

Registered company number: 8662400

Registered charity number: 1162562

Registered provider number: 4821

**Chartford Housing Limited**

## **Report and Financial Statements**

**Year ended 31 March 2023**



**CONTENTS**

	<b>Page</b>
Board Members, Executive Officers, Advisors and Bankers	1
Report of the Directors	2
Independent Auditors' Report to the Members of Chartford Housing Limited	12
Statement of Comprehensive Income	16
Statement of Financial Position	17
Statement of Changes in Reserves	18
Statement of Cash Flows	19
Notes to the Financial Statements	20

## **Chartford Housing Limited**

### **BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS**

<b>Directors/Management Board</b>	Mark Dowson (Chair) Nicholas Warden Sue Missin James Hogarth	Phillip Charlton Catherine Kelly Laura Varley Jamie Bradley	John Bell Alan Goodrum Danny Boardman
-----------------------------------	---	--	---

**Senior Management Team:** The executive comprise the senior management team of the sole member, Horton Housing Association.

**Registered Office:** Chartford House, 54 Little Horton Lane, Bradford, BD5 OBS

**Company Registration no:** 8662400

**Charity Registration no:** 1162562

**Registered Provider no:** 4821

**Solicitors:** Schofield Sweeney  
Church Bank House  
Church Bank  
Bradford  
BD1 4DY

**Auditors:** Crowe U.K. LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**Bankers:** Barclays Bank plc  
10 Market Street  
Bradford  
BD1 1NR

**Development consortium:** Unity Housing Development Consortium  
113-117 Chapeltown Road  
Leeds  
LS7 3HY

**Development partner:** Greenoak Development Consultancy  
High Austby House  
Ilkley  
LS29 0BJ

# **Chartford Housing Limited**

## **REPORT OF THE DIRECTORS**

The directors present their report and audited financial statements for the year ended 31 March 2023.

### **CONSTITUTION**

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2023 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

### **PRINCIPAL ACTIVITIES**

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

- 1) Acting as a landlord for supported housing providers who are not registered providers
- 2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

### **GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS**

The Management Board adopted the NHF 2020 Code of Governance with effect from 1 April 2022, and worked through a short workplan in the 2022/23 year to achieve full compliance by March 2023. It has undertaken an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm compliance as at March 2023. The Management Board's assessment is that it complies with the Code, with two exceptions. These are:

**3.3 Board composition - (4)** *There is a dedicated senior board member (normally a vice-chair or senior independent director) with duties that include appraisal of the chair and assisting the chair to ensure the effectiveness of the board.* – Where we have appointed an external consultant to undertake this on the Board's behalf

**REPORT OF THE DIRECTORS (CONTINUED)**

**3.10 Member appraisal - (1)** *The appraisal of the board's chair is led by a senior board member, informed by the views of all board members.* – Where appraisal of the Boards' chair is led by an independent consultant. It is informed by the views of all Board Members

The Management Board comprises all the current directors of the company and must comprise of no less than five and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	Phillip Charlton	John Bell	Alan Goodrum
Nicholas Warden	Catherine Kelly	Sue Missin	Mark Bell (resigned 9/5/23)
Clive Greenwood (resigned 13/9/22)		Kim Smart (resigned 12/9/22)	
Zuzka Downing (resigned 9/9/22)		Laura Varley (appointed 28/9/22)	
Danny Boardman (appointed 14/12/22)		James Hogarth (appointed 15/3/23)	
Jamie Bradley (appointed 15/3/23)			

The Board formally met five times during the 2022/23 year, as well as holding an Awayday to consider strategic matters, and one other meeting called at short notice for consideration of an urgent item. The Awayday was a face to face meeting. All other meetings were hybrid with a mixture of attendees in person and via video link.

All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

**BUSINESS REVIEW AND FINANCIAL RESULTS**

At the beginning of the financial year the company owned 186 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 282 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 33 further units for refurbishment. Together with 24 unfinished units carried forward from the prior year, but 11 unfinished units carried forward at 31 March 2023, 32 new units were ready to let as supported accommodation by 31 March 2023. 14 of the units are new Traveller Site pitches which came into management during the year. The company leased or managed 257 units of supported accommodation as at the 31 March 2023, a reduction of 25 during the year following the return of some leased properties to landlords.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2018.

The rent received for owned properties and properties on short-term lease agreements amounted to £1,192k in the year to 31 March 2023 (2022: £1,075k).

The overall surplus for the year amounted to £334k (2022: £595k) and reserves of £5,940k are carried forward at 31 March 2023. The value of residential property held by the company as at 31 March 2023 was £18.1 million (2022: £16.8 million).

**REPORT OF THE DIRECTORS (CONTINUED)**

**FUTURE DEVELOPMENTS**

The company continues to work with Unity Housing (as the two members of the Unity Housing Development Consortium) and Horton Housing Association to identify new opportunities to develop new supported housing schemes. The company is also registered with Homes England in its own right as a Development Partner, and current and future developments are being progressed via these routes.

The company is continuing its development programme and at 31 March 2023 had a pipeline of a further 11 properties under development at 31 March 2023. The company is actively seeking further opportunities to develop during 2023/24 under the Continuous Market Engagement part of the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Single Homeless Accommodation Programme.

COVID19, BREXIT withdrawal and other factors such as the general increase in costs, has slowed the progress of some developments and has increased the price and affected the availability of some building materials. The company is therefore carefully assessing each development opportunity prior to commitment. However the company continues to plan to continue developing.

**POLICY, PROCEDURE AND INTERNAL CONTROL**

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

**RESERVES POLICY**

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The company aims to steadily build up its reserves and as at 31 March 2023 the company's unrestricted general reserve stood at £5,027k and the revaluation reserve at £913k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

**IDENTIFYING AND EVALUATING KEY RISKS**

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

### **REPORT OF THE DIRECTORS (CONTINUED)**

There is an over-arching Group Operational Risk Register (ORR) which applies to all the group entities and which identifies key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the Business Plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations, of changing Government Policy and priorities, the current changing economic environment and the ability to meet the requirements of the “Net Zero Carbon” agenda, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit & Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

### **INFORMATION AND PERFORMANCE REPORTING SYSTEMS**

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on key areas such as:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification
- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

### **EFFICIENCY AND VALUE FOR MONEY**

The company reviewed and adopted its revised Value for Money (VFM) Strategy following a detailed review by its internal auditors of the company’s compliance with the Regulator’s VFM Standard (2018). This identified a number of areas for improvement. In particular, it recommended changes to the structure of the Value for Money Strategy, and its links to the Business Plan objectives. It also recommended improvements in how we define and measure success in our performance. The revised Strategy was agreed and formally adopted by the Board in June 2022, with reporting against the initial measures commencing for Board. Following a review of these at the Board Awaydays in January 2023, the Management Team has been tasked with reviewing the approach to monitoring and measuring VFM to simplify it and remove duplication with other reporting. Work will continue on improving our measuring and monitoring, in 2023/24.

The company’s Value for Money Strategy sets out that the Board’s role is to have:

- An assessment of its assets and resources
- A robust approach to decision making
- A good overview of VFM across the whole business



**REPORT OF THE DIRECTORS (CONTINUED)**

- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular reports and reviews in relation to current arrangements for delivering the company's activities
- Confidence that its skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers
- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

**Value for Money measurements and reporting**

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2022 as a benchmark comparison figure and comment upon variances from the benchmark.

**Business health**

**\*Operating margin (overall)    21.9% (2022: 34.5%)    SPBM benchmark 2022: 16.5%**

The company continues to report healthy operating margins. However, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects, so it does vary significantly between years.

**\*Operating margin (social housing lettings)    21.9% (2022: 34.5%)    SPBM benchmark 2022: 17.0%**

This figure is the same as Operating margin (overall) as all of the company's income is from social housing lettings.

**\*EBITDA MRI    192.1% (2022: 196.5%)    SPBM benchmark 2022: 248.0%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and strongly developing association, taking on a debt burden. Most small providers in the SPBM benchmark group are not developing to the same extent.

## Chartford Housing Limited

### REPORT OF THE DIRECTORS (CONTINUED)

#### Development

**\*New supply (social)** 32 (2022: 40) SPBM benchmark 2022: 0

**Units developed as a % of owned (social)** 6.7% (2022: 8.5%) SPBM benchmark 2022: 0

**\*New supply (non-social)** We have no non-social housing so this metric does not apply to us.

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. The company continues to develop at a sustainable pace. Most small providers in the SPBM benchmarking group are not developing at all, rendering sector comparators fairly meaningless.

**\*Gearing** 64.9% (2022: 61.8%) SPBM benchmark 2022: 16.53%

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting the company's development plans.

**Cumulative Homes England SHG invested** £8,347,598 (2022: £6,527,098)

This reflects the amount of development activity that has occurred since the company started developing. It has been increasing significantly as the company has been actively developing utilising a number of SHG funding streams.

#### Outcomes delivered

**Customer satisfaction** 97.0% (2022: 89.3%) SPBM benchmark 2022: 90.0%

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by the company for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with the company. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 169 respondents this year (2022: 186). The level of satisfaction has shown a significant recovery in 2022 following a year of poorer figures during the COVID pandemic, where we suspect a good element of the reduction was due to the effects of COVID restrictions on our ability to interact with clients and be promptly undertaking non-urgent repairs.

**\*Reinvestment** 17.0% (2022: 20.8%) SPBM benchmark 2022: 2.8%

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, the company is actively developing.

**Lettable days available from owned property** 70,754 (2022: 62,326)

**Actual number of days let as a % of lettable days** 95.2% (2022: 94.0%)

These two internal measures show the effects of the company's activity on the supply and availability of social housing, and also ensures that the company's housing that it is delivering is in

**REPORT OF THE DIRECTORS (CONTINUED)**

demand. These demonstrate that the company is meeting its Business Plan objectives, and delivering them effectively and efficiently.

**Effective Asset Management**

**\*Return on capital employed 4.4% (2022: 5.5%) SPBM benchmark 2022: 2.41%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year.

**Operating efficiencies**

**\*Headline social housing cost per unit £1,757 (2022: £2,026) SPBM benchmark 2022: £4,774**

Underlying cost per unit is relatively low and this is mainly because all the developments and refurbishments are new since operations began and there has therefore been relatively little maintenance cost. In the prior year the company absorbed a significant amount of abortive development costs, but such costs have been insignificant in the current year. The company has started to bear some planned maintenance costs. The management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Thus the metric has decreased from prior year levels, but not down to the levels of earlier years.

Over time we expect our social housing costs per unit to increase as more planned maintenance as well as improvements to EPC ratings of our properties are undertaken.

**Management fees paid per unit of stock (owned and leased) £274 pa (2022: £277 pa)**

**Total cost of delivery of each lettable day £19.66 (2022: £20.62)**

These two internal measures demonstrate firstly the economies of scale benefits as the company increases its stock, and secondly that its overall cost of delivery of every lettable day is being controlled. The company is able to take advantage of being a part of the Horton Housing Group. The company benefits from the resources of the Group as shown in the low costs noted above, and in particular, it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annually fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

**REPORT OF THE DIRECTORS (CONTINUED)**

**VFM Improvement Plans**

Every year targets are set within the company's Business Plan and also as specific actions within the VFM Strategy. We seek to identify and improve in areas that we think can be improved. Most of the targets and actions are related to reviewing and amending the measures which we introduced in 2022/23, and the way these are reported to Board. This is as well as some specific actions in respect of assessing VFM of certain activities and the procurement of certain services.

**Evidence of Efficiency Gains in 2022/23**

VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We continue to increase the fuel efficiency of our new developments, through use of enhanced insulation, LED lighting, solar panels and considering the use of heat pumps where appropriate.
- We have successfully bid for grant support from the Social Housing Decarbonisation Fund Wave 1 to improve the energy efficiency rating of 10 of our properties through improved insulation. This grant support has amounted to in excess of £90k.
- We have followed this up with a successful bid for further funding for similar improvements to a further 30 properties under Wave 2, as well as a successful bid to the West Yorkshire Mayors Fund for funding for a wider range of energy efficiency improvements to, we estimate, between 15 and 20 of our properties. These works are still being scoped out at the time of writing.
- We started operating our "Owt for Nowt" Shop for our clients and tenants in the centre of Bradford. This provides free items of clothing and furniture that the Horton Group obtains from donations, refurbishment and other sources. It is staffed by volunteers, and we do not pay rent and is now used extensively by clients and tenants.
- We introduced the use of Post Office cards for support staff depositing cash into our bank accounts. This has made significant time savings for staff due to the locality of these venues for staff to use and the avoidance of lengthy and extensive queues in banks.
- We are renewing our phone and internet services at many of our sites, with increased use of internet services and consequently decreased operating costs. This programme of renewal will continue to be rolled out over the coming years.
- We have reviewed the software solution used by support staff (Aspire) to remove some areas that were causing frustration and misunderstandings and taken advantage of a number of technical improvements as well. This has made its use more efficient and effective.
- We have an ongoing programme of ICT improvements which has made our internal systems more reliable, secure and robust and improved operational efficiency.

**REPORT OF THE DIRECTORS (CONTINUED)**

**COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD**

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2022/23 management self-assessment was completed in early 2023. This identified some controls that had slipped during the 2022/23 year due to internal staff resource issues, but an action plan was agreed with the Board and all core controls were assessed as satisfactorily in place and retrospectively addressed by the date of this report. Board is therefore satisfied that it meets all the requirements of the Standard at the date of this report.

**COMPLIANCE WITH OTHER RSH STANDARDS**

The company also completes a full review of its compliance with RSH Standards every year using the same process as for the Governance and Financial Viability Standard.

The Board is satisfied that it continues to meet all the requirements of the other RSH Standards at the date of this report.

It should be highlighted however, that, following the Board Awayday's consideration of this area in early 2023 the management team has been tasked with re-addressing the measuring and monitoring of VFM to simplify and remove duplication with other areas of reporting. This work continues in 2023/24.

**STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources including the income and expenditure of the company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

**REPORT OF THE DIRECTORS (CONTINUED)**

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31<sup>st</sup>

March 2011) and The Housing and Regeneration Act 2008, (from 1<sup>st</sup> April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Report of the Directors was approved on 5 September 2023 and signed on its behalf by:



**Mark Dowson**  
Chair

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED**

### **Opinion**

We have audited the financial statements of Chartford Housing Limited (the "charitable company") for the year ended 31 March 2023 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED  
(CONTINUED)**

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Board's report, which includes the report of the directors prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors included within the Board's report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors included within the Board's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Board**

As explained more fully in the Board's responsibilities statement set out on pages 10 - 11, the Board (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED  
(CONTINUED)**

concern and using the going concern basis of accounting unless the Board either intend to liquidate the charitable company 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.

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:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED  
(CONTINUED)**

audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**Use of our report**

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



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

**Manchester**

19th September 2023

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	3	3,518,130	2,624,627
Operating expenditure		(2,794,976)	(1,720,281)
		<hr/>	<hr/>
<b>Operating surplus</b>	5	723,154	904,346
Loss on disposal of fixed assets	6	-	(17,612)
Interest and financing costs	7	(388,829)	(291,271)
		<hr/>	<hr/>
<b>Surplus for the year</b>	15	334,325	595,463
Revaluation surplus	15	120,293	294,650
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<u>454,618</u>	<u>890,113</u>

The notes on pages 20 to 30 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

**STATEMENT OF FINANCIAL POSITION**  
**at 31 March 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		£	£
<b>Tangible fixed assets</b>			
Housing properties	9	18,076,210	16,834,209
		<u>18,076,210</u>	<u>16,834,209</u>
<b>Current assets</b>			
Debtors	10	603,271	580,451
Cash and cash equivalents		39,617	206,380
		<u>642,888</u>	<u>786,831</u>
<b>Creditors: amounts falling due within one year</b>	11	(1,078,641)	(1,435,201)
		<u>(435,753)</u>	<u>(648,370)</u>
<b>Net current (liabilities)/ assets</b>		<u>17,640,457</u>	<u>16,185,839</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	12	(11,700,000)	(10,700,000)
<b>Total net assets</b>		<u>5,940,457</u>	<u>5,485,839</u>
<b>Capital and reserves</b>			
Non-equity share capital		-	-
Revenue reserves	15	5,027,413	4,639,123
Revaluation reserve	15	913,044	846,716
<b>Total reserves</b>		<u>5,940,457</u>	<u>5,485,839</u>

The notes on pages 20 to 30 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 5 September 2023 and are signed on its behalf by:



**Mark Dowson**  
Director



**Nicholas Warden**  
Director

**STATEMENT OF CHANGES IN RESERVES**  
for the year ended 31 March 2023

	Note	Share capital £	Unrestricted fund £	Total £
<b>Balance at 31 March 2021</b>		-	4,595,726	4,595,726
<b>Year ended 31 March 2022</b>				
Surplus from statement of comprehensive income		-	890,113	890,113
<b>Balance at 31 March 2022</b>		-	5,485,839	5,485,839
<b>Year ended 31 March 2023</b>				
Surplus from statement of comprehensive income		-	454,618	454,618
<b>Balance at 31 March 2023</b>		-	5,940,457	5,940,457

The notes on pages 20 to 30 form part of these financial statements.

**Chartford Housing Limited**

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2023

	<b>Note</b>	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Net cash inflow from operating activities</b>	<b>18</b>	<b>2,304,224</b>	<b>3,397,971</b>
<b>Cash flow from investing activities</b>			
Purchase and construction of housing fixed assets	9	(3,082,158)	(3,508,461)
Sale of housing fixed assets		-	166,699
Recycled grant		-	(25,000)
		<u>(3,082,158)</u>	<u>(3,366,762)</u>
<b>Cash flow from financing activities</b>			
New Loans		1,000,000	300,000
Loan Repayments		-	-
Interest paid	7	(388,829)	(291,271)
		<u>611,171</u>	<u>8,729</u>
<b>Net change in cash and cash equivalents in the period</b>		<u>(166,763)</u>	<u>39,938</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>206,380</u>	<u>166,442</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>39,617</u></u>	<u><u>206,380</u></u>

**MOVEMENTS IN NET DEBT**

	<b>1 April 2022</b> <b>£</b>	<b>Cashflows</b> <b>£</b>	<b>31 March</b> <b>2023</b> <b>£</b>
Loans due after more than one year	10,700,000	1,000,000	11,700,000
Cash	(206,380)	166,763	(39,617)
<b>Net Debt</b>	<u>10,493,620</u>	<u>1,166,763</u>	<u>11,660,383</u>

The notes on pages 20 to 30 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

**1 LEGAL STATUS**

The company is registered with the Regulator of Social Housing (RSH) as a housing provider and is registered under the Companies Act 2006.

**2 ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England - 2022. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

**Accounting Convention**

The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated). The financial statements are presented in sterling.

**Going concern**

The company's year end balance sheet reflects net current liabilities of £436k. This is due to £323k of deferred income from social housing grant covering capital work ongoing at the year end (and thus this is a non-cash liability, as well as a net trading balance arising from the intercompany transactions with the parent entity of £585k noted in Note 22. Thus, notwithstanding the net current liabilities, the financial statements have been prepared on a going concern basis. The Company has significant reserves and a satisfactory level of future income. The Company is financed by a loan from its parent entity, Horton Housing Association, and there is sufficient further headroom in this loan facility, and no requirement for security to be provided, such that financing is effectively immediately available for drawdown from the parent should it be needed.

**Turnover and revenue recognition**

Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

**Interest payable**

Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

**Tax status**

The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

**2 ACCOUNTING POLICIES (continued)**

**Housing properties**

Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

**Depreciation of housing properties**

Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business.

Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

**Impairment**

Housing properties will be reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down is charged to the operating surplus for the year.

In addition, revaluations of properties are undertaken on completion of developments and at regular intervals thereafter. If these valuations are less than the carrying value of the property, an impairment charge will result. The impairment charge is charged to operating surplus for the year, unless there has been a previous upward revaluation of that property. In that case the impairment would be charged to revaluation reserves (to the extent of previous upward revaluations) with any balance then being charged to operating surplus.



**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

**2 ACCOUNTING POLICIES (continued)**

**Financial Instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Social Housing Grant**

Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance-related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Government grants released on sale of a property may be repayable (to the extent that they are not subject to abatement) but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

**Other grants**

Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

**Planned repairs (major repairs / cyclical maintenance)**

Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

**Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**Creditors and Provisions**

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

**2 ACCOUNTING POLICIES (continued)**

the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Key Judgements and Estimates**

The company's key accounting judgements and estimates relate to the valuation of the property portfolio and the depreciation rates applied to tangible fixed assets.

**3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	2023			2022		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,518,130	2,794,976	723,154	2,624,627	1,720,281	904,346

	Supported Housing £	Total 2023 £	Total 2022 £
Rent receivable net of identifiable service charges	967,585	967,585	858,536
Management charges	224,814	224,814	216,729
Government Grants taken to income	2,289,481	2,289,481	1,508,169
Other Income	36,250	36,250	41,193
<b>Turnover from social housing lettings</b>	<b>3,518,130</b>	<b>3,518,130</b>	<b>2,624,627</b>
<b>Expenditure on social housing lettings</b>			
Management costs	834,526	834,526	930,420
Depreciation of housing properties & other assets	520,207	520,207	457,532
Impairment of housing properties	1,440,243	1,440,243	332,329
<b>Operating expenditure on social housing lettings</b>	<b>2,794,976</b>	<b>2,794,976</b>	<b>1,720,281</b>
<b>Operating surplus on social housing lettings</b>	<b>723,154</b>	<b>723,154</b>	<b>904,346</b>
<b>Void losses</b>	<b>1,400</b>	<b>1,400</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

**4 ACCOMMODATION**

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Managed by Agents (supported housing accommodation):	<u>218</u>	<u>186</u>

The supported housing accommodation includes four flats (2022: 4) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 237 (2022: 262) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2022: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

**Units under development**

There were 11 units (2022: 24 including 14 Traveller Site pitches) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Supported housing accommodation:		
Self-contained flats	161	133
Houses	57	53
	<u>218</u>	<u>186</u>

**5 OPERATING SURPLUS**

The operating surplus is arrived at after charging:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation / impairment of housing properties	1,960,540	789,862
(Loss) on disposal of housing fixed assets	-	(17,612)
Auditors' remuneration for audit services	<u>7,550</u>	<u>7,400</u>

**6 LOSS ON DISPOSAL OF HOUSING FIXED ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Disposal proceeds	-	166,699
Carrying value of housing fixed assets	<u>-</u>	<u>(159,311)</u>
	-	7,388
Capital grant recycled (Note 13)	<u>-</u>	<u>(25,000)</u>
Total loss on disposal of housing fixed assets	<u>-</u>	<u>(17,612)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

**7 INTEREST PAYABLE AND SIMILAR CHARGES**

	2023 £	2022 £
Interest on group loans	<u>388,829</u>	<u>291,271</u>

**8 EMPLOYEES**

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

All staff resources utilised by the company are employed by the parent company, Horton Housing Association (HHA), and the costs of these staff are included in the charges from HHA as disclosed in Note 22 to these accounts.

**9 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES**

	Housing properties held for letting £	Housing properties under construction £	Total £
<b>Cost/Valuation</b>			
At 1 April 2022	15,562,819	1,876,030	17,438,849
Additions	121,333	2,960,825	3,082,158
Disposals	-	-	-
Transfers	3,613,970	(3,613,970)	-
Impairment	(1,440,243)	-	(1,440,243)
Revaluation	47,672	-	47,672
	<u>17,905,551</u>	<u>1,222,885</u>	<u>19,128,436</u>
At 31 March 2023			
<b>Depreciation</b>			
At 1 April 2022	604,640	-	604,640
Charged in year	520,207	-	520,207
Disposals	-	-	-
Revaluation	(72,621)	-	(72,621)
At 31 March 2023	<u>1,052,226</u>	<u>-</u>	<u>1,052,226</u>
<b>Depreciated cost</b>			
At 31 March 2023	<u>16,853,325</u>	<u>1,222,885</u>	<u>18,076,210</u>
At 31 March 2022	<u>14,958,179</u>	<u>1,876,030</u>	<u>16,834,209</u>

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2023 and the latest valuations on those properties carried out in October 2020, September 2021 and September 2022.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £20,240,521 (2022 - £16,570,070).

**10 DEBTORS**

	2023 £	2022 £
Government grants receivable	127,103	351,769
Other debtors	449	6,391
Prepayments and accrued income	-	-
Inter-company account	475,719	222,291
	<u>603,271</u>	<u>580,451</u>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade creditors	92,232	149,043
Accruals and deferred income	401,225	1,155,438
Inter-company account	585,184	130,720
	<u>1,078,641</u>	<u>1,435,201</u>

Included above is deferred income of £323,000 relating to government grants (2022: £1,036,350)

	£
Balance at 31 March 2022	1,036,350
Amount received in the year	638,000
Amount released to income in the year	<u>(1,351,350)</u>
Balance at 31 March 2023	<u>323,000</u>

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023 £	2022 £
Debt (note 14)	<u>11,700,000</u>	<u>10,700,000</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

**13 RECYCLED CAPITAL GRANT FUND**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Opening funds at 1 April 2022	-	-
Grants recycled	-	25,000
Recycling of grant: new property	-	(25,000)
Closing funds at 31 March 2023	<u>-</u>	<u>-</u>

**14 DEBT ANALYSIS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>	<u>-</u>	<u>-</u>
<b>Due after more than one year</b>	<u>11,700,000</u>	<u>10,700,000</u>
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	10,700,000
Between two and five years	11,700,000	-
After five years	<u>-</u>	<u>-</u>
	<u>11,700,000</u>	<u>10,700,000</u>

The full amount of the debt above is unsecured.

**15 RESERVES**

<b>General Reserve</b>	<b>2023</b>
	<b>£</b>
Opening funds at 1 April 2022	4,639,123
Surplus for the financial year	334,325
Transfer from Revaluation Reserve	53,965
Closing funds at 31 March 2023	<u>5,027,413</u>
<b>Revaluation Reserve</b>	
Opening balance at 1 April 2022	846,716
Revaluation	120,293
Transfer to General Reserve	(53,965)
Closing balance at 31 March 2023	<u>913,044</u>

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

**16 FINANCIAL INSTRUMENTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Carrying amount of financial assets measured at amortised cost	<u>602,822</u>	<u>574,060</u>
Carrying amount of financial liabilities measured at amortised cost	<u>12,455,641</u>	<u>11,098,850</u>

**17 FINANCIAL COMMITMENTS**

Expenditure commitments are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Capital expenditure</b>		
Expenditure contracted for but not provided in the accounts	<u>145,807</u>	<u>1,319,078</u>

**18 CASH GENERATED FROM OPERATING ACTIVITIES**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>		
Operating surplus	723,154	904,346
Capitalised costs written off	-	47,584
Depreciation and impairment of housing fixed assets	1,960,450	789,862
Decrease/(increase) in debtors	(22,820)	683,373
Increase/(decrease) in creditors	<u>(356,560)</u>	<u>972,806</u>
<b>Net cash inflow from operating activities</b>	<u>2,304,224</u>	<u>3,397,971</u>

**19 CONTINGENT ASSETS/LIABILITIES**

The company had no contingent assets or contingent liabilities at 31 March 2023 (2022: £nil).

**20 ULTIMATE PARENT UNDERTAKING AND CONTROL**

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

**21 POST BALANCE SHEET EVENTS**

There were no post balance sheet events to report.

**22 RELATED PARTIES**

During the year expenses of £54.42 (2022 - £nil) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing also receives revenue grant funding for housing support services, which it contracts HHA to deliver on its behalf. HHA receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees charged to HHA		
- For acting as landlord for properties	49,652	57,503
- For use of flats as offices	14,819	9,965
Fees charged to HHS		
- For acting as landlord for properties	131,682	121,134
- For use of properties as offices	28,660	28,127
Total related party fee income	<u>224,813</u>	<u>216,729</u>
Fees from HHA for management and housing support services	411,581	514,949
Fees from HHA for support services	130,000	130,000
Interest charged on loan received from HHA	388,828	291,271
Fees from HHS for management services	83,584	74,422
Total related party charges	<u>1,013,993</u>	<u>1,010,642</u>



**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

As at 31 March 2023, the following balances were due from/(to) the other Group companies:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trading Accounts:		
Horton Housing Association	(585,184)	(130,720)
Horton Housing Support Ltd	475,719	222,291
Loans from Horton Housing Association	(11,700,000)	(10,700,000)

