move-ons from our support and addiction work, sustaining tenancies is key to securing long-term positive change.

#### Why do we provide our services and who benefits from our Outcomes ?

Our tenants and clients are amongst the most marginalised and vulnerable in our society and therefore we provide:

- good quality short and long-term accommodation for a range of needs to provide a stable base on which to build a future;

**Strategic Report from the Board of Trustees (continued)  
for the year ended 31<sup>st</sup> March 2021**

Why do we provide our services and who benefits from our outcomes (continued) ?

- a range of support to improve wellbeing, independence and secure lasting change, and;
- specialist legal advice spanning housing and homelessness, immigration and welfare benefits to ensure that individuals' rights are fairly represented.

Family and friends of clients benefit from knowing that their loved one is getting the targeted support they need to make positive changes, contributing in turn, to their wellbeing and peace of mind.

Wider community – our services are sensitive to the wider community in which our tenants and clients live. We invest in those communities and collaborate with others to help make places work socially, economically and environmentally.

Local authorities, other local service providers and government – through growth and service provision, we contribute to local and national housing strategies whilst also addressing important agendas such as supporting the most vulnerable, homelessness, poverty, inequality and the environment. Our support services take pressure off health, social services, police and other local services. Increasingly, our work falls under the remit of Integrated Care Partnerships (ICPs): local joint commissioning bodies comprising local authorities, health and the wider Voluntary, Community and Social Enterprise (VCSE) sector - effectively a stakeholder in its own right.

The BHT Board, when setting our strategic and enabling objectives, seeks to balance the legitimate and sometimes competing expectations of our stakeholders with the finite resources at our disposal.

- Total rent received in Supported Housing – rent received as a % of amounts due 100.2%, (2020: 100.6%) (target: 98.5%).
- Total rent received In Housing Services – rent received as a % of amounts due 100.6%, (2020: 98.5%) (target: 98.5%).
- Arrears management Supported Housing – gross arrears as a % of annual rent roll of 1.6%,(2020: 1.6%) (target: 2.5%).
- Arrears management Housing Services– gross arrears as a % of annual rent roll of 3.5%,(2020: 3.5%) (target: 5.8%).

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

<b>Value for Money Metrics</b>	<b>Acuity Median 2020/21</b>	<b>BHT 2020/21</b>	<b>BHT 2019/20</b>
Reinvestment	5.2%	<b>5.22%</b>	6%
New Supply Delivered	0%	<b>0%</b>	0%
Gearing	23.87%	<b>2.13%</b>	3%
EBITDA Major Repairs Included Interest Cover	230%	<b>5.66%</b>	9%
Headline Social Housing Cost per Unit	£4,758	<b>£4,366</b>	£3,587
Operating Margin	21.21%	<b>3.14%</b>	1%
Return on Capital Employed	2.1%	<b>1.78%</b>	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. We have compared our performance against these metrics by using 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.

## Strategic Report from the Board of Trustees (continued) for the year ended 31<sup>st</sup> March 2021

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Why do we provide our services and who benefits from our outcomes (continued) ?

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 properties that provide accommodation and services to our clients and tenants, in accordance with our Asset Management Plan. At the end of 2020/21 we had total reserves of £11.0m (2020: £10.0m) of which £893k (2020: £809k) were restricted reserves.

The primary purpose of the BHT Sussex Reserves Policy is to ensure that adequate funds exist to ensure its long-term viability, to avoid erosion of its asset base and to manage short term volatility in income or liquidity.

The policy is designed to ensure that BHT Sussex:

- Can continue to meet its financial commitments;
- Can deploy funds promptly, in a planned way, and react to new opportunities;
- Can balance sound investment with good liquidity management; and
- Is not forced into short term decisions to the detriment of its long-term vision.

To achieve this, BHT Sussex has adopted target measures for key reserves indicators. The BHT Sussex policy aims to:

Hold a minimum of £500k in free reserves, to protect its charitable work from the risk of disruption. The definition of free reserves is the value of unrestricted reserves less fixed assets net of the deferred capital grants. It is our policy that we hold a minimum of 1.5 months of operating cash outflow requirements in cash, or short-term investments, to manage short term volatility in income or liquidity. This equates to £1.7m for BHT Sussex's current cash outflows.

It should be noted the minimum cash balance of £1.7m quoted above, should be able to fund the repayment of any restricted reserves should BHT Sussex be asked to repay these amounts.

As at 31<sup>st</sup> March 2021 the Trust had cash cover of 1.59 months (2020: 2.84) 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 Universal Credit;
- 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 identified the need to strengthen the reserves of the organisation. Free Reserves at 31<sup>st</sup> March 2021 were £1.1m (2020: £854,000).



**Strategic Report from the Board of Trustees (continued)  
for the year ended 31<sup>st</sup> March 2021**

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**POST BALANCE SHEET EVENTS**

There are no significant post balance sheet events which require reporting.

**BOARD MEMBERS' RESPONSIBILITIES**

The Board is 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 it is 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 is 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.

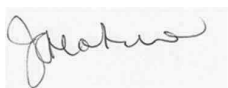
Financial statements are published on the organisation's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the organisation's website 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 our 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 its 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 – 28/9/21**

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## Independent Auditor's Report to the Members of Brighton Housing Trust

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### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the Association's 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.

We have audited the financial statements of BHT Sussex ("the Association") for the year ended 31 March 2021 which comprise the Association statement of comprehensive income, the Association statement of financial position, the Association statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

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

### Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

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

### Other information

The board are responsible for the other information. The other information comprises the information included in the 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. 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)**

### **Other Companies Act 2006 reporting**

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

- the information given in the Strategic report 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 has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report 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 association, or returns adequate for our audit have not been received from branches not visited by us; or
- the association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board 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 16, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Association and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

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

We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

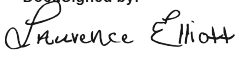
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meeting of those charged with governance, and reviewing correspondence with HMRC;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the impairment of housing properties, depreciation on tangible fixed assets (including component accounting); dilapidations and bad debt provisions;
- In addressing the risk of fraud, including the management override of controls and improper income recognition on grants and contracts, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

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

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

### **Use of our report**

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

DocuSigned by:  
  
C9A7C7386A35456...

**Laurence Elliott (Senior Statutory Auditor)**  
For and on behalf of BDO LLP, statutory auditor  
London,  
United Kingdom

Date: 29 September 2021

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

**Statement of Comprehensive Income for the year ended 31<sup>st</sup> March 2021**

	Note	2021 £	2020 £
Turnover	4	<b>13,748,861</b>	12,283,126
Operating costs	4	<b>(13,322,552)</b>	(12,120,775)
<b>Operating surplus</b>	4,8	<b>426,309</b>	162,351
Gift of Assets from Sussex Oakleaf Transfer	31	<b>665,735</b>	-
Interest receivable and similar income	12	<b>5,209</b>	12,636
Interest and financing costs	13	<b>(52,199)</b>	(54,048)
Surplus before taxation		<b>1,045,054</b>	120,939
Taxation on surplus		-	-
<b>Surplus before and after taxation and total comprehensive income for the financial year</b>		<b>1,045,054</b>	120,939

All activities relate to continuing operations.

The notes on pages 24 to 45 form part of these financial statements.

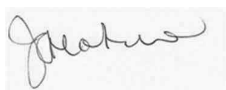
## Statement of Financial Position at 31<sup>st</sup> March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets - housing properties	14	19,668,804	19,215,434
Tangible fixed assets – other	15	1,755,321	1,709,623
		<b>21,424,125</b>	20,925,057
<b>Current assets</b>			
Debtors - receivable within one year	16	2,116,704	1,393,499
Cash and cash equivalents		2,696,691	2,872,310
		<b>4,813,395</b>	4,265,809
<b>Creditors: amounts falling due within one year</b>	17	<b>(2,012,576)</b>	(1,965,570)
<b>Net current assets</b>		<b>2,800,819</b>	2,300,239
<b>Total assets less current liabilities</b>		<b>24,224,944</b>	23,225,296
<b>Creditors: amounts falling due after more than one year</b>	18	<b>(12,866,892)</b>	(13,028,152)
<b>Provision or liabilities - other provisions</b>	21	<b>(322,098)</b>	(206,244)
<b>Total Net assets</b>		<b>11,035,954</b>	9,990,900
<b>Capital and reserves</b>			
Restricted Reserves	28	892,833	808,954
Income and Expenditure Reserves	28	10,143,121	9,181,946
<b>Total Reserves</b>		<b>11,035,954</b>	9,990,900

The notes on pages 24 to 45 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 20<sup>th</sup> September 2021 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 31<sup>st</sup> March 2021**

	Note	Restricted Reserves £	Income and Expenditure Reserves £	Total £
Balance at 1 <sup>st</sup> April 2020		808,954	9,181,946	9,990,900
Surplus for the year		488,234	556,821	1,045,055
		1,297,188	9,738,767	11,035,955
<b>Reserves Transfers:</b>				
Transfer from Restricted Reserves	28	(404,355)	404,355	-
<b>Balance at 31<sup>st</sup> March 2021</b>		<b>892,833</b>	<b>10,143,122</b>	<b>11,035,955</b>

**Statement of Changes in Reserves for the year ended 31<sup>st</sup> March 2020**

	Restricted Reserves £	Income and Expenditure Reserves £	Total £
Balance at 1 <sup>st</sup> 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
<b>Reserves Transfers:</b>			
Restricted income from income and expenditure reserves	(367,694)	367,694	-
<b>Balance at 31<sup>st</sup> March 2020</b>	<b>808,954</b>	<b>9,181,946</b>	<b>9,990,900</b>

The notes on pages 24 to 45 form part of these financial statements.

## Statement of Cash Flows for the year ended 31<sup>st</sup> March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
<b>Surplus for the financial year</b>		<b>1,045,054</b>	120,939
Adjustments for:			
Depreciation of fixed assets - housing properties	14	<b>388,823</b>	323,903
Depreciation of fixed assets - other	15	<b>103,261</b>	79,609
Amortised grant	5	<b>(161,268)</b>	(158,152)
Gift of Assets	31	<b>(665,735)</b>	-
Interest payable and finance costs	13	<b>52,199</b>	54,048
Interest received	12	<b>(5,209)</b>	(12,636)
Accelerated depreciation	5,14	<b>4,761</b>	11,356
Sale of land		<b>4,178</b>	-
Ex Sussex Oakleaf recoded to revenue		<b>12,855</b>	-
Increase in trade and other debtors	16,29	<b>(479,559)</b>	181,394
Decrease in trade creditors and other creditors	17,29	<b>(115,788)</b>	(51,269)
Increase in provisions	21	<b>49,309</b>	35,521
<b>Net cash generated from operating activities</b>		<b>232,881</b>	584,713
<b>Cash flows from investing activities</b>			
Interest received	12	<b>5,209</b>	12,636
Purchases of fixed assets - housing properties	14	<b>(508,623)</b>	(549,935)
Purchases of fixed assets - other	15	<b>(128,290)</b>	(52,827)
Cash received relating to gift		<b>272,396</b>	-
Receipt of grant	19	<b>71,359</b>	11,922
<b>Net cash used in investing activities</b>		<b>(287,949)</b>	(578,204)
<b>Cash flows from financing activities</b>			
Interest paid	13	<b>(52,199)</b>	(54,048)
Repayment of loans – other	20	<b>(68,352)</b>	(68,649)
<b>Net cash used in financing activities</b>		<b>(120,551)</b>	(122,697)
<b>Net decrease in cash and cash equivalents</b>		<b>(175,619)</b>	(116,188)
Cash and cash equivalents at beginning of year		<b>2,872,310</b>	2,988,498
<b>Cash and cash equivalents at end of year</b>		<b>2,696,691</b>	2,872,310

The notes on page 24 to 45 form part of these financial statements.



**INDEX OF NOTES**

**General notes**

- 1 Legal Status
- 2 Accounting Policies
- 3 Judgements in applying accounting policies and key sources of estimation uncertainty

**Statement of Comprehensive Income related notes**

- 4 Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus
- 5 Income and Expenditure from Social Housing Lettings
- 6 Particulars of Turnover from Non-Social Housing Activities
- 7 Units of Housing Stock
- 8 Operating Surplus
- 9 Employees
- 10 Directors and Senior Executive Remuneration
- 11 Board Members
- 12 Interest Receivable and Income from Investments
- 13 Interest Payable and Similar Charges

**Statement of Financial Position related notes**

- 14 Tangible Fixed Assets - Housing Properties
- 15 Tangible Fixed Assets - Other
- 16 Debtors
- 17 Creditors: Amounts Falling Due - Within One Year
- 18 Creditors: Amounts Falling Due - More Than One Year
- 19 Deferred Capital Grant
- 20 Loans and Borrowings
- 21 Provisions for Liabilities
- 22 Pensions
- 23 Contingent Liabilities
- 24 Operating Leases
- 25 Capital Commitments
- 26 Related Party Disclosures
- 27 Members' Liability
- 28 Capital and Reserves
- 29 Financial Instruments
- 30 Net Debt Reconciliation
- 31 Gift of Assets & Liabilities from the transfer in of Sussex Oakleaf

## 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 management to exercise judgement in applying the 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 available going forward 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 2021 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.

## Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)

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 (2020: 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.

As part of the Sussex Oakleaf gift, the Trust took over its Defined Benefit scheme held with TPT – the Growth Plan. This scheme is closed to new members. The scheme is a multi-employer defined benefit pension scheme. Sufficient information is not available to enable BHT Sussex to identify its share of assets and liabilities and as a result, and in accordance with FRS102, these financial statements account for the scheme as if it were a defined contribution scheme.

Where a recovery plan is in place to address the deficit, BHT Sussex recognise as a liability its commitment to make contributions under the terms of that recovery plan with changes to the value of this commitment recognised within the Statement of Comprehensive Income.

### 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.

## Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)

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. During the year, we tried to minimise the number of people on the government's Job Retention Scheme.

### 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 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.

#### **Gift of Assets**

All assets and liabilities transferred are recognised at fair value.

### **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; and
- Whether there are indicators of impairment of 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.
- All assets and liabilities transferred from Sussex Oakleaf are recognised at fair value.

#### **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.

**Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)**

- *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	Operating Costs	Operating Surplus/ (Deficit)
	2021	2021	2021
	£	£	£
<b>Social Housing Lettings (Note 5)</b>	<b>7,532,948</b>	<b>(6,235,698)</b>	<b>1,297,250</b>
<b>Other Social Housing Activities</b>			
Supporting people	1,180,663	(1,083,883)	96,780
Other	1,158,980	(1,063,977)	95,003
<b>Total Social Housing</b>	<b>9,872,591</b>	<b>(8,383,558)</b>	<b>1,489,033</b>
<b>Activities other than Social Housing Activities (Note 6)</b>			
Legal Advisory Services	1,006,928	(1,261,361)	(254,433)
Day Centre	364,473	(510,013)	(145,540)
Non-housing rent income	22,626	(28,457)	(5,831)
Other activities	2,482,243	(3,139,163)	(656,920)
<b>Total Activities other than Social Housing</b>	<b>3,876,270</b>	<b>(4,938,994)</b>	<b>(1,062,724)</b>
<b>Total</b>	<b>13,748,861</b>	<b>(13,322,552)</b>	<b>426,309</b>
	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	2020	2020	2020
	£	£	£
<b>Social Housing Lettings (Note 5)</b>	<b>6,311,371</b>	<b>(5,051,964)</b>	<b>1,259,407</b>
<b>Other Social Housing Activities</b>			
Supporting people	1,136,052	(1,104,326)	31,726
Other	1,062,141	(1,032,479)	29,662
<b>Total Social Housing</b>	<b>8,509,564</b>	<b>(7,188,769)</b>	<b>1,320,795</b>
<b>Activities other than Social Housing Activities (Note 6)</b>			
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)
<b>Total Activities other than Social Housing</b>	<b>3,773,562</b>	<b>(4,932,006)</b>	<b>(1,158,444)</b>
<b>Total</b>	<b>12,283,126</b>	<b>(12,120,775)</b>	<b>162,351</b>

**5 Income and Expenditure from Social Housing Lettings**

	General Needs £	Supported Housing £	Temporary Social Housing £	Total 2021 £	Total 2020 £
<b>Income</b>					
Rents net of identifiable service charges	2,371,778	2,238,345	322,253	<b>4,932,376</b>	3,936,357
Service charge income	529,480	1,700,503	131,684	<b>2,361,667</b>	2,136,126
Release of government capital grants	110,514	50,754	-	<b>161,268</b>	158,152
Other income	-	77,637	-	<b>77,637</b>	80,736
<b>Turnover from social housing lettings</b>	<b>3,011,772</b>	<b>4,067,239</b>	<b>453,937</b>	<b>7,532,948</b>	6,311,371
<b>Expenditure</b>					
Management	(44,437)	(260,378)	(20,663)	<b>(325,478)</b>	(270,741)
Service charge costs	(1,043,462)	(3,269,654)	(317,720)	<b>(4,630,836)</b>	(3,829,152)
Routine maintenance	(309,099)	(168,863)	(27,410)	<b>(505,372)</b>	(447,123)
Planned maintenance	(180,614)	(16,503)	(2,556)	<b>(199,673)</b>	(31,956)
Major repairs expenditure	(145,490)	(7,215)	103	<b>(152,602)</b>	(120,424)
Bad debts	(15,713)	(11,229)	(1,211)	<b>(28,153)</b>	(17,309)
Depreciation of housing properties:					
- annual charge	(182,476)	(191,080)	(15,267)	<b>(388,823)</b>	(323,903)
- accelerated depreciation	(4,167)	(594)	-	<b>(4,761)</b>	(11,356)
<b>Operating expenditure on social housing lettings</b>	<b>(1,925,458)</b>	<b>(3,925,516)</b>	<b>(384,724)</b>	<b>(6,235,698)</b>	(5,051,964)
<b>Operating surplus on social housing lettings</b>	<b>1,086,314</b>	<b>141,723</b>	<b>69,213</b>	<b>1,297,250</b>	1,259,407
<b>Void losses (memorandum only)</b>	<b>(60,613)</b>	<b>(388,264)</b>	<b>(28,320)</b>	<b>(477,197)</b>	(256,827)

The difference between £1,373,521 and £508,623 (both Note 14) is repairs and maintenance costs. The difference of £864,898 is repairs and maintenance expenditure. This amount has been split between Social Housing (£857,647) as detailed in note 5 and supporting people (£7,251).

**6 Particulars of Turnover from Non-Social Housing Activities**

	2021 £	2020 £
<b>Advice Services:</b>		
Legal aid including costs & disbursements recovered	<b>553,089</b>	875,962
Grant contract incomes	<b>431,410</b>	344,152
Donations, fundraising and other income	<b>22,429</b>	36,200
<b>Total for Advice Services</b>	<b>1,006,928</b>	1,256,314
<b>Day Centre</b>		
Grant contract incomes	<b>253,485</b>	561,991
Lunches	<b>150</b>	2,789
Donations, fundraising & other income	<b>110,838</b>	166,291
<b>Total for Day Centre</b>	<b>364,473</b>	731,071



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

	2021	2020
	£	£
<b>Non-housing rent income</b>		
Renaissance House	22,626	32,710
<b>Total for Non-housing rent Income</b>	<b>22,626</b>	<b>32,710</b>
	2021	2020
	£	£
<b>Other Activities</b>		
Grant contract incomes	2,057,638	1,484,951
BHT IT Solutions	124,998	102,033
Donations & fundraising	(7,886)	43,850
Furlough	107,721	-
Other Income	199,772	122,633
<b>Total for other activities</b>	<b>2,482,243</b>	<b>1,753,467</b>
<b>Turnover from non-social housing activities</b>	<b>3,876,270</b>	<b>3,773,562</b>

**7 Units of Housing Stock**

	2021	2020
	Number	Number
General needs social housing	305	305
Supported housing	130	125
Total social housing units	435	430
<b>Total owned</b>	<b>435</b>	<b>430</b>
Accommodation managed for others	324	293
<b>Total managed accommodation</b>	<b>759</b>	<b>723</b>
Units managed by other Trusts	6	6
<b>Total owned and managed accommodation</b>	<b>765</b>	<b>729</b>

The increase in the number of units from 729 to 765 is the result of 4 units of the Owned Supported Accommodation and 32 units of the Managed Accommodation for others that were transferred from Sussex Oakleaf as part of the merger.

**Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)**

**8 Operating Surplus**

	2021 £	2020 £
The operating surplus is arrived at after charging:		
Depreciation of housing properties - annual charge	<b>388,823</b>	323,903
Depreciation of other tangible fixed assets	<b>103,261</b>	79,609
Operating lease charges – land, building and vehicles	<b>1,638,396</b>	1,458,562
Auditor's remuneration (Including VAT):		
- fees payable for the audit of the annual accounts of the Trust	<b>29,280</b>	29,280

**9 Employees**

	2021 £	2020 £
Staff costs (including Executive Management Team) consist of:		
Wages and salaries	<b>6,434,707</b>	5,532,645
Social security costs	<b>534,561</b>	455,995
Cost of defined contribution scheme	<b>308,781</b>	272,219
	<b>7,278,049</b>	6,260,859

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:

	2021 £'000	2020 £'000
Administration	<b>71</b>	61
Housing, Support and Care	<b>163</b>	133
	<b>234</b>	194

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

	2021 No.	2020 No.
£60,000 - £69,999	<b>3</b>	2
£70,000 - £79,999	<b>1</b>	1
£80,000 - £89,999	<b>0</b>	0
£90,000 - £99,999	<b>1</b>	1

## 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:

	2021 £	2020 £
Executive directors' emoluments	345,217	286,816
Contributions to money purchase pension schemes	18,493	15,708
<b>Total</b>	<b>363,710</b>	<b>302,524</b>

None of the members of the Board of Management received any emoluments 2021: nil (2020: nil). The Board of Management received £35 (2020: £251) 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 £86,802 (2020 - £85,943). Additionally, pension contributions of £4,774 (2020: £4,727) 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 5 directors in the defined contribution pension scheme (2020: 4).

## 11 Board Members

Board Members	Remuneration Committee	Member of -			
		Finance Audit & Risk Committee	Operations & Personnel Committee	Governance Committee	Association Board
Joan Mortimer	√		√	√	√
Leona Daniel		√			√
Peter Freeman		√		√	√
Kirsty Coates	√		√		√
Sarah Butler	√	√	√		√
Ian Millar	√		√		√
Melanie Davis	√		√	√	√
Roger Hinton		√			√
Kelvin MacDonald	√	√	√	√	√
Bill Randall	√		√		√
Gerald Main	√		√		√
Mary Tawiah		√			√
Paul Williams		√		√	√
Paul Featherstone	√		√		√
Nicholas Willmore	√		√		√

No remuneration was paid to Board members. (2020: nil).

**Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)**

**12 Interest Receivable and Income from Investments**

	2021 £	2020 £
Interest receivable and similar income	5,209	12,636

**13 Interest Payable and Similar Charges**

	2021 £	2020 £
Interest on loans and overdrafts	52,199	54,048

**14 Tangible Fixed Assets – Housing Properties**

	General Needs £	Supported Housing £	Total £
<b>Cost</b>			
At 1 April 2020	15,120,256	10,133,253	25,253,509
Net Gift of Assets from Sussex Oakleaf Transfer	-	346,591	346,591
Additions:			
- replaced components	150,269	179,016	329,285
- other	165,735	13,603	179,338
Disposals:			
- replaced components	(57,854)	(8,149)	(66,003)
<b>At 31st March 2021</b>	<b>15,378,406</b>	<b>10,664,314</b>	<b>26,042,720</b>
<b>Depreciation:</b>			
At 1 April 2020	(3,425,833)	(2,612,242)	(6,038,075)
Charge for the year	(182,476)	(206,347)	(388,823)
Eliminated on disposals:			
- replaced components	47,168	5,814	52,982
<b>At 31st March 2021</b>	<b>(3,561,141)</b>	<b>(2,812,775)</b>	<b>(6,373,916)</b>
<b>Net book value at 31st March 2021</b>	<b>11,817,265</b>	<b>7,851,539</b>	<b>19,668,804</b>
<b>Net book value at 31st March 2020</b>	<b>11,694,423</b>	<b>7,521,011</b>	<b>19,215,434</b>

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

	2021 £	2020 £
Freehold	16,373,464	15,926,651
Long Leasehold	2,500,956	2,530,402
Leasehold Improvements	794,384	758,381
	<b>19,668,804</b>	<b>19,215,434</b>

**Notes Forming Part of the Financial Statements for the year ended 31st March 2021 (continued)**

Note 14 continued

**Total Social Housing Grant received is as follow:**

	2021 £	2020 £
Capital Grant – Housing Properties	<b>15,873,608</b>	15,827,196

Total Trust expenditure during the year on works to existing properties was £1,373,521 (2020: £1,210,869) of which £508,623 (2020: £549,935) has been capitalised. The difference between £1,373,521 and £508,623 is repairs and maintenance costs. This amount has been split between Social Housing £857,647 (2020: £599,503) (as detailed in note 5) and supporting people £7,251 (2020: £61,431). Of the amounts capitalised, £329,285 (2020: £444,607) relates to the replacement of components whilst £179,338 (2020: £105,328) relates to the enhancement of properties.

**15 Tangible Fixed Assets - Other**

	Non-Housing Property £	Fixtures, Fittings and Equipment £	IT Equipment and Software £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	2,104,005	469,041	863,730	3,436,776
Net Gift of Assets from Sussex Oakleaf Transfer	-	2,951	13,636	16,587
Additions	3,762	72,927	51,601	128,290
Disposals	-	(397,499)	(721,252)	(1,118,751)
<b>At 31st March 2021</b>	<b>2,107,767</b>	<b>147,420</b>	<b>207,715</b>	<b>2,462,902</b>
<b>Depreciation</b>				
At 1 April 2020	(483,784)	(423,853)	(819,516)	(1,727,153)
Charge for year	(28,324)	(30,087)	(44,850)	(103,261)
Disposal	-	397,165	725,668	1,122,833
<b>At 31st March 2021</b>	<b>(512,108)</b>	<b>(56,775)</b>	<b>(138,698)</b>	<b>(707,581)</b>
<b>Net book value at 31st March 2021</b>	<b>1,595,659</b>	<b>90,645</b>	<b>69,017</b>	<b>1,755,321</b>
<b>Net book value at 31st March 2020</b>	<b>1,620,221</b>	<b>45,188</b>	<b>44,214</b>	<b>1,709,623</b>
<b>Total Capital Grant received is as follows:</b>				
			2021 £	2020 £
Capital Grant – Freehold Non-Housing Properties			<b>680,000</b>	680,000

**Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)**

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

	2021 £	2020 £
Freehold	1,460,949	1,479,335
Long Leasehold	134,710	140,886
<b>At 31st March</b>	<b>1,595,659</b>	<b>1,620,221</b>

**16 Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Rent and service charge arrears	284,764	368,791
Less: Provision for doubtful debts	(99,475)	(95,979)
	<b>185,289</b>	<b>272,812</b>
Other debtors	912,532	321,756
Prepayments and accrued income	1,018,883	798,931
	<b>2,116,704</b>	<b>1,393,499</b>

**17 Creditors: Amounts Falling Due Within One Year**

	2021 £	2020 £
Loans and borrowings (note 20)	69,556	67,912
Trade creditors	399,939	481,511
Taxation and social security	154,131	133,672
Other creditors	162,688	196,409
Accruals and deferred income	1,036,922	927,315
Deferred Capital Grant (note 19)	189,340	158,751
	<b>2,012,576</b>	<b>1,965,570</b>

Included within Other creditors is £9,103 relating to TPT Pension Liability due within one year.

**18 Creditors: Amounts Falling Due After One Year**

	2021 £	2020 £
Loans and borrowings (Note 20)	349,635	419,631
Deferred Capital Grant (Note 19)	12,488,023	12,608,521
TPT Pension Liability	29,234	-
	<b>12,866,892</b>	<b>13,028,152</b>

**Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)**

**19 Deferred Capital Grant**

	2021 £	2020 £
At 1 April	12,767,272	12,913,502
Addition	71,359	11,922
Released to income during year	(161,268)	(158,152)
<b>At 31st March</b>	<b>12,677,363</b>	12,767,272
	2021 £	2020 £
In one year or less, or on demand	189,340	158,751
In more than one year but not more than two years	189,340	158,751
In more than two years but not more than five years	568,020	476,252
In five years or more	11,730,663	11,973,518
	12,677,363	12,767,272

**20 Loans and Borrowings**

Maturity of debt:

	Bank Loans 2021 £	Bank Loans 2020 £
In one year or less, or on demand	69,556	67,912
In more than one year but not more than two years	36,812	69,066
In more than two years but not more than five years	6,510	41,853
In five years or more	306,313	308,712
	419,191	487,543

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 2021 £	2020 £
At 1 April	206,244	170,723
Transferred from Sussex Oakleaf	66,545	-
Released to income and expense	49,309	35,521
<b>Charged as at 31st March</b>	<b>322,098</b>	206,244

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% (2020:5.5%) of pensionable salary contributions payable by the Trust to the fund and amounted to £281,961 (2020: £272,219). Contributions totalling £0 (2020: £40,356) were payable to the fund at the year end.

From April 2020 the Trust also operates a defined contribution pension scheme for the ex-Sussex Oakleaf employees who TUP'D to BHT Sussex. The assets of the scheme are held separately from those of the Trust in an independently administered fund provided by TPT. The pension charge represents contributions payable by the Trust to the fund and amounted to £26,820.

2 (2020: 2) staff belong to the NHS pension scheme. Membership of this scheme is not open to other BHT members of staff. The Trust contributes 14% (2020: 14%) of their pensionable salaries of members to this scheme.

### Defined Benefit Scheme

TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK (now closed for new members). It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out on 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.



## Notes Forming Part of the Financial Statements for the year ended 31st March 2021 (continued)

Note 22 continued

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation.

	31 March 2021	31 March 2020	31 March 2019
<b>Present value of Provision</b>	<b>£39,137</b>	<b>£46,372</b>	<b>56,253</b>

The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

### PRESENT VAULES OF PROVISION

#### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Provision at start of period	46,372	56,253
Unwinding of the discount factor (interest expense)	1,042	712
Deficit contribution paid	(9,615)	(9,335)
Remeasurements - impact of any change in assumptions	1,338	(1,258)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	39,137	46,372

### Income and expenditure impact

	Period ending 31 March 2021 £	Period ending 31 March 2020 £
Interest expense		712
Remeasurements – impact of any change in assumptions		(1,258)
Remeasurements – amendments to the contribution schedule	-	
Contributions paid in respect of future service*	9,615	9,335
Costs recognised in income and expenditure account	26,820	36,757

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

### ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

## Notes Forming Part of the Financial Statements for the year ended 31st March 2021 (continued)

Note 22 continued

### ADDITIONAL INFORMATION

FOR THE PERIOD ENDING 31 March 2021

COMPANY: Brighton Housing Trust

SCHEME: TPT Retirement Solutions - The Growth Plan

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

#### DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2021 (£s)	31 March 2020 (£s)	31 March 2019 (£s)
Year 1	9,904	9,615	9,335
Year 2	10,201	9,904	9,615
Year 3	10,507	10,201	9,904
Year 4	9,018	10,507	10,201
Year 5	-	9,018	10,507
Year 6	-	-	9,018

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

### 23 Contingent Liabilities

Grants received in respect of leasehold improvements of £703,244 have been written off to the income and expenditure account (2020: £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 (2020: £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 £3,857,266 (2020: £3,699,074) received in respect of housing properties held at 31st March 2021 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 2021, the value of grant received in respect of these properties that had not been disposed of was £11,957,997 (2020: £12,116,149). In addition, non-social housing grants of £639,200 (2020: £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 £22,431 (2020: £11,922).

Total infection control grants received for housing properties is £48,928 (2020: 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:

<b>Amounts Payable as Lessee</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>1,638,396</b>	1,458,562
Later than 1 year and not later than 5 years	<b>3,195,291</b>	3,241,583
Later than 5 years	<b>2,974,345</b>	3,002,799
<b>Total</b>	<b>7,808,032</b>	7,702,944

<b>Amounts Receivable as Lessor</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>44,292</b>	16,381
Later than 1 year and not later than 5 years	<b>113,099</b>	-
<b>Total</b>	<b>157,391</b>	16,381
<b>Average rents receivable from tenants per week</b>	<b>149,195</b>	<b>127,189</b>

## 25 Capital Commitments

There were no capital commitments contracted as at 31st March 2021 (2020: £80k).

## 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 £108 (2020: £105) per week including service charges. The rent charge paid by both Board members is £108 (2020: £105) per week.

One Board member whose partner is member of The Board of Sussex Interpreting Services, who are a supplier of Services to BHT Advice, there was 1 (2020: 7) transaction and the sum paid was £417 (2020: £597).

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 (2020: 12) transactions and the sum paid was £418 (2020: £418). There were no (2020: nil) transactions with BHT Charitable Trust. There were no other related party transactions in the year to 31 March 2021.

## 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 15 (2020: 13) members has undertaken to contribute £1 in the event of the Trust being wound up.

**28 Capital and Reserves**

**Restricted Reserves**

	<b>1 April 2020</b>	<b>Transfer from Sussex Oakleaf</b>	<b>Income</b>	<b>Expenditure</b>	<b>Released to General Reserves</b>	<b>31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Advice Plus	(3,676)	-	-	(3,712)	-	<b>(7,388)</b>
The Academy	85,766	-	71,288	(51,179)	-	<b>105,875</b>
Reaching Communities /First Impressions	(7,268)	-	-	-	-	<b>(7,268)</b>
Fulfilling Lives	737,248	-	1,234,787	(1,209,697)	-	<b>762,338</b>
East Brighton Gateway Designated Reserves - Development	(3,116)	-	-	-	-	<b>(3,116)</b>
Property Maintenance Reserve	-	2,896	-	-	-	<b>2,896</b>
Property Revaluation Reserve	-	37,000	-	-	-	<b>37,000</b>
Property Revaluation Reserve	-	295,524	-	-	(295,524)	-
Restricted Reserves	-	3,958	-	-	(1,462)	<b>2,496</b>
Revaluation Investment Reserve	-	107,369	-	-	(107,369)	-
<b>Total Restricted Reserves</b>	<b>808,954</b>	<b>446,747</b>	<b>1,306,075</b>	<b>(1,264,588)</b>	<b>(404,355)</b>	<b>892,833</b>
Unrestricted Reserves	9,181,946	218,990	12,447,995	(12,110,163)	404,355	<b>10,143,122</b>
<b>Total Reserves</b>	<b>9,990,900</b>	<b>665,737</b>	<b>13,754,070</b>	<b>(13,374,751)</b>	<b>-</b>	<b>11,035,955</b>

	<b>1 April 2019</b>	<b>Transfer from Sussex Oakleaf</b>	<b>Income</b>	<b>Expenditure</b>	<b>Released to General Reserves</b>	<b>31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>Total Restricted Reserves</b>	<b>1,133,274</b>	<b>-</b>	<b>1,293,392</b>	<b>(1,250,018)</b>	<b>(367,694)</b>	<b>808,954</b>
Unrestricted Reserves	8,736,687	-	11,002,370	(10,924,805)	367,694	9,181,946
<b>Total Reserves</b>	<b>9,869,961</b>	<b>-</b>	<b>12,295,762</b>	<b>(12,174,823)</b>	<b>-</b>	<b>9,990,900</b>

**Notes Forming Part of the Financial Statements for the year ended 31<sup>st</sup> March 2021 (continued)**

Note 28 continued

<b>Reserve</b>	<b>Purpose and restriction in use</b>
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
Fulfilling Lives	Promoting change with people with multiple and complex needs
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
Designated Reserves - Development	Transferred from Sussex Oakleaf and is for Millhaven Fund
Property Maintenance Reserve	Transferred from Sussex Oakleaf and is for Capital Major Works
Property Revaluation Reserve	Transferred from Sussex Oakleaf
Restricted Reserves	Transferred from Sussex Oakleaf and is for Children in Need
Revaluation Investment Reserve	Transferred from Sussex Oakleaf

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 2020/21, a total sum of £404,355 (2020: £367,694) was released from Restricted Reserves to General Reserves as our policy is not to have designated reserves such as a Revaluation Reserve that were transferred from Sussex Oakleaf.

## 29 Financial Instruments

The financial instruments may be analysed as follows:

	2021 £	2020 £
<b>Financial Assets</b>		
Financial assets measured at historical cost		
- Trade receivables	185,289	368,791
- Other receivables	1,931,415	1,120,687
- Cash and cash equivalents	2,696,691	2,872,310
<b>Total financial assets</b>	<b>4,813,395</b>	<b>4,361,788</b>
	2021 £	2020 £
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost		
- Loans payable	419,191	487,543
Financial liabilities measured at historical cost		
- Trade creditors	399,939	481,511
- Other creditors	1,353,741	1,257,396
<b>Total financial liabilities at historic cost</b>	<b>1,753,680</b>	<b>1,738,907</b>
<b>Total financial liabilities</b>	<b>2,172,871</b>	<b>2,226,450</b>

**30 Net Fund Reconciliation**

	1 April 2020 £	Cashflows £	31 March 2021 £
Cash at Bank and in Hand	2,872,310	(175,616)	2,696,694
Bank Loans	(487,543)	69,556	(419,191)
<b>TOTAL</b>	<b>2,384,767</b>	<b>(106,060)</b>	<b>2,277,503</b>

**31 Gift of Assets & Liabilities**

BHT Sussex completed the transfer in of Sussex Oakleaf on 1st April 2020. The business transfer into BHT Sussex has been treated as a gift of assets & liabilities for nil consideration as a net fair value of £665,735.

On 1st April 2020, BHT Sussex transferred in the assets and liabilities of Sussex Oakleaf at nil consideration. The book value of the assets and liabilities transferred is equal to the fair value as shown below -

	Fair value £000s
<u>Fixed Assets</u>	
Tangible assets - Housing Properties	347
Tangible assets - Fixtures, Fitting and IT equipment	29
<u>Current Assets</u>	
Cash at Bank and In Hand	272
Debtors	244
<b>Total assets</b>	<b>892</b>
<u>Creditors</u>	
Due within one year	(159)
Due after one year	(67)
<b>Total Gift of Assets &amp; Liabilities on transfer into BHT Sussex - Net Assets</b>	<b>666</b>
Cash and cash equivalents inflows from business transfer	272