

Co-operative and Community Benefit Society registration number: RS007814

Regulator of Social Housing registration number: LH4401

Beyond Housing Limited

Report and financial statements

for the year ended

31 March 2022

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Beyond Housing Limited

Officers and professional advisors

Board members

J D Hayward (Chair)

P A Baren (Senior Independent Director)

K Abson

A F C Gambles

(Retired – 23 September 2021)

S D Hardwick

J E Jones

(Retired – 23 September 2021)

R Du Rose (Chief Executive)

G Taylor

J P Williams

S D Williams

F Yeomans

Executive leadership team

R Du Rose (Chief Executive)

K Hanlon (Chief Finance Officer)

S Rawson (Chief Operating Officer)

Company Secretary

L Peacock

Registered office

Brook House
4 Gladstone Road
Scarborough
North Yorkshire
YO12 7BH

Auditor

BDO LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3AT

Principal Solicitors

Devonshire's Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

Principal Bankers

Natwest Bank Plc
1 Trinity Gardens
2nd Floor, Broadchare
Newcastle upon Tyne
NE1 2HF

Beyond Housing Limited

Strategic report for the year ended 31 March 2022

The board presents its annual report and audited consolidated financial statements for Beyond Housing for the year ended 31 March 2022.

The consolidated financial statements include the results of Beyond Housing Ltd, for the year ended 31 March 2022. They also include the results of its subsidiary companies Beyond Housing Developments Limited and Beyond Housing Sales Limited.

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 2022 Beyond Housing (the 'group') comprised the following entities:

- Beyond Housing Limited (BHL)
- Beyond Housing Developments Limited (BHDL)
- Beyond Housing Sales Limited (BHSL)

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 BHSL are both limited companies and are wholly owned subsidiaries of Beyond Housing.

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

Beyond Housing Limited

Strategic report for the year ended 31 March 2022

An introduction from the Chair of the Board

Once again, Beyond Housing has experienced a challenging and rewarding year and I am pleased to introduce the 2021/22 annual report and accounts. As we emerged from the Covid-19 restrictions, the business has been able to re-focus on improving the quality of our homes, started to enhance key services, and prioritised helping customers through the continued economic challenges. In addition, we became the first housing association to secure a long-dated sustainability bond of £250m, allowing us to take advantage of the lower rates of borrowing to support our longer-term plans and strategy for Beyond Housing.

The majority of 2021/22 was still a challenging time in terms of covid infection rates, social distancing and the impact on overall resources and I thank both customers and colleagues for working together and remaining resilient and supportive throughout. Our overall business performance to the year end 31 March 2022, achieved a group turnover of £76.5m and operating surplus of £17.1m. Construction delays, reducing repairs backlog from 2020 and the increases in component pricing and contracts resulted in a reduced operating margin of 20.9%

Supporting customers remains the key priority, especially given the cost-of-living crisis and inflationary pressures the country is facing. Once again, we supported customers with Universal Credit and other benefit claims, helping them to protect/increase their income and pay their rent. Beyond Housing collected 99.7% of rents and helped customers claim £1.86m of benefits. We supported 37 apprentices during the year, 10 of which took up full time employment with us. In addition, we helped 112 people into work through our dedicated employment programmes and invested circa £2m into community initiatives.

Our commitment to new homes continues and in 2021/22 we exceeded our Homes England affordable homes programme targets, achieving 318 starts, 142 completions and claimed £2.6m of grant. A total of 142 affordable homes were completed, 117 for rent, 2 outright sale and 23 for shared ownership. We launched our new sales brand, Viola Homes, for open market sales and contracted our first off-gas, modular development.

Alongside completing 67,000 routine repairs, we invested a further circa £8 million of capital on existing properties, including major programmes in Redcar and Scarborough. Our capital programme included installing 110 boilers, refitting 320 homes with new windows, installing 320 kitchens and 140 bathrooms, re-roofing 80 homes and completing 60 re-wires.

The launch of a new brand for our independent living services was another major milestone. Reach & Respond launched at the end of 2021 and proudly supports customers to live independently in their own homes, using assistive technology and a responder service. The service also received accreditation with the Telecare Services Quality Standards Framework.

Whilst a large proportion of colleagues continued to work remotely during 2021, we were able to complete our values programme for all c700 colleagues – allowing them to consider how to maintain an optimum mindset and live our values of accountable, considerate, collaborative, and ambitious. The most recent overall colleague engagement survey (May 2022) shows that 78% of colleagues think Beyond Housing is a good place to work. We were pleased to be awarded a Better Health at Work award (silver) and very proud to be named in the top 100 most inclusive places to work.

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Strategic report for the year ended 31 March 2022

Our risk environment changed to focus more on the challenges of inflationary increases and the impact for customers, service delivery and our new home programme. In addition, we prepared for the changes in regulation, particularly those relating to building and fire safety requirements. The organisation received the Royal Society for Prevention of Accidents (RosPa) Gold Award for the ninth year running.

We very much enjoyed collaborating with our key stakeholders across Teesside and North Yorkshire, to support their overall strategic plans, and very proud to support homelessness initiatives in both regions. In addition, we worked with Tees Valley Combined Authority and other providers to achieve a successful bid for decarbonisation funding.

In 2022/23, our priority is the overall customer experience and improving customer satisfaction. Implementing a new repairs service offer, increased self-service for customers and new technology to support better and timely communication are all key priorities.

Plans for 2022/23 include further investment in our existing homes/places and the continuation of major regeneration works at Church Lane North in Redcar. We will continue to deliver against our plan of delivering 2,000 homes and incrementally increase our investment towards carbon zero.

I know that 2022/23 has different challenges, both politically and from a housing perspective; changes to funding, consumer regulation and the wider economic conditions will pose difficulties for customers, colleagues, and the wider business. We are already preparing for how we can mitigate or reduce the risks such challenges pose and remain committed to our strategy and the customers we serve.

As always, the Board and all colleagues at Beyond Housing, continue to strive to help our customers and communities succeed and thrive, and I am proud to recognise our achievements during 2021/22.

A handwritten signature in black ink, reading "James D Hayward". The signature is written in a cursive style and is positioned above a horizontal line.

James D Hayward RD
Chair

Beyond Housing Limited

Strategic report for the year ended 31 March 2022

Overview of Beyond Housing and our 2020-2025 strategy

Beyond Housing was formed in October 2018 as the result of a merger (via transfer of engagements) between Coast & Country Housing, based in Redcar, and Yorkshire Coast Homes, based in Scarborough. We remain a G1/V1 Regulator Social Housing rated organisation.

As a registered Community Benefits Society (CBS), we have a group turnover of £76.5m, own and manage 15,113 homes across nine local authorities in the north-east/yorkshire, housing over 30,000 customers. We employ circa 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 (ILS) 'Reach and Respond' (formerly HomeCall, Lifeline and Coastcall), which support older and vulnerable people to live independently in their homes for longer.

As a business we aim to deliver on 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 lower net surplus before tax of £2.5m (£12.5m 2020/21), the decline was due to one off refinancing costs of c£7.1m and higher repairs volumes. We invested £36.8m in new homes and £33.9m revenue spend in 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 ILS business and have 55% of our customers registered using our 'Me and My Home' digital services.
- **Build new homes and keep our existing home in good condition** – build circa 2,000 new homes, 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/neighborhoods to create a great place to live and work** – offer the best information and advice to customers, be a leading training provider and create neighborhood's our customers are proud of.
- **A great place to work for our people** – achieve Investors in People (IIP) accreditation, deliver an agile working environment, increase colleague satisfaction and improve the health and wellbeing.

We intend to target year on year improvements in our business and services. These include investing more in our homes, neighborhoods and communities through high quality repairs and planned capital programs. We intend all properties to be energy efficient by 2030 at EPC C or better. In 2021/22 we commenced our 113 home outright sale Mill Meadows development and the regeneration of Church Lane, North Estate in Eston with a budget to invest circa £16m into delivering this regeneration project. We will continue to invest in our digital infrastructure e.g., 'Me and My Home' and new Customer Resource Management (CRM) system.

In May 2021 we completed the refinancing of our business to secure longer term funding for our five-year strategy and beyond. We issued the first long dated 30-year Environmental, Social and

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Strategic report for the year ended 31 March 2022

Governance Bond (ESG) for £250m. At the time of issuing, we were five times oversubscribed in the market. Moody's issued a A2 rating at the time of issuing the bond and we retained that rating in February 2022. We drew down £165m of funding to refinancing c£130m of existing bank loans to take advantage of very low financing costs, reducing our interest finance costs and released c£30m of additional cash after break costs. We still retain £85m of funding that is un-drawn, and we are assessing a drawdown of these funds in 2022/23.

Our operating margin will improve by 2030 in line with our business plan to drive greater efficiency and cost saving to allow more investment in homes and to address zero carbon challenges. We will continue to deliver on our 2,000 new homes under our current strategy providing affordable homes across our area of operation. We will also look at those areas that may require future regeneration, higher zero carbon investment and continue to build more homes.



Our purpose

Why we exist

To **help** our customers and communities to 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

Considerate – We respect, trust and care about each other

Collaborative – We work smarter together

Ambitious – We aim high to achieve more

Accountable – We own it.

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Corporate governance

The board comprises of nine members, made up of 56% women and 44% men. None are classed as BAME. Members can be viewed on page 1 and 8-9. Board members are drawn from a wide range of backgrounds bringing together commercial, professional and local skills, experience and knowledge.

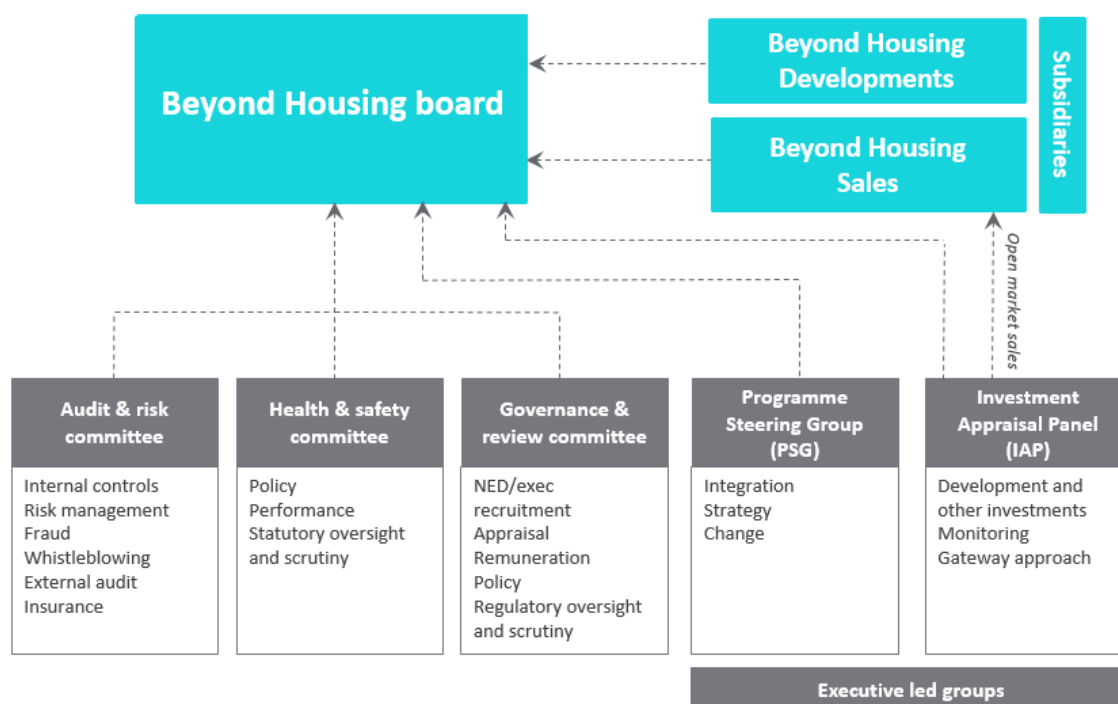
An annual compliance assessment is undertaken by the board of its chosen code of governance. This assessment is reviewed and validated externally by independent consultants every three years (first assessment carried out in 2021/22). Accordingly, the board states Beyond Housing (the parent) are fully compliant with its adopted code of governance, the National Housing Federation (NHF) Code of Governance 2020. The board has determined the NHF Code of Governance 2020 does not apply and therefore is not adopted by the subsidiary companies Beyond Housing Sales Ltd, and Beyond Housing Developments Ltd, on the basis the companies are not registered providers and therefore out of the scope of the Code. 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 Regulator of Social Housing's (RSH) Governance and Financial Viability Standard. Self-assessments against all of the regulatory standards were undertaken during the year and no issues were noted.

An independent governance review was undertaken in the year providing assurance that governance arrangements were operating well and efficiently. It noted the board had provided a strong self-assessment of its own effectiveness which correlated with the independent review opinion. A number of recommendations were made as part of the review to support the delivery of Beyond Housing's future strategy and ambition which have been implemented during the financial year. 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.

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Strategic report for the year ended 31 March 2022



The Board met formally five times during the period 1 April 2021 and 31 March 2022 and held two strategic away days. The Board and committees have formal terms of reference which were last reviewed during 2021/22.

Audit and risk committee

The audit and risk committee are 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 five times during the period 1 April 2021 to 31 March 2022. Board member John Williams chaired the meetings.

Governance and review committee

The governance and review committee are 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 for addressing any conduct or standards issues. The committee oversees and reviews governance arrangements to ensure that best governance standards and practices are upheld, with particular oversight in relation to statutory and regulatory changes. The committee met four times during the period 1 April 2021 to 31 March 2022. Board member Sam Hardwick chaired the meetings.

Health and safety committee

The health and safety committee oversees the health and safety framework and management system which enhances clarity around roles, accountability and responsibility throughout the organisation, provides enhanced focus for customer, property and colleague compliance and increases visibility around performance to provide asset compliance assurance. The committee met four times during the period 1 April 2021 to 31 March 2022. Board member Kate Abson chaired the meetings. As part

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Strategic report for the year ended 31 March 2022

of the independent governance review in 2021/22, whilst retaining strategic oversight of the health and safety framework, board delegated operational oversight to the executive via a health and safety forum. The health and safety committee therefore ceased on 31 March 2022.

Refinancing task and finish group (committee)

The refinancing task and finish group had oversight for the refinancing of the business completed May 2021. The committee oversaw the proposal to raise the £250m long term Environmental Social Green (ESG) bond and to restructure existing loan arrangements with our funders Lloyds, Nationwide and Natwest. We exited high interest cost loans and replaced them with the lower cost bond and released additional cash for investment. The committee met once during the period 1 April 2021 to March 2022. Board member Peter Baren chaired the meeting.

Board and committee meetings

The table below dates all board and committee meetings.

Beyond Housing Board	Audit & Risk Committee	Governance and Review Committee	Health and Safety Committee	Refinancing Task and Finish Group
27 May 2021	12 May 2021	15 April 2021	21 June 2021	22 April 2021
5 August 2021	27 July 2021	8 July 2021	16 September 2021	
23 September 2021	18 August 2021	14 October 2021	16 December 2021	
28-29 October 2021 (strategic away days)	17 November 2021	20 January 2022	17 March 2022	
2 December 2021	16 February 2022			
3 February 2022				
28 February 2022 (strategic away day)				

Board and committee attendance 2021-22

Name	Beyond Housing board		Audit and risk		Governance and review		Health and safety		Refinancing task and finish group	
	A	B	A	B	A	B	A	B	A	B
Non-Executives										
Kate Abson	5	5	-	-	-	-	4	4	-	-
Peter Baren	5	5	5	5	-	-	-	-	1	1
Andrew Gambles*	3	1	-	-	-	-	2	0	-	-
Samuel Hardwick	5	5	-	-	4	4	4	4	-	-
James Hayward (Chair)	5	5	-	-	-	-	4	3	1	1
Judith Jones *	3	3	-	-	2	2	-	-	-	-
Gillian Taylor	5	5	5	5	-	-	-	-	1	1
John Williams	5	4	5	5	-	-	-	-	1	1

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Steven Williams	5	5	5	5	4	4	-	-	-	-
Fay Yeomans	5	5	-	-	4	4	-	-	-	-
Executives										
Rosemary Du Rose	5	5	5	5	4	4	4	4	1	1

A = maximum number of meetings that could have been attended

B = number of meetings attended

** retired 23 September 2021*

Viability assessment

Beyond Housing prepares a 30-year business plan 'Plan', incorporating the 2021/22 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 September 2021 and February 2022. The results of the stress testing included considering the impact of movement in interest rates, liquidity, inflation, costs, debts, political risk, Covid 19, welfare reform, sales risk and a single/multi-variant risk scenario with mitigation plans. The board also identified actions to mitigate against these risks (including Covid 19), 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.

We also completed our refinancing in 2021/22 that culminated in the issuance of a £250m ESG bond in May 2021. We drew down £165m and retained £85m whilst restructuring our existing loans with our three bank lenders.

The 30-year business plan and Financial Forecast Return (FFR) submission to the Regulator Social Housing (RSH) was approved by the board in May 2021.

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 risk. 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 has been in place throughout the year ended 31 March 2022 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 to the on-going process of managing the significant risks faced by the Group.

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Strategic report for the year ended 31 March 2022

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, 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
- An Investment Appraisal Panel and Programme Steering Group, aligning our 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 PwC) tasked with maintaining and testing the Group's control environment
- Reporting to the senior leadership team and board of key strategic performance indicators
- Oversight by the audit and risk committee of the Group's internal control processes; and
- An established health and safety framework.

Housing stock

Beyond Housing operates across the North-East and North Yorkshire covering nine local authorities. We currently have 15,113 homes for rent, 12 of which are managed by a third party giving us 15,101 owned units (Note 3 in the Accounts) and an additional 291 leaseholder units. A breakdown of the housing stock is:

Stock Type	Owned	Managed	Shared ownership	Total
Houses	8,056	2	262	8,320
Bungalows	3,107	1	10	3,118
Flats	3,309	65	1	3,375
Maisonettes	120			120
Bedsits	168			168
Total	14,760	68	273	15,101
Third party managed	12			15,113

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 2021/22:

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- Introduced a new name and brand for our three independent living services to operate under - Reach & Respond
- Supported 506 customers and accessed £1.83m in benefits to support customers
- Answered 161,888 customer enquiry calls
- Answered 171,675 calls from customers to our independent living service Reach & Respond
- Joined The National Databank scheme and launched our digital inclusion project to bring free internet to low-income families
- Opened a customer community facility on the Church Lane North estate in Grangetown.
- Supported 1,211 customers with Anti-Social Behaviour (ASB) and safeguarding support
- 4,339 hours of volunteers' time invested in community projects and services
- Consulted with over 1,400 customers to shape a new customer contact approach
- Successfully embedded a new approach to handling complaints
- Commenced the implementation of new systems to better improve the customer experience

Energy performance

We see as good practice reporting out 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 2022.

	In Scope	Out of scope
Emissions	Scope 1 – Direct emissions: Combustible gases, kerosene heating oil, Owned vehicles	None
	Scope 2 – Indirect emissions: purchased electricity	None
	Scope 3 – 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 ₂ e (tonnes)	% estimated	Specific exclusions (%)	April 19 - March 20	April 20 - March 21
Natural Gas	8%	None	377.0	260.8
Company owned transport	0	None	556.6	567.6
Refrigerants	0	None	0.5	0.5
Other types of fuel	100%	None	0.0	20.0
Total Scope 1	108%	None	934.1	848.9
SCOPE 2 CO ₂ e (tonnes)	% estimated	Exclusions	April 19 - March 20	April 20 - March 21
Electricity	34%	None	327.3	305.6
Total Scope 2	34%		327.3	305.6
SCOPE 3 CO ₂ e (tonnes)	% estimated	Exclusions	April 19 - March 20	April 20 - March 21
Electricity T & D Losses	0	None	27.8	26.3
Private transport for business purposes	0	None	127.3	40.3
Total Scope 3 CO₂e (tonnes)			155.1	66.6
TOTAL CO₂e Scope 1, 2, 3 Gross emissions (tonnes)			1,416.4	1,221.2
Intensity Metric Measure (employee)			801	773
Intensity Metric (Gross emissions) tCO₂e/Employee			1.768	1.580
Energy Consumption		Exclusions	April 19 - March 20	April 20 - March 21
kWh		As above	5,835,868	4,671,705
Carbon offsets			127.31	27.67
TOTAL CO₂e Scope 1, 2, 3 Net emissions (tonnes)			1,289.1	1,193.5
Intensity Metric (Net emissions) tCO₂e/employee			1.609	1.544

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	Apr 19- Mar 20 (Base year)	Apr 20 - Mar 21	Apr 21 - Mar 22
Gross tCO ₂ e per employee	1.768	1.580	1.719
Net tCO ₂ e per employee	1.609	1.544	1.719
Change (Gross) against Base year (%)	0	-10.6%	-2.8%

This year we are pleased to have reduced our carbon footprint per employee by 2.8% working towards the Governments carbon neutral targets is set out in more detail in our strategic asset plan approved by our Senior Leadership Team (SLT).

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

Value for Money

Beyond Housing consciously looks to deliver Value for Money (VfM) and will take a planned approach to the delivery of efficiencies and financial capacity gains, which provides direction for achieving VfM in order 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 and £85m undrawn bond funding capacity on 31 March 2022.
- **Total cost of management and maintenance of each housing unit** – The target Social Housing Cost Per Unit (SHCPU) for the organisation is circa £3,000 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.
- **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 contracts cash flow, IRR and NPV to meet investment policies.
- **Procurement** – Beyond Housing has actively completed competitive tendering activities to secure long-term contracts for key business areas including voids, tools, Electrical Installation Condition Report (EICR's), windows and doors etc. A key contract has been implemented to support our in-house teams to complete routine and capital voids works. The tender was structured to attract local subcontractors and ensure that strong relationships could be built between the in-house teams and local labour providers, especially during times of national labour shortages. Savings to the value of £143k have also been achieved through key negotiations on tool purchases, our security contract renewal and rate changes. Beyond Housing has been impacted by supply chain price increases but has looked to mitigate these as much as possible across the year.

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Strategic report for the year ended 31 March 2022

VfM indicators

Beyond Housing has included the nine regulatory VfM metrics from the RSH Technical Note guidance September 2020 sector scorecard, in its board 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 2020/21 Global Accounts benchmarking information, due to 2021/22 information not being available at the time of preparing the annual accounts. During 2021/22 and going forward we will benchmark our VfM indicators, to support our strategy to embed VfM into everything we do.

2021/22		2020/21*						
RSH VfM Metric	Beyond Housing	Beyond Housing Restated	Global Upper Q	NE^ Upper Q	Global Med Q	NE^ Med	Global Lower	NE^ Lower
Reinvestment	11.8%	6.0%	8.2%	8.1%	5.8%	5.7%	4.0%	3.8%
New supply: Social	1.05%	0.64%	2.00%	1.7%	1.30%	0.9%	0.50%	0.50%
New supply: Non-social	-	-	0.009%	-	-	-	-	-
Gearing	50.0%	47.5%	53.3%	47.5%	43.9%	42.8%	32.9%	26.6%
EBITDA MRI	182%	277%	248%	336%	183%	213%	134%	129%
Social housing cost per unit	£3,787	£3,047	£4,760	£3,680	£3,730	£3,160	£3,210	£3,080
Operating margin: Social	21.8%	28.7%	32.6%	28.7%	26.3%	23.1%	22.2%	19.8%
Operating margin: Overall	20.9%	26.9%	28.2%	27.6%	23.9%	23.3%	18.1%	16.0%
Return on capital employed	3.9%	5.8%	4.2%	4.6%	3.3%	3.4%	2.7%	2.8%

*NE combines average performance for the northeast region and North Yorkshire based RPs

We have used the 2020/21 financial statements for last year's figures. **Note:** Our 5-year VfM targets are published separately on our web site in our 5 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** - Delivered % 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.

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4. **EBITDA** - Earnings before interest, tax, depreciation, amortization, major repairs included (EBITDA MRI) 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 Housing Regulator. The cost measures set out in the metric are unchanged from the metric in the Regulator 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 2022/23. This includes setting approved 'rules' against key indicators to ensure the financial stability and resilience of the business.

VfM indicator	2021/22 Outcome	Target rules 2022/23	Future plans 2022-23
Reinvestment	Reinvestment at 11.8% was below target 18.6% as development and capital spending was below budget due to Covid 19, supply constraints, planning and construction site closures. We have continued to deliver on our 2,000 homes strategy.	Target 19% 2022/3.	Our capital investment plans are to maintain and invest in our existing stock, regenerate Church Lane, North and to develop our carbon reduction plans.
New supply: Social	318 affordable homes were started in the year with 142 completed against targets of 433 and 250 respectively. Starts and completions were below target, due to the matters outlined under reinvestment.	2,000 new homes over 5 yrs.	Our long-term plan is to build to a target of circa 2,000 homes over the next five years.
New supply: Non-social	113 homes for open market sale were started in the year with 2 open market sales in year.	-	Non-social homes will be a small proportion of social homes built circa 15% of the 2,000 target.

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Strategic report for the year ended 31 March 2022

Gearing	Gearing at 50% remains within our target rules reflecting our refinancing.	To keep below <63%. 2021/22 55.5%.	Gearing will remain within funder requirements. Beyond Housing rules impose more stringent targets than those imposed by the funders.
EBITDA - MRI	EBITDA - MRI at 181% is below target 255% but well above covenant requirements due to lower operating margin .	To keep EBITDA – MRI (Interest Cover) greater than >121%.	The EBITDA (interest cover) has a funder requirement to be above 110% in all years. In addition, a more stringent target has been set to give an additional margin above funder requirements.
Social Housing Cost Per Unit (SHCPU)	SHCPU £3,787 has increased due to higher material and operating costs against the target of £3,435 due to inflation on our costs.	Long term target circa averaging £3,000. £3,534 2022/3.	Our medium-term target is to achieve a costs of c£3,000 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 c92% of income.
Operating margin: Overall	The operating margin 20.9% fell against target 25.8% due to higher operating and material costs and repairs volumes as we exited Covid 19.	To raise towards 30%, 25.3% 2022/23	Our business plan is to have an operating margin in the Housemark top quartile.
Return on Capital Employed (ROCE)	Our ROCE at 3.9% fell against a target of 4.7% as result of the lower operating margin and lower total assets less current liabilities balance sheet position.	4.9% 2022/23.	ROCE employed will be monitored as our investment plans are delivered to ensure efficient investment is being made.

Other metrics agreed by the board 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 20% within our business plans. By limiting reliance on profits from open market house sales, focus is on sustained financial stability
- Cash flow – holding cash and cash equivalents (loan facilities) >= 21 months operating cash requirements.

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Key performance indicators measuring Value for Money (VfM)

Beyond Housing measure Key Performance Indicators (KPI's) and VfM. Beyond Housing has a dashboard system that measures a set of key performance metrics each month. Our dashboard for period 12 can be viewed on page 19.

The dashboard forms an agenda item at all board meetings; hence the board can monitor KPI performance and VfM within the organisation. Board challenge any under performance and discuss the actions set out to improve performance.

The KPI's 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 (note 2021/22 still reflected the impact of Covid 19).

VfM movements

Indicator - at March year end	Actual 2020/21	Actual 2021/22	Trend	Notes
Rent arrears (current)	£2,111,385	£2,026,604	↓	Rent arrears fell due to robust customer support policies through Covid 19
Level of voids (properties)	184	161	↓	Voids levels fell due to higher investment
Average re-let time (days)	43.7	38.2	↓	We improved in year re-let times
Rent loss due to voids	£1,044,606	£1,107,609	↑	With more voids turnover the weekly rent losses increased
Percentage of staff turnover voluntary	5.7%	10%	↑	Staff turnover increased due to competitive jobs market
Social housing cost per unit	£3,047	£3,787	↑	The SHCPU increased due to higher material prices and volumes of work post Covid 19 lockdown
Operating margin	29.1%	20.9%	↓	The operating margin fell due to higher operating costs, material prices and dealing with repair backlogs after the lifting of Covid 19 restrictions. 2020/21 was high due to Covid restricting repairs work and spend
Percentage of repairs completed on time	96.9%	88.6%	↓	Repairs on time was impacted by Covid 19
Number of working days lost to sickness per employee	7.7	9.9	↑	Sickness rates increased with Covid 19

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Strategic report for the year ended 31 March 2022

Our 2021-22 Tier 1 VfM targets and outturn

Tier 1	Freq	Type		Actual 2021/22	Target 2021/22	Target 2022/23
Operations Compliance: Gas	M	PT	>=	99.98%	100.0%	100.0%
Operations Compliance: Electrical	M	PT	>=	99.91%	100.0%	100.0%
Operations Compliance: Fire Safety	M	PT	>=	93.75%	100.0%	100.0%
Operations Compliance: Asbestos	M	PT	>=	100%	100.0%	100.0%
Responsive repairs transactional satisfaction	M	M	<=	73.1%	85.0%	80.0%
Assets - Capital Investment	Q	YTD	>=	£8.3m	£9.8m	£10.7m
New supply: planned model programme all tenures contractual starts	M	YTD	>=	318	433	447
New supply: planned model programme all tenures completions	M	YTD	>=	142	250	380
New supply: financial performance - affordable 5-year programme average NPV	M	YTD	>=	£6.3m	£5m	£6m
Net profit through outright sales	A	YTD	>=	-	-	£100k
Unsold sales homes - build complete unreserved	Q	YTD	>=	0	10 or less	20 or less
Colleague satisfaction	A	PT	>=	77%	80.0%	78.0%
Current tenant arrears	M	PT	<=	£2,026,604	£2,300,000	£2,200,000
Percentage of customer base registered for Me & My Home	M	PT	>=	33.1%	-	30%
Customer satisfaction: percentage of customers 'very' or 'fairly' satisfied with our services STAR	M	YTD	>=	65.4%	75%	75%
Complaints: percentage of complaints responded to within target timescales	M	YTD	>=	100%	100.0%	100.0%
Complaints per 1,000 properties (monthly average)	M	YTD	<=	1.8	-	2
Financial health: cashflow from operations	Q	YTD	>=	£18.3m	£19.7m	£21.2m
Financial health: surplus before tax	Q	YTD	>=	£5.3m	£1.2m	£17.8m
Headline social housing costs per unit	Q	YTD	<=	£3,558	£3,435	£3,534
Operating margin: (overall)	Q	YTD	>=	23.6%	25.80%	25.30%
Cyber security - Reportable security issues, data breaches that interrupt the business	M	YTD	=	0	0	0

Key: M monthly measure, YTD Year to Date.

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Note: throughout 2021/22 Covid 19 continued to have some impact on our metrics e.g. supply of new homes, customer satisfaction and inflation on costs and margins. Green are targets met, orange (within 5% of target) or red >5% outside target.

VfM Self-Assessment

We will publish on our web site a VfM self-statement alongside the published accounts for 2021/22.

Risk

Managing risk (page 26) 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 & Risk Committee undertake a more detailed review of risks that might affect the viability or reputation of Beyond Housing.

A handwritten signature in black ink, reading 'James D Hayward', written over a horizontal line.

James D Hayward RD
Chair of the Board
Beyond Housing Ltd

25 August 2022

Beyond Housing Limited

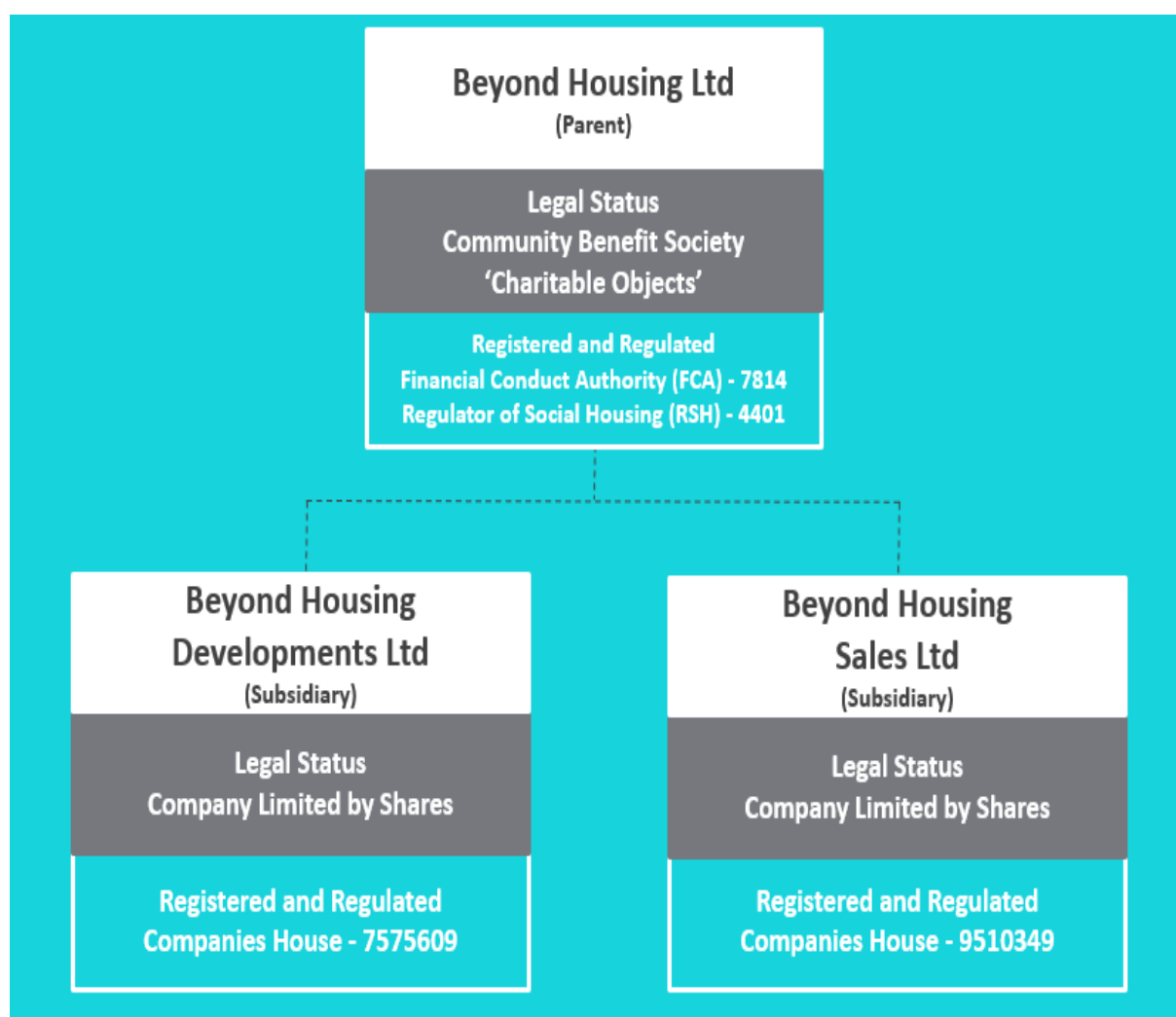
Strategic report for the year ended 31 March 2022

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 Regulator of Social Housing.

Beyond Housing Developments Limited was originally incorporated (by a legacy organisation) to develop properties for outright sale, generating surplus for the group to reinvest. It has not been active during 2021/22. BHD will be dormant in 2022/23.

Beyond Housing Sales Limited was incorporated to carry out non-charitable open market sales activities generating surplus for the group to reinvest. It has not been active during 2021/22. In 2021/22 BHS has had new directors appointed, a business plan approved by board, on-lending facilities established and updated legal and financial structures to enable trading in 2022/23.



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Financial review 2021/22

The group financial results, which have been prepared using merger accounting principles, show a group turnover of £76.5m and a surplus before tax of £2.5m. The operating surplus before tax is lower than 2021 due to higher repairs and maintenance costs in year.

Summarised Financial performance:

Group income and expenditure	2022 £'000	Restated 2021 £'000
Turnover	76,521	75,112
Operating surplus	17,184	20,931
Surplus before tax	2,496	12,539

Balance sheet	2022 £'000	Restated 2021 £'000
Non-current assets (includes intangible assets)	399,617	371,690
Housing property assets net of depreciation	398,411	370,173
Cash	35,784	24,203
Loans	235,000	200,000
Reserves	118,413	101,880
Investment in new properties during the year	36,786	17,496
Total capital and revenue expenditure on repairs and improvements	33,879	24,192

Information and statistics	2022 £'000	Restated 2021 £'000
Total housing stock managed in units	15,113	15,061
Social rental income as a % of turnover	92.2%	91.4%
Operating surplus per housing stock unit	1,137	1,389
Average loan per unit	15,550	13,279
Reported reserves per unit	7,835	6,764
Operating surplus % of turnover	22.4%	27.9%
Surplus before tax % of turnover	3.26%	16.7%
Interest cover (operating surplus/interest payable on loans)	1.17	2.49

For the year to 31 March 2022 turnover increased by £1.4m compared to that of the prior year at £76.5m (£75.1m 2020/21). During the year our social rents increased by CPI+1% in line Government's

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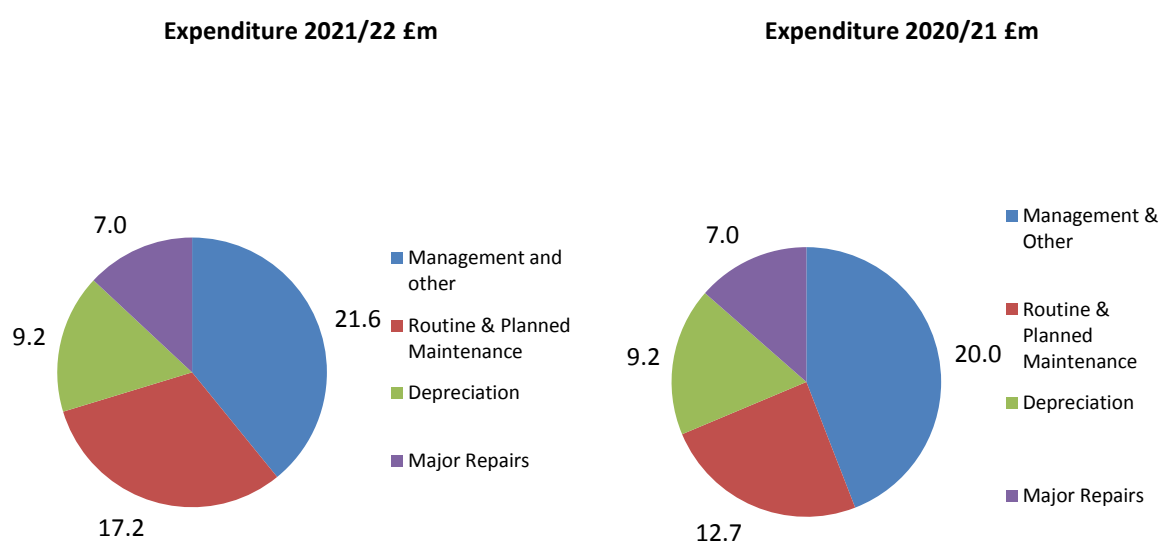
rent policy, arrears were under budget, and we had increased shared ownership development sale proceeds.

Social housing income remains the largest proportion of our turnover from operations at 92.2% (91.4% 2020/21). Shared ownership sales represented 2.3% (3.2% 2020/21) of our turnover. Non-housing activity including our independent living service represented 3.5% (4% 2020/21).

Note: the Net Surplus before tax fell due to one off refinancing break costs of £7.2m in 2021/22.

Operating costs increased to £59.0m (£53.09m in 2020/21) as a result increased spend on social housing operating expenditure due to higher maintenance expenditure as repairs volumes increased as we began to recover from Covid 19.

The majority of our operating costs for the year is social housing lettings expenditure by the group being £55m (£48.9m 2020/21). The charts show management and planned/routine expenditure increased partly 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.



Our operating surplus decreased to £17.2m from the £20.9m achieved in the prior year and largely reflected increased maintenance expenditure occurring due to increased repair volumes, and material/subcontractor price increases both of which are an outcome Covid 19. Our net surplus for the year at £2.5m (£12.5m 2020/21) reduced compared to 2020/21 due to the higher maintenance

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costs but also the incurrence of £7.2m loan breakage costs as part of the refinancing exercise completed in May 2021.

There has been an increase from £371m to £399m (7.5%) 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 2022 increased to £35.8m from (£24.2m 2020/21) after the refinancing in May. No new loan drawdowns were required during the 2021/22 year.

Pension provision liabilities decreased to £26.0m from (£37.1m 2020/21) following the annual review of the North Yorkshire and Teesside Pension Funds by the actuaries. The Teesside Pension schemes had lower asset values to fund the liabilities, and these are being funded through higher employer contributions.

We met all lender covenants during the year and the net worth 'reserves' of the group increased to £118.4m (£101.9m 2020/21) due to the net surplus.

The Accounts 2021/22 also include a prior year adjustment (due to incorrect intermediate rents from a legacy organisation from 2012) and are restated. The regulator and our funders were made aware of the adjustment.

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 being 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 is term loan with an average life of 16.3 years and £104m represents Revolving Credit Facility (RCF). Undrawn facilities total £189m of which £104m is Revolving Credit Facility and £85m bond. The high proportion of RCF available provides liquidity and flexibility for Beyond Housing as it builds up its development portfolio. The group has currently sufficient liquidity for its proposed investment programme over the next 2-3 years after completing its refinancing in May 2021. The undrawn bond proceeds are subject to volatility in the gilt markets and the cash value can be less than face value. The embedded value of the debt is close to 3.94% weighted average cost of debt.

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

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Subsidiaries

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

During 2021/22 no new construction opportunities for the organisation have been identified and subsequently the organisation has remained in a discontinued state. The organisation made a loss before taxation for the year ended 31 March 2022 of £1,000 (2021: loss of £6,000).

Beyond Housing Sales Limited (formerly Coast & Country Sales Ltd)

The organisation has made a loss before taxation for the year ended 31 March 2022 of £1,000 (2021: loss of £5,000) which is broadly in line with budget expectations. No sales activity occurred during the year.

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Risk and assurance framework

The risk and assurance governance team at Beyond Housing work with our internal auditors, PricewaterhouseCooper (PwC), to provide a programme of audits and reviews which underpin the risk and assurance framework for the board. Our current key risks and mitigation strategies are set out below.

Key Risk	Mitigation in place
Health and safety - Non-compliance with H&S legislation/standards: 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 & safety culture Significant event (e.g., Grenfell Tower) Lack of buy in from senior leaders / board members Poor or ineffective H&S management framework Ineffective crisis management Contractors/3rd 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
Breach of regulatory standards or legislative requirements: 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 Covid 19 - pandemic - lack of skills/resources	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

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

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Values are not understood, role modelled or applied Lack of autonomy and trust.	
Ineffective development and regeneration plan/programme – Failure to agree development appetite Inability to identify or act upon development opportunities Ineffective stakeholder plans/networks Contractor failure/delays Poor project management Increased development costs Lack of demand within operating area Housing market crash Limited customer and market intelligence Development of the wrong product/tenure type (inc. modular) Poor or inadequate capacity planning Failure of the 21/26 AHP funding model Increased costs of delivering future homes standard by 2025 Ineffective group structure for sales. Planning delays Tender costs	Development and Sales team Model Development Programme (MDP) established development KPI on performance dashboard (units committed) Investment Appraisal Panel in place for approving all development and procurement (incl ICT) over £100k Development opportunities group and insight framework established Hurdle rates agreed Investment Policy, Treasury Policy in place Relationships established with local authority partners (Redcar and Cleveland, Scarborough, Tees Valley Combined Authority) Contract management arrangements, including credit alerts (Dun & Bradstreet) and due diligence Homes England compliance audits Subsidiaries – Beyond Housing sales and development.
Breach of loan covenants as a result of Ineffective Treasury Management – Inflation Bank interest rates Funders withdrawal from market Rent reductions Significant expenditure greater than income.	Cash flow forecasting Market sales units included within Business Plan projections Borrowing strategy / Treasury management Monitoring of interest rate fluctuations and general market conditions Risk based annual audit Investment appraisal panel.
Ineffective asset management plan – Ineffective strategic asset management plan Lack of external validation of stock condition data Poor system controls on data integrity and quality (e.g., housing and customer data, and asset data) Failure to meet decarbonisation and energy efficiency targets Asset's data not being up to date or integrated with reporting systems Insufficient investment in stock Incomplete assets and liabilities register Lack of single source data (Asset Management System) Lack of investment in energy efficient products.	Asset management/performance systems Regular stock condition surveys House type surveys to inform annual investment programme Adequate budget provision assigned to deliver property maintenance programmes (based on decency requirements) In-house repairs and maintenance service to support greater control and flexibility Acquisitions and Disposals Policy in place Stress areas identified Voids project/internal focus to raise standards Business intelligence around terminations, reasons for leaving, turnover and demand

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	Contract management arrangements, including credit alerts and due diligence Health and safety audits. Stock condition surveys Bids for carbon zero funding
Material loss of revenue 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
Liquidity/cash flow pressures - 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.
Increased Pension Liabilities – Increased life expectancy Redundancies/restructures Economic downturn Increased interest rates/inflation Consolidation within pension scheme McCloud and GMP 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 & Liabilities Register.
Cyber Security - Deliberate, unauthorised or accidental breaches of security – Lack of training/awareness Human error	Regular patching of servers and PC's Annual cyber security penetration testing Security awareness programme developed New technology file systems

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Malicious breach/phishing attack Breach of policy/procedures Poor/ineffective security controls (including patch application) Loss of colleagues/key staff.	Local administrator password solution Cyber security awareness updates provided quarterly Migration to office 365 Mandatory training Crisis communication plan in place and aligned to major incident response plan.
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 staff 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 CSAT 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 board and 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 by the senior leadership team and updated.

Key risks such as health and safety, financial stability and data security take a high priority. Significant emerging risks are also monitored (Brexit, inflation and Covid 19). Risks are analysed according to their impact and likelihood. Management is focused on higher impact and higher likelihood risks.

Brexit continues to carry risks that impact on labour, material costs, government policy and financing. There may also be risks to the wider UK economy and house prices. These risks were low and continued to be monitored by the executive team and board in 2021/22.

Inflation has increased significantly towards the end of 2021/22 and represents a risk on material and wage prices that is being managed through budgets and revised efficiencies.

Prior Period Adjustment The prior period adjustment in this year's accounts is to reclassify c486 legacy housing association intermediate rents we discovered were incorrectly classified to correct to affordable rents and a small number social. The adjustment captures the rent refund backdated and indexed for all customers effected and represents the one-off liability to correctly reset customers their rents to affordable/social from intermediate from 2012 when they were incorrectly set in a legacy

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organisation. The amendment has been discussed with our funders and the regulator. The prior year adjustment is represented in the accounts at Note 28.

Covid 19 continued to be a risk in 2021/22. The risks were monitored at board and at the senior leadership team with weekly monitoring of the potential risks and operational and financial impacts to the business throughout 2021/22. Due to the consequences of Covid 19 the board has evaluated and continued to stress test the business plan. Effective action plans, including increased agile working were working well to maintain customer services and business operations. Our rent arrears out turned-on budget with very little increase year on year. Voids out turned marginally above target and the business maintained very robust cashflows throughout the year. Covid 19 challenges in the market led to lower operating spend across most areas of the business except repairs. Repairs spend was above budget due to higher inflation on material costs, escalating subcontractor spend and larger volumes of repairs as customers opened up homes to a backlog of repairs. Inflationary pressures are expected to continue, and the market remains challenging for labour, subcontractors and development opportunities though all have been assessed in setting the 2022/23 budgets. Our development and capital spend was under budget in 2021/22 due to development sites being closed with social distancing rules and supply issues delaying our own capital works. These programme of works are rolled forward and future works reprofiled out to later years.

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 and liquidity levels ensured appropriate scrutiny in these difficult times. Our modelling included reductions in rent collected, higher inflation costs on the business, changes to government rent policies, significant cash requirements for changing developments 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.

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Statement of the Board's responsibilities for the year ended 31 March 2022

Statement of the responsibilities of the board for the report and financial statements

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

Co-operative and Community Benefit Society law and social housing legislation require the 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 the 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 enable them to 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 Regulator for Social Housing, 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 Regulator of Social Housing Governance & Financial Viability Standard.

Auditor

A resolution to appoint BDO LLP, as auditor for 2022/23, will be put to the AGM members on 22 September 2022.

Beyond Housing Limited

Statement of the Board's responsibilities for the year ended 31 March 2022

Going concern

When preparing their 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 2022/23 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 which 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 comply with current lenders' covenants. The business has also carried out additional stress testing on its business plan as a result of Covid 19 and market pressures as set out on page 27 to demonstrate its continuing financial resilience. On this basis the board has prepared the 2021/22 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 have 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 the financial statements of Beyond Housing Limited ('the group') for the year ended 31 March 2022.

By order of the board

A handwritten signature in black ink, appearing to read 'James D Hayward', is written over a horizontal line.

James D Hayward
Chair of the Board
Beyond Housing Ltd

25 August 2022

Beyond Housing Limited

Independent Auditors report for the year ended 31 March 2022

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 2022 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; and
- the financial statements have been properly prepared in accordance with 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 ended 31 March 2022 which comprise the Group and Association statement of comprehensive income, the Group and Association statement of financial position, the Group statement of cash flows, the Group and Association statement of changes to reserves and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We remain independent of the 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;

Beyond Housing Limited

Independent Auditors report for the year ended 31 March 2022

- 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; and
- reviewing the wording of the going concern disclosures and assessing its 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	<i>100% of Group surplus before tax</i> <i>100% of Group revenue</i> <i>100% of Group total assets</i>
Key audit matters	Accounting for bond issue 2022 ✓
Materiality	<i>Group financial statements as a whole</i> <i>£1.2m based on 7% of Group adjusted operating surplus</i>

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 both for the purposes of group reporting and reporting on the individual financial statements.

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

Beyond Housing Limited

Independent Auditors report for the year ended 31 March 2022

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 which 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
Accounting for the bond issue <i>Note 1 and 19 cover the relevant accounting policy and disclosures</i>	The Association issued £250m of listed bonds in May 2021, of which £165m were drawn as at 31 March 2022, resulting in listed debt obligations being recognised on the year-end balance sheet. The risk is related to then compliance of the accounting treatment for this transaction with the relevant accounting standard, which if incorrect could give rise to a material misstatement in the financial statements. As this is a non-recurring and significant transaction there is a risk that the bond sale has not been accounted for and disclosed correctly and was therefore a key audit matter.	We have obtained all formal signed documentation relating to the bond issue from management and considered whether the accounting for the bond is in line with the terms and conditions of the bond and FRS 102 at year-end. We have checked the closing balance of the listed debt at year-end through agreement to the London Stock Exchange and performed re-calculation of the bond discount, interest accrued and interest expense in the year related to the bond to ensure these were calculated correctly. We have traced the cash repayment of other loans resulting from the proceeds received from the bond issue to bank statement and other supporting documentation. We have considered the classification and disclosures in relation to the accounting policies and key judgements and estimates relating to the bond in the financial statements to ensure they are in line with accounting standards. Key observations: Based on our procedures we noted no exceptions.

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,

Beyond Housing Limited

Independent Auditors report for the year ended 31 March 2022

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
Materiality	1.2	1.2
Basis for determining materiality	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 is excluded. It is therefore appropriate to adjust materiality in order to respond to the risk of 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.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £24k. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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

Beyond Housing Limited

Independent Auditors report for the year ended 31 March 2022

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 or the Housing and Regeneration Act 2008 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;
- adequate accounting records have not been kept by the Association;
- a satisfactory system of control has not been maintained over transactions;
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

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

In preparing the financial statements, the Board are responsible for assessing the 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:

Beyond Housing Limited

Independent Auditors report for the year ended 31 March 2022

Based on our understanding of the Group and Association and the sector in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group and Association 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.

In addition, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and health and safety legislation.

We have made an assessment of the susceptibility of the Group's financial statements to material misstatement, including how fraud may occur. In addressing the risk of fraud through management override of controls we have tested the appropriateness of journal entries and other adjustments, in particular any journals posted by senior management, privileged users or with unusual account combinations.

Our audit procedures included:

- Discussions with management and Risk Management & Audit Committee including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance, internal audit reports, reviewing correspondence with HMRC and the other regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- 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;
- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the following:
 - Whether indicators of impairment exist
 - Recoverable amount of housing properties and properties held for sale
 - Capitalisation of development costs
 - 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
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We updated our understanding of the Group's current activities, the scope of its authorisation and the effectiveness of the Group's control environment.

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

Beyond Housing Limited

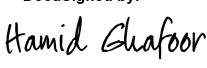
Independent Auditors report for the year ended 31 March 2022

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. 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.

DocuSigned by:

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BDO LLP

Statutory Auditor
Manchester

09 September 2022

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

Beyond Housing Limited

Group statement of comprehensive income for the year ended 31 March 2022

	Notes	2022 £'000	Restated* 2021 £'000
Turnover	2	76,521	75,112
Cost of sales	2	(1,512)	(1,903)
Operating expenditure	2	(59,028)	(53,009)
Gain on disposal of housing properties	5	1,203	731
Operating surplus	4	17,184	20,931
Interest receivable	6	25	30
Interest and financing costs	7	(14,713)	(8,422)
Surplus on ordinary activities before taxation		2,496	12,539
Taxation	10	-	-
Surplus for the year		2,496	12,539
Actuarial gain/(loss) in respect of pension schemes	23	14,117	(4,327)
Total comprehensive surplus for the year		16,613	8,212

*See Note 28 – Prior Year Adjustment

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 25 August 2022 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 48 to 89 form part of these financial statements.

Beyond Housing Limited

Association statement of comprehensive income for the year ended 31 March 2022

	Notes	2022 £'000	Restated* 2021 £'000
Turnover	2	76,521	75,112
Cost of sales	2	(1,512)	(1,903)
Operating expenditure	2	(59,031)	(53,006)
Gain on disposal of housing properties	5	1,203	731
Operating surplus	4	17,181	20,934
Interest receivable	6	25	30
Interest and financing costs	7	(14,713)	(8,422)
Surplus on ordinary activities before taxation		2,493	12,542
Taxation	10	-	-
Surplus for the year		2,493	12,542
Actuarial gain/(loss) in respect of pension schemes	23	14,117	(4,327)
Total comprehensive surplus for the year		16,610	8,215

*See Note 28 – Prior Year Adjustment

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 25 August 2022 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 48 to 89 form part of these financial statements.

Beyond Housing Limited

Group statement of financial position as at 31 March 2022

	Notes	2022 £'000	Restated 2021 £'000
Fixed assets			
Housing properties	11	398,411	370,173
Other tangible fixed assets	12	720	957
Intangible fixed assets	13	320	363
Investments – homebuy loans	14	166	197
		399,617	371,690
Current assets			
Properties held for sale	15	11,975	6,456
Trade and other debtors	16	11,208	4,924
Cash and cash equivalents		35,784	24,203
		58,967	35,583
Creditors: Amounts falling due within one year	17	(19,525)	(44,706)
Net current assets/(liabilities)		39,442	(9,123)
Total assets less current liabilities		439,059	362,567
Creditors: Amounts falling due after more than one year	18	(294,642)	(223,554)
Pension provision	23	(26,004)	(37,133)
Net assets		118,413	101,880
Reserves			
Income and expenditure reserve		116,456	100,106
Restricted reserve		1,957	1,774
Total reserves		118,413	101,880

The financial statements were authorised and approved by the Board on 25 August 2022 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 48 to 89 form part of these financial statements.

Beyond Housing Limited

Association statement of financial position as at 31 March 2022

	Notes	2022 £'000	Restated 2021 £'000
Fixed assets			
Housing properties	11	398,930	370,699
Other tangible fixed assets	12	720	957
Intangible fixed assets	13	320	363
Investments – homebuy loans	14	166	197
		400,136	372,216
Current assets			
Properties held for sale	15	11,975	6,456
Trade and other debtors	16	11,207	4,922
Cash and cash equivalents		35,742	24,156
		58,924	35,534
Creditors: Amounts falling due within one year	17	(19,732)	(44,911)
Net current assets/(liabilities)		39,192	(9,377)
Total assets less current liabilities		439,328	362,839
Creditors: Amounts falling due after more than one year	18	(294,642)	(223,554)
Pension provision	23	(26,004)	(37,133)
Net assets		118,682	102,152
Reserves			
Income and expenditure reserve		116,725	100,378
Restricted reserve		1,957	1,774
Total reserves		118,682	102,152

The financial statements were authorised and approved by the Board on 25 August 2022, 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 48 to 89 form part of these financial statements.

Beyond Housing Limited

Group statement of cash flows for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Net cash inflow from operating activities	24	24,853	34,326
Cash flow from investing activities			
Purchase of tangible fixed assets		(36,353)	(21,263)
Purchase of intangible fixed assets		(73)	(114)
Capital grants received		7,342	4,323
Net cash outflow from investing activities		(29,084)	(17,054)
Cash flow from financing activities			
Interest paid and breakage costs		(13,987)	(8,403)
Proceeds of new borrowings		161,291	-
Loan arrangement Fees	20	(1,492)	
Repayments of borrowings		(130,000)	(10,000)
Net cash inflow/(outflow) from financing activities		15,812	(18,403)
Net change in cash and cash equivalents		11,581	(1,131)
Cash and cash equivalents at beginning of year		24,203	25,334
Cash and cash equivalents at end of year		35,784	24,203

The notes on pages 48 to 89 form part of these financial statements.

Beyond Housing Limited

Group statement of changes in reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'000
1 April 2020 as previously stated	93,106	2,484	95,590
Prior year adjustment (note 28)	(1,048)	(812)	(1,860)
1 April 2020 as restated	92,058	1,672	93,730
Surplus for the year as previously stated	12,873	-	12,873
Prior year adjustment (note 28)	(334)	-	(334)
Surplus for the year as restated	12,539	-	12,539
Actuarial loss in respect of pension schemes (Note 23)	(4,327)	-	(4,327)
Transfer of restricted expenditure from unrestricted reserve	(102)	102	-
Transfer to disposal proceeds /recycled capital grant funds	(62)	-	(62)
As at 31 March 2021 restated	100,106	1,774	101,880
Surplus for the year	2,496	-	2,496
Actuarial loss in respect of pension schemes (Note 23)	14,117	-	14,117
Transfer of restricted expenditure from unrestricted reserve	(183)	183	-
Transfer to disposal proceeds/recycled capital grant funds	(80)	-	(80)
As at 31 March 2022	116,456	1,957	118,413

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 48 to 89 form part of these financial statements.

Beyond Housing Limited

Association statement of changes to reserves for the year ended 31 March 2022

	Income and expenditure reserve £'000	Restricted reserve £'000	Total £'000
1 April 2020 as previously stated	93,375	2,484	95,859
Prior year adjustment (note 28)	(1,048)	(812)	(1,860)
1 April 2020 as restated	92,327	1,672	93,999
Surplus for the year as previously stated	12,876	-	12,876
Prior year adjustment (note 28)	(334)	-	(334)
Surplus for the year as restated	12,542	-	12,542
Actuarial loss in respect of pension schemes (Note 23)	(4,327)	-	(4,327)
Transfer of restricted expenditure from unrestricted reserve	(102)	102	-
Transfer to disposal proceeds /recycled capital grant funds	(62)	-	(62)
As at 31 March 2021 restated	100,378	1,774	102,152
Surplus for the year	2,493	-	2,493
Actuarial loss in respect of pension schemes (Note 23)	14,117	-	14,117
Transfer of restricted expenditure from unrestricted reserve	(183)	183	-
Transfer to disposal proceeds/recycled capital grant funds	(80)	-	(80)
As at 31 March 2022	116,725	1,957	118,682

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 48 to 89 form part of these financial statements.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

1) Legal status

Beyond Housing Limited (the association) is a Community Benefit Society (CBS) incorporated in the United Kingdom, registered with the Financial Conduct Authority (FCA) as a registered society and with the Regulator Social Housing (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 3.

Basis of accounting

The financial statements have been prepared in accordance with:

- UK Generally Accepted Accounting Practice (UK GAAP), including The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102); and
- The Housing SORP 2018 Statement of Recommended Practice for registered social housing providers (SORP 2018).

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 more important accounting policies is set out below.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

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. Long term debt facilities are higher at 31 March 2022 compared to 31 March 2021 due to the issuance in May 2021 of our ESG public bond. The issuance was for £250m over 30 years at a coupon rate 2.125%. On refinancing £165m was drawn and £85m 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 and supply chain uncertainty. Our Board and Executive team are 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 ("the 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- Estimating the economic useful lives (“UEL”) of components; management have 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. When assessing impairment of trade and other debtors, management considers factors including the age profile of
- the debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on 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 IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation and impairment on housing properties on 31 March 2022 was £102m (2021: £96m).

Impairment of housing properties

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

Defined benefit pension assets/liabilities

The North Yorkshire Pension Fund (NYPF) and Teesside Pension Fund (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 liability on 31 March 2022 is £26.0m (2021: £37.1m). 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; and

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

- 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 for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a 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.

Prior year adjustment

A prior year adjustment has been processed in these accounts reflecting the mis-classification of some properties as intermediate rent as opposed to affordable rent. Details of the prior year adjustment are disclosed in note 28.

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 on-going 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 first tranche, are included in PPE 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

Shared Ownership and staircasing properties (continued)

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 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 operating surplus.

Properties for sale

Shared ownership first tranche sales completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on 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

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

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

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

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 RP is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs

The association participates in a defined benefit pension fund and operates 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 actually 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 comprises 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

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 represents 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 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

Debtors

Debtors which are receivable within one year and which 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 on the basis of 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 rates fixes as basic financial instruments require 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 have 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 bond (30 years) using the effective interest rate method. Management have 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Accounting policies (continued)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and 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 the purposes of 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

2a) Turnover, cost of sales, operating expenditure and operating surplus

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

Restated Group – Year ended 31 March 2021	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000
Social housing lettings (note 2b)	68,647	-	(48,932)	19,715
Other social housing activities				
First tranche shared ownership sales	2,383	(1,903)	-	480
Other	1,075	-	(2,051)	(976)
Non-social housing activities				
Lettings	600	-	(35)	565
Other	2,407	-	(1,991)	416
	75,112	(1,903)	(53,009)	20,200

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

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

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

Restated Association – Year ended 31 March 2021	Turnover £'000	Cost of sales £'000	Operating expenditure £'000	Operating surplus/ (deficit) £'000
Social housing lettings (note 2b)	68,647	-	(48,939)	19,708
Other social housing activities				
First tranche shared ownership sales	2,383	(1,903)	-	480
Other	1,075	-	(2,041)	(966)
Non-social housing activities				
Lettings	600	-	(35)	565
Sale of non-social housing properties	-	-	-	-
Other	2,407	-	(1,991)	416
	75,112	(1,903)	(53,006)	20,203

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

2b) Income and expenditure from social housing lettings

Group	General Housing £'000	Supporting Housing & Housing for Older People £'000	2022 Total £'000	Restated 2021 Total £'000
Income				
Rent's receivable	66,684	1,651	68,335	66,823
Service charges receivable	1,588	135	1,723	1,321
	68,272	1,786	70,058	68,144
Other revenue grants	80	-	80	62
Grant amortisation	440	-	440	441
Turnover from social housing lettings	68,792	1,786	70,578	68,647
Expenditure				
Management	(19,144)	(455)	(19,599)	(18,186)
Service charge costs	(1,872)	(152)	(2,024)	(1,527)
Routine maintenance	(13,142)	(137)	(13,279)	(9,518)
Planned maintenance	(3,876)	(22)	(3,898)	(3,220)
Major repairs expenditure	(7,163)	(81)	(7,244)	(7,002)
Rent losses from bad debts	50	(1)	49	(241)
Depreciation of housing properties	(9,018)	(197)	(9,215)	(9,238)
Total expenditure on social housing lettings	(54,165)	(1,045)	(55,210)	(48,932)
Operating surplus on social housing lettings	14,627	741	15,368	19,715
Rent losses from voids	1,089	24	1,113	1,097

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

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

Association	General Housing £'000	Supporting Housing & Housing for Older People £'000	2022 Total £'000	Restated 2021 Total £'000
Income				
Rent's receivable	66,684	1,651	68,335	66,823
Service charges receivable	1,588	135	1,723	1,321
	68,272	1,786	70,058	68,144
Other revenue grants	80	-	80	62
Grant Amortisation	440	-	440	441
Total income from social housing lettings	68,792	1,786	70,578	68,647
Expenditure				
Management	(19,144)	(455)	(19,599)	(18,186)
Service charge costs	(1,872)	(152)	(2,024)	(1,527)
Routine maintenance	(13,142)	(137)	(13,279)	(9,518)
Planned maintenance	(3,876)	(22)	(3,898)	(3,220)
Major repairs expenditure	(7,163)	(81)	(7,244)	(7,002)
Rent losses from bad debts	50	(1)	49	(241)
Depreciation of housing properties	(9,025)	(197)	(9,222)	(9,245)
Total expenditure on social housing lettings	(54,172)	(1,045)	(55,217)	(48,939)
Operating surplus on social housing lettings	14,620	741	15,361	19,708
Rent losses from voids	1,089	23	1,112	1,097

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

3) Housing stock

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

	2021 Units	Additions Units	Disposals Units	Transfer Units	Other Units	2022 Units
Social housing:						
General needs social	13,412	5	(71)	(2)	-	13,344
General needs affordable	880	111	(1)	(1)	-	989
Intermediate	80	-	-	-	-	80
Shared ownership	261	23	(11)	-	-	273
Supported housing affordable	41	19	-	3	-	63
Housing for older people social	205	-	-	-	-	205
Housing for older people affordable	73	-	-	-	-	73
Total Social Housing Units	14,952	158	(83)	-	-	15,027
Market rent	3	-	-	-	-	3
Staff accommodation	3	-	-	-	-	3
Total Owned	14,958	158	(83)	-	-	15,033
Accommodation managed for others	91	-	-	-	(23)	68
Total managed accommodation	15,049	158	(83)	-	(23)	15,101
Units owned but not managed	12	-	-	-	-	12
Total owned and managed accommodation	15,061	158	(83)	-	(23)	15,113

Additionally, there were 12 units owned but not managed at the year-end (2022: 12) giving **15,113** total units (2021: 15,061). Owned units totalled **15,101** (2021: 15,049).

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

4) Operating surplus

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Depreciation of housing properties	8,898	8,864	8,905	8,871
Depreciation of other tangible fixed assets	257	337	257	337
Amortisation of intangible fixed assets	116	94	116	94
Operating lease rentals	1,480	1,327	1,480	1,327
External auditor's remuneration for audit services	80	60	78	55
External auditor's remuneration for non-audit services:				
- Taxation compliance and advice	2	4	2	2
- All other non-audit services	36	2	36	2

5) Gain on disposal of housing properties group and association

	Shared Ownership 2022 £'000	Other Housing Property 2022 £'000	Total 2022 £'000	Total 2021 £'000
Disposal proceeds	1,052	3,318	4,370	2,963
Cost of Disposal	(844)	(2,323)	(3,167)	(2,232)
Surplus on disposal of fixed assets	208	731	1,203	731

6) Interest receivable

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest on bank deposits	17	27	17	27
Interest from other investments	8	3	8	3
	25	30	25	30

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

7) Interest and financing costs

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest payable on bank loans and overdrafts	7,696	8,269	7,696	8,269
Loan breakage costs	7,098	-	7,098	-
Loan Arrangement Fee Amortisation	56	-	56	-
Defined benefit pension charge	787	654	787	654
	15,637	8,923	15,637	8,923
Less interest capitalised on housing properties under construction (3.2%)	(924)	(501)	(924)	(501)
	14,713	8,422	14,713	8,422

The refinancing led to breakage costs across existing loans refinanced as part of the bond issuance. The interest costs of the bond are significantly below the interest on the loads refinanced meaning the breakage cost are fully recovered in 10 years and annualised interest payments also fell.

8) Emoluments of the board, executive directors and senior staff

Board members' emoluments	2022 £'000	2021 £'000
S Hardwick	7	6
P Baren	9	9
J Hayward (Chair)	15	15
R Frankland (left Sept 2020)	-	3
F Yeomans	6	6
A Gambles (left Sept 2021)	3	7
J Jones (left Sept 2021)	3	6
G Taylor	6	6
K Abson	7	6
S Williams	6	6
J Williams	9	9
A Baraskina - trainee	1	-
E Dixon - trainee	1	-
D Rose - trainee	1	-
	74	79

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

8) Emoluments of the board, executive directors and senior staff (continued)

Expenses reimbursed to board members not chargeable to UK income tax were £1,422 (2021: £798).

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 2021/22 were £15k (2020/21 were £15k). The board had three trainee members.

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

Executive directors' emoluments	2022 £'000	2021 £'000
Remuneration	421	453
Pension contributions	33	40
Total	454	493

The total remuneration of key management personnel, who equate to the group's executive directors, was £454,000 (2021: £493,000). Expenses reimbursed to executive directors not chargeable to UK income tax were £1,327 (2021: £591).

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

Emoluments of the board, executive directors and senior staff (continued)	2022 £000	2021 £000
T O'Neill	-	46
K Hanlon	127	126
R Du Rose	166	165
S Rawson	127	116

T O'Neill retired in August 2020.

No. of executive directors to whom retirement benefits are accruing under:	2022	2021
Defined contribution schemes	3	3
Defined benefit schemes	-	1

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

8) Emoluments of the board, executive directors and senior staff (continued)

FTE number of staff who received remuneration over £60k, including Executive Directors.

Remuneration range	2022 No.	2021 No.
£60,001 - £70,000	6	6
£70,001 - £80,000	1	1
£80,001 - £90,000	2	5
£90,001 - £100,000	2	6
£100,001 - £110,000	4	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	2	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	-
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-

9) Employees

The average number of employees employed during the period, expressed in full time equivalents (FTE)

	Group and association	
	2022	2021
Office staff	429	423
Domestic	18	19
Workforce	246	251
	693	693

The basis of the FTE calculation is to average the total monthly closing full time equivalent 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	
	2022 £'000	2021 £'000
Wages and salaries	21,307	21,073
Social security costs	1,964	1,933
Other pension costs	4,700	3,714
	<u>27,971</u>	<u>26,720</u>

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

10) Taxation

	Group		Association	
	2022 £'000	Restated 2021 £'000	2022 £'000	Restated 2021 £'000
Current tax				
UK corporation tax on surplus for the year	-	-	-	-
Deferred tax				
Net origination and reversal of timing differences	-	-	-	-
Total tax reconciliation				
Surplus on ordinary activities before taxation	2,496	12,539	2,493	12,542
Theoretical tax at current UK Corporation tax rate of 19% (2019: 19%)	474	2,382	474	2,383
Effects of:				
- Charitable companies' surplus	(474)	(2,382)	(474)	(2,383)
- Deferred tax adjustment	-	-	-	-
Total tax charge	-	-	-	-

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

11) Fixed assets – Housing properties

Group	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	*Other property £'000	Total housing properties £'000
Valuation or cost						
1 April 2021	416,132	14,859	21,738	1,174	12,662	466,565
Additions	109	27,786	-	1,750	110	29,755
Property improvements	9,234	-	-	-	-	9,234
Schemes completed	16,519	(16,519)	1,656	(1,656)	-	0
Disposals	(4,563)	-	(928)	-	(8)	(5,499)
Capitalised interest	-	845	-	80	-	925
Transfer between classes	-	411	-	(411)	-	-
Transfer from/(to) current assets	-	-	-	-	-	-
At 31 March 2022	437,431	27,382	22,466	937	12,764	500,980
Depreciation and impairment						
1 April 2021	(92,814)	(702)	(1,458)	-	(1,418)	(96,392)
Charge for year	(8,433)	-	(333)	-	(132)	(8,898)
Released on disposal	2,637	-	84	-	-	2,721
At 31 March 2022	(98,610)	(702)	(1,707)	0	(1,550)	(102,569)
Carrying amount:						
31 March 2022	338,821	26,680	20,759	937	11,214	398,411
31 March 2021	323,318	14,157	20,280	1,174	11,244	370,173

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

11) Fixed assets – Housing properties (continued)

Association	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	*Other property £'000	Total housing properties £'000
Cost						
1 April 2021	416,718	14,859	21,738	1,174	12,662	467,151
Additions	109	27,786	-	1,750	110	29,755
Property improvements	9,234	-	-	-	-	9,234
Schemes completed	16,519	(16,519)	1,656	(1,656)	-	-
Disposals	(4,563)	-	(928)	-	(8)	(5,499)
Capitalised interest	-	845	-	80	-	925
Transfers between classes	-	411	-	(411)	-	-
Transfer from/(to) current assets	-	-	-	-	-	-
At 31 March 2022	438,017	27,382	22,466	937	12,764	501,566
Depreciation and impairment						
Restated 1 April 2021	(92,874)	(702)	(1,458)	-	(1,418)	(96,452)
Charge for year	(8,440)	-	(333)	-	(132)	(8,905)
Released on disposal	2,637	-	84	-	-	2,721
At 31 March 2022	(98,677)	(702)	(1,707)	-	(1,550)	(102,636)
Carrying amount:						
31 March 2022	339,340	26,680	20,759	937	11,214	398,930
31 March 2021	323,844	14,157	20,280	1,174	11,244	370,699

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

11) Fixed assets – Housing properties (continued)

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Freehold land and buildings	370,530	354,584	371,049	355,110
Long leasehold land and buildings	264	258	264	258
	370,794	354,842	371,313	355,368

*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	
	2022 £'000	2021 £'000
Components capitalised	9,234	4,347
Amounts charged to income and expenditure	24,645	19,845
	33,879	24,192

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

12) Fixed assets – Other tangible fixed assets group and association

	Fixtures and Fittings £'000	Computers and Office Equipment £'000	Other Equipment £'000	Total £'000
Cost				
At 1 April 2021	300	1,824	1,123	3,247
Additions	20	-	-	20
Disposal	-	-	-	0
At 31 March 2022	320	1,824	1,123	3,267
Depreciation and impairment				
At 1 April 2021	(300)	(1,062)	(928)	(2,290)
Charged for year	-	(193)	(64)	(257)
Disposal	-	-	-	0
At 31 March 2022	(300)	(1,255)	(992)	(2,547)
Carrying amount: 31 March 2022	20	569	131	720
31 March 2021	-	762	195	957

13) Fixed assets - intangible

Group and Association	Software £'000	Total £'000
Cost		
At 1 April 2021	1,492	1,492
Additions	73	73
31 March 2022	1,565	1,565
Amortisation		
At 31 March 2021	(1,129)	(1,129)
Charged for year	(116)	(116)
At 31 March 2022	(1,245)	(1,245)
Carrying amount: 31 March 2022	320	320
31 March 2021	363	363

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

14) Investment – Home loans

Group and Association	HomeBuy loan	Total
	£'000	£'000
Cost		
At 1 April 2021	197	197
Disposals	(40)	(40)
31 March 2022	157	157
Reversal of impairment	8	8
Carrying amount: 31 March 2022	165	165
31 March 2021	197	197

Investments in home buy 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% (2021 – 2%). 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Shared ownership properties:				
- Completed properties	189	176	189	176
- Work in progress	820	637	820	637
Properties for outright sale:				
- Completed properties	440	-	440	-
- Work in progress	10,526	5,643	10,526	5,643
	11,975	6,456	11,975	6,456

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

16) Debtors

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year:				
Rent and services receivable	3,863	3,989	3,863	3,989
Less: Provision for bad and doubtful debts	(1,531)	(1,780)	(1,531)	(1,780)
	2,332	2,209	2,332	2,209
Social Housing Grant receivable	4,827	128	4,827	128
Amounts owed by subsidiary undertakings	-	-	-	-
Trade debtors	277	139	277	139
Other debtors	559	558	558	556
Prepayments and accrued income	3,185	1,862	3,185	1,862
	11,180	4,896	11,179	4,894
Amounts falling due after one year:				
Other debtors	28	28	28	28
	11,208	4,924	11,207	4,922

17) Creditors: Amounts falling due within one year

	Group		Association	
	2022 £'000	Restated 2021 £'000	2022 £'000	Restated 2021 £'000
Rent and service charges received in advance	1,611	1,493	1,611	1,493
Trade creditors	1,787	1,498	1,788	1,499
Amounts owed to subsidiary undertaking	-	-	212	212
Other taxation and social security costs	534	432	534	432
Other creditors	2,470	1,956	2,470	1,956
Deferred Capital Grant (note 22)	461	-	461	-
Accruals and deferred income	12,662	9,327	12,656	9,319
Housing loans (note 19)	-	30,000	-	30,000
	19,525	44,706	19,732	44,911

Amounts owed to subsidiaries undertakings are interest free and repayable on demand.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

18) Creditors: Amounts falling due after more than one year

	Group and association	
	2022 £'000	2021 £'000
Housing loans (note 19)	229,948	170,000
Camphill Village Trust Loan (note 19)	55	55
Recycled Capital Grant Fund (note 21)	139	628
Deferred Capital Grant (note 22)	64,500	52,871
	294,642	223,554

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 2022, 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 loans are secured by a charge over the group's housing properties.

	Group and association	
	2022 £'000	2021 £'000
Bank and Building Society Loans	70,000	200,000
Camphill Village Trust Loan	55	55
Bond	165,000	-
Bond Discount	(3,184)	-
Bond Issue Costs	(1,868)	-
	230,003	200,055

Details of our public bond issuance in May 2021 is set out below.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

19) Debt analysis (continued)

	Principal amount of the issued bond 2022 £'000	Discount on issue 2022 £'000	Bond issue cost 2022 £'000	Amount due to Bondholders 2022 £'000
At 31 March 2021	-	-	-	-
Issued Bond	165,000	(3,277)	(1,924)	159,799
Amortisation of bond discount and issue costs	-	93	56	149
At 31 March 2022	165,000	(3,184)	(1,868)	159,948

The discount on issue relates to prepaid interest over the 30-year term of the loan which was deducted from bond receipts on the day of the transaction.

On 17 May 2021, Beyond Housing issued a 30 year £165m bond ("Bond") at a re-offer yield of 2.16%. The initial offer to the market was for a principal amount of £165m (the "Principal Amount", the issued Bond) with a principal amount of £85m of bonds retained for later issue (the "Retained Bond").

A coupon rate of 2.125% meant that the issued bond was priced at £98.014 (the "bond issue Price"), equivalent to a discount on issue of £3.277m (0.02%). The net funds received were £161.311m (£97.764 per £100 issued).

In arranging the Bond, the Association incurred issue costs of £1.924m.

The discount on Issue and the Bond Issue costs will be amortised over the term of the Bond. Interest is payable by the Beyond Housing to the bondholders at a rate of 2.125% six months in arrears on the principal amount, starting in May 2021.

The Bond is secured by way of fixed charges over the housing properties of the Association in favour of Prudential acting as Security Trustee.

The principal amount is due for repayment on 17th May 2051.

The repayment of these loans is determined by a fixed repayment profile, with the bond being repaid in full by May 2051.

The interest rate risk profile of the loans comprises:

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

19) Debt analysis (continued)

	Group and association	
	2022 £'000	2021 £'000
Fixed rate borrowings	230,667	155,667
Floating rate borrowings	4,333	44,333
	235,000	200,000

Interest rates on fixed rate borrowings range between 0.97% and 4.62%, with a weighted average of 3.0%. 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 2022 the group had undrawn loan facilities of £104.0m secured and available (2021: £108.3m).

The loans are repayable as follows:

	Group and association	
	2022 £'000	2021 £'000
Due within one year	-	30,000
Between two and five years	-	38,255
More than five years	235,000	131,745
	235,000	200,000
Loan Arrangement Fees	(1,924)	-
Loan Arrangement Fees Amortisation	56	-
Bond Discount	(3,277)	-
Bond Discount Amortisation	93	-
	229,948	200,000

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

20) Net Debt Reconciliation

	2021 £'000	Cash (inflows/ outflows) £'000	Non-Cash Movement £'000	Amortisation £'000	2022 £'000
Group					
Cash and cash equivalents	24,203	11,581	-	-	35,784
Housing Loans	(200,000)	(35,000)	-	-	(235,000)
Loan arrangement fees	-	1,492	432	(56)	1,868
Bond discount	-	3,277	-	(93)	3,184
Non-Housing Loans	(55)	-	-	-	(55)
At 31 March	(175,852)	(18,650)	432	(149)	(194,219)

21) Recycled capital grant fund

	Group and association	
	2022 £'000	2021 £'000
At 1 April	628	675
Grants recycled	80	62
Grants transferred from other PRP's	148	-
Recycling of grant	(717)	(109)
At 31 March	139	628
Amounts 3 years old or older where repayment may be required	-	330

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

22) Deferred capital grant

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 April	52,871	50,631	52,871	50,631
Grant received in the year	11,893	2,634	11,893	2,634
Grant recycled from the recycled capital grant fund	717	109	717	109
Grant recycled to the recycled capital grant fund	(80)	(62)	(80)	(62)
Capital grant released to revenue	(440)	(441)	(440)	(441)
At 31 March	64,961	52,871	64,961	52,871
Net deferred capital grant due in less than one year	461	-	461	-
Net deferred capital grant due in more than one year	64,500	52,871	64,500	52,871
At 31 March	64,961	52,871	64,961	52,871

23) Pensions

The group participates in five pension schemes. Two of the schemes, the North Yorkshire Pension Fund and the Teesside Pension Fund, 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 (NEST) and The Pensions Trust. The disclosures below relate to the association's membership of the North Yorkshire Pension Fund and the Teesside Pension Fund (the fund) 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 2023.

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.

The assets are invested in a diversified spread of investments and the approximate split of the assets for the fund as a whole is shown below.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

23) Pensions (continued)

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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

23) Pensions (continued)

Financial assumptions

The financial assumptions used to calculate the defined benefit section liabilities under FRS102 are:

Valuation method	North Yorkshire		Teesside	
	2022	2021	2022	2021
	% p.a	% p.a	% p.a	% p.a
	Projected unit	Projected unit	Projected unit	Projected unit
Discount rate	2.70%	2.10%	2.70%	2.10%
Consumer Price Index (CPI) inflation	2.90%	2.70%	3.20%	2.70%
Pension increases	2.90%	2.70%	3.20%	2.70%
Salary increases	4.15%	3.95%	4.20%	3.70%

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	
	2022	2021	2022	2021
	No. of years	No. of years	No. of years	No. of years
Males				
Members aged 65 (current life expectancy)	21.8	21.9	21.7	21.9
Members aged 45 (life expectancy at 65)	23.5	23.6	22.9	23.3
Females				
Members aged 65 (current life expectancy)	23.8	24.0	23.5	23.6
Members aged 45 (life expectancy at 65)	25.7	25.8	25.3	25.4

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

23) Pensions (continued)

Amounts recognised in the surplus for the year

	North Yorkshire		Teesside		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	745	567	3,083	2,352	3,828	2,919
Interest expense (see note 7)	(10)	(17)	797	671	787	654
Past service cost/Curtailment	-	78	-	296	-	374
	735	628	3,880	3,319	4,615	3,947

Amount of gains and losses recognised in other comprehensive income

	North Yorkshire		Teesside		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Actuarial gains/(losses) on fund assets	(52)	8,378	10,154	20,105	10,102	28,483
Actuarial (losses) gains on fund liabilities	3,397	(6,726)	3,418	(25,708)	6,815	(32,434)
Actuarial gains/(losses) before restrictions	3,345	1,652	13,572	(5,603)	16,917	(3,951)
Actuarial gains not recognised due to restrictions	(2,800)	(376)	-	-	(2,800)	(376)
Total actuarial gains/(losses)	545	1,276	13,572	(5,603)	14,117	(4,327)

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

23) Pensions (continued)

Amounts recognised in the Statement of Financial Position

	North Yorkshire		Teesside		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Present value of funded obligations	(32,797)	(35,243)	(135,871)	(134,914)	(168,668)	(170,157)
Present value of unfunded obligations	-	-	(210)	(208)	(210)	(208)
Closing fair value of assets	35,973	35,619	110,077	97,989	146,050	133,608
Fund gain/(deficit) before restrictions	3,176	376	(26,004)	(37,133)	(22,828)	(36,757)
Assets not recognised due to asset restrictions	(3,176)	(376)	-	-	(3,176)	(376)
Fund net asset/(deficit) recognised	-	-	(26,004)	(37,133)	(26,004)	(37,133)

According to FRS102 the pension asset relating to the North Yorkshire pension fund should not be recognised unless it leads to lower employer contributions or a refund, this will become clearer following the next tri annual actuarial valuation. Therefore, the asset is not recognised on the Statement of Financial Position.

Reconciliation of fund liabilities

	North Yorkshire		Teesside		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Opening fund liabilities	(35,243)	(27,845)	(135,122)	(106,318)	(170,365)	(134,163)
Current service cost	(745)	(567)	(3,083)	(2,352)	(3,828)	(2,919)
Curtailments	-	(78)	-	(296)	-	(374)
Interest cost	(735)	(634)	(2,852)	(2,426)	(3,587)	(3,060)
Contributions by participants	(99)	(108)	(442)	(472)	(541)	(580)
Actuarial gains/(losses) on fund liabilities	3,397	(6,726)	3,418	(25,708)	6,815	(32,434)
Net benefits paid	628	715	2,000	2,450	2,628	3,165
Closing fund liabilities	(32,797)	(35,243)	(136,081)	(135,122)	(168,878)	(170,365)

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

23) Pensions (continued)

Reconciliation of fund assets

	North Yorkshire		Teesside		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of fund assets	35,619	26,911	97,989	76,421	133,608	103,332
Actuarial (losses)/gains on fund assets	(52)	8,378	10,154	20,105	10,102	28,483
Interest income	745	651	2,055	1,755	2,800	2,406
Contributions by employer	190	286	1,437	1,686	1,627	1,972
Contributions by participants	99	108	442	472	541	580
Net benefits paid	(628)	(715)	(2,000)	(2,450)	(2,628)	(3,165)
Closing fund assets	35,973	35,619	110,077	97,989	146,050	133,608
Actual return	693	7,475	12,209	21,860	12,902	29,335

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

24) Reconciliation of surplus to net cash inflow from operating activities

Group	2022 £'000	Restated 2021 £'000
Surplus for the year (note 28)	2,496	12,540
Adjustments for:		
• Depreciation of tangible fixed assets	9,155	9,201
• Amortisation of intangible fixed assets	116	94
• Grant amortisation	(440)	(441)
• (Increase)/decrease in stock	(5,519)	1,861
• Increase in trade and other debtors	(1,585)	(447)
• Increase/(decrease) in trade and other creditors	1,012	(343)
• (Decrease) in deferred capital grants	(80)	(62)
• Pensions costs less contributions payable	2,201	1,321
• Proceeds from disposal of tangible fixed assets	4,012	2,941
• Amortisation of loan arrangement/Bond discount	149	0
Adjustments for investing or financing activities:		
• Interest paid	14,564	8,422
• Gain on disposal of fixed assets	(1,203)	(731)
• Interest received	(25)	(30)
Net cash inflow from operating activities	24,853	34,326

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

25) Capital commitments

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Capital expenditure contracted for but not provided in the financial statements (development schemes)	85,688	87,130	85,688	87,130
Capital expenditure approved but not contracted for	-	18,755	-	18,755
	85,688	105,885	85,688	105,885
Capital commitments will be funded by:-				
Social Housing Grant	13,628	13,564	13,628	13,564
Sale of properties	35,597	13,458	35,597	13,458
Existing reserves/loan facilities	36,463	78,863	36,463	78,863
	85,688	105,885	85,688	105,885

Operating Lease commitments

	Group and Association	
	2022 £'000	2021 £'000
Amounts due: Within one year	1,116	1,087
Within two-five years	728	1,530
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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed asset investments	166	197	166	197
Short term debtors	3,196	2,934	3,195	2,932
Total financial assets	3,362	3,131	3,361	3,129

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

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

26) Financial instruments (continued)

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Short term liabilities	18,530	12,080	18,737	12,286
Housing loans	235,000	200,000	235,000	200,000
Total financial liabilities	253,530	212,080	253,737	212,286

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 Financial Conduct Authority (FCA) as a registered society and with the Homes and Communities Agency as a Registered Provider and is the parent organisation of the group.

Beyond Housing Development Limited

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

Beyond Housing Sales Limited

BHS 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 Beyond Housing Developments Limited or Beyond Housing Sales Limited traded during 2021/22 and as such there was no material transaction between Beyond Housing Limited and its subsidiaries during 2021/22.

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

Prosper Ltd

The group is a member of Prosper (formally NE Procurement Ltd), 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.

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

27) Related party transactions (continued)

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.

	2022 £'000	2021 £'000
Invoiced to Prosper Ltd in respect of services provided	50	53
Invoiced by Prosper Ltd in respect of services provided	3	8
Purchase of property development services from the Spirit Partnership	9,981	8,280
Amounts owed by Prosper Ltd at year end	12	14
Amounts owed to the Spirit Partnership at year end	1,300	715

All transactions are conducted on an arms-length basis

28) Prior Year Adjustment

During 2021/22 it was identified that a number of properties had rents incorrectly classified by the legacy organisation (Coast & Country Housing(CCH)) over a period from 2011 to 2017 and through to 2022 at Beyond Housing. This was only detected in 2021/22. The properties classified as intermediate rent should have been classified as affordable rent by CCH as they had been delivered under the affordable home's programme/framework. Historically the rent set on these properties did not follow the correct rent policy aligned to the grants received and had led to some tenants (current and former) being over charged over a twelve-year period up to 31 March 2022. This has been reviewed during 2021/22 with a number of professional advisors and an estimated liability totalling c£2.5m to correct the rents of customers (incl. rebates) effected back to the start of tenancy has been calculated at 31 March 2022 (£2.19m 31 March 2021 with £0.31m in year). Due to this being an error, a prior year adjustments have been processed.

Group Statement of Comprehensive Income 2021	2021 – as previously stated £'000	Restatement 2021/22 £'000	Restated 2021 £'000
Turnover	75,446	(334)	75,112
Total comprehensive surplus for the year	8,546	(334)	8,212

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

28) Prior Year Adjustment (continued)

Group Statement of Financial Position 2021	2021 – as previously stated £'000	Restatement 2021/22 £'000	Restated 2021 £'000
Creditors: Amounts falling due within one year	(42,512)	(2,194)	(44,706)
Reserves			
Income and expenditure reserve	93,106	(1,048)	92,058
Income and expenditure reserve movement in year	8300	(252)	8,048
Restricted reserve brought forward	2,484	(812)	1,672
Restricted reserve movement in year	184	(82)	102
Total reserves	104,074	(2,194)	101,880

Association Statement of Comprehensive Income 2021

	2021 – as previously stated £'000	Restatement 2021/22 £'000	Restated 2021 £'000
Turnover	75,446	(334)	75,112
Total comprehensive surplus for the year	8,549	(334)	8,215

Beyond Housing Limited

Notes to the financial statements for the year ended 31 March 2022

Association Statement of Financial Position 2021	2021 – as previously stated £'000	Restatement 2021/22 £'000	Restated 2021 £'000
Creditors: Amounts falling due within one year	(42,717)	(2,194)	(44,911)
Reserves			
Income and expenditure reserve	93,375	(1,048)	92,327
Income and expenditure reserve movement in year	8303	(252)	8,051
Restricted reserve brought forward	2,484	(812)	1,672
Restricted reserve movement in year	184	(82)	102
Total reserves	104,346	(2,194)	102,152

The adjustment also effects the cashflow statement at note 24. The surplus for the year 2020/21 and creditors movement figures have been restated in-line with note 28 above.