

# Report and financial statements

For the year ended  
31 March 2023

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# Officers and professional advisers

## Board

<b>J D Hayward</b>	(Chair)
<b>P A Baren</b>	(Senior Independent Director) <i>Retired – 23 September 2022</i>
<b>K Abson</b>	
<b>R Du Rose</b>	(Chief Executive)
<b>H J Flack</b>	<i>Appointed 19 May 2022</i>
<b>S D Hardwick</b>	<i>Retired – 23 September 2022</i>
<b>S E Nattress</b>	<i>Appointed 19 May 2022</i>
<b>C Owston</b>	<i>Appointed 23 September 2022</i>
<b>G Taylor</b>	(Senior Independent Director)
<b>J P Williams</b>	
<b>S D Williams</b>	
<b>F Yeomans</b>	

Co-operative and Community Benefit Society  
registration number: RS007814  
Regulator of Social Housing registration  
number: LH4401

## Executive leadership team

<b>R Du Rose</b>	(Chief Executive)
<b>K Hanlon</b>	(Chief Finance Officer)
<b>S Rawson</b>	(Chief Operations Officer)

At 31 March 2023

## Registered office

Brook House  
4 Gladstone Road  
Scarborough  
North Yorkshire  
YO12 7BH

## Company Secretary

**L Peacock**

Auditors	Principal solicitors	Principal bankers
BDO LLP Chartered Accountants 3 Hardman Street Manchester M3 3AT	Devonshire's Solicitors LLP 30 Finsbury Circus London EC2M 7DT	Natwest Bank Plc 1 Trinity Gardens 2 <sup>nd</sup> Floor, Broadchare Newcastle upon Tyne NE1 2HF



**The board presents its annual report and audited consolidated financial statements for Beyond Housing for the year-end 31 March 2023.**

The consolidated financial statements include the results of Beyond Housing Ltd (BHL), for the year-end 31 March 2023. They also include the results of its subsidiary companies Beyond Housing Developments Limited (BHDL) and Viola Homes Limited (VHL).

## Principal activity

The group's principal activity is the provision and management of housing and associated services to people in housing need.

## Group structure

On 31 March 2023 Beyond Housing (the 'group') comprised of the following entities:

- Beyond Housing Limited
- Beyond Housing Developments Limited (BHDL)
- Viola Homes Limited (formerly Beyond Housing Sales Limited (BHSL), name change 20 March 2023).

**Beyond Housing, the parent is a:**

- Community Benefit Society (CBS) registered under the Co-operative and Community Benefit Societies Act (2014), is regulated by the Financial Conduct Authority (FCA)
- Registered and regulated by the Regulator for Social Housing (RSH).

BHDL and VHL are both limited companies and are wholly owned subsidiaries of BHL.

Within this report and the financial statements, the consolidated financial position is referred to as 'group' and the parent entity's financial position is referred to as 'association'.



# Report of the board of management

## An introduction from the Chair of the board

I am pleased to introduce the 2022/23 annual report and accounts, which highlight another challenging year with many successes for Beyond Housing against the economic backdrop, inflationary pressures, cost of living challenges and regulatory requirements. The year also focused on better understanding the quality of our homes, particularly homes that are susceptible to mould and damp.

Overall business performance for the year-end 31 March 2023 resulted in an increased group turnover to £91.4m (£76.5m in 2022) and a higher surplus before tax of £7.8m (£2.5m in 2022). We strengthened our balance sheet with overall reserves increasing to £157.7m (£118.4m in 2022). The operating surplus declined to £14.9m (£17.2m in 2022), due to nutrient neutrality regulation and planning delays impacting the development of new homes and revenues. Inflationary pressures significantly increased overall costs across the business, and we had a number of one-off costs; including the £2.7m impairment cost to demolish Beyond Housing's only high-rise block (Spencerbeck House) and a rent refunds provision of circa £700k.

Beyond Housing maintained the regulatory V1 financial viability grading and its annual credit rating assessment from Moody's as A2 but with a move to the status of unstable.

Supporting customers, has and always will, remain the key priority, especially given the cost-of-living crisis. Once again, we supported customers with Universal Credit and other benefit claims helping them to protect their income and pay their rent. Beyond Housing collected 99.6% of rents and helped customers claim £1.9m of additional benefits. Employment and training were a key focus, and we were extremely proud to support 37

active apprentices. We helped a further 170 customers into work through our dedicated employability programmes and invested circa £2m into community initiatives.

Despite the challenging building environment, we completed 210 homes and made a start on 48 homes working towards our overall goal to meet circa 2,750 homes by 2030/31. Of the 210 homes, 141 were affordable rent, 17 shared ownership, two Rent to Buy, and 50 were for outright sale. A Homes England grant of £7.2m was received during the year.

We made significant progress with the £16m project to regenerate Church Lane North in Grangetown, which will complete in 2023/24. We continued to support homelessness initiatives in both regions, providing 12 homes in Redcar and eight homes in Scarborough for rough sleepers.

We invested £19.9m in 58,000 planned and routine repairs, and a further £6.9m in major repairs. Our capital works programme delivered 268 window replacements, 273 new doors, 26 replacement heating systems, 464 energy components, and 766 new/replaced 'A' rated boiler installations. In addition, we worked with Tees Valley Combined Authority and other providers to achieve a successful £3.2m bid for second wave decarbonisation funding.

Our Reach & Respond service continues to support 9,059 (circa 8,972 in 2022) customers to live independently in their own homes using assistive technology and a responder service. The service is accredited under the Telecare Services Quality Standards Framework.

Following on from remote working during the pandemic, colleagues moved to agile working during 2022/23 and now spend a combination of their time in the office, at customer locations, or at home.

Despite the challenging building environment, we completed **210** homes and made a start on **48** homes working towards our overall goal to meet circa **2,750** homes by 2030/31.

# The overall colleague engagement survey analysis at the end of 2022/23 indicated that **74% of colleagues think Beyond Housing is a good place to work.**

We were pleased to receive The Royal Society for the Prevention of Accidents (RoSPA) President's Award, which recognises that we have achieved its gold standard for 10 consecutive years. In addition, we achieved accreditation from the Institute of Customer Service for our customer service training.

We continually reviewed our key risks during 2022/23, given the economic and cost of living pressures it was prudent to do so. The impact was both immediate and longer term, and our business plans were constantly reviewed, and stress tested to mitigate and control the increased risks.

We were disappointed to find a significant error in the way rents had been previously set within our legacy organisations – dating back to 2010. We self-referred this matter to the RSH and received a regulatory judgement that resulted

in a downgrade to our governance grading to G2. We continue to work closely with the RSH to prove that our current controls and processes are robust, and we have already refunded most of the customers who were overcharged.

Plans for 2023/24 include further investment in our existing stock, development of new homes and the completion of the Church Lane North regeneration project delivering 33 new homes. In Scarborough, we also expect completion of our 113 outright sale units at our Mill Meadows, Filey development. In addition, our other priority is to improve overall customer satisfaction using the new tenant satisfaction measures (TSMs) as our key indicators. We will further invest in and enhance our voids and repairs offer to customers. ICT change will continue to develop a better 'self-serve' offer that is beneficial to customers and more effective for the business.

Overall business performance for the year-end 31 March 2023 resulted in an increased group turnover to

## £91.4m



**James D Hayward**  
Chair

We invested **£19.9m** in **58,000** planned and routine repairs, and a further **£6.9m** in major repairs.



# Overview of Beyond Housing and our 2020–2025 strategy

Beyond Housing is a registered CBS, with a group turnover of £91.4m. We own and manage 15,184 homes across nine local authorities in the North-East and Yorkshire, housing over 30,000 customers. The current regulatory grading is G2/V1 from the RSH. We employ over 700 colleagues and offer homes for rent and sale, including shared ownership.

We also undertake a wide range of activities to improve the lives of our customers, including our independent living services 'Reach & Respond' which supports older and vulnerable people to live independently in their homes for longer.

As a business, we aim to deliver our purpose and mission. We launched a new five-year strategy in April 2020 with clear objectives and ambitions for our services, homes, place and people.

We are investing in good quality homes and services for people in housing need and for the communities we work with. This year we have achieved a higher net surplus before tax of £7.8m (£2.5m in 2021/22), as 2021/22 included one-off refinancing costs of circa £7.1m. We invested £42.7m in new homes and spent £39.2m revenue on our existing properties (routine/planned maintenance and major repairs).

## Our five year strategy

Our strategy is based on four strategic objectives:

- **Provide quality services to our customers** – increase customer satisfaction, grow our independent living business and have 65% of our customers registered using our 'Me & My Home' digital services
- **Build new homes and keep our existing homes in good condition** – build circa 2,000 new homes (2020–25) revised to circa 2,750 by 2030/31, increase customer satisfaction with the quality of our homes and repairs satisfaction and improve the energy performance certificate (EPC) ratings for all our properties to EPC C or better by 2030
- **Invest in our communities and neighbourhoods to create a great place to live and work** – offer the best information and advice to customers, be a leading

training provider and create neighbourhoods our customers are proud of

- **A great place to work for our people** – achieve Investors in People accreditation, deliver an agile working environment, increase colleague satisfaction and improve their health and wellbeing.

We intend to target year-on-year improvements in our business and services. These include investing more in our homes, neighbourhoods and communities through high-quality repairs and planned capital programmes. We intend all properties to be energy efficient by 2030 at EPC C or better. In 2022/23 our operating margin declined due to higher

inflation across all costs and rising interest rates and these also impacted our higher social housing costs per unit (SHCPU). Our financial performance and Value for Money (VfM) metrics are explained in more detail later in this report. Our development programme for new homes was hindered by planning (nutrient neutrality, planning delays) and wider economic constraints, and units have been reprofiled into future years. Sales of new homes at our Mill Meadows, Filey development performed strongly and the regeneration of Church Lane North, in Grangetown



continued apace. We will continue to invest in our digital infrastructure e.g., Me & My Home, telephony and new customer relationship management system.

In November 2022, we issued £40m of our retained bond through a forward purchase agreement. This means the pricing (gilt rate) was fixed with the bond recipient in November 2022. The transaction, and security and legal documents complete in November 2023 and the cash value is received. Our £250m bond was issued in May 2021, with £165m drawn

on issuance and we now have £45m remaining as retained.

Our credit rating from Moody's in 2022 was A2 (unstable) a change from A2 (stable) due to the wider housing sector downgrade to unstable, as a result of a more challenging economic environment.

Our operating margin will improve by 2030 in line with our business plan to drive greater efficiency and cost savings, allowing more investment in

homes and to address zero carbon challenges. We will continue to deliver our 2,000 new homes under our current strategy (2020–25 revised to 2,750 by 2030/31) providing affordable homes across our operating area. We will also look at those areas that may require future regeneration and higher zero carbon investment.



# Our purpose

Why we exist

To **help** our customers and communities succeed and **thrive**.

# Our mission

How we deliver our purpose

By providing **homes** customers want, **places** they are proud of, **services** they value, delivered by **people** who care

# Our values

What's important to us



## C♥nsiderate

We respect, trust and care about each other



## Collaborative

We work smarter together



## mbitious

We aim high to achieve more



## Accountable

We own it

# Corporate governance

The board comprises of ten members, made up of 70% women and 30% men. Members and committees can be viewed on pages 4 and 13–15. Board members are drawn from a wide range of backgrounds bringing together commercial, professional and local skills, experience and knowledge.

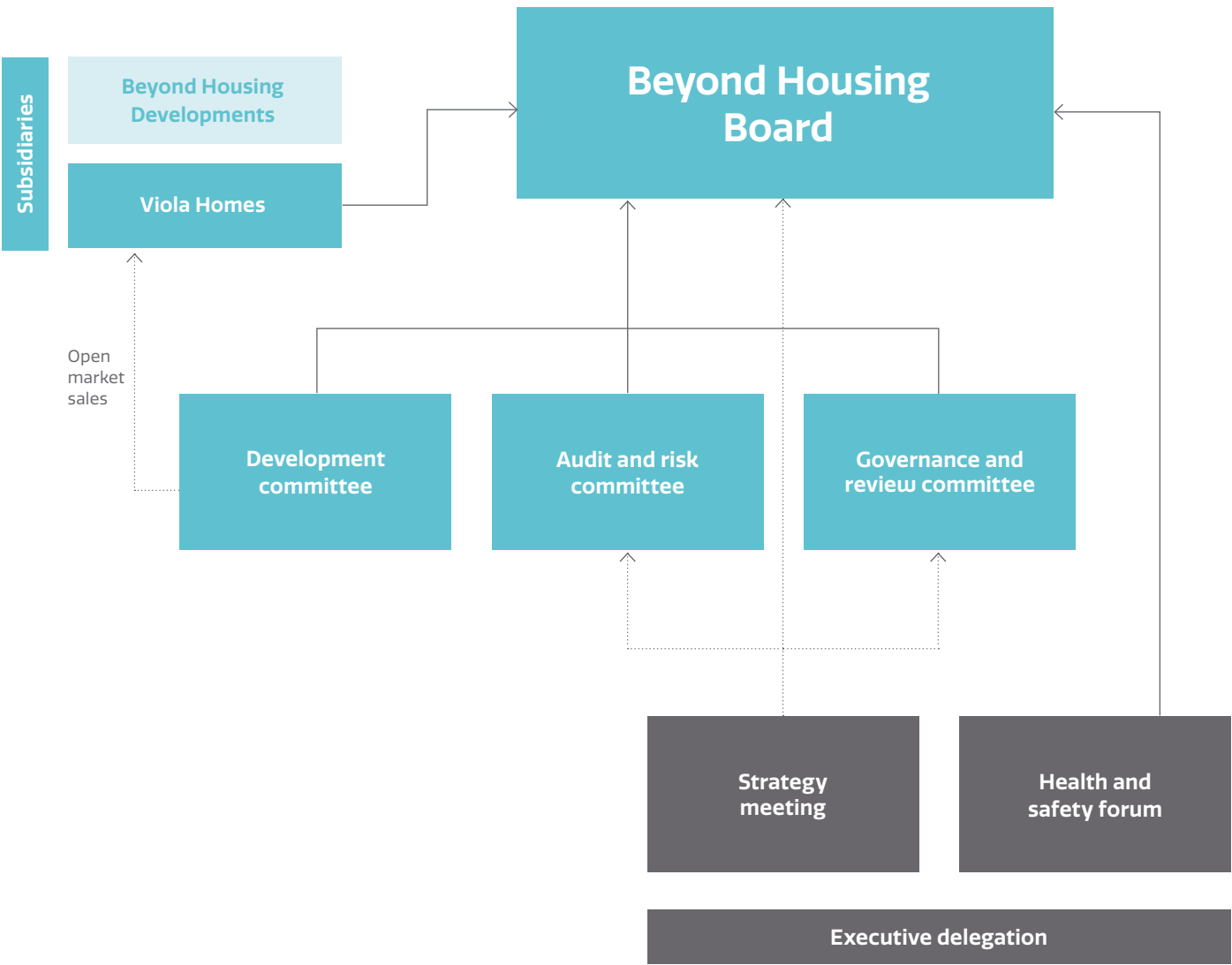
The board has overall responsibility for the administration of sound corporate governance throughout the group and recognises the importance of maintaining a strong reputation for the group.

An annual compliance assessment was undertaken by the board of its chosen code of governance in January 2023. Accordingly, the board states Beyond Housing (the parent) is compliant with its adopted code of governance,

the National Housing Federation Code of Governance 2020. The board has determined the adopted code does not apply and therefore is not adopted by the subsidiary companies, VHL and BHDL. The subsidiary companies continue to operate within the overarching governance framework of Beyond Housing’s structure with the Beyond Housing board retaining control and oversight of the subsidiary companies.

Beyond Housing complies with the RSH’s Governance and Financial Viability Standard.

In line with the Code of Governance, Beyond Housing will commission a full (three yearly) independent governance review in 2023/4.









The board met formally seven times during the period 1 April 2022 and 31 March 2023 and held two strategic away days. The board and committees have formal terms of reference which were reviewed during 2022/23.

#### **Audit and risk committee**

The audit and risk committee is responsible for ensuring a sound system of internal control and risk management is embedded across the group. The committee exercises oversight of the internal and external audit functions. The committee met four times during the period 1 April 2022 to 31 March 2023. Board member John Williams chaired the meetings.

#### **Governance and review committee**

The governance and review committee is responsible for board director succession planning, recruitment and selection of non-executive directors, board training and development, ensuring the appraisal and remuneration of the chief executive is carried out and addressing any conduct or standards issues. The committee oversees and reviews governance arrangements to ensure that the best governance standards and practices are upheld, with particular oversight in relation to statutory and regulatory changes. The committee met five times during the period 1 April 2022 to 31 March 2023. Board members Sam Hardwick and Fay Yeomans chaired the meetings.

#### **Development committee**

A new development committee was established in 2022 to provide strategic oversight of Beyond Housing's development and regeneration strategic plans and the group's development and sales programme, monitoring performance against them. The committee has full delegated financial responsibility for scheme approvals up to the board approved development model programme agreed as part of annual budget setting and business planning. The committee recommends schemes to VHL as part of the sales programme. The committee met six times during the period 1 April 2022 to 31 March 2023. Board members Peter Baren and Cath Owston chaired the meetings.

#### **Regulatory recovery task and finish group (committee)**

A regulatory recovery task and finish group was constituted in November 2022 to oversee Beyond Housing's regulatory recovery to G1. The group is chaired by Gillian Taylor (Senior independent director) and met five times to 31 March 2023. The group reports progress quarterly to the parent board.

## **A new development committee was established in 2022**

to provide strategic oversight of Beyond Housing's development and regeneration strategic plans and the group's development and sales programme, monitoring performance against them



The committee oversees and reviews governance arrangements to ensure that best governance standards and practices are upheld.

# Board and committee meetings

The table below dates all board and committee meetings.

Beyond Housing Board	Audit and risk committee	Governance and review committee	Development committee	Regulatory recovery task and finish group
7 April 2022 8 April 2022 (away day)	10 May 2022	26 April 2022	21 July 2022	17 November 2022
19 May 2022	26 July 2022	16 May 2022	8 September 2022	6 December 2022
25 August 2022	25 October 2022	14 July 2022	20 October 2022	9 January 2023
22 September 2022	24 January 2022	18 October 2022	1 December 2022	6 February 2023
27 October 2022 (away day)	-	12 January 2022	19 January 2023	3 March 2023
17 November 2022	-	-	1 March 2023	-
18 January 2023	-	-	-	-
23 February 2023	-	-	-	-

## Board and committee attendance 2022-23

Name	Beyond Housing Board		Audit and risk committee		Governance and review committee		Development committee		Regulatory recovery task and finish group	
	A	B	A	B	A	B	A	B	A	B
<b>Non-Executives</b>										
K Abson	9	9					6	5		
P A Baren*	5	5	2	2	3	2	2	2		
H J Flack	5	4					5	5		
S D Hardwick*	5	5			3	3				
J D Hayward	9	8								
S E Nattress**	6	6	2	2	3	3			5	5
C Owston***	5	5			2	1	4	4	5	5
G Taylor	9	8	4	4					5	5
J P Williams	9	9	4	4						
S D Williams	9	9	3	3	5	5			5	5
F Yeomans	9	9			5	5			5	4
Greig Lees							6	6		
<b>Executives</b>										
Rosemary Du Rose	9	9	4	4	5	3	6	2	5	5

A = maximum number of meetings that could have been attended

B = number of meetings attended

\* retired 23 September 2022

\*\* appointed 19 May 2022

\*\*\* appointed 23 September 2022

## Viability assessment

Beyond Housing prepares a 30-year business plan, incorporating the 2022/23 budget, treasury, asset and development plans and financial assumptions over the medium term. The long-term financial plan to demonstrate it can effectively manage its resources and ensure long-term financial stability is maintained and social housing assets are safeguarded.

Beyond Housing has approved and stress-tested the current plan using multi-variant analysis which tests against potential economic and business risks. The board held a stress testing workshop in April 2023. The results

of the stress testing included considering the impact of movement in interest rates, liquidity, house price falls, inflation, costs, debts, rent caps welfare reform, sales risk and a single/multi-variant risk scenario with mitigation plans. The board also identified actions to mitigate against these risks, quantified through the stress testing and is satisfied these mitigations would be implemented, if the need arises to protect the social housing assets and to maintain compliance with regulatory requirements.

The 30-year business plan and financial forecast return submission to the RSH was approved by the board in May 2023.



The board also identified actions to mitigate against these risks, quantified through the stress testing and is satisfied these mitigations would be implemented.

## Our housing stock

Beyond Housing operates across the North-East and North Yorkshire covering nine local authorities. We currently have 15,184 homes for rent, 12 of which are managed by a third-party giving us 15,172 owned units (Note 3 in the accounts) and an additional 291 leaseholder units. **A breakdown of the housing stock is:**

**15,184  
HOMES  
FOR RENT**

**276  
LEASEHOLDER  
UNITS**

	Owned	Managed	Shared ownership	Total
Houses	8,095	1	265	8,361
Bungalows	3,144	-	10	3,154
Flats	3,318	50	1	3,369
Maisonettes	120	-	-	120
Bedsits	168	-	-	168
<b>Total</b>	<b>14,845</b>	<b>51</b>	<b>276</b>	<b>15,172</b>
Third party managed	12	-	-	15,184

# Internal controls

The board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness across the group.

The board recognises that no system of internal control can provide absolute assurance or eliminate all risks. The system of internal control is designed to manage, not eliminate, risk and to provide reasonable, not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing significant risks faced by the group have been in place throughout the year-end 31 March 2023 and up to the date of the approval of these financial statements.

The board has received the chief executive's annual review of the effectiveness of internal control which concludes that there is sufficient evidence to confirm the operation of adequate systems of internal control and that these systems are aligned with the on-going process of managing the significant risks faced by the group.

## **Key elements of the group's internal control framework include:**

- Board approved terms of reference for board and committees
- Strategic risk registers regularly reviewed by the senior leadership team (SLT), board and the audit and risk committee
- Policies and procedures in place for the group's operating activities
- A corporate and planning process with supporting financial information, including long-term business plans and annual budgets
- Programme management framework aligning project activity with corporate objectives
- A business case and appraisal framework established to support robust investment decision-making
- Business assurance and internal audit functions (provided by PricewaterhouseCoopers (PwC)) tasked with maintaining and testing the group's control environment
- Reporting to the SLT and board of key strategic performance indicators
- Oversight by the audit and risk committee of the group's internal control processes
- An established health and safety framework.





## Customer experience and outcomes

Across customer service, we are proud of what we have achieved for our customers, communities and colleagues. The pandemic made for uncertain times, yet we adapted and flexed with the changes to deliver some great outcomes in the delivery of our purpose and strategic objectives. Creating a great customer experience is a key objective and as a result, the below was achieved in 2022/23:

**ANSWERED**  
131,581  
**CUSTOMER ENQUIRY CALLS**

**SUPPORTED**  
469  
and accessed  
**CUSTOMERS**  
**£1.93m**  
in benefits to  
**SUPPORT CUSTOMERS**

**ANSWERED**  
180,124  
**CALLS FROM CUSTOMERS**  
TO OUR INDEPENDENT  
living service  
Reach & Respond

**SUPPORTED**  
**1,188**  
**CUSTOMERS**  
WITH ANTI-SOCIAL  
BEHAVIOUR  
@!#?&@!  
AND SAFEGUARDING  
**SUPPORT**

**PROGRESSED**  
THE IMPLEMENTATION  
OF NEW SYSTEMS  
★★★★★  
**TO BETTER IMPROVE THE CUSTOMER**

**6,112**  
**HOURS OF VOLUNTEERS' TIME**  
invested in community  
projects and services

## Energy performance

We see it as good practice to report our energy consumption in line with our environmental, social and governance principles. This work was undertaken by Trident Innovative Energy Experts for Beyond Housing and is summarised below till 31 March 2023.

	In scope	Out of scope
Emissions	<b>Scope 1</b> Direct emissions: Combustible gases, kerosene heating oil, Owned vehicles	None
	<b>Scope 2</b> Indirect emissions: purchased electricity	None
	<b>Scope 3</b> Other indirect emissions relating to: electricity transmission and distribution losses, and private vehicles used for work purposes	Employee commuting, emissions from hotel accommodation, couriers, and suppliers

SCOPE 1 CO <sub>2</sub> e (tonnes)	% estimated	Specific exclusions (%)	April 19 – March 20	April 20 – March 21	April 21 – March 22	April 22 – March 23
Natural gas	0	None	377.0	260.8	388.0	323.5
Company owned transport	0	None	556.6	567.6	530.2	541.0
Refrigerants	0	None	0.5	0.5	0.5	0.5
Other types of fuel	100%	None	0.0	20.0	20.0	0.0
<b>Total scope 1</b>	<b>100%</b>	<b>None</b>	<b>934.1</b>	<b>848.9</b>	<b>938.7</b>	<b>865.0</b>

SCOPE 2 CO <sub>2</sub> e (tonnes)	% estimated	Specific exclusions (%)	April 19 – March 20	April 20 – March 21	April 21 – March 22	April 22 – March 23
Electricity	0%	None	327.3	305.6	263.7	235.2
<b>Total scope 2</b>	<b>0%</b>	<b>-</b>	<b>327.3</b>	<b>305.6</b>	<b>263.7</b>	<b>235.2</b>

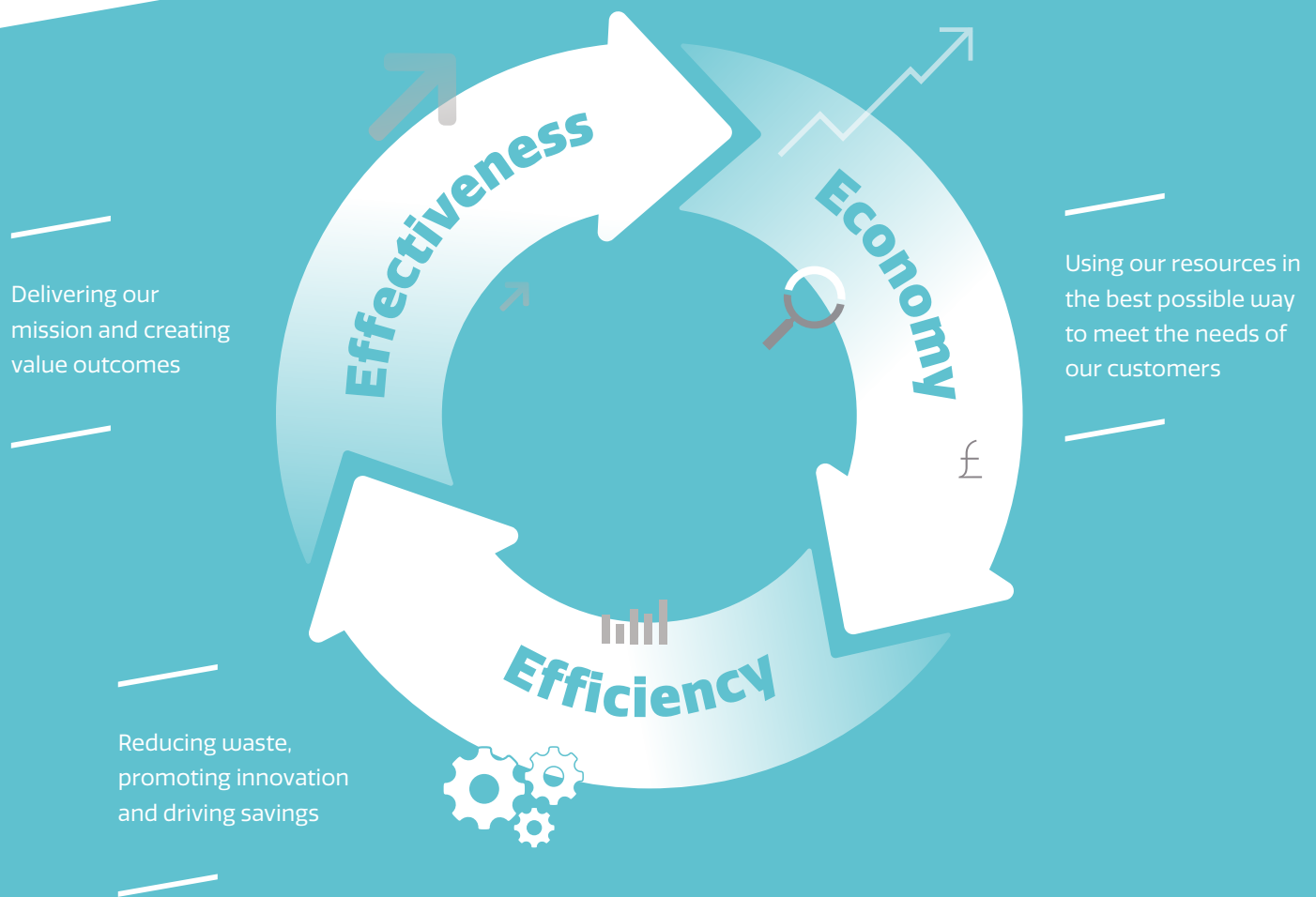
SCOPE 3 CO <sub>2</sub> e (tonnes)	% estimated	Specific exclusions (%)	April 19 – March 20	April 20 – March 21	April 21 – March 22	April 22 – March 23
Electricity T & D Losses	0	None	27.8	26.3	23.3	21.5
Private transport for business purposes	0	None	127.3	40.3	80.6	88.1
<b>Total scope 3</b>	<b>-%</b>	<b>-</b>	<b>155.1</b>	<b>66.6</b>	<b>103.9</b>	<b>109.6</b>

<b>TOTAL CO<sub>2</sub>e scope 1, 2, 3 gross emissions (tonnes)</b>			1,416.5	1,221.1	1,306.4	1,209.8
Intensity metric measure (employee)			801	773	760	760
Intensity metric (Gross emissions) tCO <sub>2</sub> e/employee			1.768	1.580	1.719	1.592
<b>Energy Consumption</b>	<b>Exclusions</b>		<b>April 19 – March 20</b>	<b>April 20 – March 21</b>	<b>April 21 – March 22</b>	<b>April 22 – March 23</b>
kWh	As above		5,835,868	4,671,705	5,886,493	5,467,299

This year we are pleased to have reduced our carbon footprint per employee by 10% working towards the Government's carbon neutral targets are set out in more detail in our strategic asset plan approved by our SLT.

We were also successful in a bid with Tees Valley Combined Authority in securing a grant from the Wave 2 Government Social Housing Decarbonisation programme securing funds for our home insulation programme.

# Value for money



Beyond Housing consciously looks to deliver VfM and take a planned approach to the delivery of efficiencies and financial capacity gains, which provides direction for achieving VfM to increase investment in our existing homes and communities and to create new homes.

- **Borrowing capacity** – Beyond Housing had in place £104m of revolving credit facility (RCF) and £45m undrawn bond funding capacity on 31 March 2023
- **Total cost of management and maintenance of each housing unit** – The target SHCPU for the organisation is circa £3,500 in the medium term as the result of reductions to management costs and overheads, structural costs, efficiencies and improved procurement
- **Delivery of new homes** – Our current strategy displays our plans to build 2,000 new homes over five years. This has been revised over a longer period to 2031 with aspirations for another 750 homes
- **Operating margin** – Our operating margin reduced in the year as our maintenance costs increased as a result of higher repair volumes and increased material and subcontractor prices
- **Development** – We seek competitive tenders and test the contract's cash flow, internal rate of return and net present value (NPV) to meet investment policies



- **Procurement** – Beyond Housing has actively completed competitive tendering activities to secure long-term contracts for key business areas including kitchen and bathroom installations, development services framework and telephony systems. To better align with our business strategy, grounds maintenance and communal cleaning activities have been outsourced as well as a number of areas including roofing and guttering repairs insourced to be delivered by our

internal teams. Savings to the value of £155k have also been achieved through key negotiations on our capital programme contracts such as cyclical painting through tendering our requirements to the supply chain. Beyond Housing has been impacted by supply chain price increases and has looked to mitigate these where possible.

## VfM indicators

Beyond Housing has included the nine regulatory VfM metrics from the RSH Technical Note guidance September 2020 sector scorecard, in its board key performance indicators (KPIs). We benchmark our VfM indicators where appropriate against a group of comparable housing providers to help understand our performance and inform our improvement plans and targets. Performance is

measured against the RSH 2021/22 Global Accounts benchmarking information, due to 2022/23 information not being available at the time of preparing the annual accounts. During 2022/23 and going forward we will benchmark our VfM indicators, to support our strategy to embed VfM into everything we do.

	2022/23	2021/22						
RSH VfM metric	Beyond Housing	Beyond Housing restated	Global upper Q	NE <sup>^</sup> upper Q	Global med Q	NE <sup>^</sup> med	Global lower	NE <sup>^</sup> lower
Reinvestment	12.9%	11.8%	8.6%	7.7%	6.5%	6.8%	4.7%	5.2%
New supply: Social	1.05%	1.05%	2.10%	1.7%	1.40%	1.1%	0.70%	0.60%
New supply: Non-social	0.003%	–	0.009%	0.002%	–	–	–	–
Gearing	48.5%	50.0%	53.1%	47.3%	44.1%	42.6%	32.1%	22.9%
EBITDA MRI	119%*	182%	197.5%	249.7%	145.7%	169.8%	106.7%	99.2%
Social housing cost per unit	£4,228	£3,787	£5,183	£3,941	£4,150	£3,802	£3,697	£3,410
Operating margin: Social	17.6%	21.8%	28.5%	22.9%	23.3%	19.5%	17.6%	15.0%
Operating margin: Overall	15.4%*	20.9%	25.4%	23.0%	20.5%	19.5%	14.3%	12.9%
Return on capital employed	3.3%	3.9%	3.9%	3.9%	3.2%	2.8%	2.4%	2.1%

<sup>^</sup>NE combines average performance for the northeast region and North Yorkshire based registered providers

\***NOTE:** EBITDA – MRI and operating margins reflect one-off impairment provision to demolish our only high-rise block £2.7m and one-off rent refund provision due to regulatory G2 review of rents of £0.7m in 2022/23.

We have used the 2021/22 financial statements for last year's figures. **Note:** Our five-year VfM targets are published separately on our website in our five-year VfM plan.

# Definitions

- 1. Reinvestment %** – Looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.
- 2. New supply** – The new supply metric sets out the number of new social housing and non-social housing units that have been acquired in the year as a proportion of total social housing units and non-social housing units owned at period end. The table reports on two new delivered ratios. New supply delivered (social housing units). New supply delivered (non-social housing units).
- 3. Gearing %** – Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of growth appetite. Registered providers can be restricted by lenders' covenants and therefore may not have the ability in which to increase the loan portfolio despite showing a relatively average gearing result.
- 4. EBITDA – MRI** – Earnings before interest, tax, depreciation, amortization, and major repairs included interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.
- 5. Headline social housing cost per unit** – Assesses the total housing cost per unit as defined by the RSH. The cost measures set out in the metric are unchanged from the metric in the RSH's VfM technical note 2018. The metric now however includes lease costs.
- 6. Operating margin** – Demonstrates the profitability of operating assets before exceptional expenses are deducted. Increasing margins are one way to demonstrate the improving financial efficiency of a business. In assessing this ratio, consideration is given to registered providers' purpose and objectives (including our social objectives). As a registered provider we report on two operating margins. Operating margin (social housing lettings only). Operating margin (overall)
- 7. Return on capital employed (ROCE)** – This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ROCE metric would support registered providers with a wide range of capital investment programmes.



## Future analysis

Based on our performance, our plans for the coming years will focus on a number of performance indicators. The board has agreed the strategy and performance indicators for 2023/24. This includes measuring the

new TSMs and setting approved 'rules' against key indicators to ensure the financial stability and resilience of the business.

VfM indicator	2022/23 Outcome	Target rules 2023/24	Future plans 2024/25 onwards
Reinvestment	Reinvestment at 12.9% was below the target of 19.0% as development spending was below budget due to nutrient neutrality issues in the Teesside area. We have continued to deliver on our 2,000 homes strategy.	15.6%	Our capital investment plans are to maintain and invest in our existing stock, regenerate Church Lane North and develop our carbon reduction plans.
New supply: Social	222 homes were completed and started a further 48. Of the 222, 153 are affordable rent, 14 are shared ownership, 5 are Rent to Buy and 50 are outright sales.  Starts and completions were below target, due to the matters outlined under reinvestment.	270 new homes completed.	Our long-term plan is to build to a target of circa 2,750 homes by 2031 (our 2,000 homes strategy and 750 aspirational).
New supply: Non-social	50 homes for outright sale were handed over during 2022/23 at our Filey development.	-	Non-social homes will be a small proportion of social homes built circa 15% of the target.
Gearing	Gearing at 48.5% remains within our target rules reflecting our refinancing.	50.7%.	Gearing will remain within funder requirements. Beyond Housing rules impose more stringent targets <63% than those imposed by the funders.

## Future analysis cont.

VfM indicator	2021/22 Outcome	Target rules	Future plans 2022-23
EBITDA – MRI	EBITDA – MRI at 119% is below target 347% reflecting high maintenance expenditure but also the one-off £2.7m impairment of Spencerbeck House which is to be demolished in 2023/24 and one-off £0.7m rent refund provision as part of our G2 rent review. Our EBITDA-MRI is maintained for funder covenants.	267%	The EBITDA (interest cover) has a funder requirement to be above 110% in all years. In addition, a more stringent target of 126% has been set to give an additional margin above funder requirements.
Social Housing Cost Per Unit (SHCPU)	SHCPU £4,366 has increased above the target of £3,534 due to higher maintenance costs arising from increased volumes and cost inflation.	£4,258	Our medium-term target is to achieve a cost of under £4,000 but reviewed annually in line with investment needs.
Operating margin: Social	The social operating margin fell per the explanations under EBITDA and SHCPU.	-	The social margin will remain close to the overall operating margin due to housing rents making up circa 92% of income.
Operating margin: Overall	The operating margin of 15.4% fell against the target of 25.3% due to higher maintenance costs. Note: one-off costs have reduced the margin (£2.7m impairment to demolish Spencebeck House and £0.7m rent refunds being, these adjustments represent a c3.4% lowering of margin) alongside the annual pension adjustment.	21%	Our business plan is to have an operating margin at the Housemark median of 25% in the next five years.
Return on Capital Employed (ROCE)	Our ROCE at 3.3% fell against a target of 4.9% as a result of the lower operating margin and lower total assets less current liabilities balance sheet position.	4.7%	ROCE employed will be monitored as our investment plans are delivered to ensure efficient investment is being made.
TSM	n/a	70% overall satisfaction	We are measuring all 22 TSMs in line with RSH guidance

### Other metrics agreed by the organisation include:

- **Liquidity** – current ratio >1.10
- **Security** – 15% of all stock buffer to add to funder security valuation ratios
- **Operating surplus** – reliance on profits from open market sales to be limited to 10% within our business plans. By limiting reliance on profits from open market house sales, the focus is on sustained financial stability
- **Cash flow** – holding cash and cash equivalents (loan facilities) >= 21 months requirements.



# Key performance indicators measuring VfM

Beyond Housing measures KPIs and VfM using a monthly dashboard system. Our dashboard for period 12 can be viewed on page 26.

The dashboard forms an agenda item at all board meetings which allows the board to monitor KPI performance and VfM within the organisation. The board challenge any underperformance and discuss the actions set out to improve performance.

The KPIs are also discussed at the monthly performance and strategy meetings attended by executive and leadership teams. The table below shows a sample of year-end metrics.

## VfM movements

Indicator – at March year end	Actual 2022/23	Actual 2021/22	Trend	Notes
Rent arrears (current)	£2,120,103	£2,026,604	↑	Rent arrears increased marginally but remained below target
Level of voids (properties)	232	161	↑	Voids levels were higher due to increased customer turnover
Average re-let time (days)	40.6	38.2	↓	This declined due to higher property turnover
Rent loss due to voids	£1,324,333	£1,107,609	↑	The increase in voids turnover impacted the weekly rent loss
Percentage of employee turnover voluntary	9.46%	10%	↓	Colleague turnover improved
Social housing cost per unit	£4,288	£3,787	↑	The SHCPU increased due to higher material prices and volumes of work
Operating margin	15.4%	20.9%	↓	The operating margin fell due to higher operating costs, material prices and dealing with repair backlogs. In addition, one off cost include £2.7m impairment to demolish Spencerbeck House, £1.7m pension adjustment and £0.7m rent refunds as part of our G2 rent review
Percentage of repairs completed on time	88.9%	88.6%	↑	Repair times continued to improve as we exited COVID-19 restrictions
Number of working days lost to sickness per employee	7.7	9.9	↓	Sickness rates decreased with a decline in COVID-19

## 2022-23 Tier 1 VfM targets and outturn

KPI	Benchmark (top quartile)	Target	Period 12 outturn
<b>Operations compliance</b>			
Gas	100%	100%	100%
Electrical	-	100%	99.90%
Fire safety	-	100%	100%
Asbestos	-	100%	100%
Responsive repairs transactional satisfaction	-	80%	73.2%
<b>Assets</b>			
Capital investment	-	£10.7m	£10.8m
<b>New supply</b>			
Planned model programme all tenures contractual starts	-	447	48 units
Planned model programme all tenures completions	-	380	222 units
Financial performance – affordable five-year programme average NPV	-	£6m	£7.1m
Unsold sales homes – build complete unreserved	-	20 or less	10
Net profit through outright sales	-	£100k	£1.3m
Colleague satisfaction	-	78%	74%
Current tenant arrears	-	£2.2m	£2,120,103
Percentage of customer base registered for Me & My Home	-	30%	35.9%
<b>Customer satisfaction</b>			
'very' or 'fairly' satisfied with our services (sector scorecard)	75.95%	75%	65.6%
<b>Complaints</b>			
Per 1,000 properties (monthly average)	2.3	2.0	1.4
Percentage responded to within target timescales	80.9%	100%	100%
<b>Financial health</b>			
Cash flow from operations	-	£21.2m	£14.9m
Net surplus before tax	-	£17.8 m	£12.48m
Operating margin (overall) (sector scorecard)	28.8%	25.3%	20.4%
Headline SHCPU (sector scorecard)	£3,233	£3,534	£3,979
Cyber security: Reportable security issues, data breaches that interrupt the business	-	0	0

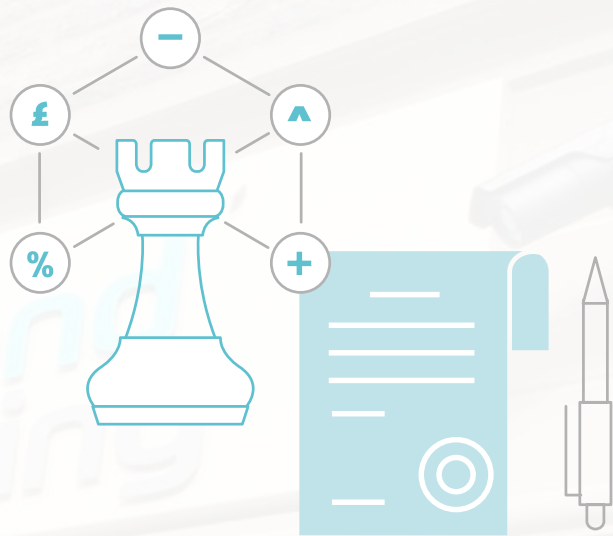
**Key:** Benchmarks (sector scorecard) – Housemark data. **Note:** Throughout 2022/23 we were impacted by significant inflationary pressures across our cost and supplier base, affecting our operating margin and social housing cost per unit. We had delays to our new homes programme due to nutrient neutrality in Teesside, planning in Scarborough through the unitary reorganisation, alongside the wider economic environment challenges. These have all impacted our metrics e.g. supply of new homes, customer satisfaction, SHCPU and margins. Green are targets met, orange (within 5% of target) or red >5% outside target.

### VfM self-assessment

We will publish on our website a VfM self-statement alongside the published accounts for 2022/23.

## Risk

Managing risk (page 34–39) is a responsibility of the board and is fundamental to the management of corporate challenges. Beyond Housing has put in place a risk management framework that identifies and plans to mitigate potential risks while exploring future opportunities. The audit and risk committee undertake a more detailed review of risks that might affect the viability or reputation of Beyond Housing.



**James D Hayward RD**  
Chair of the Board  
Beyond Housing Ltd

12 September 2023

# Strategic report

## Structure and business overview – group and association

Beyond Housing, the parent organisation is a charitable organisation. It is a registered provider of affordable housing regulated by the RSH.

BHDL was originally incorporated (by a legacy organisation) to develop properties for outright sale, generating a surplus for the group to reinvest. It has not been active during 2022/23. BHDL will become dormant in 2023/24.

Viola Homes Limited (formerly BHSL) was incorporated to carry out non-charitable open market sales activities generating a surplus for the group to reinvest. VHL will transact outright home sales, though it has not been active during 2022/23. In 2022/23 a business plan was approved by the parent board, on-lending facilities were established, and legal and financial structures updated to enable trading in 2023/24.





**Beyond Housing  
(Parent)**

Legal Status  
Community Benefit Society  
'Charitable Objects'

Registered and Regulated  
Financial Conduct Authority (FCA) – 7814  
Regulator of Social Housing (RSH) – 4401

**Beyond Housing  
Developments Ltd  
(Subsidiary)**

Legal Status  
Company Limited by Shares

Registered and Regulated  
Companies House – 7575609

**Viola Homes Ltd  
(Subsidiary)**

Legal Status  
Company Limited by Shares

Registered and Regulated  
Companies House – 9510349

# Financial review 2022/23

The group financial results, which have been prepared using merger accounting principles, show a group turnover of £91.4m and a surplus before tax of £7.8m. The operating surplus before tax is higher than in 2022 due to higher repairs and maintenance costs in the year arising from inflation and volumes.



Summarised financial performance:	2023	2022
	£'000	£'000
<b>Group income and expenditure</b>		
Turnover	91,400	76,521
Operating surplus	14,911	17,184
Surplus before tax	7,843	2,496
<b>Balance sheet</b>		
Non-current assets (includes intangible assets)	429,893	399,617
Housing property assets net of depreciation	428,168	398,411
Cash	27,344	35,784
Loans	235,000	235,000
Reserves	157,704	118,413
Investment in new properties during the year	41,996	36,786
Total capital and revenue expenditure on repairs and improvements	39,596	33,879
<b>Information and statistics</b>		
Total housing stock managed in units	15,184	15,113
Social rental income as a % of turnover	82.5%	92.2%
Operating surplus per housing stock unit	982	1,137
Average loan per unit	15,477	15,550
Reported reserves per unit	10,386	7,835
Operating surplus % of turnover	16.3%	22.5%
Surplus before tax % of turnover	8.58%	3.26%
Interest cover (operating surplus/interest payable on loans)	2.05	1.17

For the year to 31 March 2023, turnover increased by £14.9m compared to that of the prior year at £91.4m (£76.5m 2021/22). During the year our social rents increased by the consumer price index (CPI) +1% in line with the Government's rent policy, arrears were under budget, and we had increased shared ownership development sale proceeds.

Social housing income remains the largest proportion of

our turnover from operations at 82.5% (92.2% in 2021/22). Shared ownership sales represented 1.05% (2.3% 2021/22) of our turnover.

Non-housing activity including outright sales at our Filey development, and our independent living service represented 14.8% (3.5% in 2021/22).

Operating costs increased to £66.6m (£59.0m in 2021/22)

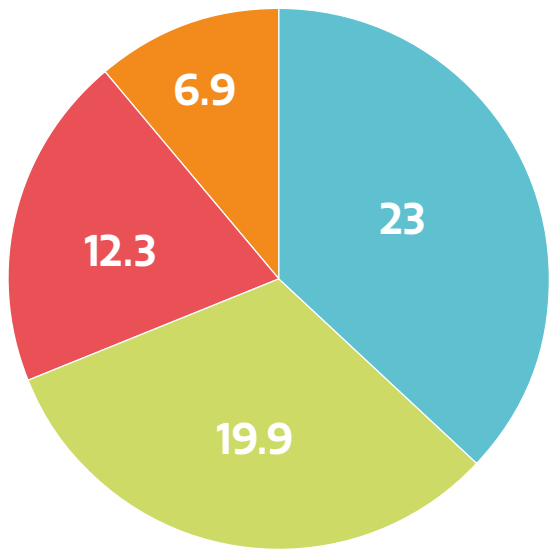
as a result of increased spend on social housing operating expenditure due to higher maintenance expenditure arising from increased repairs volumes, high-cost inflation and higher subcontractor expenditure. A one-off impairment was also processed for £2.7m which relates to the proposed demolition of Spencerbeck House.

The majority of our operating costs for the year is social housing lettings expenditure by the group being £62.1m (£55m in 2021/22). The charts show management and planned/routine expenditure increased partly as a reflection of the COVID-19 pandemic but also due to inflationary pressures. Major work spends remain the same as we invested in estate improvement expenditure. Depreciation showed no change in line with capital investment in stock and relatively flat new housing numbers.

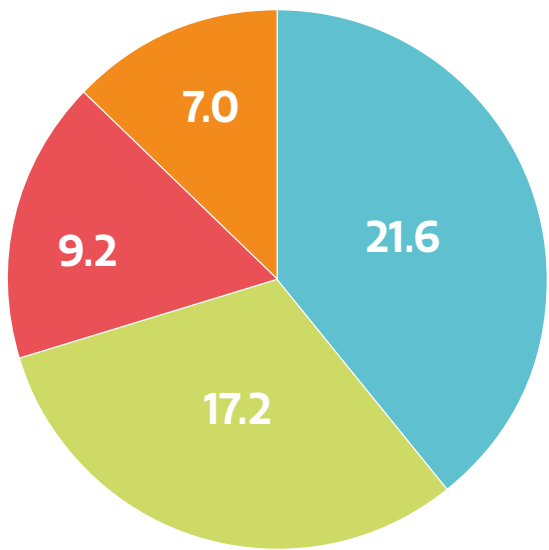
For the year to 31 March 2023, turnover increased by **£14.9m**



Expenditure 2022/23 £m



Expenditure 2021/22 £m



- Management and other
- Routine and planned maintenance
- Depreciation
- Major repairs

## Financial review cont.

In 2022/23, our operating surplus decreased to £14.9m from the £17.2m achieved in 2021/22. This largely reflected increased maintenance expenditure occurring due to increased repair volumes and high-cost inflation along with the impairment of £2.7m to demolish Spencerbeck House processed in the year. Our net surplus for the year 2022/23 was £7.8m, an increase of £5.3m from the previous year. The increase was due to a one-off £7.2m charge for loan breakage costs incurred in 2021/22 as part of a refinancing exercise

There has been an increase from £400m to £430m (7.8%) in the fixed assets housing property values due mainly to property improvements, completion of shared ownership units and housing schemes completed.

Cash held on 31 March 2023 decreased to £27.3m from (£35.8m in 2021/22). No new loan drawdowns were required during the 2022/23 year. We did issue £40m of our retained bond in November 2022 on a 12 month forward purchase arrangement, with the proceeds due November 2023.

Pension provision liabilities decreased to nil from (£26.0m in 2021/22) following the annual review of the North Yorkshire Pension Fund (NYPF) and the Teesside Pension Fund (TPF) by the actuaries. A pension asset of £3m relating to the NYPF has been recognised as it has led to reduced employer contributions.

We met all lender covenants during the year and the net worth 'reserves' of the group increased to £157.7m (£118.4m in 2021/22) due to the net surplus.

The accounts for 2022/23 also include a one-off provision of £0.7m for rent refunds expected on our affordable rent stock. This arises from ongoing work due to our G2 grading to correct historic rent matters. Work to review all our rents has progressed well and will complete in 2023/24.





## Summary loan facility per lender

Beyond Housing loan structure is set out in the table below. The debt consists of loans from four lenders: M&G (our bond custodian on behalf of investors is 59% of the portfolio), Lloyds (7% of the portfolio), Nationwide (20% of the portfolio) and Royal Bank of Scotland (RBS) (14% of the portfolio). Some £320m of the debt term loan repayable by 2036 alongside the £104m represents RCF expiring 2031. Undrawn facilities total £189m of which £104m is a RCF and £85m bond. The high proportion of the £104m RCF available provides liquidity and flexibility for Beyond Housing as it builds up its development

portfolio, none was drawn in 2022/23. The group has currently sufficient liquidity for its proposed investment programme over the next 2-3 years after completing its £250m bond refinancing in May 2021 (£165m issued and £85m retained) and additional issuance of £40m of the retained bond in November 2022 through a forward purchase agreement. The undrawn bond proceeds are subject to volatility in the gilt markets and the cash value can be less than face value.

Lender	Fixed/RCF	Libor/Sonia	Sub total	Undrawn	Total
	£	£	£	£	£
HSBC (bond)	165,000,000	-	165,000,000	85,000,000	250,000,000
Lloyds	8,000,000	4,333,333	12,333,333	20,000,000	32,333,333
RBS	28,333,333	-	28,333,333	30,000,000	58,333,333
Nationwide	29,333,334	-	29,333,334	54,000,000	83,333,334
Total	230,666,667	4,333,333	235,000,000	189,000,000	424,000,000

## Subsidiaries

Beyond Housing (the parent organisation) has two wholly owned subsidiary companies.

### Beyond Housing Developments Limited (formerly Coast & Country Developments Ltd)

During 2022/23 no new construction opportunities for the organisation have been identified and subsequently, the organisation has remained discontinued and will be closed on 31 March 2023. The organisation's results before taxation for the year-end 31 March 2023 is £0 (2022: loss of £1,000). It is envisaged that BHD Ltd will be wound up after the reporting date. The company's net assets were transferred to the parent company during 2022/23 and totalled £220k.

### Beyond Housing Sales Limited (formerly Coast & Country Sales Ltd) BHSL has been renamed Viola Homes Ltd

The organisation has made a loss before taxation for the year-end 31 March 2023 of £1,000 (2021: loss of £1,000) which is broadly in line with budget expectations. No sales activity occurred during the year.

# Risk and assurance framework

Working with appointed internal auditors PwC, a programme of audits and reviews which underpin the risk and assurance framework are carried out annually. Current key risks and mitigation strategies are set out below.

Key risks	
Risk	Mitigation in place
<b>Health and safety – Non-compliance with health and safety legislation/standards:</b> Non-compliance Unclear or weak processes/systems Lack of competence Poor or ineffective performance reporting Poor communication Poor data quality/record keeping Poor or ineffective health and safety culture Significant event (e.g., Grenfell Tower) Lack of buy-in from senior leaders/board members Poor or ineffective health and safety management framework Ineffective crisis management Contractors/Third parties not following policies/procedures.	Health and safety management system Mandatory training matrix, job descriptions and role profiles Health & safety policy and annual statement of intent Health and safety governance framework established Management systems and servicing cycles Operations compliance KPI monitoring Qualified health and safety advisors in post Health and safety briefings Accident, incident and near miss reporting Lessons learned from near misses/incidents Asset management systems Team structures established Effective relationship with relevant stakeholders Established customer involvement framework aligned to the tenant Involvement and Empowerment Standard Risk based internal audit plan Building safety action plan.
<b>Breach of regulatory standards or legislative requirements:</b> Poor governance Unclear or weak processes Lack of competence Loss of corporate knowledge Lack of or ineffective delegated authorities' framework Changes to or gaps in structure/process Poor communication of legal and/or regulatory obligations Human error Poor data quality/record keeping Ineffective systems Lack of independent audit/review Breach of governance, viability or code of conduct.	Governance framework, including rules, articles of association, standing orders and financial regulations Board training and appraisal processes Annual board certification of compliance Delegated authorities Risk based internal audit plan Mandatory training matrix Housing/asset management systems Intranet utilised for storage of operational procedures Insurance cover Data governance processes, ICT firewalls and security Annual self-assessment programme.

Risk	Mitigation in place
<p><b>Failure to maintain the integrity of data:</b></p> <p>Unclear or weak processes for collecting, storing and using data</p> <p>Lack of competence (training, awareness and skill)</p> <p>Changes to or gaps in structure/process</p> <p>Poor communication of roles and responsibilities</p> <p>Human error</p> <p>Poor record keeping</p> <p>Poor security and access controls</p> <p>Poor or ineffective process for system upgrades and patch management</p> <p>Cyber or malicious attack</p> <p>Fraud/probity</p> <p>Poor or ineffective culture/accountability</p> <p>Reliance on paper records</p> <p>Reliance on spreadsheets and databases holding.</p>	<p>Suite of data governance processes in place and available through the intranet</p> <p>Regular articles – monthly messages communicated to colleagues</p> <p>Data protection officer appointed</p> <p>Data protection champions appointed for all business areas</p> <p>Information governance policy established</p> <p>Key systems mapped and owners identified</p> <p>Core systems integrated</p> <p>Mandatory training</p> <p>Data handbook and communication processes established</p> <p>Privacy notices communicated to colleagues and customers</p> <p>ICT firewalls and security processes in place</p> <p>Disaster recovery/business continuity plans in place</p> <p>Off-site archiving contract in place.</p>
<p><b>Loss of reputation/poor brand recognition:</b></p> <p>Ineffective customer involvement and engagement framework</p> <p>Inadequate processes to respond to customer enquiries and complaints</p> <p>Poor service delivery</p> <p>Inability to consider the customer voice at board level</p> <p>Failure to involve customers in developing and reviewing services</p> <p>Poor relationships with public bodies and Local Authority partners.</p>	<p>Clear brand guidelines</p> <p>Marketing and Communications team</p> <p>Crisis communication plan in place and aligned to major Incident response plan</p> <p>Media awareness training</p> <p>Emergency response team established</p> <p>Customer surveys</p> <p>Customer Experience team managing complaints and customer feedback</p> <p>White paper review</p> <p>Customer experience programme.</p>
<p><b>Poor, or insufficiently embedded, culture:</b></p> <p>Lack of clear vision/strategy</p> <p>Poor channels of communication</p> <p>Inadequate training and development opportunities</p> <p>Dissatisfaction with terms and conditions</p> <p>Poor quality recruitment processes</p> <p>Lack of change readiness</p> <p>Ineffective leadership and management that does not role model, promote and live the values</p> <p>Poor/inconsistent systems/processes</p> <p>Poor technology and working practices</p> <p>COVID-19 – remote working, isolation</p> <p>Large percentage of detractors exist within the colleague base</p> <p>Values are not understood, role modelled or applied Lack of autonomy and trust.</p>	<p>Colleague involvement in purpose, mission values and strategy</p> <p>Performance reporting on people indicators</p> <p>Training budget</p> <p>Colleague consultation forums</p> <p>Employee representatives in place</p> <p>Twice yearly colleague engagement surveys</p> <p>Colleague engagement action plans</p> <p>Customer Experience team managing complaints and customer feedback</p> <p>Strategic people plan</p> <p>Colleague conferences</p> <p>Living our Values Every Day programme.</p>

Risk	Mitigation in place
<p><b>Ineffective development and regeneration plan/programme:</b></p> <p>Failure to agree development appetite</p> <p>Inability to identify or act upon development opportunities</p> <p>Ineffective stakeholder plans/networks</p> <p>Contractor failure/delays</p> <p>Poor project management</p> <p>Increased development costs</p> <p>Lack of demand within the operating area</p> <p>Housing market crash</p> <p>Limited customer and market intelligence</p> <p>Development of the wrong product/tenure type (inc. modular)</p> <p>Poor or inadequate capacity planning</p> <p>Failure of the 21/26 AHP funding model</p> <p>Increased costs of delivering future homes standard by 2025</p> <p>Ineffective group structure for sales</p> <p>Planning delays</p> <p>Tender costs.</p>	<p>Model development programme established development KPI on the performance dashboard (units committed)</p> <p>Development committee</p> <p>Development opportunities group and insight framework established</p> <p>Investment policy and treasury policy in place</p> <p>Relationships established with local authority partners (Redcar and Cleveland, Scarborough, Tees Valley Combined Authority)</p> <p>Contract management arrangements, including credit alerts (Dun &amp; Bradstreet) and due diligence</p> <p>Homes England compliance audits</p> <p>Subsidiaries – BHDL and VHL.</p>
<p><b>Breach of loan covenants:</b></p> <p>Ineffective treasury management</p> <p>Inflation</p> <p>Bank interest rates</p> <p>Funders withdrawal from the market</p> <p>Rent reductions</p> <p>Significant expenditure greater than income.</p>	<p>Cash flow forecasting</p> <p>Market sales units included within business plan projections</p> <p>Borrowing strategy/treasury management</p> <p>Monitoring of interest rate fluctuations and general market conditions</p> <p>Risk based annual audit.</p>
<p><b>Ineffective asset management plan:</b></p> <p>Ineffective strategic asset management plan</p> <p>Lack of external validation of stock condition data</p> <p>Poor system controls on data integrity and quality (e.g., housing and customer data, and asset data)</p> <p>Failure to meet decarbonisation and energy efficiency targets</p> <p>Assets data not being up to date or integrated with reporting systems</p> <p>Insufficient investment in stock</p> <p>Incomplete assets and liabilities register</p> <p>Lack of single source data</p> <p>Lack of investment in energy-efficient products.</p>	<p>Asset management/performance systems</p> <p>Regular stock condition surveys</p> <p>House type surveys to inform annual investment programme</p> <p>Adequate budget provision assigned to deliver property maintenance programmes (based on decency requirements)</p> <p>In-house repairs and maintenance service to support greater control and flexibility</p> <p>Acquisitions and disposals policy in place</p> <p>Stress areas identified</p> <p>Void project/internal focus to raise standards</p> <p>Business intelligence around terminations, reasons for leaving, turnover and demand</p> <p>Contract management arrangements, including credit alerts and due diligence</p> <p>Health and safety audits</p> <p>Stock condition surveys.</p> <p>Bids for carbon zero funding.</p>



Risk	Mitigation in place
<b>Material loss of revenue:</b> Welfare reform Further changes in government policy Loss of key contracts Increased competition Housing market crash Inability to access cash Poor financial management High void levels Increase poverty and deprivation levels across our geography.	Benefit and money advice to customers Skilled Finance team and systems in place Prudent assumptions within the business plan Income management policy and performance scorecards Treasury management policy including spread of risk, monitoring of interest rate fluctuations and general market conditions Procurement procedures support contractual due diligence Effective relationships with key stakeholders Rent first culture established Robust stress testing of our business plan Initiatives to tackle fuel poverty and cost of living.
<b>Liquidity/cash flow pressures:</b> Limited/poor quality oversight of financial performance Significant and uncontrolled increases in costs Increased cost of borrowing Breach of one or more of our funder covenants Changes in government policy Major contractor failure UK recession, Brexit, inflation Universal Credit, loss of rental income Housing market crash.	Significant cash reserves in place and access to additional capacity through the merger Confirming liquidity and flexibility to respond to external risks Refinancing exercise complete Treasury Management Policy in place In-house repairs and maintenance service reduces reliance on sub-contractors to deliver repairs and maintenance services to customers Monitoring of interest rate fluctuations and general market conditions Robust covenant compliance reporting Reduce/remove market sales Monitoring of interest rate fluctuations and general market conditions.
<b>Increased pension liabilities:</b> Increased life expectancy Redundancies/restructures Economic downturn Increased interest rates/inflation Consolidation within the pension scheme McCloud and guaranteed minimum pension contingent liability risks 2018/19 Financial statements.	Actuarial review Governance arrangements Annual review by external audit as part of the year-end financial statements audit Assets and liabilities register.
<b>Cyber security – Deliberate, unauthorised or accidental breaches of security:</b> Lack of training/awareness Human error (incl. poor active directory hygiene) Malicious breach/phishing attack Breach of policy/procedures Ineffective security controls (including patch application) Loss of key colleagues Weak password policy enforcement Poorly configured servers and applications Credentials stored in network shares Insecure privileged account management (PAM) Incident response gaps Gaps in endpoint and detection response controls Major utility outage Poor/ineffective business continuity arrangements.	Regular patching of servers and PCs Annual cyber security penetration testing (including RedTeam testing) Security awareness programme developed New technology file systems Local administrator password solution Cyber security awareness updates provided quarterly Migration to office 365 Mandatory training Crisis communication plan in place and aligned to the major incident response plan. 24/7 security operations centre, with immediate response and escalation Cyber security specialist within the ICT Operations team Immutable storage (rolling period of 7-day back-ups).

### Failure to meet customers' expectations

Ineffective approach to customer insight, complaints, feedback and engagement

Lack of/poor communication plan (for customers and other external stakeholders)

Lack of/poor marketing strategy and branding

Lack of understanding of customers' wants and needs

Poor culture/lack of buy-in from colleagues

Lack of clear policies/procedures.

Customer surveys

Customer Experience team managing complaints and customer feedback

Customer involvement and engagement framework

Management information and analytics

Partnership services

Customer satisfaction scores

Benefit caseworker campaign plan

Income management support

Overarching customer service plan.

## Risk scenarios and stress testing

Beyond Housing uses various risk scenarios to stress test the business with the board to determine where financial, operational and reputational weaknesses might occur in adverse operating conditions. This testing influences our internal procedures in mitigating risks.

The main risks faced by the group and subsidiaries are discussed by the board and executive team.

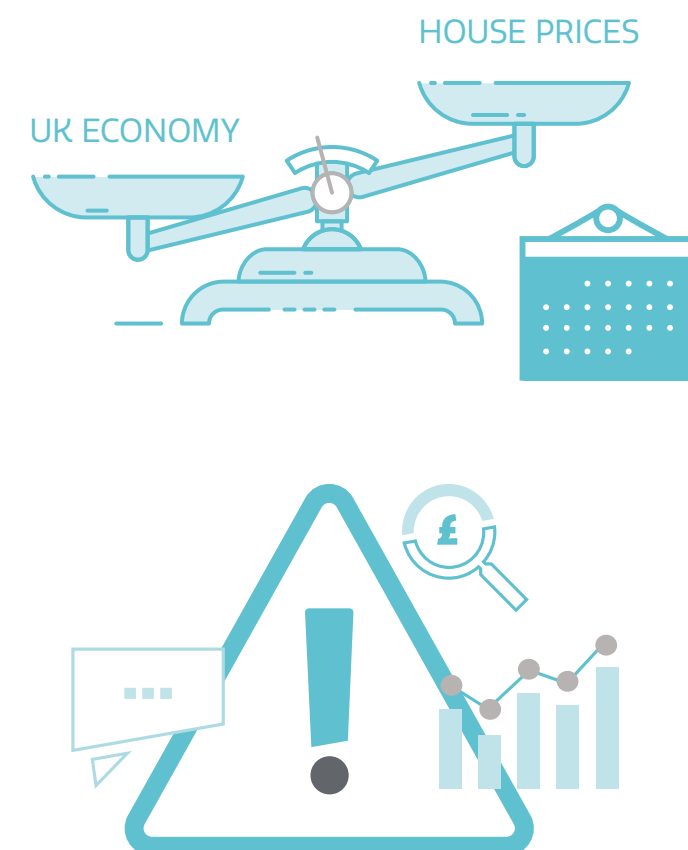
Risk is captured on a specific software system and regularly reviewed and updated by the SLT.

Key risks such as health and safety, financial stability and data security take a high priority. Significant emerging risks are also monitored (rising interest rates, rent caps and inflation). Risks are analysed according to their impact and likelihood. Management is focused on higher impact and higher likelihood risks.

**Interest rates** have been raised by the Bank of England significantly from historic lows of 0.1% to 4.25% at year-end. This will raise the costs of borrowing to the organisation and has been assessed in the 30-year business plans. These risks will continue to be monitored by the executive team with its treasury advisors (Centrus) and board in 2023/24.

**Inflation** has increased significantly in 2022/23 and represents a risk on material and wage prices that are being managed through budgets and revised efficiencies.

**Rents (G2)** We discovered a number of legacy organisation rent errors in 2021 and self-referred to the RSH who reviewed our grading down to G2. We appointed consultants to review our rents and agreed with the RSH and board on an action plan to address matters. Last year, a prior period adjustment was made in the accounts to reclassify circa 486 legacy housing association



intermediate rents that we discovered were incorrectly classified, correcting them to affordable rents, along with a small number of social rents. We committed to working with the RSH to review all our rents, and this will be completed in 2023. We have identified amendments needed to affordable rents and we will make a further in-year provision for circa £0.7m to correct circa 500 affordable rents again arising in legacy organisations.

We have strengthened internal controls in rents including training colleagues, secondary checks by managers on rent setting, systems controls, and more detailed

reporting to the audit and risk committee. All amendments and actions in our G2 rent recovery plan have been reviewed by the board (and appointed regulatory rents recovery task and finish group) and have been discussed with our funders and the RSH with who we hold regular meetings.

**COVID-19** has declined as a risk in 2022/23 though it remains a risk that could resurface with new variants or strains.

## Recent events

The impact of the recent economic turbulence, corresponding inflation, Ukraine war, interest rate increases, and uncertainty for the supply chain has meant that the executive team and board have been reviewing revised financial plans for the next five years more frequently, reflecting updated economic information to ensure Beyond Housing remains a going concern. Our board's attention to these forecasts, banking covenants, VfM metrics, customer needs, and liquidity levels ensured appropriate scrutiny in these difficult times. Our modelled

**Development** has been impacted by the wider economic environment but for Beyond Housing more locally by planning. Across our area in Teesside, we have been impacted by nutrient neutrality and in Scarborough, planning delays to unitary reorganisation.

30-year business plans included higher inflation costs on the business, higher borrowing costs, changes to government rent policies (rent caps), significant cash requirements for changing development plans or other supplier support and slowdowns in our development and sales programmes.

This additional scrutiny has delivered some excellent lessons for the organisation and has proven our financial resilience under more extreme conditions.

## Post balance sheet event

Canvas Homes entered into a contract in August 2021 for the delivery of 117 homes at Events Car Park, Stockton with Beyond Housing. The provider of homes to the site for Canvas Homes, Ilke Homes went into administration June 2023. Canvas Homes, through their solicitors have disputed some invoice payments due in 2023/24. Beyond Housing, working with its solicitors have identified omissions and errors in the claim and believe liability to be c£700,000 in the actual dispute.



# Statement of the board's responsibilities for the report and financial statements

**The board is responsible for preparing the report and financial statements in accordance with applicable laws and regulations.**

Co-operative and Community Benefit Society law and social housing legislation requires board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing these financial statements, the board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK accounting standards and current Statement of Recommended Practice (SORP)

for Registered Housing Providers have been followed, subject to any material departures disclosed and explained in the financial statements

- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group and association will continue in business.



The board members are responsible for keeping adequate accounting records that are sufficient to show, and explain the group and association's transactions and disclose, with reasonable accuracy, at any time the financial position of the group and association and ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The board is 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 group and association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.



## Statement of compliance

The board has sought assurance of the group's compliance with all regulatory requirements.

A key element of the RSH, Governance and Financial Viability Standard is the requirement to comply with all relevant laws. The board has taken reasonable steps to seek necessary assurance. On this basis, the board confirms that the group complies with the requirements of the RSH's Governance and Financial Viability Standard.

## Going concern

When preparing its financial results, the board of Beyond Housing considers whether the association and the group are a going concern. The directors of the subsidiaries undertake a similar exercise. Beyond Housing has put together a budget for 2023/24 and a long-term financial plan together with the associated cash flow position and a treasury management policy to maintain sufficient liquidity. The group has in place financial resources to run the organisation's day-to-day operations and manage known risks, despite any current uncertainties in the social housing sector. It has in place long-term debt facilities that provide adequate resources to finance committed investment and medium-term development activities. The group has a long-term business plan, which shows it is able to service these debt facilities whilst continuing to

## Auditor

A resolution to appoint BDO LLP, as auditor for 2023/24, will be put to the AGM members on 21 September 2023.

comply with current lenders' covenants. Beyond Housing maintained the regulatory V1 financial viability grading and its annual credit rating assessment from Moody's was retained as A2 (the second highest rating) but with a move to the status of unstable. The move to unstable was not specific to Beyond Housing but Moody's reflection of all its housing association clients, reflecting rent caps, inflation and rising interest rates in the sector. The business has also carried out additional stress testing on its business plan as a result market pressures as set out on page 38 to demonstrate its continuing financial resilience. On this basis, the board has prepared the 2022/23 financial statements on the going concern basis.



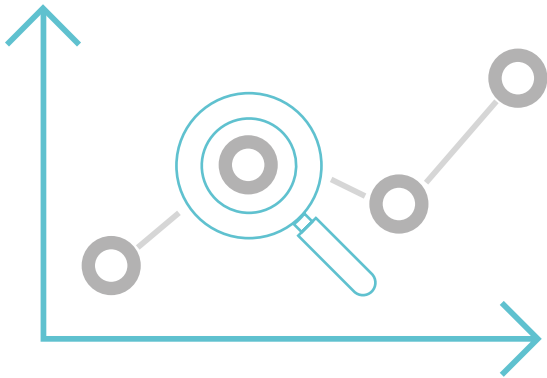




# Disclosure of information to the auditor

The board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is

unaware. Each of the board members has confirmed they have taken all the steps that they ought to have taken as board members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



## Strategic report

The board submits its report and financial statements of Beyond Housing Limited ('the group') for the year-end 31 March 2023.



BY ORDER OF THE BOARD

**James D Hayward**  
Chair of the Board  
Beyond Housing Ltd

12 September 2023

Co-operative and Community Benefit Society Registration Number: R5007814

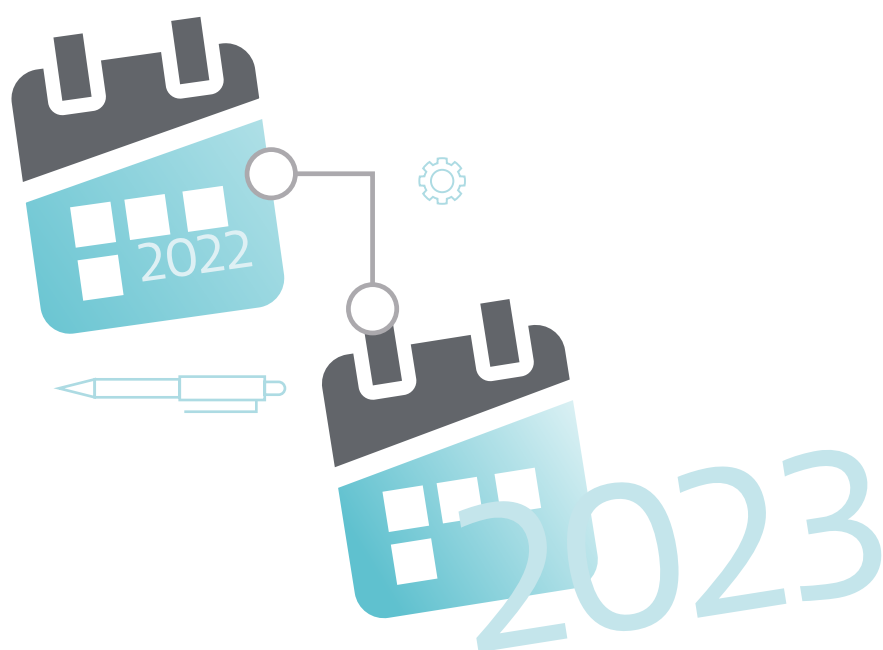
# Independent auditor's report to the members of Beyond Housing Limited

## Opinion on the financial statements

### In our opinion:

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

We have audited the financial statements of Beyond Housing Limited (the association) and its subsidiaries (the group) for the year-end 31 March 2023 which comprises the consolidated and association statement of comprehensive income, the consolidated and association statement of financial position, the consolidated and association statement of changes in equity, the consolidated 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 (FRS) 102 The FRS applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).



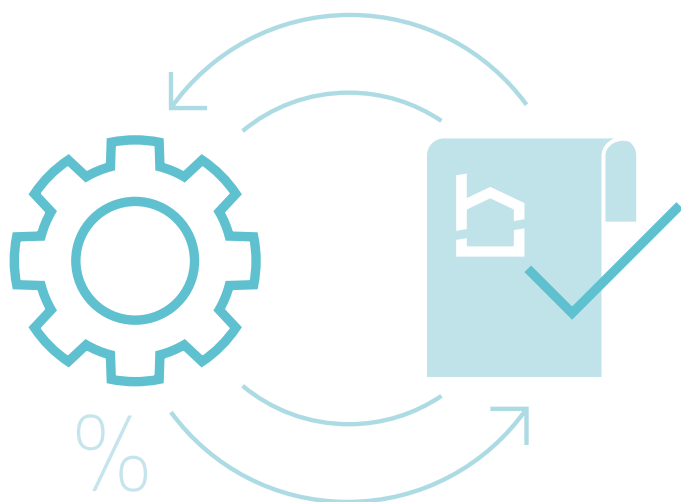


## Basis for opinion

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 group and the parent 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, as applied to listed entities, 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's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the board's assessment of the group and the parent association's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment that supports the board's conclusions with respect to the disclosures provided around going concern
- Considering the appropriateness of management's forecasts by testing their mechanical accuracy, assessing historical forecasting accuracy, and understanding management's consideration of downside sensitivity analysis
- Obtaining an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions
- Assessing the facility and covenant headroom calculations, and re-performing sensitivities on management's base case and stressed case scenarios
- Reviewing the wording of the going concern disclosures and assessing their consistency with management's forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the parent 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.





# Overview

Coverage	100% (2022: 100%) of Group surplus before tax 100% (2022: 100%) of Group revenue 100% (2022: 100%) of Group total assets		
Key audit matters		2023	2022
	Development programme – impairment assessment	✓	✗
	Accounting for bond issue	✗	✓
	Accounting for the bond issue is no longer considered to be a key audit matter because the bond was issued in the prior year and is a non-recurring transaction. No bond issue in the current year		
Materiality	Group financial statements as a whole  £0.9m (2022: £1.2m) based on 7% (2022: 7%) of the group adjusted operating surplus.		

## An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the board that may have represented a risk of material misstatement.

Audit work on all components was performed by BDO UK for the purposes of group reporting and on individual

financial statements. The only significant component identified was Beyond Housing Limited (the association) based on its size and risk characteristics.



# Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those that had the greatest effect on

the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
<p><b>Development programme and properties held for sale: impairment assessment</b></p> <p><b>(as set out in Note 1 to the financial statements, 'Significant judgements and estimates' and Note 15 'Properties held for sale')</b></p>	<p>The group invests significant funds in developing new social housing properties.</p> <p>The accounting for these schemes contains a number of assumptions and judgements, in particular relating to the impairment of assets under construction and those properties that were completed in the year.</p> <p>This includes the consideration of time delays, increases in construction costs, falling land values, and/or budget overruns.</p> <p>There is a significant risk that the appropriate valuation is not reflected in relation to these property assets, and is therefore considered to be a key audit matter.</p>	<p>Our testing included:</p> <ul style="list-style-type: none"> <li>• For a sample of properties under development, we obtained details of the expected costs to complete from the scheme budget for that development and agreed the budgeted contracted cost of the development to the latest contract documentation</li> <li>• We assessed the accuracy of management's cost forecasting by looking at outturn costs compared to the budget on a sample of schemes that were completed in the year</li> <li>• We reviewed management's assessment of impairment for properties. This included consideration of the suitability of the inputs thereon and for compliance with the Housing SORP and FRS 102</li> <li>• For a sample of the expected proceeds from the sale of properties, we will agree the amounts involved to supporting documentation or compare the expected proceeds to similar developments in the same locality.</li> </ul> <p><b>Key observations:</b></p> <p>Based on our procedures we noted no exceptions</p>

# Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly,

misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent association financial statements	
	2022 £m	2022 £m	2023 £m	2022 £m
Materiality	0.9	1.2	0.9	1.2
Basis for determining materiality	Adjusted operating surplus as defined by the group's lending covenants		Adjusted operating surplus as defined by the group's lending covenants	
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based adjusted operating surplus as defined by the loan covenants.  Based on the toughest loan covenants definition, depreciation and impairment are added back and surplus on property developed for sale, capitalised major repairs and amortisation of grants are excluded. It is therefore appropriate to adjust materiality in order to respond to the risk of a covenant breach.			
Performance materiality	0.7		0.7	
Basis for determining performance materiality	Performance materiality is set at 60% of overall materiality. We considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments.			
Rationale for determining performance materiality	Performance materiality was determined by considering factors which could lead to conditions in setting performance materiality much lower or much closer to materiality. This includes factors such as expected total value of known and likely misstatements (based on past significant misstatements and other factors), management's attitude toward proposed adjustments, number of accounts where amounts are subject to estimation and are not able to be determined with precision and locations, components or samples within an account.			

## Reporting threshold

We agreed with the audit and risk committee that we would report to them all individual audit differences in excess of £20k (2022: £24k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

The board is responsible for the other information. The other information comprises of 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 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 course of 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.

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

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 to report to you if, in our opinion:

- The information given in the report of the board for the financial year for which the financial statements are prepared is not consistent with the financial statements
- The association has not kept proper books of account
- The association has not maintained a satisfactory system of control over its transactions
- The financial statements are not in agreement with the association's books of account
- We have not received all the information and explanations we need for our audit.

## Responsibilities of the board

As explained more fully in the board members' responsibilities statement, 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 is responsible for assessing the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the group or the association or to cease operations, or have no realistic alternative but to do so.



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

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

## 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 the group and the industry in which it operates
- Discussions with management and those charged with governance including audit and risk committee
- Obtaining and understanding of the group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, RSH, and we considered the extent to which non-compliance might have a material effect on the group's financial statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation.

The group 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 FCA, data protection and health and safety legislation.

## Our procedures in respect of the above included:

- Review of minutes of meetings 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
- Review of financial statement disclosures and agreeing to support documentation
- Involvement of tax specialists in the audit
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

## 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, also considered audit and risk committee, regarding any known or suspected instances of fraud
- Obtaining an understanding of the group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations
- Reviewing items included in the fraud register for any potential weaknesses in internal control which could result in fraud susceptibility.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override,



recoverability of properties held for sale, existence of property sales and grant income.

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 accounting estimates and judgements made by management for bias in particular in relation to the following:
  - Whether indicators of impairment exist
  - Recoverable amount of housing properties and properties held for sale
  - Appropriate allocation of costs between tenure types and between first and subsequent shared ownership tranches
  - Useful economic lives of housing property components
  - Assumptions used in calculating pension liabilities.
- Testing a sample of property sales and agreed the sales value to completion statement
- Agreeing proceeds of property sales to bank receipts
- Cut off testing for sales pre and post year-end to check that all sales transactions close to the year-end had been recorded in the correct accounting period
- Agreeing the grant receipt to supporting documentation, including bank statements.

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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the members of the association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

### BDO LLP

Statutory Auditor

3 Hardman Street, Manchester, United Kingdom  
M3 3AT

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



# Group statement of comprehensive income

income for the year-end 31 March 2023

Group comprehensive income	Notes	2023	2022
		£'000	£'000
<b>Turnover</b>	2	<b>91,400</b>	76,521
Cost of sales	2	(10,714)	(1,512)
Operating expenditure	2	(66,607)	(59,028)
Gain on disposal of housing properties	5	832	1,203
<b>Operating surplus</b>	4	<b>14,911</b>	17,184
Interest receivable	6	210	25
Interest and financing costs	7	(7,278)	(14,713)
<b>Surplus on ordinary activities before taxation</b>		<b>7,843</b>	2,496
Taxation	10	(153)	-
<b>Surplus for the year</b>		<b>7,690</b>	2,496
Actuarial loss in respect of pension schemes	23	31,615	14,117
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>39,305</b>	16,613

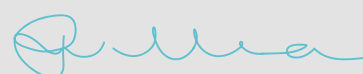
The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements. The financial statements were authorised and approved by the board on 12 September 2023 and were authorised for issue and signed on its behalf by:



**James D Hayward**  
Chair of the Board



**Lyn Peacock**  
Company Secretary



**John Williams**  
Board Member

The notes on pages 62 to 95 form part of these financial statements.

# Association statement of comprehensive income

income for the year-end 31 March 2023

Association comprehensive income	Notes	2023	2022
		£'000	£'000
<b>Turnover</b>	2	<b>91,621</b>	76,521
Cost of sales	2	<b>(10,714)</b>	(1,512)
Operating expenditure	2	<b>(66,614)</b>	(59,031)
Gain on disposal of housing properties	5	<b>832</b>	1,203
<b>Operating surplus</b>	4	<b>15,125</b>	17,181
Interest receivable	6	<b>210</b>	25
Interest and financing costs	7	<b>(7,278)</b>	(14,713)
<b>Surplus on ordinary activities before taxation</b>		<b>8,057</b>	2,493
Taxation	10	<b>(153)</b>	-
<b>Surplus for the year</b>		<b>7,904</b>	2,493
Actuarial loss in respect of pension schemes	23	<b>31,615</b>	14,117
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>39,519</b>	16,610

The results relate wholly to continuing activities. The accompanying notes form part of these financial statements. The financial statements were authorised and approved by the board on 12 September 2023 and were authorised for issue and signed on its behalf by:



**James D Hayward**  
Chair of the Board



**Lyn Peacock**  
Company Secretary



**John Williams**  
Board Member

The notes on pages 62 to 95 form part of these financial statements.

# Group statement of financial position

income for the year-end 31 March 2023

Financial position	Notes	2023	2022
		£'000	£'000
Fixed assets			
Housing properties	11	428,168	398,410
Other tangible fixed assets	12	1,205	720
Intangible fixed assets	13	388	320
Investments – HomeBuy loans	14	132	165
Total fixed assets		429,893	399,617
Current assets			
Properties held for sale	15	10,349	11,975
Trade and other debtors	16	5,155	11,208
Cash and cash equivalents		27,344	35,784
Total current assets		42,848	58,967
Creditors: Amounts falling due within one year	17	(18,032)	(19,525)
Net current (liabilities)/assets		24,816	39,442
Total assets less current liabilities		454,709	439,059
Creditors: Amounts falling due after more than one year	18	(300,234)	(294,642)
Defined pension benefit assets/(liabilities)	23	3,229	(26,004)
Net assets		157,704	118,413
Reserves			
Income and expenditure reserve		155,561	116,456
Restricted reserve		2,143	1,957
Total reserves		157,704	118,413



The financial statements were authorised and approved by the board on 12 September 2023 and were authorised for issue and signed on its behalf by:

**James D Hayward**  
Chair of the Board

**Lyn Peacock**  
Company Secretary

**John Williams**  
Board Member

The notes on pages 62 to 95 form part of these financial statements.





# Association statement of financial position

income for the year-end 31 March 2023

Financial position	Notes	2023	2022
		£'000	£'000
Fixed assets			
Housing properties	11	428,680	398,930
Other tangible fixed assets	12	1,205	720
Intangible fixed assets	13	388	320
Investments – HomeBuy loans	14	132	166
Total fixed assets		430,405	400,136
Current assets			
Properties held for sale	15	10,349	11,975
Trade and other debtors	16	5,154	11,207
Cash and cash equivalents		27,315	35,742
Total current assets		42,818	58,924
Creditors: Amounts falling due within one year	17	(18,031)	(19,732)
Net current (liabilities)/assets		24,787	39,192
Total assets less current liabilities		455,192	439,328
Creditors: Amounts falling due after more than one year	18	(300,234)	(294,642)
Defined pension benefit assets/(liabilities)	23	3,229	(26,004)
Net assets		158,187	118,682
Reserves			
Income and expenditure reserve		156,044	116,725
Restricted reserve		2,143	1,957
Total reserves		158,187	118,682

The financial statements were authorised and approved by the board on 12 September 2023, and were authorised for issue and signed on its behalf by:



**James D Hayward**  
Chair of the Board



**Lyn Peacock**  
Company Secretary



**John Williams**  
Board Member

The notes on pages 62 to 95 form part of these financial statements.



# Group statement of cash flows

income for the year-end 31 March 2023

Cash flows	Notes	2023	2022
		£'000	£'000
<b>Net cash inflow from operating activities</b>	24	<b>34,863</b>	24,853
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(46,458)	(36,353)
Purchase of intangible fixed assets		(160)	(73)
Capital grants received		11,098	7,342
<b>Net cash outflow from investing activities</b>		<b>(35,520)</b>	(29,084)
<b>Cash flow from financing activities</b>			
Interest paid and breakage costs		(7,737)	(13,987)
Proceeds of new borrowings		–	161,291
Loan arrangement Fees	20	(46)	(1,492)
Repayments of borrowings		–	(130,000)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(7,783)</b>	15,812
<b>Net change in cash and cash equivalents</b>		<b>(8,440)</b>	11,581
Cash and cash equivalents at beginning of year		<b>35,784</b>	24,203
<b>Cash and cash equivalents at end of year</b>		<b>27,344</b>	35,784

The notes on pages 62 to 95 form part of these financial statements.



# Group statement of changes in reserves

income for the year-end 31 March 2023

Changes in reserves	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
<b>As at 31 March 2021</b>	<b>100,106</b>	<b>1,774</b>	<b>101,880</b>
Surplus for the year	2,496	–	<b>2,496</b>
Actuarial gain in respect of pension schemes (Note 23)	14,117	–	<b>14,117</b>
Transfer of restricted expenditure from unrestricted reserve	(183)	183	–
Transfer to disposal proceeds/recycled capital grant funds	(80)	–	<b>(80)</b>
<b>As at 31 March 2022</b>	<b>116,456</b>	<b>1,957</b>	<b>118,413</b>
Surplus for the year	7,690	–	<b>7,690</b>
Actuarial gain in respect of pension schemes (Note 23)	31,615	–	<b>31,615</b>
Transfer of restricted expenditure from unrestricted reserve	(186)	186	–
Transfer to disposal proceeds/recycled capital grant funds	(14)	–	<b>(14)</b>
<b>As at 31 March 2023</b>	<b>155,561</b>	<b>2,143</b>	<b>157,704</b>

Restricted reserves are for lift replacement and property refurbishment. The lift replacement reserve represents amounts collected from tenants living in specific blocks for the future replacement of the lift in the building(s). The property refurbishment reserve represents income received for future investment in empty properties in the local area.

The notes on pages 62 to 95 form part of these financial statements.



# Association statement of changes in reserves

income for the year-end 31 March 2023

Changes in reserves	Income and expenditure reserve	Restricted reserve	Total
	£'000	£'000	£'000
<b>As at 31 March 2021</b>	<b>100,378</b>	<b>1,774</b>	<b>102,152</b>
Surplus for the year	2,493	–	<b>2,493</b>
Actuarial gain in respect of pension schemes (Note 23)	14,117	–	<b>14,117</b>
Transfer of restricted expenditure from unrestricted reserve	(183)	183	–
Transfer to disposal proceeds/recycled capital grant funds	(80)	–	<b>(80)</b>
<b>As at 31 March 2022</b>	<b>116,725</b>	<b>1,957</b>	<b>118,682</b>
Surplus for the year	7,904	–	<b>7,904</b>
Actuarial gain in respect of pension schemes (Note 23)	31,615	–	<b>31,615</b>
Transfer of restricted expenditure from unrestricted reserve	(186)	186	–
Transfer to disposal proceeds/recycled capital grant funds	(14)	–	<b>(14)</b>
<b>As at 31 March 2023</b>	<b>156,044</b>	<b>2,143</b>	<b>158,187</b>

Restricted reserves are for lift replacement and property refurbishment. The lift replacement reserve represents amounts collected from tenants living in specific blocks for the future replacement of the lift in the building(s). The property refurbishment reserve represents income received for future investment in empty properties in the local area.

The notes on pages 62 to 95 form part of these financial statements.

# 1. Legal status

Beyond Housing Limited (the association) is a CBS incorporated in the United Kingdom, registered with the FCA as a registered society and the RSH as a registered provider.

The association's registered office and principal place of business is:

Brook House  
4 Gladstone Road  
Scarborough  
North Yorkshire  
YO12 7BH

Beyond Housing Limited is a Public Benefit Entity and its principal activity is noted in the report of the board of management on page 6.

## Basis of accounting

The financial statements have been prepared in accordance with:

- UK Generally Accepted Accounting Practice (UK GAAP), including the FRS applicable in the UK and Republic of Ireland (FRS 102)
- The Housing SORP 2018 Statement of Recommended Practice for registered social housing providers.

## Disclosure exemptions

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

- No cash flow statement or net debt reconciliation has been presented for the parent association
- Disclosures in respect of the parent association's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as their remuneration is included in the totals for the group as a whole.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements are prepared on the historical cost basis of accounting.

The numbers in the financial statements are represented in pound sterling and rounded to the nearest thousand unless otherwise stated.

A summary of the group's significant accounting policies is set out below.

## Going concern

The group's business activities, its current financial position and factors likely to affect its future development are set out within the report of the board and strategic report. The May 2021 bond issuance was for £250m over 30 years at a coupon rate of 2.125%. On refinancing, £165m was drawn in May 2021 and £40m in November 2022, which was issued through a forward purchase arrangement (meaning cash is not received for 12 months) leaving £45m retained. The majority of the bond was used to refinance existing loans. The refinancing lowered overall costs of debt finance, aligned bank covenants, increased fixed debt and provided more attractive debt structures. The group also has a long-term business plan which shows that it can service these debt facilities whilst continuing to comply with lenders' covenants. The 2022 business plan has been updated, and reflects the current economic circumstances experienced including higher interest, higher inflation, cost of living crisis and supply chain uncertainty. The board and executive team is continually monitoring the business plan in relation to these pressures and are appropriately stress testing the business plan for deteriorating conditions including higher interest and inflation, and lower rent levels and rent collection.

On this basis, the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

## Basis of consolidation

The consolidated financial statements present the results of Beyond Housing Limited (association) and its subsidiaries (group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

## Significant judgements and estimates

Preparation of financial statements requires management to make significant judgements and estimates. The judgements and estimates which have the most significant impact on amounts recognised in the financial statements are set out below.

### Judgements in applying accounting policies and key sources of estimation uncertainty

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

- The housing portfolio of the group is assessed for indicators of impairment at each balance sheet date. Where indicators of impairment are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. 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 asset 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. The group defines a cash generating unit as a single property. Where the recoverable amount of the asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.
- Estimating the economic useful lives (UEL) of components; management has estimated the UEL of components by liaising with the Assets team to gain their professional opinion based on knowledge and experience
- The group makes an estimate of the recoverable value of trade and other debtors based on age, level of arrears and if the property has become void. When assessing impairment of trade and other debtors, management considers factors including the age profile of the debtors, is the property void, risk and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.



The board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

# Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below.

## Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the asset. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and ICT equipment and changes to decent home standards which may require more frequent replacement of key components. Accumulated depreciation and impairment on housing properties on 31 March 2022 was £102m (£96m in 2012).

## Impairment of housing properties

In line with the accounting policy for impairment, a review of the housing properties has been undertaken and management has estimated the recoverable number of properties.

## Defined benefit pension assets/liabilities

The NYPF and TPF defined benefit pension asset and liability estimates are based on a series of assumptions including inflation rates, mortality, discount rates and future salary increases. Variations in these assumptions may significantly impact the cost of the defined benefit pension fund's benefits and future liabilities. The funds asset on 31 March 2023 is £3m (2022: Liability £26m). The assets allocated to the association in the funds are notional and are assumed to be invested in line with the investments of the funds for the purposes of calculating the return to be applied to those notional assets over the accounting period.

## Accounting policies:

The following principal policies have been applied:

### Turnover

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

- Rental income receivable (after deducting lost rent from void properties available for letting)
- First tranche sales of housing properties developed for sale
- Service charges receivable

- Income from HomeBuy activities
- Revenue grants
- Other income.

Rental income is recognised from the point where properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. The group adopts the variable method (based on actual spend in the prior 12 months) for calculating and charging service charges to its customers and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or sinking fund. Income is recorded based on the estimated amounts chargeable.

Other revenue is included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

## Housing properties

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost, less depreciation and impairment (where applicable). The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period and, directly attributable administration costs. Interest payable on borrowing which has been drawn in order to finance the relevant construction or acquisition is capitalised. Where housing properties are under construction, finance costs are only capitalised where construction is ongoing and has not been interrupted or terminated.

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. Housing properties under construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in the first tranche, are included in the property purchase agreement and held at cost less any impairment, and are transferred to completed properties when ready for letting.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets, which is included in the operating surplus for the year.

## Shared ownership properties and staircasing

Under low-cost home ownership arrangements, the group disposes of a long lease on low-cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low-cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover. The remaining rental element is classed as fixed assets and included in completed housing property at cost less any provision for impairment. Sales of subsequent tranches are treated as a part disposal of fixed asset property and included in the operating surplus.

## Properties for sale

Shared ownership first tranche sales, completed properties for outright sale and properties under construction are valued at the lower of cost and net realisable value. Cost comprises of materials, direct labour and direct development overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

## Depreciation of housing properties

The group separately identifies the major components of its housing properties and charges depreciation to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life. Land is not depreciated owing to its infinite economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use, to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

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 on a straight-line basis as follows:

Component	Estimated useful economic life (years)
Property structure	100
Roof	60
Windows	30
Kitchen	20
Bathroom	30

Electrical	30
Doors	30
Boiler	15
Heating system	30
Shared ownership properties	50
Other properties	50
Lifts	20
Independent supported living equipment	15

## Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The expected useful lives for the purposes of these financial statements are:

Fixtures and fittings	5 years
Computers and office equipment	3-5 years
Other equipment	3-5 years

## Intangible fixed assets

Amortisation is provided evenly on the cost of intangible fixed assets to write them down to their estimated residual values over their expected useful lives. The expected useful lives for the purposes of these financial statements are:

Computer software	3-5 years
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## Impairment

Reviews for indicators of impairment of housing properties are carried out on an annual basis, and any impairment in an income generating unit is recognised by a charge to the statement of comprehensive income. An impairment is recognised where the carrying value of an income generating unit exceeds its recoverable amount being the higher of its fair value less costs to sell and its value in use.

## Government/other grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to



which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. This includes the Government Coronavirus Job Retention Scheme (Furlough). Grants due from government organisations or received in advance are included as current assets or liabilities. Government grant received for housing properties is subordinated to the repayment of loans by agreement with Homes England. Government grants released on the sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Where social housing grant 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 unmortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

## Leases

Rentals payable under operating leases are charged to the SOCI on a straight-line basis over the lease term.

## Cash equivalents

Cash and cash equivalents in the group's consolidated 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.

## Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the registered provider is demonstrably committed to terminating the employment of an employee or to providing termination benefits.

## Pension costs

The association participates in a defined benefit pension fund and operate two defined contribution schemes.

## Defined contribution plans

For defined contribution schemes, the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments.

## Defined benefit plan

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of the plan assets out of which obligations are

to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

### Gains or losses recognised in the profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred
- Net interest on the net defined benefit asset/liability comprise of the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

### Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses
- The difference between the interest income on the plan assets and the actual return on the plan assets.

## Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

## Value Added Tax (VAT)

The group is partially exempt from VAT. A small proportion of VAT is reclaimed. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

## Fixed asset investments

Fixed asset investments are stated at cost and are assessed for impairment at each reporting date.

## Properties held for sale

Properties held for sale represent work in progress and completed properties, including housing properties developed for transfer to other registered providers, properties developed for outright sale and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises of materials, direct labour, capitalised interest and direct development overheads. Net realisable

value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

An assessment of net realisable value is made at each reporting date. Where a write down is required it is immediately recognised in the statement of consolidated income.

## HomeBuy

HomeBuy loans are treated as concessionary loans. They are initially recognised at the amount paid to the purchaser and reviewed annually for impairment. The associated HomeBuy grant is recognised as deferred income until the loan is redeemed.

## Financial instruments

Financial assets and financial liabilities are recognised when the group become a party to the contractual provisions of the instrument and are offset only when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Debtors

Debtors which are receivable within one year and do not constitute a financing transaction are initially measured at transaction price. Trade debtors and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangements with a trade debtor constitute a financing transaction, the debtor is initially, and subsequently measured, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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

## Trade creditors

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

## Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost, using the effective interest method. Interest expense is recognised based on the effective interest method and is included in interest payable and other similar charges. Basic financial instruments: Beyond Housing has various borrowings, all of which have been assessed and categorised as basic. The assessment of certain loans and interest rate fixes as basic financial instruments requires judgement. The association does not undertake any stand-alone hedging and does not deal in derivatives. Bonds have been classed as a basic financial instrument as they meet the criteria under Section 11.9 of FRS 102. Management has considered how bond and loan discount on issue should be dealt with in the financial statements and determined that these should be written off over the life of the bond (30 years) using the effective interest rate method. Management has considered how bond and loan issue costs should be dealt with in the financial statements and determined that these should be written off over the life of the respective instruments in equal annual instalments.

## Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third-party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the reporting date.

## Restricted reserve

The group has established a restricted reserve for lift replacement and property refurbishment funding. The reserve is restricted as the funding received is for a specific use and cannot be used for other purposes identified by management.

## 2a. Turnover, cost of sales, operating expenditure and operating surplus

Group – Year ended 31 March 2023	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 2b)	75,438	–	(62,161)	13,277
<b>Other social housing activities</b>				
First tranche shared ownership sales	961	(586)	–	375
Other	1,473	–	(2,317)	(844)
<b>Non-social housing activities</b>				
Lettings	545	–	(160)	385
Sale of non-social housing properties	10,931	(10,128)	–	803
Other	2,052	–	(1,969)	83
<b>Total</b>	<b>91,400</b>	<b>(10,714)</b>	<b>(66,607)</b>	<b>14,079</b>

Group – Year ended 31 March 2022	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 2b)	70,578	–	(55,210)	15,368
<b>Other social housing activities</b>				
First tranche shared ownership sales	1,787	(1,512)	–	275
Other	1,461	–	(1,914)	(453)
<b>Non-social housing activities</b>				
Lettings	567	–	(103)	464
Sale of non-social housing properties	–	–	–	–
Other	2,128	–	(1,801)	327
<b>Total</b>	<b>76,521</b>	<b>(1,512)</b>	<b>(59,028)</b>	<b>15,981</b>

## 2a. Turnover, cost of sales, operating expenditure and operating surplus (continued)

Association – Year ended 31 March 2023	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 2b)	75,438	–	(62,169)	13,269
<b>Other social housing activities</b>				
First tranche shared ownership sales	961	(586)	–	375
Other	1,473	–	(2,316)	(843)
<b>Non-social housing activities</b>				
Lettings	545	–	(160)	385
Sale of non-social housing properties	10,931	(10,128)	–	803
Other	2,272	–	(1,969)	303
<b>Total</b>	<b>91,620</b>	<b>(10,714)</b>	<b>(66,614)</b>	<b>14,292</b>

Association – Year ended 31 March 2022	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 2b)	70,578	–	(55,217)	15,361
<b>Other social housing activities</b>				
First tranche shared ownership sales	1,787	(1,512)	–	275
Other	1,461	–	(1,910)	(449)
<b>Non-social housing activities</b>				
Lettings	567	–	(103)	464
Sale of non-social housing properties	–	–	–	–
Other	2,128	–	(1,801)	327
<b>Total</b>	<b>76,521</b>	<b>(1,512)</b>	<b>(59,031)</b>	<b>15,978</b>



## 2b. Income and expenditure from social housing lettings

Group	General housing	Supporting housing and housing for older people	2023 Total	2022 Total
	£'000	£'000	£'000	£'000
<b>Income</b>				
Rents receivable	70,431	1,889	<b>72,320</b>	68,335
Service charges receivable	1,475	139	<b>1,614</b>	1,723
<b>Net rents receivable</b>	71,906	2,028	<b>73,934</b>	70,058
Other revenue grants	148	-	<b>148</b>	80
Grant amortisation	1,356	-	<b>1,356</b>	440
<b>Total income from social housing lettings</b>	73,410	2,028	<b>75,438</b>	70,578
<b>Expenditure</b>				
Management	(20,108)	(533)	<b>(20,641)</b>	(19,599)
Service charge costs	(1,851)	(145)	<b>(1,996)</b>	(2,024)
Routine maintenance	(15,278)	(184)	<b>(15,462)</b>	(13,279)
Planned maintenance	(4,400)	(83)	<b>(4,483)</b>	(3,898)
Major repairs expenditure	(6,718)	(181)	<b>(6,899)</b>	(7,244)
Rent losses from bad debts	(368)	(10)	<b>(378)</b>	49
Impairment of housing properties	(2,718)	-	<b>(2,718)</b>	-
Depreciation of housing properties	(9,357)	(227)	<b>(9,584)</b>	(9,215)
<b>Total expenditure on social housing lettings</b>	(60,798)	(1,363)	<b>(62,161)</b>	(55,210)
<b>Operating surplus on social housing lettings</b>	12,612	665	<b>13,277</b>	15,368
<b>Rent losses from voids</b>	1,235	102	<b>1,337</b>	1,113

## 2b. Income and expenditure from social housing lettings (continued)

Association	General housing	Supporting housing and housing for older people	2023 Total	2022 Total
	£'000	£'000	£'000	£'000
<b>Income</b>				
Rents receivable	70,431	1,889	<b>72,320</b>	68,335
Service charges receivable	1,475	139	<b>1,614</b>	1,723
<b>Net rents receivable</b>	71,906	2,028	<b>73,934</b>	70,058
Other revenue grants	148	-	<b>148</b>	80
Grant amortisation	1,356	-	<b>1,356</b>	440
<b>Total income from social housing lettings</b>	73,410	2,028	<b>75,438</b>	70,578
<b>Expenditure</b>				
Management	(20,108)	(533)	<b>(20,641)</b>	(19,599)
Service charge costs	(1,851)	(145)	<b>(1,996)</b>	(2,024)
Routine maintenance	(15,278)	(184)	<b>(15,462)</b>	(13,279)
Planned maintenance	(4,400)	(83)	<b>(4,483)</b>	(3,898)
Major repairs expenditure	(6,718)	(181)	<b>(6,899)</b>	(7,244)
Rent losses from bad debts	(368)	(10)	<b>(378)</b>	49
Impairment of housing properties	(2,718)	-	<b>(2,718)</b>	-
Depreciation of housing properties	(9,365)	(227)	<b>(9,592)</b>	(9,222)
<b>Total expenditure on social housing lettings</b>	(60,806)	(1,363)	<b>(62,169)</b>	(55,217)
<b>Operating surplus on social housing lettings</b>	12,604	665	<b>13,269</b>	15,361
<b>Rent losses from voids</b>	1,235	102	<b>1,337</b>	1,112

### 3. Housing stock

The end of the year unit of housing accommodation in management was as follows:

	2022	Additions	Disposals	Transfer	Other	2023
	Units	Units	Units	Units	Units	Units
<b>Social housing</b>						
General needs social	13,344	14	(55)	(63)	-	13,240
General needs affordable	989	93	(3)	67	-	1,146
Intermediate	80	2	-	-	-	82
Shared ownership	273	17	(13)	(1)	-	276
Supported housing social	-	-	-	2	-	2
Supported housing affordable	63	33	-	(2)	-	94
Housing for older people social	205	-	-	-	-	205
Housing for older people affordable	73	-	-	-	-	73
<b>Total social housing units</b>	<b>15,027</b>	<b>159</b>	<b>(71)</b>	<b>3</b>	<b>-</b>	<b>15,118</b>
Market rent	3	-	-	-	-	3
Employee accommodation	3	-	-	(3)	-	-
<b>Total owned</b>	<b>15,033</b>	<b>159</b>	<b>(71)</b>	<b>-</b>	<b>-</b>	<b>15,121</b>
Accommodation managed for others	68	-	-	-	(17)	51
<b>Total managed accommodation</b>	<b>15,101</b>	<b>159</b>	<b>(71)</b>	<b>-</b>	<b>(17)</b>	<b>15,172</b>
Units owned but not managed	12	-	-	-	-	12
<b>Total owned and managed accommodation</b>	<b>15,113</b>	<b>159</b>	<b>(71)</b>	<b>-</b>	<b>(17)</b>	<b>15,184</b>

## 4. Operating surplus

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Depreciation of housing properties	9,314	8,898	9,321	8,905
Depreciation of other tangible fixed assets	235	257	235	257
Amortisation of intangible fixed assets	92	116	92	116
Operating lease rentals	1,278	1,480	1,278	1,480
External auditor's remuneration for audit services	110	80	108	78
<b>External auditor's remuneration for non-audit services:</b>				
Taxation compliance and advice	4	2	4	2
All other non-audit services	14	36	14	36

## 5. Gain on disposal of housing properties (group and association)

	Shared ownership	Other housing property	Total	
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
Disposal proceeds	1,277	3,148	4,425	4,370
Carrying value of fixed assets	(957)	(2,636)	(3,593)	(3,167)
<b>Surplus on disposal of fixed assets</b>	<b>320</b>	<b>512</b>	<b>832</b>	<b>1,203</b>



## 6. Interest receivable

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Interest on bank deposits	204	17	204	17
Interest from other investments	6	8	6	8
	210	25	210	25

## 7. Interest and financing costs

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Interest payable on bank loans and overdrafts	7,763	7,696	7,763	7,696
Loan breakage costs	-	7,098	-	7,098
Loan arrangement fee amortisation	67	56	67	56
Defined benefit pension charge	631	787	631	787
	8,461	15,637	8,461	15,637
Less interest capitalised on housing properties under construction (3.2%)	(1,183)	(924)	(1,183)	(924)
	7,278	14,713	7,278	14,713

## 8. Emoluments of the board, executive directors and senior employees

Board members' emoluments	2023	2022
	£'000	£'000
S Hardwick (left Oct 2022)	3	7
P Baren (left Oct 2022)	4	9
J Hayward (Chair)	15	15
F Yeomans	7	6
A Gambles (left Sept 2021)	-	3
J Jones (left Sept 2021)	-	3
G Taylor	8	6
K Abson	6	7
S Williams	6	6
J Williams	9	9
A Baraskina – trainee	2	1
E Dixon – trainee (left Sept 2021)	-	1
D Rose – trainee (left Feb 2022)	-	1
H Flack	5	-
G Lees – Independent committee member	2	-
S Nattress	5	-
C Owston	4	-
	76	74

Expenses reimbursed to board and committee members not chargeable to UK income tax were £2,792 (2022: £1,422).

Rosemary Du Rose is the Chief Executive, and her emoluments are included in the executive director's emoluments below. The chief executive is a member of a Beyond Housing defined contribution scheme. Employer

pension contributions for 2022/23 were £16k (2021/22 were £15k). The board had three trainee members.

The following disclosures relate to employees who are directors as defined in the Accounting Direction for Private Registered Providers of Social Housing 2022.

## 8. Emoluments of the board, executive directors and senior employees (continued)

Executive directors' emoluments	2023	2022
	£'000	£'000
Remuneration	433	421
Pension contributions	34	33
<b>Total</b>	<b>467</b>	<b>454</b>

The total remuneration of key management personnel, who equates to the group's executive directors, was £467,000 (2022: £454,000). Expenses reimbursed to

executive directors not chargeable to UK income tax were £1,936 (2022: £1,327).

The emoluments of the highest paid directors excluding pension and benefits were as follows:

Emoluments of the board, executive directors and senior colleagues (continued)	2023	2022
	£'000	£'000
K Hanlon	131	127
R Du Rose	171	166
S Rawson	131	127

No. of executive directors to whom retirement benefits are accruing under:	2022	2021
	No.	No.
Defined contribution schemes	3	3
Defined benefit schemes	–	–

## 8. Emoluments of the board, executive directors and senior employees (continued)

FTE number of colleagues who received gross remuneration over £60k, including executive directors.

Remuneration range	2023	2022
	No.	No.
£60,001 – £70,000	7	6
£70,001 – £80,000	2	1
£80,001 – £90,000	–	2
£90,001 – £100,000	1	2
£100,001 – £110,000	6	4
£110,001 – £120,000	1	1
£120,001 – £130,000	–	–
£130,001 – £140,000	–	2
£140,001 – £150,000	2	–
£150,001 – £160,000	–	–
£160,001 – £170,000	–	–
£170,001 – £180,000	–	–
£180,001 – £190,000	1	1

## 9. Employees

The average number of employees employed during the period, expressed in FTE.

	Group and association	
	2023	2022
	No.	No.
Office based employees	435	429
Domestic	19	18
Workforce	251	246
	705	693

The basis of the FTE calculation is to average the total monthly closing FTE over the twelve-month period. Each month the closing FTE position is calculated by adding starters, removing leavers and adjusting for the time

people are employed in a given month. Changes to contracted hours are also captured in the calculation.

**Employee costs for the above employees were:**

	Group and association	
	2023	2022
	£'000	£'000
Wages and salaries	22,626	21,307
Social security costs	2,225	1,964
Other pension costs	4,488	4,700
	29,339	27,971

## 10. Taxation

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Current tax</b>				
UK corporation tax on surplus for the year	153	-	153	-
<b>Deferred tax</b>				
Net origination and reversal of timing differences	-	-	-	-
<b>Total tax reconciliation</b>				
Surplus on ordinary activities before taxation	7,843	2,496	8,057	2,493
Theoretical tax at the current UK Corporation tax rate of 19% (2022: 19%)	1,490	474	1,531	474
Effects of:				
Charitable companies' surplus	(1,337)	(474)	(1,378)	(474)
Deferred tax adjustment		-		-
<b>Total tax charge</b>	<b>153</b>	<b>-</b>	<b>153</b>	<b>-</b>



## 11. Fixed assets – Housing properties

Group	Social housing properties held for letting	Housing properties for letting under construction	Completed shared ownership housing properties	Shared ownership housing properties under construction	Other property*	Total housing properties
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
1 April 2022	437,431	27,382	22,466	937	12,764	500,980
Additions	18	27,864	-	2,504	-	30,386
Property improvements	12,345	-	-	-	2,103	14,448
Schemes completed	17,840	(17,948)	1,377	(1,377)	108	-
Disposals	(4,899)	-	(1,059)	-	(128)	(6,086)
Impairment	(3,472)	-	-	-	(145)	(3,617)
Capitalised interest	-	838	-	66	-	904
Transfers between classes	(33)	-	-	-	(540)	(573)
<b>At 31 March 2023</b>	<b>459,230</b>	<b>38,136</b>	<b>22,784</b>	<b>2,130</b>	<b>14,162</b>	<b>536,442</b>
<b>Depreciation and impairment</b>						
1 April 2022	(98,610)	(702)	(1,707)	-	(1,550)	(102,569)
Charge for year	(8,833)	-	(347)	-	(134)	(9,314)
Released on disposal	2,609	-	101	-	-	2,710
Released on impairment	878	-	-	-	21	899
<b>At 31 March 2023</b>	<b>(103,956)</b>	<b>(702)</b>	<b>(1,953)</b>	<b>-</b>	<b>(1,663)</b>	<b>(108,274)</b>
Carrying amount:						
<b>31 March 2023</b>	<b>355,274</b>	<b>37,434</b>	<b>20,831</b>	<b>2,130</b>	<b>12,499</b>	<b>428,168</b>
31 March 2022	338,821	26,680	20,759	937	11,214	398,411

## 11. Fixed assets – Housing properties (continued)

Association	Social housing properties held for letting	Housing properties for letting under construction	Completed shared ownership housing properties	Shared ownership housing properties under construction	Other property*	Total housing properties
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
1 April 2022	438,017	27,382	22,466	937	12,764	501,566
Additions	18	27,864	-	2,504	-	30,386
Property improvements	12,345	-	-	-	2,103	14,448
Schemes completed	17,840	(17,948)	1,377	(1,377)	108	-
Disposals	(4,899)	-	(1,059)	-	(128)	(6,086)
Impairment	(3,472)	-	-	-	(145)	(3,617)
Capitalised interest	-	838	-	66	-	904
Transfers between classes	(33)	-	-	-	(540)	(573)
<b>At 31 March 2023</b>	<b>459,816</b>	<b>38,136</b>	<b>22,784</b>	<b>2,130</b>	<b>14,162</b>	<b>537,028</b>
<b>Depreciation and impairment</b>						
1 April 2022	(98,677)	(702)	(1,707)	-	(1,550)	(102,636)
Charge for year	(8,840)	-	(347)	-	(134)	(9,321)
Released on disposal	2,609	-	101	-	-	2,710
Released on impairment	878	-	-	-	21	899
<b>At 31 March 2023</b>	<b>(104,030)</b>	<b>(702)</b>	<b>(1,953)</b>	<b>-</b>	<b>(1,663)</b>	<b>(108,348)</b>
Carrying amount:						
<b>31 March 2023</b>	<b>355,786</b>	<b>37,434</b>	<b>20,831</b>	<b>2,130</b>	<b>12,499</b>	<b>428,680</b>
31 March 2022	339,340	26,680	20,759	937	11,214	398,930

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Freehold land and buildings	388,320	370,530	388,832	371,049
Long leasehold land and buildings	284	264	284	264
	<b>388,604</b>	<b>370,794</b>	<b>389,116</b>	<b>371,313</b>

\*Other properties included in the housing properties table, includes office accommodation, garages, shops and land bank assets that are held for the benefit of our communities and social housing.

Expenditure on works to existing properties comprises:	Group and association	
	2023	2022
	£'000	£'000
Components capitalised	12,345	9,234
Amounts charged to income and expenditure	27,251	24,645
	39,596	33,879

## 12. Fixed assets – Other tangible fixed assets group and association

	Fixtures and fittings	Computers and office equipment	Other equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	320	1,824	1,123	3,267
Additions	553	146	21	720
Disposal	-	-	-	-
<b>At 31 March 2023</b>	<b>873</b>	<b>1,970</b>	<b>1,144</b>	<b>3,987</b>
Depreciation and impairment				
At 1 April 2022	(300)	(1,255)	(992)	(2,547)
Charged for year	(4)	(167)	(64)	(235)
Disposal	-	-	-	-
<b>At 31 March 2023</b>	<b>(304)</b>	<b>(1,422)</b>	<b>(1,056)</b>	<b>(2,782)</b>
Carrying amount:				
<b>31 March 2023</b>	<b>569</b>	<b>548</b>	<b>88</b>	<b>1,205</b>
31 March 2022	20	569	131	720

## 13. Fixed assets – intangible

Group and association	Software	Total
	£'000	£'000
Cost		
At 1 April 2022	1,565	1,565
Additions	160	160
<b>31 March 2023</b>	<b>1,725</b>	<b>1,725</b>
Amortisation		
At 31 March 2022	(1,245)	(1,245)
Charged for year	(92)	(92)
<b>At 31 March 2023</b>	<b>(1,337)</b>	<b>(1,337)</b>
Carrying amount:		
<b>31 March 2023</b>	<b>388</b>	<b>388</b>
31 March 2022	320	320

## 14. Investment – Home loans

Group and association	HomeBuy loan	Total
	£'000	£'000
Cost		
At 1 April 2022	165	165
Disposals	(40)	(40)
<b>31 March 2023</b>	<b>125</b>	<b>125</b>
Reversal of impairment	7	7
Carrying amount:		
<b>31 March 2023</b>	<b>132</b>	<b>132</b>
31 March 2021	166	166

Investments in HomeBuy loans represent an equity stake in third-party properties purchased under the HomeBuy Scheme. Interest rates charged on the HomeBuy loans are at 2.1% (2022: 2.1%). Security for the loans is based on the

assets the loans relate to. Interest is to be charged on the loans after the first five years until such point that the loan is redeemed.

## 15. Properties held for sale

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Shared ownership properties:				
Completed properties	546	189	546	189
Work in progress	1,667	820	1,667	820
Properties for outright sale:				
Completed properties	738	440	738	440
Work in progress	7,398	10,526	7,398	10,526
	10,349	11,975	10,349	11,975

## 16. Debtors

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Rent and services receivable	3,057	3,863	3,057	3,863
Less: Provision for bad and doubtful debts	(1,507)	(1,531)	(1,507)	(1,531)
	1,550	2,332	1,550	2,332
Social housing grant receivable	876	4,827	876	4,827
Amounts owed by subsidiary undertakings	-	-	-	-
Trade debtors	306	277	306	277
Other debtors	126	559	125	558
Prepayments and accrued income	2,269	3,185	2,269	3,185
	5,127	11,180	5,126	11,179
Amounts falling due after one year:				
Other debtors	28	28	28	28
	5,155	11,208	5,154	11,207



## 17. Creditors: Amounts falling due within one year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Rent and service charges received in advance	1,602	1,611	1,602	1,611
Trade creditors	2,765	1,787	2,765	1,788
Amounts owed to subsidiary undertaking	–	–	–	212
Other taxation and social security costs	684	534	684	534
Other creditors	2,204	2,470	2,204	2,470
Deferred capital grant (note 22)	655	461	655	461
Accruals	10,122	12,662	10,121	12,656
	18,032	19,525	18,031	19,732

Amounts owed to subsidiaries undertakings are interest free and repayable on demand. Included in the 2022 accruals is a £2.5m provision for rent refunds. During 2023, £1.86m was released from this provision. An additional £0.7m has been added during 2023 for further rent refunds assessed during 2023. The total provision at 31 March 2023 is £1.34m

## 18. Creditors: Amounts falling due after more than one year

	Group and association	
	2023	2022
	£'000	£'000
Housing loans (note 19)	230,077	229,948
Camphill Village Trust loan (note 19)	55	55
Recycled capital grant fund (note 21)	760	139
Deferred capital grant (note 22)	69,342	64,500
	300,234	294,642

In addition, the organisation had a Camphill Village Trust interest free loan of £55,000 which relates to the cost of purchasing 50% of a property to specifically house

a tenant of the trust. The loan will be repaid when the tenant vacates the property.

## 19. Debt analysis

At 31 March 2023, the group had drawn loans of £235m. Three are bilateral loans with three separate lenders, whilst we issued a public bond in May 2021. All, with the

exception of, other RCF loans are secured by a charge over the group's housing properties.

	Group and association	
	2023	2022
	£'000	£'000
Bank and building society loans	70,000	70,000
Camphill Village Trust Loan	55	55
Bond	165,000	165,000
Bond discount	(3,072)	(3,184)
Bond issue costs	(1,851)	(1,868)
	230,132	230,003

The interest rate risk profile of the loans comprises:

	Group and association	
	2023	2022
	£'000	£'000
Fixed-rate borrowings	230,667	230,667
Floating rate borrowings	4,333	4,333
	235,000	235,000

Beyond Housing's loan structure consists of loans from four lenders: M&G (our bond custodian on behalf of investors is 59% of the portfolio), Lloyds (7% of the portfolio), Nationwide (20% of the portfolio) and RBS (14% of the portfolio). Some of the debt term circa £70m loan is repayable by 2036 alongside the £104m represents RCF expiring 2031. Undrawn facilities total £189m of which £104m is RCF and £85m bond. Interest rates on fixed-rate borrowings range between 2.13% and 5.59%, with a weighted average of 2.96%. There were no other changes to the loan agreements other than the replacement of LIBOR with SONIA and the FRS 102 practical expedient has been applied such that the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of

the loans' benchmark interest rate will not result in an immediate gain or loss recorded in profit or loss, which may have been required if the practical expedient was not available or adopted.

Interest rates on floating rate borrowings are linked to SONIA and are charged SONIA + margin.

At 31 March 2023, the group had undrawn RCF loan facilities of £104.0m secured and available (2022: £104.0m).

**The loans are repayable as follows:**

## 19. Debt analysis (continued)

	Group and association	
	2023	2022
	£'000	£'000
Due within one year	-	-
Between two and five years	-	-
More than five years	235,000	235,000
	235,000	235,000
Loan arrangement fees	(1,970)	(1,924)
Loan arrangement fees amortisation	122	56
Bond discount	(3,277)	(3,277)
Bond discount amortisation	202	93
	230,077	229,948

## 20. Net debt reconciliation

	2022	Cash (inflows/ outflows)	Non-cash movement	Amortisation	2023
	£'000	£'000	£'000	£'000	£'000
Group					
Cash and cash equivalents	35,784	(8,440)	-	-	27,344
Housing loans	(235,000)	-	-	-	(235,000)
Loan arrangement fees	1,868	46	-	(66)	1,848
Bond discount	3,184	-	-	(109)	3,075
Non-housing loans	(55)	-	-	-	(55)
<b>At 31 March</b>	(194,219)	(8,394)	-	(175)	(202,788)

## 21. Recycled capital grant fund

	Group and association	
	2023	2022
	£'000	£'000
At 1 April	139	628
Grants recycled	710	80
Interest on grant recycled	14	-
Grants transferred from other PRPs	-	148
Recycling of grant	(103)	(717)
At 31 March	760	139
Amounts 3 years old or older where repayment may be required	52	-

## 22. Disposal capital fund

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At 1 April	64,961	52,871	64,961	52,871
Grant received in the year	7,147	11,893	7,147	11,893
Grant recycled from the recycled capital grant fund	103	717	103	717
Grant recycled to the recycled capital grant fund	(710)	(80)	(710)	(80)
Capital grant released to revenue	(1,504)	(440)	(1,504)	(440)
At 31 March	69,997	64,961	69,997	64,961
Net deferred capital grant due in less than one year	655	461	655	461
Net deferred capital grant due in more than one year	69,342	64,500	69,342	64,500
At 31 March	69,997	64,961	69,997	64,961

## 23. Pensions

The group participates in five pension schemes. Two of the schemes, the NYPF and TPF, are defined benefit plans. The other three schemes are defined contribution plans and are provided by Standard Life, the National Employment Savings Trust workplace pension scheme, and The Pensions Trust.

The disclosures below relate to the association's membership of the NYPF and TPF which are part of the Local Government Pension Scheme (LGPS). The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. The last actuarial valuation was completed on 31 March 2022. The next actuarial valuation of the fund will be carried out on 31 March 2025.

The Fund Administering Authorities, North Yorkshire Country Council and Middlesbrough Borough Council are responsible for the governance of the funds. The assets

allocated to the association in the funds are notional and are assumed to be invested in line with the investments of the funds for the purposes of calculating the return to be applied to those notional assets over the accounting period. The funds are large and hold a significant proportion of their assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be made from the funds in relation to an employer's liabilities.

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There are a number of key risks associated with the fund in relation to accounting:

### Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this would create a deficit in the accounts. The fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long-term, creates volatility and risk in the short-term in relation to the accounting figures. A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

### Inflation risk

The majority of the pension liabilities are linked to either salary or price inflation. Higher inflation expectations will lead to a higher liability value of the fund. The fund assets are either unaffected, or loosely correlated, with inflation, meaning that an increase in inflation will increase the fund deficit.

### Life expectancy

The majority of the fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the fund's liabilities.

### Exiting employers

Employers who leave the fund may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer is not able to meet this exit payment the liability may, in certain circumstances, fall upon the other employers in the fund. Furthermore, the assets at exit in respect of 'orphan liabilities' may, in retrospect, be insufficient to meet the liabilities. This risk may therefore fall upon other employers. 'Orphan liabilities' are currently a small proportion of the fund's overall liabilities. The key specific disclosures in relation to the fund are shown below.



## 23. Pensions (continued)

### Financial assumptions

The financial assumptions used to calculate the defined benefit section liabilities under FRS 102 are:

	North Yorkshire		Teesside	
	2023	2022	2023	2022
	% p.a	% p.a	% p.a	% p.a
Valuation method	Projected unit		Projected unit	
Discount rate	4.70%	2.70%	4.75%	2.70%
Consumer Price Index (CPI) inflation	2.70%	2.90%	2.95%	3.20%
Pension increases	2.70%	2.90%	2.95%	3.20%
Salary increases	3.95%	4.15%	3.95%	4.20%

### Mortality assumptions

Mortality assumptions are based on the recent mortality experience of members within the fund and allow for expected future mortality improvements. Sample life expectancies resulting from these mortality assumptions are:

	North Yorkshire		Teesside	
	2023	2022	2023	2022
	No. of years	No. of years	No. of years	No. of years
<b>Males</b>				
Members aged 65 (current life expectancy)	22.6	21.8	20.6	21.7
Members aged 45 (life expectancy at 65)	23.5	23.5	21.5	22.9
<b>Females</b>				
Members aged 65 (current life expectancy)	25.0	23.8	23.7	23.5
Members aged 45 (life expectancy at 65)	26.0	25.7	25.2	25.3

## 23. Pensions (continued)

### Amounts recognised in the surplus for the year

	North Yorkshire		Teesside		Total	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	591	745	2,863	3,083	3,454	3,828
Interest expense (see note 7)	(89)	(10)	720	797	631	787
Past service cost/curtailment	-	-	-	-	-	-
	502	735	3,583	3,880	4,085	4,615

### Amount of gains and losses recognised in other comprehensive income

	North Yorkshire		Teesside		Total	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Actuarial (losses) on fund assets	(4,596)	(52)	(3,325)	10,154	(7,921)	10,102
Actuarial gains on fund liabilities	10,814	3,397	50,894	3,418	61,708	6,815
Actuarial gains before restrictions	6,218	3,345	47,569	13,572	53,787	16,917
Actuarial (losses) not recognised due to restrictions	(2,669)	(2,800)	(19,503)	-	(22,172)	(2,800)
<b>Total actuarial gains/(losses)</b>	<b>3,549</b>	<b>545</b>	<b>28,066</b>	<b>13,572</b>	<b>31,615</b>	<b>14,117</b>

## 23. Pensions (continued)

### Amounts recognised in the statement of financial position

	North Yorkshire		Teesside		Total	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Present value of funded obligations	(22,915)	(32,797)	(89,616)	(135,871)	(112,531)	(168,668)
Present value of unfunded obligations	-	-	(172)	(210)	(172)	(210)
Closing fair value of assets	31,989	35,973	109,291	110,077	141,280	146,050
Fund gain/(deficit) before restrictions	9,074	3,176	19,503	(26,004)	28,577	(22,828)
Assets not recognised due to asset restrictions	(5,845)	(3,176)	(19,503)	-	(25,348)	(3,176)
<b>Fund net asset/(deficit) recognised</b>	<b>3,229</b>	<b>-</b>	<b>-</b>	<b>(26,004)</b>	<b>3,229</b>	<b>(26,004)</b>

According to FRS 102, pension assets should not be recognised unless they lead to lower employer contributions or a refund. The NYPF asset has led to a reduction in employer contribution rates whereas the TPF has not.

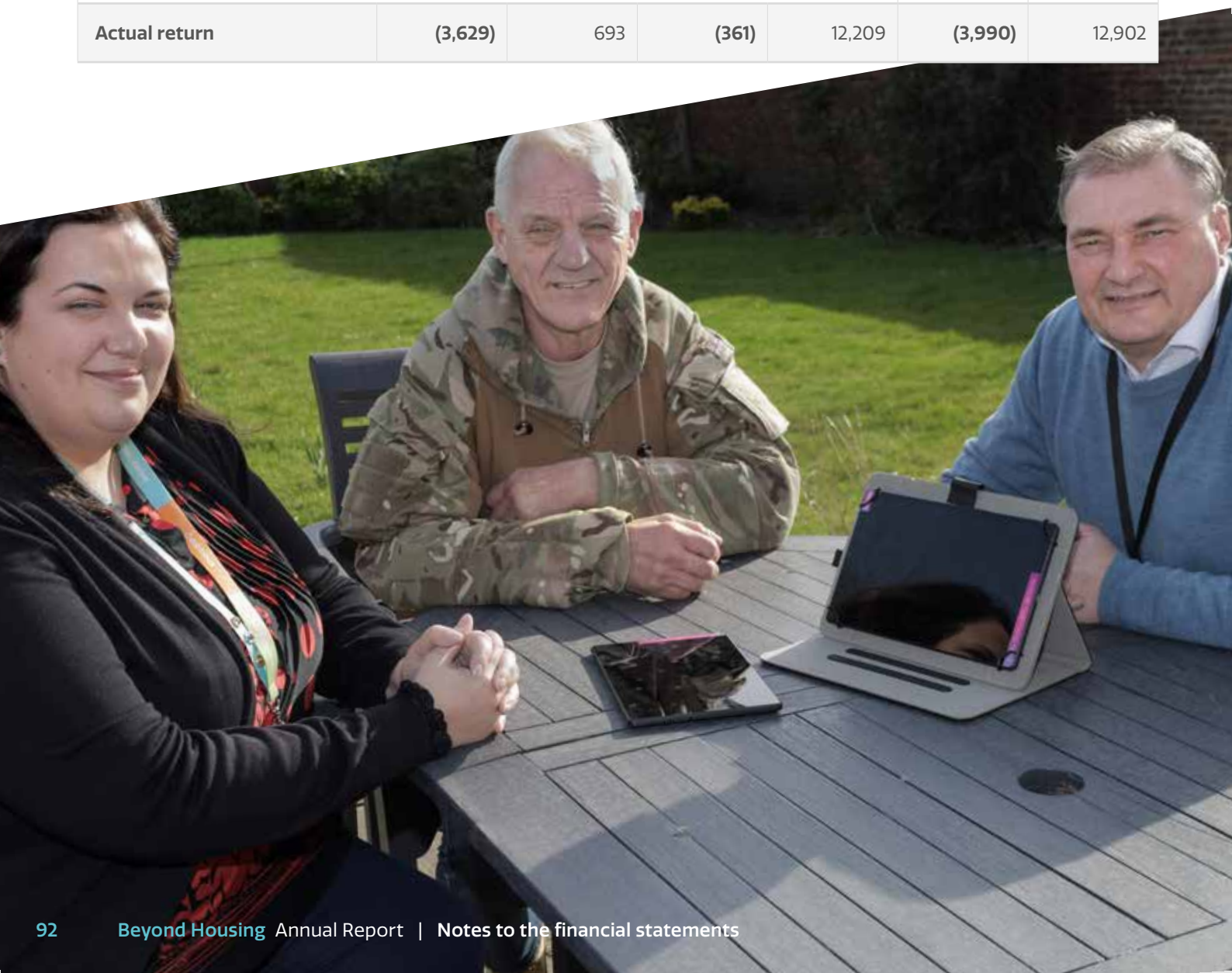
### Reconciliation of fund liabilities

	North Yorkshire		Teesside		Total	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Opening fund liabilities	(32,797)	(35,243)	(136,081)	(135,122)	(168,878)	(170,365)
Current service cost	(591)	(745)	(2,863)	(3,083)	(3,454)	(3,828)
Curtailments	-	-	-	-	-	-
Interest cost	(878)	(735)	(3,684)	(2,852)	(4,562)	(3,587)
Contributions by participants	(95)	(99)	(426)	(442)	(521)	(541)
Actuarial gains on fund liabilities	10,814	3,397	50,894	3,418	61,708	6,815
Net benefits paid	632	628	2,372	2,000	3,004	2,628
<b>Closing fund liabilities</b>	<b>22,915</b>	<b>(32,797)</b>	<b>89,788</b>	<b>(136,081)</b>	<b>112,703</b>	<b>(168,878)</b>

## 23. Pensions (continued)

### Reconciliation of fund assets

	North Yorkshire		Teesside		Total	
	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of fund assets	35,973	35,619	110,077	97,989	146,050	133,608
Actuarial (losses)/gains on fund assets	(4,596)	(52)	(3,325)	10,154	(7,921)	10,102
Interest income	967	745	2,964	2,055	3,931	2,800
Contributions by employer	182	190	1,521	1,437	1,703	1,627
Contributions by participants	95	99	426	442	521	541
Net benefits paid	(632)	(628)	(2,372)	(2,000)	(3,004)	(2,628)
<b>Closing fund assets</b>	<b>31,989</b>	<b>35,973</b>	<b>109,291</b>	<b>110,077</b>	<b>141,280</b>	<b>146,050</b>
<b>Actual return</b>	<b>(3,629)</b>	<b>693</b>	<b>(361)</b>	<b>12,209</b>	<b>(3,990)</b>	<b>12,902</b>



## 24. Reconciliation of surplus to net cash inflow from operating activities

Group	2023	2021
	£'000	£'000
<b>Surplus for the year</b>	<b>7,690</b>	<b>2,496</b>
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	9,549	9,155
Impairment of tangible fixed assets	2,718	-
Amortisation of intangible fixed assets	92	116
Grant amortisation	(1,356)	(440)
Decrease/(increase) in stock	1,905	(5,519)
Decrease in trade and other debtors	2,102	(1,585)
(Decrease)/increase in trade and other creditors	(71)	1,012
(Decrease) in deferred capital grants	(148)	(80)
Pensions costs less contributions payable	1,751	2,201
Proceeds from disposal of tangible fixed assets	4,242	4,012
Amortisation of loan arrangement/Bond discount	175	149
Taxation expense	153	-
<b>Adjustments for investing or financing activities:</b>		
Interest paid	7,103	14,564
Gain on disposal of fixed assets	(832)	(1,203)
Interest received	(210)	(25)
<b>Net cash inflow from operating activities</b>	<b>34,863</b>	<b>24,853</b>

## 25. Capital commitments

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Capital expenditure contracted for but not provided in the financial statements (development schemes)	59,774	85,688	59,774	85,688
Capital expenditure approved but not contracted for	–	–	–	–
	59,774	85,688	59,774	85,688
<b>Capital commitments will be funded by:</b>				
Social housing grant	8,610	13,628	8,610	13,628
Sale of properties	23,305	35,597	23,305	35,597
Existing reserves/loan facilities	27,859	36,463	27,859	36,463
	59,774	85,688	59,774	85,688

## Operating Lease commitments

	Group and association	
	2023	2022
	£'000	£'000
Amounts due: Within one year	770	1,116
Within two–five years	174	728
Greater than five years	–	6

## 26. Financial instruments

The policy on financial instruments is included in the notes to these financial statements. **Financial assets measured at amortised cost comprise:**

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fixed asset investments	132	166	132	166
Short-term debtors	2,010	3,196	2,009	3,195
Total financial assets	2,142	3,362	2,141	3,361



Short-term debtors comprise net rental debtors, trade debtors, other debtors and amounts due from group undertakings. Financial liabilities measured at amortised cost comprise:

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Short-term liabilities	16,693	18,530	16,692	18,737
Housing loans	235,000	235,000	235,000	235,000
Total financial liabilities	251,693	253,530	251,692	253,737

Short-term liabilities comprise rent and service charges received in advance, trade creditors, other creditors, accruals and deferred income and amounts due to group undertakings. Details relating to the housing loans are included in Note 19.

## 27. Related party transactions

The group consists of the following entities:

### Beyond Housing Limited (the association)

The association is an exempt charity registered with the FCA as a registered society and with the Homes and Communities Agency as a registered provider and is the parent organisation of the group.

### Viola Homes Limited

VHL is a non-charitable private limited company, and wholly owned subsidiary of the association, established for the purpose of transacting outright property sales activity.

Neither BHDL or VHL traded during 2022/23 and as such there was no material transaction between Beyond Housing Limited and its subsidiaries during 2022/23.

The group has a relationship of joint control over the following entities:

### Beyond Housing Development Limited

BHDL is a non-charitable private limited company, and wholly owned subsidiary of the association, established for the purpose of carrying out construction activity.

### Prosper Ltd

The group is a member of Prosper Limited, a consortium set up by northeast based social landlords for the purpose of creating commercial procurement savings for planned maintenance and new build works and investing in the improvement of member organisations' communities.

### The Spirit Partnership (Spirit)

The group is a member of Spirit, a consortium set up by northeast based social landlords to build quality affordable homes more cost effectively and efficiently.

Group	2023	2022
	£'000	£'000
Invoiced to Prosper Ltd in respect of services provided	53	50
Invoiced by Prosper Ltd in respect of services provided	-	3
Purchase of property development services from the Spirit Partnership	11,607	9,981
Amounts owed by Prosper Ltd at year-end	12	12
Amounts owed to the Spirit Partnership at year-end	636	1,300

All transactions are conducted on an arm's length basis.

