



Report and Financial Statements
For the Year ended 31st March 2023

Companies House Number 01618610

Charity Commission Number 284839

Regulator of Social Housing Number H1696

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Reference and Administrative Details

Board of Trustees

Sarah Butler
Melanie Davis, Chair of OPC
Paul Featherstone
Kelvin MacDonald, Chair of the Board
Gerald Main
Ian Millar - Resigned 18/09/2023
Andrew Rose, Chair of FARC
Lawrence Santcross
Mary Tawiah - Resigned 26/06/2023
Angeline Walker

Governance Committee

Melanie Davis, Chair of OPC
Kelvin MacDonald, Chair of the Board
Andrew Rose, Chair of FARC

Finance, Audit and Risk Committee

Sarah Butler
Ian Millar - Resigned 18/09/2023
Andrew Rose, Chair of FARC
Lawrence Santcross
Mary Tawiah - Resigned 26/06/2023

Operations & Personnel Committee

Sarah Butler
Melanie Davis, Chair of OPC
Paul Featherstone
Kelvin MacDonald, Chair of the Board
Gerald Main

Remuneration Committee

Sarah Butler
Melanie Davis, Chair of OPC
Paul Featherstone
Kelvin MacDonald, Chair of the Board
Ian Millar - Resigned 18/09/2023
Andrew Rose, Chair of FARC

Executive Management

David Chaffey
Chief Executive

Katherine Masters
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

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Principal Solicitors

DMH Stallard LLP
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Bankers

Royal Bank of Scotland
PO Box 300
Brighton
East Sussex

Auditors

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

The past year has been another momentous one for BHT Sussex. Having emerged from the global Covid-19 pandemic, our clients, tenants and employees are facing the spiral of rising prices and cut-backs in some public services that combine to form a cost of living crisis.

Not only does this crisis mean that our unique range of services are needed more than ever, but employees delivering our services are also faced with the difficult choices that a cost of living crisis entails and they are owed a huge debt of gratitude.

It was my first full year as Chair, and I benefitted hugely from being able to start meeting employees, clients and tenants face-to-face once again and to be re-engaged and inspired once again by the range and extraordinary work that BHT Sussex does, and by the huge commitment and expertise of our employees.

I am always humbled by hearing the stories of clients and tenants and of their very personal journeys, and by their personal determination.

As always, it is invidious to pick out a particular service or statistic as one of the very great strengths of BHT Sussex is the range of services that we provide – but suffice it to say that in 2022-23 we prevented over 2,701 cases of homelessness and over 10,000 people used our services.

BHT Sussex has a varied range of services, from addiction and recovery projects to services for those with mental health needs, from specialist advice on housing, benefits and immigration to projects supporting people into employment and independent accommodation – as well as being a housing association providing homes for over 450 residents.

One of the attributes that makes BHT Sussex stand out from almost every other provider in the country is that, through our work, people can walk the path from street homelessness and addiction to having a secure and decent home and a job. BHT Sussex employees walk that path alongside them, and it is this dedicated approach to all the work that we do that makes BHT Sussex stand out.

BHT Sussex continues to widen the services we offer with, in particular, 2022-23 saw the start of the East Sussex Floating Support Service which provides short-term housing-related support across East Sussex for vulnerable people. With this growth comes a strengthening of the fact that we now operate firmly across East and West Sussex as well as in Brighton and Hove.

Another event that made this year momentous was the retirement of our Chief Executive, Andy Winter. In his 20 years as Chief Executive (which followed 18 years working for the organisation in other roles) Andy brought a vision, expertise and drive that created BHT Sussex as it is now. I would like to personally thank Andy for all that he has done for BHT Sussex.

In January 2023, David Chaffey was appointed Chief Executive who has already brought his own range of talents and commitment to the job and stamped his own mark on the role.

Finally, I want to give my thanks to the members of the BHT Sussex Board who bring their wisdom, support and challenge on an entirely voluntary basis. Their care for all we do is palpable.



Kelvin MacDonald

Chair of the Board

Date – 26/9/23

Report of the Board of Trustees

The Board of Trustees (The Board) are pleased to present their Annual Report and the Financial Statements of BHT Sussex for the year ended 31st March 2023.

Aims And Objectives

BHT Sussex is a highly valued, progressive and unique charitable organisation made up of interlinked projects and services. We empower people to overcome homelessness, poverty, addiction and mental ill health by working in partnership across Sussex with local councils, the NHS and voluntary organisations. Our Mission is 'Combatting Homelessness, Creating Opportunities, Promoting Change'. We are in the process of updating our Strategic Plan for 2023-2025. Our existing plan which was applicable during 2022/23 contained six Strategic Objectives. These Objectives were:

- **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 our First Base and Legal Advice Centres where we prevented 917 (2022: 959) individuals from becoming homeless, with all the negative consequences to their lives and those of their families and 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 continued 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 and tenant needs and that they meet local strategic priorities. We are very proud in achieving Gold rating for our *Investors in People* accreditation. We review and act on feedback received from clients and tenants to improve services. This includes reviewing learning from complaints received.
- **Increasing Our Influence:** By promoting the experience of our clients and tenants, we attract attention from policymakers, commissioners, and other opinion makers. During the year, we remained the 'Go To' organisation for the media and have had input into various policy reviews at a local and national level. Although our Fulfilling Lives contract came to an end on 30th June 2022, through our leadership of the Fulfilling Lives Partnership in the south-east, the <https://www.bht.org.uk/ripple-effect-overview-systems-principles-and-methods.pdf> sets out several measures to improve and strengthen services offered to those who have multiple and complex needs. More recently, we have been campaigning to change the system that discriminates against homeless hostel residents who start work [New BHT Sussex campaign: Make Work Pay For Everyone - BHT Sussex](#).
- **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 with Sussex Oakleaf saw us extend our services into Mid Sussex and Crawley, and the successful tender for the East Sussex Floating Support Service consolidated our position as a major service provider throughout East Sussex.

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

Aims and Objectives (continued)

- **Seeking Quality Growth:** Notwithstanding the Covid-19 pandemic, we have achieved significant growth since March 2022, with an increase in contract values and employees. Our employee numbers have increased from 250 to over 350 and our turnover has increased from £15m and is expected to be £18m by March 2024. 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 to increase the number of homes that we provide.

Our Business Model

Our business model is based on five core principles:

- **Recruiting and Retaining Quality Employees:** 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 employees to partners and competitors. More difficulties have been experienced in recruitment across the sector since Covid. While employee turnover has been higher than anticipated, no underlying negative causes have been identified. We are aiming to increase our Investors in People accreditation to Platinum in the coming years, evidence that we are an organisation that seeks continuous improvement in our employment practices.
- **Maximising Income Streams:** Income from rents and service charges continued to make up over 50% of our income. Void rent loss increased to 8% compared to a target of 5%. This adverse trend was due to higher voids in Supported Housing because of the pandemic. This is not expected to be an issue as we result to a new norm, nor does it reflect an underlying problem. Increased loss of income through void properties was offset, in part, by better rent collection. Arrears were 4.9% (£389k) on 31st March 2023 compared to a forecast of 5.8% (£458k). This reflects strong performance in both Housing Services and Supported Housing. While high levels of bad debt write offs can disguise poor performance in rent collection, bad debts to 31st March 2023 were higher for Supported Housing £31k (2022: £15k) and lower for Housing Services £12k (2022: £12k). Other income streams were on or near target, although Legal Service income was £664k against a target of £729k due to restrictions during the Covid pandemic as there were fewer clients and referrals from the courts.
- **Delivering 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 Framework. We regularly monitor these by reviewing service usage, a focus on our income and expenditure, measuring both strategic and operational key performance indicators and we use our SV and VfM Statement to focus on outcomes for our clients and tenants.
- **Maintaining Liquidity:** Our cash balance as at 31st March 2023 remained healthy, at £3.6m, (2022: £2.7m). Our minimum cash balance target of £2.2m continues to be exceeded. A continued challenge will remain over the next five years to ensure that sufficient funds are generated to allow us to meet the investment needs set out in our Asset Management Strategy, which averages £550k per annum.
- **Securing Profitable Growth:** As mentioned above, the merger with Sussex Oakleaf 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.

Strategic Report from the Board of Trustees (continued) for the year ended 31st March 2023

Financial Results

A net operating surplus of £95k (2022: £348k) was generated during the year. A priority moving forward is to increase surplus levels, to strengthen our financial viability, invest in current and new services, and allow us to continue to invest in our major works programme.

Income: Total income of £16.9m (2022: £15.0m) was received during the year. The increase from the previous year was due to new contracts and additional income for our Legal Advice Services.

Expenditure: Total expenditure of £16.8m (2022: £14.6m) was made during the year. Overall, expenditure was £605k less than expected. Lower than expected employee numbers and related costs accounted for most of this underspend. There were also lower than expected costs for Repairs and Maintenance, 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 increased uptake of Universal Credit, we have been able to maintain arrears levels notwithstanding a modest increase in arrears of those clients and tenants who have migrated to the new benefit. A refocusing of employee resources has resulted in this risk being successfully mitigated.

Our Financial Position also continues to be healthy with Total Net Assets of £11.5m (2022: £11.4m), supported by Income and Expenditure Reserves of £11.2m (2022:10.8m) and Restricted Reserves of £0.3m (2022: £0.6m).

Development And Performance

The Board received quarterly reports to monitor performance within the organisation. The performance measures included financial and operational performance indicators, such as:

- Cash management – cash flows and average cash balances decreased during the year with cash at bank and in hand as at 31st March 2023 – £2.6m (2022: £3.6m).
- Void loss in Supported Housing – voids as a % of gross rents of 12.5% (2022: 10.6%), target: 3.9%.
- Void loss in Housing Services – voids as a % of gross rents 3.9% (2022: 2.5%), target: 3.9%.
- Bad debts in Supported Housing – bad debts as a % of rents receivable of 0.0% (2022: 0.6%), target: 1.5%.
- Bad debts in Housing Services – bad debts as a % of rents receivable of 0.9% (2022: 0.4%), target: 1.5%.
- Gas safety certificates – units with a valid safety certificate 97.4% (2022: 100%), target: 100%.
- Employee sickness – working days lost per FTE employee 5.2 days (2022: 10 days), target: 7.0 days excluding long term sickness cases.

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.

Strategic Report from the Board of Trustees (continued) for the year ended 31st March 2023

Future Prospects (continued)

Our employees are our biggest asset, they support the delivery of our charitable and strategic objectives. We continue to invest in the recruitment and retention of quality employees at all levels. Like many organisations, we have had difficulties over the past year, but employees continue to work with dedication and resilience.

Governance arrangements have been reviewed and strengthened in recent years. All governing documents have also been reviewed and updated.

Health And Safety

Health and Safety continues to be one of our key priorities and we have a Working Group set up that looks at strategic health and safety issues, including the Fire Safety Act 2021 and the 2022 Regulations.

Health and Safety is also monitored quarterly via our Strategic Risk Register. During the year we continued the Health and Safety / Fire risk assessments of all properties, carrying out additional remedial tasks to improve fire safety at a cost of £208k (£204k).

Gas Safety Inspections: our performance for the final quarter of 2022/23 was 97.4% (100%), where gas safety inspections were completed in time and the relevant certificate was on file. There were some issues during the year due to access to properties and the outstanding checks were completed soon after the year end.

Safeguarding

Following failings in some international aid agencies, along with safeguarding failures in domestic charities, BHT Sussex has considered the robustness of its own policies and procedures in this and other areas.

BHT Sussex has robust processes and reporting arrangements in place, including our Whistleblowing procedure, that are widely publicised including on our website. Clients and tenants 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 employees.

Employees

Our employees are our most valuable resource. Through them we deliver our strategic objectives, not least our reputable services. We continue to strengthen our capacity at senior level with a new Chief Executive and Director of Housing and Property Service (both promotions for existing employees). These additions will help to provide strategic management capacity within the organisation going forward. Our continued improvements in employee sickness management has resulted in there being an average of 5.2 days absence per employee during the year (excluding long term sickness cases), which is 26% below the target of an average of 7 days.

Board Membership

BHT Sussex 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.

Strategic Report from the Board of Trustees (continued) for the year ended 31st March 2023

Board Membership (continued)

We recruit new board members through open advertisement and the effective use of our wide sector networks. Currently, we are in the process of recruiting at least two new board. All new members receive a full induction programme. We have one client / tenant with lived experience on the Board with one vacancy which is being recruited to, correcting an area of deficit that had previously been identified.

Board members are appointed on a voluntary basis and receive out-of-pocket expenses. No other payments are made to the chair or 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 2022. The Chair of the Board undertakes individual reviews with all Board members.

The policy for delegated levels of decision-making between the Board and 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.

Post Covid-19

We have undertaken a review of our responses to the Covid-19 pandemic and generally it has been very good, and we adapted well to the opportunities and restrictions it placed on our employees and the organisation. BHT Sussex has succeeded in carrying on its much needed work over the last year post the pandemic. The approach we have taken 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 employees, clients and tenants as safe as possible. We have disbanded our Covid Task Team and have built in any new responses required into our regular operational work whilst remembering the health and safety lessons learnt during the pandemic - basic hygiene, physical distancing (when required), and good ventilation requirements will continue to be in place.

Most of our employees continued to work face-to-face with their clients / tenants. We recognise the increased risk that this has had, but without this dedication we would not have been able to ensure that all our services continued to be delivered throughout the pandemic. The Board recognised the extra ordinary work employees have undertaken to successfully have kept infections within the organisation to very low levels.

Risks, Uncertainties And Opportunities

The Post Covid-19 pandemic, war in Ukraine and Cost of Living Crisis world is providing both opportunities and challenges moving forward. There is uncertainty regarding the public finances due to the impact of inflation and rising energy costs. Both will reduce our ability to significantly increase our surplus, at least in the short term. The financial and psychological injury caused by Covid-19 and Cost of Living Crisis will result in a continuation and mostly likely an increase in the demands for services.

Our 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 increasing our influence / reputation. Underneath these three areas, ten specific risks have been identified.

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

Risks, Uncertainties and Opportunities (continued)

These risks are reviewed on a quarterly basis by the Executive Management Team and are 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, including the cashflow position for the next eighteen months, the Board believes that the BHT Sussex can manage its business risks, financial forecast (including monthly cashflow forecasts with sensitivity analysis). We have 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.
- 85% of this income is paid directly to BHT Sussex from Housing Benefits, Universal Credit and Adult Social Care, which provides confidence in future payments of this stream of income.
- For 2023/24, over 80% for our contracted income is secure, most other income is secure during the lifetime of contracts, and should these contracts be terminated, 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, although we recognise that this will be a challenge going forward.
- Our cash balances, as at the point of approval of these accounts, was 67% greater than the £2.2 million working capital head room agreed as policy. We have also undertaken a cashflow forecast for the period April 2023 to March 2025 and this shows we will be able to maintain a healthy £3.4m average 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 £2.2 million target.
- Our very limited exposure to fluctuations in the money markets, our limited borrowing is at a fixed rate and our non-involvement in 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.

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

Going Concern (continued)

Based on this assessment, the Board has 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, Local Government Pension Scheme, and 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 scheme is a multi-employer scheme which provides benefits to some 638 non-associated participating employers (see note 22) and applies to 30 employees.

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 2022/23 BHT Sussex contributed £3,843 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. Further Details are in Note 22.

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. BHT Sussex 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 of 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 BHT Sussex. The Board also acknowledges that risk management and control processes should operate continuously and should be embedded within and across all of our activities. It should be recognised that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal controls 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 BHT Sussex.

Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023

Internal Controls (continued)

BHT Sussex has adopted the National Housing Federation 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 BHT Sussex 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 set out in the BHT Sussex 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 and 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 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 developments and opportunities 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 employees and third parties with confidential channels of communication to report unlawful, improper, or suspicious activity.
- ✓ Maintenance of a fraud register, with reporting to the Board if fraud occurs.

The Board's review of the effectiveness of the BHT Sussex system of internal control has identified no significant failings, weaknesses or instances of fraudulent activity which have resulted in material misstatement or loss that require disclosure within the financial statements for the year ended 31st March 2023, and up to the date of signing these financial statements.

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

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 Framework.

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 deliver 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 employee 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 Sussex 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 the negative consequences of addictions.
- Providing specialist housing, benefit 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.
- BHT Sussex Housing Services provides homes for over 749 residents in across Sussex. 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 clients and tenants are amongst the most marginalised and vulnerable in our society and therefore we provide:

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

Value for Money (continued)

- good quality short and long-term accommodation for a range of needs to provide a stable base on which to build a future.
- a range of support to improve wellbeing, independence, and secure lasting change.
- 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 clients and tenants live. We invest in local 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.

When setting our strategic and enabling objectives, the BHT Sussex Board 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 98.4%, (2022: 97.7%) (target: 98.5%).
- Total rent received In Housing Services – rent received as a % of amounts due 99.4%, (2022: 98.8%) (target: 98.5%).
- Arrears management Supported Housing – gross arrears as a % of annual rent roll of 3.4% (2022: 2.0%) (target: 2.5%).
- Arrears management Housing Services – gross arrears as a % of annual rent roll of 4.8% (2022: 3.4%) (target: 5.8%).

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

Value for Money Metrics	Acuity Median 2022/23	BHT Sussex 2022/23	BHT Sussex 2021/22
Reinvestment	3.80%	7.59%	6.77%
New Supply Delivered - units	N/a	2	2
Gearing	20.80%	1.48%	1.72%
EBITDA Major Repairs Included Interest Cover	128.00	5.59%	4.47%
Headline Social Housing Cost per Unit	£5,776	£4,759	£3,784
Operating Margin	17.75%	0.56%	2.60%
Return on Capital Employed	1.60%	0.38%	1.59%

Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023

Value for Money (continued)

These types of metrics are generally used by larger housing associations with development portfolios and all of these metrics are not applicable to BHT Sussex 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 Southeast and London, as shown above. The table above shows that BHT Sussex compares favourably on Reinvestment, Gearing and Social Housing Cost per Unit and there is improvement needed on our Operating Margin and rate of Return on Capital Employed.

In the future, alongside the metrics above, BHT Sussex will define and show value, by drawing on our strategic objectives, 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 mainly invested in our properties that provide accommodation and services. At the end of 2022/23 we had total reserves of £11.5m (2022: (£11.4m) of which £311k 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. 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 avoid erosion of its asset base, maintain, and upgrade the properties that accommodate our clients and tenants.
- 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 £1m 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.
- 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 £2.2m for the BHT Sussex current cash outflows.

As at 31st March 2023 BHT Sussex held £2.6m as cash or short-term investments. This is cash cover of 1.77 months (2021: 2.11) compared to a target of 1.5 months.

It should be noted the minimum cash balance quoted above £2.2m, should be able to fund the repayment of any restricted reserves, should BHT Sussex be asked to repay these amounts.

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

Use of Reserves (continued)

The Board 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 Housing Benefits / Universal Credit
- The impact of increasing inflation
- Further cuts to the value of advice and support contracts
- Failure to achieve profitable growth.

In the light of these risks, and to meet future investment opportunities, the Board has identified the need to strengthen the reserves of the organisation. Free Reserves as at 31st March 2023 were £1.1m (2022: £1.3m).

Post Balance Sheet Events

Since the year end there have been no significant issues to report. However, the cost of living crisis continues, and we experience price increases in the cost of labour, raw materials, fuel and energy bills.

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 apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State Ex applicable UK Accounting Standards and the Statement of Recommended Practice Accounting by registered social housing providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 BHT Sussex 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 therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Strategic Report from the Board of Trustees (continued)
for the year ended 31st March 2023**

Board Members' Responsibilities (Continued)

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 BHT Sussex 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 BHT Sussex website is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

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 Executive Management Team are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed its willingness to continue and a recommendation for the re-appointment of BDO LLP as auditors of BHT Sussex is to be presented at a forthcoming Board Meeting.

On behalf of the Board



**K MacDonald
Chair of the Board**

Date – 26/09/23

Independent Auditor's Report

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the BHT Sussex affairs as at 31st March 2023 and of the BHT Sussex 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 2022.

We have audited the financial statements of BHT Sussex ("the Association") for the year ended 31st March 2023 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 Trustees, 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 Trustees and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 Reporting

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

Independent Auditor's Report to the Members of BHT Sussex (continued)

- the information given in the Strategic report from the Board of Trustees 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 Trustees 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 Trustees.

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of BHT Sussex and the sector in which it operates;
- Discussion with management and those charged with governance including the Finance, Risk and Audit Committee; and
- Obtaining and understanding of the Association's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Housing SORP, Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

BHT Sussex is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, UK tax legislation, Employment Taxes and the Bribery Act 2010.

Independent Auditor's Report to the Members of BHT Sussex (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Finance, Risk and Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Association's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and Internal controls established to mitigate risks related to fraud;
- Read minutes of meetings of those charged with governance, reviewed internal audit reports and reviewed correspondence with HMRC, Charity Commission and the Regulator of Social Housing;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be improper revenue recognition and management override in relation to accounting estimates and journal posting.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including revenue recognition, impairment of housing properties and rent arrears provision;
- Testing the application of cut off on revenue for the evidence that is was recorded in the correct period;
- Testing the existence and accuracy of supporting people, residential care and grant income.

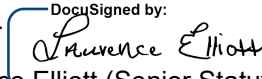
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association's Trustees 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:

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

Date: 29 September 2023

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

Statement of Comprehensive Income for the year ended 31st March 2023

	Note	2023 £	2022 £
Turnover	4	16,929,933	14,975,090
Operating costs	4	(16,812,558)	(14,586,229)
Operating Surplus	4,8	117,375	388,861
Interest receivable and similar income	12	13,291	1,317
Interest and financing costs	13	(35,869)	(41,871)
Surplus before taxation		94,797	348,307
Taxation on surplus		-	-
Surplus after taxation, Comprehensive Income for the financial year		94,797	348,307

All activities relate to continuing operations.

The notes on pages 24 to 42 form part of these financial statements.

Statement of Financial Position as at 31st March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets - housing properties	14	21,080,096	20,317,044
Tangible fixed assets – other	15	1,760,927	1,848,345
		22,841,023	22,165,389
Current assets			
Debtors - receivable within one year	16	5,985,261	4,628,177
Cash and cash equivalents		2,615,983	3,584,692
		8,601,244	8,212,869
Creditors: amounts falling due within one year	17	(6,503,937)	(5,977,523)
Net Current Assets		2,097,307	2,235,346
Total Assets less Current Liabilities		24,938,330	24,400,735
Creditors: amounts falling due after more than one year	18	(12,889,012)	(12,631,883)
Provision or liabilities - other provisions	21	(570,257)	(384,590)
Total Net Assets		11,479,061	11,384,262
Capital and Reserves			
Restricted Reserves	28	310,504	556,876
Income and Expenditure Reserves	28	11,168,557	10,827,386
Total Reserves		11,479,061	11,384,262

The notes on pages 24 to 42 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 18th September 2023 and were signed on the Board's behalf by:



K MACDONALD
Chair of the Board



A ROSE
Chair of Finance, Audit and Risk Committee

Statement of Changes in Reserves for the year ended 31st March 2023

	Note	Restricted Reserves £	Income and Expenditure Reserves £	Total £
Balance at 1 st April 2023		556,876	10,827,386	11,384,262
Surplus for the year		61,757	33,040	94,797
		618,633	10,860,426	11,479,059
Reserves Transfers:				
Transfer from Restricted Reserves	28	(308,130)	308,130	-
Balance at 31st March 2023		310,503	11,168,556	11,479,059

Statement of Changes in Reserves for the year ended 31st March 2022

	Restricted Reserves £	Income and Expenditure Reserves £	Total £
Balance at 1 st April 2021	892,833	10,143,122	11,035,955
Surplus for the year	128,583	219,724	348,307
	1,021,416	10,362,846	11,384,262
Reserves Transfers:			
Transfer from reserves	(464,540)	464,540	-
Balance at 31st March 2022	556,876	10,827,386	11,384,262

The notes on pages 24 to 42 form part of these financial statements.

Statement of Cash Flows for the year ended 31st March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Surplus for the financial year		94,797	348,307
<i>Adjustments for:</i>			
Depreciation of fixed assets - housing properties	8,14	444,555	423,519
Depreciation of fixed assets - other	8,15	146,424	145,103
Amortised grant	5	(174,289)	(172,354)
Gift of Assets	31	-	-
Interest payable and finance costs	13	35,869	41,871
Interest received	12	(13,291)	(1,317)
Accelerated depreciation (Social Housing and Non-Social housing)	5,14,15	29,943	7,878
Increase in trade and other debtors	16,29	(1,357,084)	(2,511,473)
Increase in trade creditors and other creditors	17,29	620,828	3,927,288
Gain on revaluation of Pension	18	(3,403)	(22,529)
Increase in provisions	21	185,667	62,492
Net cash generated from operating activities		10,016	2,248,785
Cash flows (used) in investing activities			
Interest received	12	13,291	1,317
Purchases of fixed assets - housing properties	14	(855,607)	(695,483)
Purchase of new housing property – Rapley Court	14	(357,552)	(383,658)
Purchases of fixed assets – other	15	(83,398)	(238,622)
Receipt of grant	19	376,811	67,500
Net cash used in investing activities		(906,455)	(1,248,946)
Cash flows used in financing activities			
Interest paid	13	(35,869)	(41,871)
Repayment of loans – other	20	(36,401)	(69,967)
Net cash used in financing activities		(72,270)	(111,838)
Net Decrease/(Increase) in cash and cash equivalents		(968,709)	888,001
Cash and cash equivalents at beginning of year		3,584,692	2,696,691
Cash and cash equivalents at end of year		2,615,983	3,584,692

The notes on page 24 to 42 form part of these financial statements.

Notes Forming Part of the Financial Statements for the year ended 31st March 2023

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1. Legal Status

BHT Sussex is registered with the Financial Conduct Authority and is registered with the Regulator for Social Housing as a social housing provider. BHT Sussex is a charitable housing association, a company limited by guarantee under the Companies Act 2006 and is governed by its Articles of Association. BHT Sussex is also registered with the Charity Commission and as such is governed by applicable Charities Act legislation. BHT Sussex is a public benefit entity registered in England with Charity number 284839, Regulator of Social Housing number H1696 and Company number 01618610. The 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 BHT Sussex 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 2022, and the Companies Act 2022.

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 currency used in preparing these financial statements is the pound sterling and all figures have been rounded up to the nearest pound.

The following principal accounting policies have been applied:

Going Concern

Following assessment of the BHT Sussex financial position and resources available going forward, including the cashflow position for the next eighteen months, the Board believes that BHT Sussex 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, BHT Sussex continues to adopt the going concern basis of accounting, in the preparation of the annual financial statements. Based on this assessment the Board has concluded that a material uncertainty does not exist, and BHT Sussex is expected to continue to operate for the foreseeable future.

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. 84.9% of this income is paid directly to BHT Sussex from Housing Benefits, Universal Credit and Adult Social Care, which provides confidence in future payments of this stream of income.
- For 2023/24, over 80% 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, although we recognise that this will be a challenge going forward.
- Our cash balances, at the point of signing these accounts, is almost xx% greater than the £2.2 million head room agreed as policy. We have also undertaken a cashflow forecast for the period April 2023 to March 2025 and this shows we will be able to maintain a healthy £3.4m average 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 £2.2 million target.
- Our very limited exposure to fluctuations in the money markets, our limited borrowing is at a fixed rate and our non-involvement in 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. BHT Sussex 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.

2. Accounting policies (continued)

Supported Housing Schemes

BHT Sussex receives Supporting People grants from statutory and other authorities. The grants received in the period, as well as costs incurred by BHT Sussex 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 BHT Sussex, where it is not recoverable from tenants.

Service Charges

BHT Sussex 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 Sussex. 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 Sussex.

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 BHT Sussex and is charged to the Statement of Comprehensive Income.

Current and Deferred Taxation

BHT Sussex 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 BHT Sussex is assessed for indicators of impairment at each balance sheet date. Where indicators are identified, 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 options 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. BHT Sussex looks at the net realisable value, from the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value, less costs to sell or value, in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned, or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

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

2. Accounting policies (continued)

BHT Sussex 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

BHT Sussex 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 BHT Sussex and is 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

BHT Sussex operates a defined contribution pension scheme with Scottish Widows and 1 (2022: 2) employee belongs to the NHS pension scheme. The assets of the schemes are held separately from those of BHT Sussex. 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, BHT Sussex 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.

It should be noted that 3 (2022: 4) employees are in the Local Government Pension Scheme (LGPS) for which BHT Sussex will pay a fixed contribution rates for the duration of the contract. All other employees that TUPE'd with the new service are in our Scottish Widows pension scheme.

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.

2. Accounting policies (continued)

BHT Sussex 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 organisation. 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

Grants are 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 the 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, that are receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of comprehensive income in other operating expenses.

Recoverable Amount of Rental and Other Trade Receivables

BHT Sussex 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 BHT Sussex 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.

2. Accounting policies (*continued*)

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

BHT Sussex 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 key judgements have been made in respect of the following:

- 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. BHT Sussex 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. BHT Sussex has also considered impairment based on their assumptions to define cash or asset generating units.

Other key sources of estimation uncertainty

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

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

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

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

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

Provision of potential rental bad debts is based on 100% of 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)
	2023 £	2023 £	2023 £
Social Housing Lettings (Note 5)	7,743,093	(6,905,261)	837,832
Other Social Housing Activities			
Supporting people	1,184,807	(1,113,947)	70,860
Residential Care and Other grants	1,328,512	(1,246,775)	81,737
Total Social Housing	10,256,412	(9,265,983)	990,429
Activities other than Social Housing Activities (Note 6)			
Legal Advisory Services	1,269,982	(1,368,150)	(98,168)
Day Centre	361,949	(371,720)	(9,771)
Non-housing rent income	46,337	(46,337)	-
Other activities	4,995,253	(5,760,369)	(765,116)
Total Activities other than Social Housing	6,673,521	(7,546,576)	(873,055)
Total	16,929,933	(16,812,559)	117,374
	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	2022 £	2022 £	2022 £
Social Housing Lettings (Note 5)	7,438,043	(6,464,598)	973,445
Other Social Housing Activities			
Supporting people	1,165,986	(1,134,602)	31,384
Residential Care and Other grants	1,235,687	(1,201,728)	33,959
Total Social Housing	9,839,716	(8,800,928)	1,038,788
Activities other than Social Housing Activities (Note 6)			
Legal Advisory Services	1,289,253	(1,267,445)	21,808
Day Centre	412,024	(444,684)	(32,660)
Non-housing rent income	40,012	(40,012)	-
Other activities	3,394,085	(4,033,160)	(639,075)
Total Activities other than Social Housing	5,135,374	(5,785,301)	(649,927)
Total	14,975,090	(14,586,229)	388,861

5 Income and Expenditure from Social Housing Lettings

	General Needs £	Supported Housing £	Temporary Social Housing £	Total 2023 £	Total 2022 £
Income					
Rents net of identifiable service charges	2,407,635	2,196,227	305,612	4,909,474	4,862,695
Service charge income	540,845	1,780,251	126,876	2,447,972	2,357,789
Release of government capital grants	110,514	63,775	-	174,289	172,354
Other income	-	211,358	-	211,358	45,205
Turnover from social housing lettings	3,058,994	4,251,611	432,488	7,743,093	7,438,043
Expenditure					
Management	(41,834)	(280,837)	(28,496)	(351,167)	(338,933)
Service charge costs	(1,052,572)	(3,397,210)	(435,597)	(4,885,379)	(4,726,214)
Routine maintenance	(549,319)	(195,599)	(47,658)	(792,576)	(676,642)
Planned maintenance	(70,191)	(34,258)	(1,382)	(105,831)	(121,995)
Major repairs expenditure	(185,698)	(42,438)	(7,014)	(235,150)	(122,729)
Bad debts	(45,605)	(46,991)	8,652	(83,944)	(60,865)
Depreciation of housing properties:					
- annual charge	(199,861)	(221,697)	(22,997)	(444,555)	(423,519)
- accelerated depreciation	(5,658)	(1,001)	-	(6,659)	6,299
Operating expenditure on social housing lettings	(2,150,738)	(4,220,031)	(534,492)	(6,905,261)	(6,464,598)
Operating surplus/deficit on social housing lettings	908,256	31,580	(102,004)	837,832	973,445
Void losses (memorandum only)	(119,466)	(455,233)	(171,943)	(746,642)	(589,665)

The difference between £2,094,394 and £1,079,141 (both Note 14) is repairs and maintenance costs. The difference of £1,015,253 is repairs and maintenance expenditure. This amount has been split between Social Housing (£857,647) as detailed in note 14 and supporting people (£93,887). It should also be noted that within accelerated depreciation, there is a gain of sale of land for the value of £14,176.

6 Particulars of Turnover from Non-Social Housing Activities

	2023 £	2022 £
Advice Services:		
Legal aid including costs & disbursements recovered	775,998	728,944
Grant contract incomes	457,355	515,269
Donations, fundraising and other income	36,629	45,040
Total for Advice Services	1,269,982	1,289,253
Day Centre		
Grant contract incomes	269,161	316,763
Donations, fundraising & other income	92,788	95,261
Total for Day Centre	361,949	412,024

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

	2023 £	2022 £
Non-housing rent income		
Renaissance House	46,337	40,012
Total for Non-housing rent income	46,337	40,012
Other Activities		
Grant contract incomes	4,783,980	3,117,889
BHT Sussex IT Solutions	97,582	124,998
Donations & fundraising	4,208	17,908
Other Income	38,977	133,290
Total for other activities	4,924,747	3,394,085
Turnover from non-social housing activities	6,603,015	5,135,374

7 Units of Housing Stock

	2023 Number	2022 Number
General needs social housing	305	305
Supported housing	133	132
Total social housing units	438	437
Total owned	438	437
Accommodation managed for others	305	323
Total managed accommodation	743	760
Units managed by other Trusts	6	6
Total owned and managed accommodation	749	766

The increase in the number of units Owned Supported Accommodation from 132 to 133 is a result of the purchase of a flat.

8 Operating Surplus

	2023 £	2022 £
The operating surplus is arrived at after charging:		
Depreciation of housing properties - annual charge	444,555	423,519
Depreciation of other tangible fixed assets	146,424	145,103
Operating lease charges – land, building and vehicles	1,511,002	1,605,202
Auditor's remuneration (Including VAT):		
- fees payable for the audit of the annual accounts of the Trust	41,700	29,280

9 Employees

	2023 £	2022 £
Employee costs (including Executive Management Team) consist of:		
Wages and salaries	8,364,532	7,301,355
Social security costs	736,638	599,476
Cost of defined contribution scheme	404,038	334,856
	9,505,208	8,235,687

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:

	2023	2022
Administration	71	75
Housing, Support and Care	221	195
	292	270

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

	2023 No.	2022 No.
£60,000 - £69,999	1	3
£70,000 - £79,999	3	1
£80,000 - £89,999	1	0
£90,000 - £99,999	0	1

10 Directors and Senior Executive Remuneration

The directors are defined as the members of the Board of Trustees (the Board), 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:

	2023 £	2022 £
Executive directors' emoluments	372,920	356,907
Contributions to money purchase pension schemes	20,372	19,562
Total	393,292	376,469

No members of the Board received any emoluments in 2023: nil (2022: nil). The Board received £46 (2022: £40) 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 £74,719 (2022 - £87,670) but resigned in Jan-23. Additionally, pension contributions of £4,099 (2022: £4,822) 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 6 directors in the defined contribution pension scheme (2022: 5).

11 Board Members

Board Members	Remuneration Committee	Member of -				Board
		Finance Audit & Risk Committee	Operations & Personnel Committee	Governance Committee		
Kelvin MacDonald	√		√	√	√	
Sarah Butler	√	√	√		√	
Ian Millar	√	√			√	
Melanie Davis	√		√	√	√	
Gerald Main			√		√	
Mary Tawiah		√			√	
Paul Featherstone	√		√		√	
Lawrence Santcross		√			√	
Angeline Walker			√		√	
Andrew Rose	√	√		√	√	

No remuneration was paid to Board members. (2022: nil).

12 Interest Receivable and Income from Investments

	2023 £	2022 £
Interest receivable and similar income	13,291	1,317

13 Interest Payable and Similar Charges

	2023 £	2022 £
Interest on loans and overdrafts	35,869	41,871

14 Tangible Fixed Assets – Housing Properties

	General Needs	Supported Housing	Total
	£	£	£
Cost			
At 1 st April 2022	15,787,154	11,266,138	27,053,292
Additions:			
- replaced components	213,610	26,462	240,072
- Enhancements	428,431	187,104	615,535
- Purchase of new property – Rapley Court	-	357,552	357,552
Disposals:			
- replaced components	(46,962)	(5,824)	(52,786)
At 31st March 2023	16,382,233	11,831,432	28,213,665
Depreciation:			
At 1 st April 2022	(3,700,020)	(3,036,228)	(6,736,248)
Charge for the year	(199,861)	(244,694)	(444,555)
Eliminated on disposals:			
- replaced components	41,522	5,712	47,234
At 31st March 2023	(3,858,359)	(3,275,210)	(7,133,569)
Net book value at 31st March 2023	12,523,874	8,556,222	21,080,096
Net book value at 31st March 2022	12,087,134	8,229,910	20,317,044

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

	2023 £	2022 £
Freehold	17,877,795	17,045,369
Long Leasehold	2,462,742	2,492,132
Leasehold Improvements	739,559	779,543
	21,080,096	20,317,044

Total Social Housing Grant received is as follow:

	2023 £	2022 £
Capital Grant – Housing Properties	15,628,608	15,941,108

Total Trust expenditure during the year on works to existing properties was £2,403,252 (2022: £2,094,394) of which £1,213,159 (2022: £1,079,141) has been capitalised. The difference between £2,403,252 and £1,213,159 is repairs and maintenance costs. This amount has been split between Social Housing £1,133,557 (2022: £921,366) (as detailed in note 5) and supporting people £56,536 (2022: £93,887). Of the amounts capitalised, £240,072 (2022: £400,972) relates to the replacement of components £615,535 (2022: £294,511) relates to the enhancement of properties and £357,552 (2022: 383,658) was for the purchase of Land and Building.

15 Tangible Fixed Assets – Other

	Non-Housing Property £	Fixtures, Fittings and Equipment £	IT Equipment and Software £	Total £
Cost or valuation				
At 1 st April 2022	2,119,153	240,196	273,528	2,632,877
Additions	-	37,030	46,368	83,398
Disposals	(159,713)	(14,731)	-	(174,444)
At 31st March 2023	1,959,440	262,495	319,896	2,541,831
Depreciation				
At 1 st April 2022	(542,970)	(96,302)	(145,260)	(784,532)
Charge for year	(30,830)	(50,986)	(64,608)	(146,424)
Disposal	136,838	13,214	-	150,052
At 31st March 2023	(436,962)	(134,074)	(209,868)	(780,904)
Net book value at 31st March 2023	1,522,478	128,421	110,028	1,760,927
Net book value at 31st March 2022	1,576,183	143,894	128,268	1,848,345

Total Capital Grant received is as follows:

	2023 £	2022 £
Capital Grant – Freehold Non-Housing Properties	680,000	680,000

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

	2023 £	2022 £
Freehold	1,421,955	1,443,869
Long Leasehold	123,398	132,314
	-	-
At 31st March	1,545,353	1,576,183

16 Debtors

	2023 £	2022 £
Due within one year		
Rent and service charge arrears	564,712	469,885
Less: Provisions for doubtful debts	(193,977)	(129,972)
	370,735	339,913
Other debtors	5,004,336	3,168,039
Prepayments and accrued income	610,190	1,120,225
	5,985,261	4,628,177

Notes Forming Part of the Financial Statements for the year ended 31st March 2023 (continued)

17 Creditors: Amounts Falling Due Within One Year

	2023 £	2022 £
Loans and borrowings (Note 20)	1,938	36,390
Trade creditors	342,383	587,808
Taxation and social security	182,469	200,622
Other creditors	87,930	89,596
Accruals and deferred income	5,689,014	4,802,942
Deferred Capital Grant (note 19)	200,203	260,165
	6,503,937	5,977,523

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

18 Creditors: Amounts Falling Due After One Year

	2023 £	2022 £
Loans and borrowings (Note 20)	310,885	312,834
Deferred Capital Grant (Note 19)	12,574,825	12,312,344
TPT Pension Liability	3,302	6,705
	12,889,012	12,631,883

19 Deferred Capital Grant

	2023 £	2022 £
At 1 st April 2022	12,572,509	12,677,363
Addition	376,808	67,500
Released to income during year	(174,289)	(172,354)
At 31 st March	12,775,028	12,572,509
	2023 £	2022 £
In one year or less, or on demand	200,203	260,165
In more than one year but not more than two years	200,203	260,165
In more than two years but not more than five years	568,020	568,020
In five years or more	11,806,602	11,484,159
	12,775,028	12,572,509

20 Loans and Borrowings

Maturity of debt:

	Bank Loans 2023 £	Bank Loans 2022 £
In one year or less, or on demand	1,938	36,390
In more than one year but not more than two years	2,172	1,959
In more than two years but not more than five years	8,016	7,224
In five years or more	300,697	303,651
	312,823	349,224

Loans are secured by specific charges on the housing properties of BHT Sussex. 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	2023 £	2022 £
At 1 st April 2022	384,590	322,098
Released to income and expense	185,667	62,492
Charged as at 31 st March	570,257	384,590

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 excludes landlord responsibility repairs.

22 Pensions

Defined Contribution Scheme

A defined contribution pension scheme is operated by BHT Sussex on behalf of the employees. The assets of the scheme are held separately from those of BHT Sussex in an independently administered fund provided by Scottish Widows. The pension charge represents 5.5% (2022:5.5%) of pensionable salary contributions payable by BHT Sussex to the fund and amounted to £348,036 (2022: £310,260). Contributions totalling nil (2022: 0) were payable to the fund at the year end.

BHT Sussex also operates a defined contribution pension scheme for the ex-Sussex Oakleaf employees who TUPE'd to BHT Sussex. The assets of the scheme are held separately from those of BHT Sussex in an independently administered fund provided by TPT. The pension charge represents contributions payable by BHT Sussex to the fund and amounted to £28,180 (2022: £29,073).

In November 2022, BHT Sussex TUPE'd seven employees from South East Independent Living Limited (SEILL) and made contributions payable to the Local Government Pension Fund (LGPS) of £22,128 (2022 5 months £8,990).

Two (2022: 2) employees belong to the NHS pension scheme. Membership of this scheme is not open to other BHT Sussex employees. BHT Sussex contributes 14.38% (2022: 14.38%) of their pensionable salaries of members to this scheme.

Defined Benefit Scheme

TPT Retirement Solutions – The Growth Plan

The organisation participates in a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. 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.

TPT Retirement Solutions – The Growth Plan (continued)

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 at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Scheme Trustees have asked the participating employers to pay additional contributions. 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.

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. 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.

TPT – The Growth Plan	31 March 2023 (£s)	31 March 2022 (£s)
Present value of provision	6,724	10,548

Reconciliation Of Opening and Closing Provisions	31 March 2023 (£s)	31 March 2022 (£s)
Provision at start of period	10,548	39,137
Unwinding of the discount factor (interest expense)	199	226
Deficit contribution paid	(3,843)	(9,904)
Remeasurements - impact of any change in assumptions	(180)	(242)
Remeasurements - amendments to the contribution schedule	-	(18,669)
Provision at end of period	6,724	10,548

	31 March 2023	31 March 2022
Rate of discount	5.52%	2.35%

Assumptions

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.

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

BHT Sussex received Social Housing Grants which were used to fund the acquisition and development of housing properties and their components. A grant of £4,173,530 (2022: £4,015,378) was received in respect of housing properties held at 31st March 2023 in respect of adoption of historic cost. BHT Sussex has a future obligation to recycle such grants once the properties are disposed of. At 31st March 2022, the value of grants received in respect of these properties that had not been disposed of was £11,641,693 (2022: £11,799,845).

A grant of £312,350 (2022: 67,500) was received from Homes England Grant received in respect of housing properties in 2022-22. At 31st March 2023, the value of grant received in respect of these properties that had not been disposed of was £309,227 (2022: £66,825).

In addition, non-social housing grants of £639,200 (2022: £639,200) had been received in respect of properties that had not been disposed of.

There are two properties (Bear Road and the Whitehawk in) which are due to be handed back in the 2023 (2020 - nil). The dilapidations costs associated with these properties are not yet known and will be subject to negotiation.

24 Operating Leases

BHT Sussex had minimum lease payments under non-cancellable operating leases as set out below:

Amounts Payable as Lessee

	2023 £	2022 £
Not later than 1 year	1,511,002	1,605,202
Later than 1 year and not later than 5 years	2,658,898	2,348,425
Later than 5 years	2,110,107	1,599,725
Total	6,280,007	5,553,352

Amounts Receivable as Lessor

	2023 £	2022 £
Not later than 1 year	48,447	46,591
Later than 1 year and not later than 5 years	65,567	92,203
Total	114,014	138,794
Average rents receivable from tenants per week	164,129	159,509

25 Capital Commitments

There were no capital commitments as at 31st March 2023 (2022: £324,589).

26 Related Party Disclosures

Two members of our Board are also tenants of BHT Sussex. 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 £116 (2022: £110) per week including service charges. The rent charge paid by both Board members is £116 (2022: £110) per week.

One Board member whose partner is member of The Board of Sussex Interpreting Services, who are a supplier of Services to BHT Sussex Advice, there was 9 (2022: 1) transaction and the sum paid was £932 (2022: £414).

There is also a further Board member who is a Trustee of BHT Charitable Trust. There were no transactions (2022: nil) with BHT Charitable Trust.

There were no other related party transactions in the year to 31st March 2023.

27 Members' Liability

BHT Sussex has no share capital, and the liability of the members is limited by guarantee as set out in the provisions of the Articles of Association.

Each of the 14 (2022: 14) members has undertaken to contribute £1 in the event of BHT Sussex being wound up.

28 Capital and Reserves**Restricted Reserves**

	1 April 2022	Income	Expenditure	Released to General Reserves	31 March 2023
	£	£	£	£	£
The Academy	201,143	91,983	(133,374)	-	159,752
Fulfilling Lives	304,565	437,235	(433,670)	(308,130)	-
East Sussex Floating Support	8,776	3,312,405	(3,212,822)	-	108,359
Designated Reserves – Development	2,896	-	-	-	2,896
Property Maintenance Reserve	37,000	-	-	-	37,000
Restricted Reserves	2,496	-	-	-	2,496
Total Restricted Reserves	556,876	3,841,623	(3,779,866)	(308,130)	310,503
Unrestricted Reserves*	10,827,387	13,088,310	(13,055,270)	308,130	11,168,557
Total Reserves	11,384,263	16,929,933	(16,835,136)	-	11,479,060

	1 April 2021	Income	Expenditure	Released to General Reserves	31 March 2022
	£	£	£	£	£
Advice Plus	(7,388)	-	(3,750)	11,138	-
The Academy	105,875	95,268	-	-	201,143
Reaching Communities /First Impressions	(7,268)	-	-	7,268	-
Fulfilling Lives	762,338	1,040,827	(1,010,918)	(487,682)	304,565
East Brighton Gateway	(3,116)	-	(1,620)	4,736	-
East Sussex Floating Support	-	1,201,147	(1,192,371)	-	8,776
Designated Reserves – Development	2,896	-	-	-	2,896
Property Maintenance Reserve	37,000	-	-	-	37,000
Restricted Reserves	2,496	-	-	-	2,496
Total Restricted Reserves	892,833	2,337,242	(2,208,659)	(464,540)	556,876
Unrestricted Reserves*	10,143,122	12,637,849	(12,418,124)	464,540	10,827,387
Total Reserves	11,035,955	14,975,091	(14,626,783)	-	11,384,263

Reserve**Purpose and restriction in use**

Advice Plus	Local advice services in East Sussex
The Academy	Helping homeless people move into employment and accommodation
Reaching Communities /First Impressions	Helping homeless people overcome barriers to employment
Fulfilling Lives	Promoting change with people with multiple and complex needs
East Brighton Gateway	Partnership based learning and education activities
East Sussex Floating Support	The provision of a Housing related Floating Support Services to support people to live well and independently in their own homes in East Sussex
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
Restricted Reserves	Transferred from Sussex Oakleaf and is for Children in Need

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 2022/23, a total sum of £308,130 (2022: £464,540) was released from Restricted Reserves to General Reserves.

29 Financial Instruments

The financial instruments may be analysed as follows:

	2023 £	2022 £
Financial Assets		
Financial assets measured at historical cost		
- Trade receivables	370,735	339,913
- Other receivables	5,614,526	4,288,264
- Cash and cash equivalents	2,615,983	3,584,692
Total Financial Assets	8,601,244	8,212,869
	2023 £	2022 £
Financial Liabilities		
Financial liabilities measured at amortised cost		
- Loans payable	312,823	349,224
Financial liabilities measured at historical cost		
- Trade creditors	342,383	587,808
- Other creditors	5,959,413	5,093,160
Total financial liabilities at historic cost	6,301,796	5,680,968
Total Financial Liabilities	6,614,619	6,030,192

30 Net Fund Reconciliation

	1 April 2022 £	Cashflows £	31 March 2023 £
Cash at Bank and in Hand	3,584,692	(968,709)	2,615,983
Bank Loans	(349,224)	36,401	(312,823)
TOTAL	3,235,468	(932,308)	2,303,160