



greenoak

housing association

2020

annual report



GREENOAK HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Registered Society under the Co-operative and
Community Benefit Societies Act 2014
Registered No: 20859R
Regulator of Social Housing No: L1393

GREENOAK HOUSING ASSOCIATION LIMITED

INDEX TO THE REPORT AND FINANCIAL STATEMENTS

	Page
General Information	1
Report of the Board of Management	2 - 10
Independent Auditor's Report	11 - 12
Statement of Comprehensive Income	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 - 28
Board Members	29

GREENOAK HOUSING ASSOCIATION LIMITED**GENERAL INFORMATION**

Registered Office:	155 Goldsworth Road Woking GU21 6LS		
Regulator of Social Housing No.	L1393		
Co-operative and Community Benefit Society Registration No.	20859R		
Board of Management:	Martin Large	Chair	
	Paul Calland	Chair	(to 30 September 2019)
	Jane Vessey CFA	Vice Chair	
	Rowan Carstairs ACABE	Vice Chair	(to 31 October 2019)
	Robert Hughes		(to 30 September 2019)
	Peju Fabunmi		
	Louisa Martin		
	Gordon Mattocks CIPFA		
	Julia Tyson		
Chief Executive/Secretary:	Diana Kingdon FCG MBA		
Operations Director	Karen Novell MRICS		
Finance Director	Berni Rigby		
Solicitors:	Mackrell Turner Garrett, Woking Devonshires, London Trowers & Hamblins, London		
Independent Auditor:	Knox Cropper LLP Chartered Accountants 65 Leadenhall Street London EC3A 2AD		
Bankers:	Barclays Bank plc		

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management presents its report and audited financial statements for the year to 31 March 2020.

Constitution

Greenoak Housing Association Limited is a registered Co-operative and Community Benefit Society with the National Housing Federation's 2015 model rules for Charities.

Principal activity

Greenoak's principal activity is to provide, manage and maintain high quality housing at affordable rents. Our mission is to 'respond to the housing needs of the community, continuously improve our services to a high standard, and to promote sustainable communities.'

Greenoak builds high quality, sustainable new homes working closely with Local Authorities and Parish Councils to produce developments for local people to meet local needs.

We are also committed to upgrading and refurbishing existing stock to provide good homes that are truly affordable and energy efficient. We are currently working on a 30-year plan to enable us to meet net zero carbon emissions by 2050. This will be in draft form by the end of the year and we aim for it to be completed by Summer 2021.

In addition to services to our own tenants, for over 30 years we have provided housing management and property maintenance services to small associations and charities. Two small housing associations have completed transfers of engagements to Greenoak over the last two years with 100% tenant support.

Greenoak also works with our partner Greenoak Community Focus Ltd to support and help fund a growing number of community projects and organisations.

Review of the year

Greenoak has performed well during the year in all business areas. We completed the second Transfer of Engagements from The Oxted, Limpsfield District Housing Association on 1st April 2019 which increased our social housing homes by 24 units as well as providing additional capacity to fund more much needed affordable homes.

Our surpluses together with further borrowing will be invested in several new, developments including one in Woking and a rural scheme in Peaslake in partnership with Shere Parish Council. We have added significantly to our reserves through operational efficiency and acquisitions and our performance indicators (PIs) evidence a high standard of performance against the peers.

Our operating surplus for the year was £79,839 compared with £665,881 (2019). There was also an addition to last year's surplus of £1,691,645 in respect of the transfer of a small association which contributed to total comprehensive income of £1,491,509. In the year to 31 March 2020 we invested £165,970 in our existing housing during the year compared with £204,600 in the previous year. After taking Actuarial advice and the financial risk of continuing with our SHPS final salary pension scheme, we decided to withdraw and settled the debt of £690,603 which included liabilities in respect of previous employees, which reduced the operating surplus for the year. All staff are now able to join a defined contribution pension scheme with Aviva under a salary sacrifice arrangement.

Following 4 years of social rent reductions of 1% per annum as required by the Regulator, we were able to return to annual increases of CPI plus 1% from April 2020 rents. This will help us in re-investing in our existing homes to improve energy efficiency and meet the government's zero carbon target by 2050.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT****Responding to Covid 19 Pandemic and services**

At the forefront of Greenoak's response to Covid has been ensuring that our residents and staff stay safe. To achieve this, we were able to adapt quickly to staff being able to work from home whilst remaining in regular contact with our residents. At the start of lockdown we called each household to check their needs and have continued to regularly update residents on any changes to government advice or our policies that would affect them. We were able to deliver emergency repairs during the lockdown period but initially delayed some non-urgent work for residents until the time was right to complete the work for them. We are now able to complete all repairs except in some cases where people are shielding and throughout, our priority has been to make every effort to make regular contact about their support needs, finances, welfare benefits and rent payments. Where possible we have made arrangements regarding rent payments to assist tenants in avoiding unmanageable rent arrears. Although current tenant arrears have increased during the early part of this year, they remain at around 3%, below the increase seen by other providers¹. We have also continued to deliver essential cyclical health and safety work at our properties and monitored closely any homes where we have not been able to gain access due to Covid 19. We have continued to achieve close to 100% compliance with gas certification during this period. We will continue to ensure that the safety of our staff and residents remains the first consideration as we navigate through this period of uncertainty. Our offices are currently operating safely with staff members alternating between home and office working to ensure self-distancing when in either office.

We partner five other associations and charities to whom we provide management and maintenance services. We have our own direct labour team that operates efficiently and leads to high tenant satisfaction. They have received health and safety training and sufficient PPE to enable them to continue to carry out repairs in residents' homes.

New Homes

The provision of affordable homes to rent, energy efficiency and the condition of our existing homes remain our priorities and we are partners with four Local Authorities.

We completed a new development in August 2019, partnering Jones Homes to produce 10 new homes for local people in Wisborough Green, 7 at social rents and 3 shared ownership homes.

Greenoak has been a pioneer in designing and developing sustainable homes with a track record of winning National Awards. Our record and current strategy for new development and asset management is based on taking a "fabric first" approach to design and materials from the outset of every project. We aim to produce new housing to the highest standard, especially in rural areas where we can work closely with local communities, and to retrofit properties to improve energy efficiency. We are a member of the Wayfarer Development Consortium which increases our opportunities for partnership working.

We will continue to evaluate our development approach and to disseminate good practice including engagement with our residents as an integral part of the process.

We are continuing with our development programme of highly sustainable, energy efficient housing. Our rural housing schemes have resulted from a successful partnership with Local Authorities, Parish Councils and local residents. We aim to meet the needs of each local community with priority given in rural areas to housing local people. Our current schemes include a rural development of 8 new homes at affordable rents for local people in Peaslake, Surrey in partnership with Shere Parish Council.

We are also planning a scheme to provide spacious well-designed new apartments for older people. Our planned development aims to assist older people in larger homes to downsize to new rented and shared ownership apartments thus freeing family homes. This also will enable home owners to release capital yet retain an interest in their home.

These two schemes are progressing through planning and we expect to start on site over the next 12 months. Our Board is committed to ensure that the homes are truly affordable by setting the new rents at no more than 80% of the local housing allowance.

¹ HouseMark CV19 monitoring report

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT****Offices and administration**

Greenoak owns freehold offices in Woking. Our Goldsworth Road office provides central administrative support, and our housing management and property services are provided from our nearby office in St Johns, Woking. Recently we extended our office accommodation at the Housing Services office to improve working conditions and to provide flexible working space.

Our Board has reviewed our staff structure and strengthened our senior team to ensure that we have the capacity to grow and achieve our business objectives. Staff training and development is a priority and we are in our 7th year of a successful apprentice scheme providing training in finance and building trades.

Risk management

With support from Hargreaves Risk and Strategy consultants, our Board has a robust approach to risk management. Our policy aims to ensure the continuation of the Association and that its existence is not threatened by external events or an inappropriate strategy, thereby giving the best chance of achieving its stated objectives, and increasing the confidence of external stakeholders including lenders and regulators.

The Board obtains strategic assurance by demonstrating that it understands the Association's risk profile, that the key risks are effectively managed, and by ensuring that the organisation has undertaken scenario analysis and stress testing. Our Finance, Audit and Risk Committee monitors our risk register and the top 10 risks are monitored by the Board on a quarterly basis. Additional risks relating to Covid 19 have recently been added, to which the Board has given priority.

Stock condition

The condition of our stock has been reviewed and we will continue to re-invest to maintain high quality homes that are energy efficient. All our properties meet Decent Homes standard as a very minimum and our new homes meet Lifetime Homes standard wherever possible.

We have set a quality design and energy standard for new homes and are currently working on producing a 30-year plan to address climate change and meet the government's target in our existing homes. The Board aims to have this in place by September 2021.

Our in-house team has continued with the refurbishment programme of kitchens and bathrooms having completed 10 kitchens and 9 bathrooms in the year. The team also carried out external redecorations at 5 schemes and we have continued our assisted home redecoration scheme for 18 of our vulnerable tenants. To improve energy efficiency in our homes and reduce heating costs for our residents we installed 11 new boilers in our properties and 20 homes were fitted with new windows and external doors. We have brought forward our programme for planned routine electrical tests and moving towards 5 yearly inspections.

Fire safety

All our flatted schemes have up to date Fire Risk assessments, FRAs. No schemes have new or retrofitted external cladding. Additional visits have also been made by the Fire Service, to check schemes and Fire Service Officers have reviewed evacuation procedures which they have confirmed are appropriate. Greenoak's staff have had further fire safety training.

Funding new homes

Our new homes have previously been funded by a combination of social housing grants, loan finance plus our own resources. We are however currently planning to build schemes of affordable rented and shared ownership homes without Homes England grant funding though with possible small grants from local authorities. This approach enables us to set our rents at truly affordable levels and to continue to offer long-term, secure tenancies.

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT****Rent policy**

Most of our existing properties are funded by social housing grant, which enables us to charge social housing rents. For new non-grant funded development, we will consider a range of options, but we are committed to maximising new homes at truly affordable rents. This is currently set at around 80% of Local Housing Allowance.

Value of properties

Our housing properties are included in the Balance Sheet at £25.1m before and £22.6m after depreciation. They are estimated to have a value in excess of £40m, based on existing use value (social housing) for grant-aided housing, and at open market value (subject to tenancies) for other properties. The open market value of all the properties is estimated to be in excess of £70m.

Staff development and welfare

Staff members have annual performance reviews and they are encouraged to achieve their potential through external courses and internal training. The health of our employees is important, and we provide annual health screening for all staff and free eye tests. We provide a staff pension scheme through Aviva. The current pension plan is a defined contribution scheme under a salary sacrifice arrangement.

Value for money (VFM)

VFM is the very essence of running a viable social business through aiming to do the right things for the least cost. It is also about continuous improvement and is the driving force behind everything we do. It is also, crucially, about preserving value for the longer term and avoiding short-termism. Staff members have clear objectives, rooted in our purpose, and this enables us to identify the actions that will achieve those objectives. We ensure our key processes are lean and customer focused, incorporating the use of technology wherever possible. Efficiency is about achieving the same for less, such as re-tendering of services.

We use benchmarking to identify inefficient activities and target remedial action, e.g. where costs are high, or performance is poor. We compare our performance on an annual basis against other housing associations through Acuity. This gives us an indication of the costs of our services compared to other members, and with members of SHAPE, (Small Associations Pursuing Excellence), our benchmarking peer group. Where costs are significantly higher than the norm, a service review is triggered. We also compare the quality of our services through customer satisfaction surveys and have just carried out a STAR survey with our tenants. The survey results continue to show high levels of satisfaction from our residents, particularly that their views are listened to and acted upon, and that their rent is value for money. There has been a small drop in satisfaction since our last survey, but it should be noted that the survey took place during the Covid pandemic. We will use the results to continue to improve the services that we offer.

We keep costs down through strong fiscal stewardship. This includes an active and considered approach to a range of activities:

Treasury management: We aim to achieve the best possible return on investments though this is challenging at a time of record low Bank rate, and we spread investments amongst Banks with the highest credit ratings.

Procurement: We recognise that to improve as an organisation, our major suppliers should be partners as well as contractors. We have a procurement strategy to achieve maximum benefit for all organisations involved in terms of delivery and cost.

Development, property care and maintenance: Our partnering procurement method combines control of the design with increased control of costs. Performance standards are validated by measuring and testing.

We use a combination of ways to achieve best value from contractors including formal tendering and schedule of rates. The use of our own direct labour team ensures a high quality of service to residents with our costs being tested by periodic market comparisons to ensure value for money.

Commodities

We compare value through NHF procurement including IT. We use Phoenix for software discounts and explore other procurement routes with SHAPE members and Procurement for Housing (PFH).

GREENOAK HOUSING ASSOCIATION LIMITED**REPORT OF THE BOARD OF MANAGEMENT****Value for money (VFM) continued**

Investing in our assets

Existing stock: We are currently working towards a 30-year plan to meet the government's energy targets. As a minimum we currently achieve at least 'Decent Homes' standard on all our stock, but we aim to provide good quality homes including generous space standards and we continue to improve energy efficiency and upgrade kitchens and bathrooms when needed. We ensure value for money through competitive tendering and contract reviews, and use our direct labour team to carry out the fitting of new kitchens and bathrooms as well as for routine repairs.

New housing: We have established high quality standards for our new environmentally sustainable housing, and we aim to achieve best value in producing these high-performance homes within a normal cost range.

Monitoring performance and Value for Money

Our financial and statistical performance is measured and reviewed quarterly at Committee level and by the Board. Greenoak understands the importance of comparing our performance and costs with peers to understand our Value for Money position. To achieve this, we compare our performance and costs using the Acuity benchmarking service. Greenoak also works collaboratively with a group of similar sized providers, known as SHAPE, to share best practice and learning.

The table below sets out our performance against the Regulator of Social Housing's 9 Value for Money metrics. Greenoak also uses a wider set of measures to provide a more detailed understanding of our relative performance. The additional metrics can be found in the second table. We have compared our performance to both large and small providers and show quartile positions compared to each.

During 19-20 Greenoak made the decision to withdraw from the Social Housing Pension Scheme (SHPS). The cost of withdrawal from the scheme was £690,603. This was an exceptional cost for the year and had a significant impact on the operating surplus figure. Three VfM metrics are affected by the SHPS withdrawal costs. These are Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) Return on Capital Employed (ROCE), and the Overall Operating Surplus. To provide a more meaningful comparison these three ratios have been set out in a separate table showing the ratios and quartiles including and excluding the SHPS costs.

The VfM metrics highlights that Greenoak has significantly higher levels of re-investment during 19-20 than peers. This reflects our investment in our new development of properties at Wisborough Green, which also highlights our higher levels of new supply delivered when compared to peers. This reflects the ambitions of our 2018-20 corporate plan, the first objective of which was to provide truly affordable and sustainable housing. Greenoak monitors its gearing levels against loan covenants and has capacity to enable further borrowing to build more new homes. Our costs of service are competitive to peers. More detailed analysis of our overall headline social housing costs is included in our additional performance measures table. Our recent resident satisfaction survey shows continued high levels of satisfaction among our tenants.

GREENOAK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Value for money (VfM) continued

VfM Metric	Greenoak 19-20	Greenoak 18-19	Smaller RPs median 19-20	Smaller RPs quartile	Larger RPs median 19-20	Larger RPs quartile
Reinvestment (%)	9.17%	2.64%	3.62%	1	5.6%	1
New supply delivered (social housing units %)	7.16%	0%	0%	1	1.36%	1
New supply delivered (non-social housing units %)	0%	0%	0%	N/A	0%	N/A
Gearing (%)	20.29%	7.93%	17.48%	N/A	43.06%	N/A
Headline social housing cost per unit	£3,626	£3,854	£4,577	2	£3,814	2
Operating margin (SHL)	18.56%	26.25%	18.22%	2	28.51%	4

VfM measures affected by exceptional SHPS withdrawal costs

VfM Metric	Ratio with SHPS costs removed	Ration including SHPS cost	Greenoak 18-19	Quartile with SHPS costs removed	Quartile including SHPS costs
EBITDA MRI	239.9%	15.05%	126%	3	4
Operating margin (overall)	19.25%	-6.19%	26.03%	2	4
ROCE	3.22%	0.33%	2.91%	2	4

Alongside the above Regulator of Social Housing measures, Greenoak has also selected several additional measures to provide a fuller understanding of our VfM position. The data shows that Greenoak has enjoyed extremely high levels of satisfaction compared to peers. Although our occupancy levels were lower than some peers, this data was taken as a snapshot at the year end and was affected by several properties being held for decant to assist the delivery of a Local Authority led regeneration scheme.

We also monitor the time to let properties and void loss to assess the performance of our lettings. The more detailed data we collect also helps us to further understand the breakdown of our overall cost per unit which shows the cost of delivering the management and maintenance functions as well as costs that are service chargeable. Due to one off factors, our maintenance costs increased between 2018-19 and 2019-20, although they remained competitive with peers.

Our service charge costs are higher than peers, although further analysis indicates that this is due to Greenoak managing a higher proportion of housing for older people flats. These incur additional service charge costs for items such as the upkeep of communal areas, systems, grounds as well as the call centre support systems.

GREENOAK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Metric	Greenoak 19-20	Greenoak 18-19	Smaller RPs median	Smaller RPs quartile	Larger RPs median	Larger RPs quartile
Occupancy GN	98.0%	99.2%	99.8%	4	99.78%	4
Management cost per unit	£657	£649	£1,128	1	£994	1
Maintenance cost per unit	£1,185	£771	£947	3	£1131	3
Service charges per unit – HB allowable	£783	£807	£513	3	£339	4
Ratio of responsive repairs to planned	0.80	0.64	0.59	3	0.70	3
Rent arrears gross	2.64%	2.33%	2.64%	2	2.90%	2
Rent collected for Year	100.44%	100.94%	100.0%	1	100.02%	2
Operating costs as % turnover	83.87%	76.81%	N/A	N/A	N/A	N/A
Gearing bank covenant loan	40.63%	44.81%	N/A	N/A	N/A	N/A
Customers satisfied with their landlords' overall service (%)	89.5%	98.65%	89.5%	2	87%	1
Customer satisfied that their rent provides value for money (%)	94.7%	96.23%	89%	1	85%	1
Customer satisfied with their last repair	100%	98.0%	96%	1	92.2%	1

Board members

Details about the Board members, their qualifications and experience are set out in this report together with length of service. Whilst we have a fixed term of service of up to three terms of three years, this can be extended in exceptional circumstances to ensure retention of skills and a planned succession.

Board selection procedure

An annual review takes place of the composition of the Board ensuring the continuing compliance with equal opportunities with particular regard to the following:

- balance of skills required to meet corporate objectives
- adequate representation by tenants and
- equality and diversity

We have improved our gender and ethnicity representation. We also have a resident on a Board Committee covering housing operations. We have no upper age limit, and the initial term of service for the Chair is three years, and it can be extended by the Board. Copies of the policy and procedures are available on request.

Board remuneration

In an increasingly challenging environment for housing associations, following professional advice, we remunerate Board members to ensure that we attract the appropriate skills and experience. This is set at the lower quartile across all associations to reflect our operations and size.

GREENOAK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Statement of the Board's responsibilities

The Board is responsible for preparing the Report of the Board of Management and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure for the year. In preparing those financial statements, the Board is required to:

- (a) select suitable accounting policies and to apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Association and to enable it 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 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to detect fraud and other irregularities.

The Board has established the following procedures to provide effective internal financial control:

- (i) a financial policy which sets out key policies and procedures to ensure risks are managed prudently, and are compatible with the Association's long-term aims and objectives.
- (ii) a planning framework which incorporates a Board approved plan with detailed annual operating objectives.
- (iii) additional review of financial matters on behalf of the Board is achieved through a Committee of the Board.
- (iv) a comprehensive system of financial reporting to the Board, based on an annual budget, with quarterly reports.
- (v) management accounting of actual results against budget, analysis of variances, and performance against key performance indicators.
- (vi) internal audit functions are carried out by the external auditor on an agreed programme to cover different functions. Monitoring of the efficiency of internal control is undertaken by a Committee of the Board, which receives reports annually from the auditor.

This has been carried out for the year ended 31st March 2020.

Compliance with the Governance and Financial Viability Standard

The Association complies with the Regulator for Social Housing's Governance and Financial Viability Standard through:

- adoption of the principal recommendations of the 2015 NHF revised Code of Governance
- an effective Board of Management, appraised regularly
- standing orders which set out roles and responsibilities which are reviewed annually by the Board
- a risk management framework with an agreed risk appetite and detailed risk map
- a long-term financial plan which has been rigorously stress tested
- compliance with lenders covenants with the Board monitoring compliance on a quarterly basis
- sufficient liquidity to meet contractual commitments
- sufficient headroom to meet development plans
- an effective system of internal controls which are tested by internal audit
- an asset and liability register
- a fraud register, regularly reviewed by the Finance, Audit and Risk Committee

The Board has reviewed the effectiveness of the system of internal financial control. No weaknesses have been found during the period covered by this report. The Association has a policy in place regarding the reporting of fraud. No instances of fraud or attempted fraud have been reported.

GREENOAK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Information for Auditor

We the members of the Board who held office at the date of approval of these financial statements as set out above confirm, so far as we are aware, that there is no relevant audit information of which the Auditor is unaware; and that we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Report of the Board of Management was approved on 24 September 2020 and signed on its behalf by the Chair.


.....
Martin Large Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GREENOAK HOUSING ASSOCIATION LIMITED**

Opinion

We have audited the financial statements of Greenoak Housing Association for the year ended 31st March 2020, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 applicable in the UK and Republic of Ireland. (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of Greenoak Housing Association's affairs as at 31st March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance 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 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the board report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GREENOAK HOUSING ASSOCIATION LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities, set out on page 9, the Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of 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 Association's members as a body, for our audit work, for this report or for the opinion we have formed.

Knox Cropper LLP

**Knox Cropper LLP
Chartered Accountants
Statutory Auditor**

**65 Leadenhall Street
London
EC3A 2AD**

Date 24 September 2020

GREENOAK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31st MARCH 2020

	Notes	2020 £	2019 £
TURNOVER	2	2,714,839	2,536,864
Cost of Sales	2	(73,213)	-
Operating Costs	2	(2,119,067)	(1,870,983)
Gain on disposal of Housing Properties	2	247,883	-
SHPS Withdrawal Settlement	22	<u>(690,603)</u>	<u>-</u>
OPERATING SURPLUS	2	79,839	665,881
Net Assets on Transfer of Engagements	3	1,691,645	-
Interest Receivable and Similar Income	5	27,132	37,856
Interest Payable and Similar Charges	6	<u>(307,107)</u>	<u>(308,553)</u>
SURPLUS FOR THE YEAR		1,491,509	395,184
Other comprehensive income			
Initial Recognition of multi-employer defined benefit scheme	22	-	(14,412)
Actuarial gain/(loss) on pension scheme	22	-	(37,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>£1,491,509</u>	<u>£343,772</u>

STATEMENT OF CHANGES IN RESERVES

AS AT 31st MARCH 2020

	Revenue reserve £	Pension reserve £	Total £
Balance at 1 April 2019	7,830,872	(177,000)	7,653,872
Total comprehensive income for the year	<u>1,314,509</u>	<u>177,000</u>	<u>1,491,509</u>
Balance as at 31 March 2020	<u>9,145,381</u>	<u>-</u>	<u>9,145,381</u>

CONTINUING OPERATIONS

All of the activities derived from continuing operations in each of the above two financial years.

GREENOAK HOUSING ASSOCIATION LIMITED

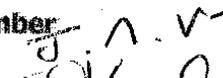
STATEMENT OF FINANCIAL POSITION

AS AT 31st MARCH 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Housing Properties	7(a)		22,562,073		17,637,134
Other Tangible Fixed Assets	8		<u>252,207</u>		<u>251,394</u>
			22,814,280		17,888,528
CURRENT ASSETS					
Property held for resale	7(a)	97,615		-	
Debtors	9	238,712		173,195	
Cash at Bank and in Hand	21	<u>2,423,632</u>		<u>5,672,545</u>	
		2,759,959		5,845,740	
LESS CREDITORS					
Amounts falling due within one year	10	<u>(1,640,070)</u>		<u>(825,255)</u>	
Net Current Assets			<u>1,119,889</u>		<u>5,020,485</u>
Total Assets Less Current Liabilities			<u>23,934,169</u>		<u>22,909,013</u>
CREDITORS					
Amounts falling due after more than one year	11		(14,788,779)		(15,078,132)
Provision for liabilities					
Pension liability	22		-		(177,000)
Total Net Assets			<u>£9,145,390</u>		<u>£7,653,881</u>
Capital and Reserves					
Called-up Share Capital	12		9		9
Revenue Reserve	13		9,145,381		7,830,872
Pension reserve	22		-		<u>(177,000)</u>
			<u>£9,145,390</u>		<u>£7,653,881</u>

The financial statements were approved by the Board of Management and were signed on its behalf by:

Board Member  M Large

Board Member  J Vessey

Secretary  D Kingdon

Date: 24 Sept 2020

GREENOAK HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

AS AT 31st MARCH 2020

	Notes	2020 £	2019 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	19	591,174	1,275,101
CASH FLOW FROM INVESTING ACTIVITIES			
Property expenditure		(4,142,948)	(483,578)
Proceeds from sale of properties		350,000	-
Interest received		27,132	37,856
		(3,765,816)	(445,722)
CASH FLOW FROM FINANCING ACTIVITIES			
Finance charges		(307,107)	(308,553)
Loans repaid		(118,809)	(127,012)
		(425,916)	(435,565)
CASH FLOW FROM TRANSFER OF ENGAGEMENTS		351,645	315,769
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,248,913)	709,583
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,672,545	4,962,962
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	£2,423,632	£5,672,545

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2020****1. ACCOUNTING POLICIES**

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing (RSH) as a Registered Provider as defined by the Housing and Regeneration Act 2008.

a) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for social housing providers 2018, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Greenoak Housing Association is a public benefit entity and applies FRS 102 accordingly.

The accounts comply with the Housing and Regeneration Act 2008 and with the Accounting Direction for Private Registered Providers of Social Housing (2019). The accounts are prepared in accordance with the historical cost basis of accounting.

The accounts are prepared on the going concern basis as there is a reasonable expectation that the Association will continue to operate for the foreseeable future.

b) Turnover

Turnover represents rental income receivable net of rent losses from voids, service charges receivable, bank interest and other income.

c) Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Office property	2.0% on cost
Housing furniture and fittings	10.0 - 20.0% on cost
Office furniture and equipment	20.0% on cost

d) Housing Properties

Housing properties are stated at depreciated cost. The cost of completed housing properties is depreciated over the life of the properties. Development costs in connection with the acquisition and refurbishment of properties is capitalised, but not depreciated until the asset is brought into use.

In accordance with the requirements of the Housing SORP, properties are accounted for on a component basis with each component being depreciated over its estimated life. The principal components identified and the depreciation rate applied to each component are set out below:

Land	-	Not depreciated
Main Fabric	-	Over 100 years
Roof structure and covering	-	Over 70 years
Window & external doors	-	Over 30 years
Gas boilers/fires	-	Over 15 years
Kitchens	-	Over 20 years
Bathroom/WCs	-	Over 30 years
Mechanical systems (heating, ventilation & plumbing)	-	Over 30 years
Electrics	-	Over 40 years
Lifts	-	Over 20 years

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

1. ACCOUNTING POLICIES (Continued)

e) Social Housing Grant

Where developments have been financed wholly or partly by social housing grant, the grant received is recognised in income over the expected useful life of the housing property structure under the accruals model.

Housing Association grant is repayable in the following circumstances:

- (i) If a property is sold.
- (ii) If the development of a property is not completed.

Where approval is given by the funding authority grant may be recycled and not repaid.

f) Works to Existing Properties

Works to existing properties are capitalised when replacing existing components or where the works provide an enhancement to the property's economic benefits in excess of the standard of performance anticipated when originally acquired or constructed.

g) Leased Assets

Rentals payable under operating leases are charged to the Income and Expenditure account as incurred.

Assets obtained under hire purchase or finance leases are capitalised in the balance sheet. Those held under hire purchase are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives, or the lease term, whichever is shorter.

The interest element of those obligations is charged to the profit and loss account over the relevant period. The capital element is treated as a liability.

h) Property held for resale

Property held for resale is the percentage of the development costs of the shared ownership properties to be sold under a first tranche disposal. Surplus on the disposal of the first tranche is the difference between the proceeds, shown as Turnover, and the proportion of development costs, Cost of Sales.

i) Interest Payable

Interest payable is charged to the income and expenditure account in the year to which it relates.

j) Pension Costs

Up until June 2019, certain of the Association's employees were entitled to join the Social Housing Pension Scheme – a defined benefit funded scheme. The scheme is a multi-employer scheme and, historically, the actuary confirmed that it was not practical to allocate the assets and liabilities of the scheme between participating employers. Therefore, the scheme was reflected in the accounts as if it were a defined contribution scheme, recognising the charge when payments to the pension scheme fall due.

Under this approach, where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement, the Association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

Following a number of changes to the administration of the scheme, sufficient information has now become available to allocate the Association's share of assets and liabilities of the scheme and apply defined benefit accounting. In accordance with the approach proposed by FRED 71 and FRS 102, the deficit funding liability has been replaced by the defined benefit liability with effect from the relevant date, being 1 April 2018, when sufficient evidence became available. Further details are included in note 22.

During the year, the Association withdrew from the scheme and settled its liabilities.

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2020**1. **ACCOUNTING POLICIES** (Continued)k) **Financial Instruments**

Financial Instruments which meet the criteria of a basic financial instrument, as defined in section 11 of FRS 102, are accounted for under the amortised cost model.

l) **Significant management judgements and estimation uncertainties**Impairment:

Properties are assessed for impairment when there is an indication that the property has been impaired. This includes properties in the course of development. The assessment is carried out by comparing the carrying value of the property with its recoverable amount (taking into account service potential), and, where applicable, the property is written down to its recoverable amount. No impairment reviews were necessary this year.

Depreciation:

The depreciation of property components is based on management's estimate of their useful lives which is kept under review.

Doubtful Debts provision:

The provision for doubtful debts is based on management's estimate of the recoverability of tenant arrears. The total provision at 31st March 2020 is £17,178.

m) **Taxation**

The Association is not registered for VAT and its expenditure is therefore VAT inclusive. As an exempt charity, the Association is entitled to the exemptions from corporation tax available to charities.

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

2. TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS

	Turnover £	Cost of Sales £	Operating Costs £	2020 Operating Surplus £	Turnover £	Cost of Sales £	Operating Costs £	2019 Operating Surplus £
Income Expenditure from Lettings								
Housing Accommodation	2,435,434	-	(1,983,341)	452,093	2,346,006	-	(1,735,249)	610,757
	<u>2,435,434</u>	<u>-</u>	<u>£(1,983,341)</u>	<u>452,093</u>	<u>£2,346,006</u>	<u>-</u>	<u>£(1,735,249)</u>	<u>£610,757</u>
Other Income & Expenditure								
Shared ownership								
First tranche sales	95,000	(73,213)	-	21,787				
Development and New Business	-	-	(72,193)	(72,193)	-		(66,594)	(66,594)
Management Services	76,848	-	(49,180)	27,668	79,207		(50,693)	28,514
Amortisation of Grants	93,204	-	-	93,204	93,204		-	93,204
Other	14,353	-	(14,353)	-	18,447		(18,447)	-
	<u>279,405</u>	<u>(73,213)</u>	<u>(135,726)</u>	<u>70,466</u>	<u>190,858</u>	<u>-</u>	<u>(135,734)</u>	<u>55,124</u>
	<u>2,714,839</u>	<u>(73,213)</u>	<u>(2,119,067)</u>	<u>522,559</u>	<u>2,536,864</u>	<u>-</u>	<u>(1,870,983)</u>	<u>665,881</u>
Gain on disposal of Housing Properties				247,883				-
SHPS Withdrawal Settlement				(690,603)				-
Operating Surplus				<u>£79,839</u>				<u>£665,881</u>

INCOME AND EXPENDITURE FROM LETTINGS

	General Needs £	Supported Housing & Housing for Older People £	2020 Total £	2019 Total £
Income from Lettings				
Rent receivable net of identifiable				
Service Charge	1,499,767	611,469	2,111,236	1,994,605
Service charges receivable	82,944	150,649	233,593	256,885
Support and heating charges receivable	18,623	71,982	90,605	94,516
Net rents receivable	<u>1,601,334</u>	<u>834,100</u>	<u>2,435,434</u>	<u>2,346,006</u>
Expenditure on letting activities				
Services	183,431	151,524	334,955	338,206
Management	246,121	116,020	362,141	344,869
Leasehold Rents	157,866	91,395	249,261	248,742
Routine Maintenance	358,441	149,078	507,519	417,336
Planned Maintenance	222,540	30,196	252,736	150,036
Major Repairs	-	-	-	-
Bad Debts	15,437	-	15,437	5,427
Housing Property Depreciation	219,932	41,359	261,291	230,633
Total expenditure on lettings	<u>1,403,768</u>	<u>579,572</u>	<u>1,983,340</u>	<u>1,735,249</u>
Operating Surplus on Lettings	<u>£197,566</u>	<u>£254,528</u>	<u>£452,094</u>	<u>£610,757</u>
Voids	<u>£16,111</u>	<u>£11,703</u>	<u>£27,814</u>	<u>£9,606</u>

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

3. TRANSFER OF ENGAGEMENTS

	2020	2019
	£	£
Housing properties transferred at valuation	1,340,000	-
Cash at Bank and in Hand transferred after year end	351,645	-
	<u>£1,691,645</u>	<u>-</u>

The above net assets were received from Oxted, Limpsfield & District Housing Association as a Transfer of Engagements registered by the FCA on 1 April 2019, the effective date of the transfer. The Housing Properties received were valued by Savills at Existing Use Value for Social Housing (EUV-SH).

4. OPERATING SURPLUS

	2020	2019
	£	£
Operating Surplus is stated after charging:		
Auditor's remuneration (including VAT)		
Audit Services	6,727	6,059
Non Audit Services	4,342	3,062
Depreciation of housing assets	267,801	230,633
Depreciation of other fixed assets	12,538	8,872
Loss on disposal of tangible fixed assets	107,271	31,851
Amortisation of housing association grants	93,204	93,204
Gain on disposal of Housing Properties	247,883	-

5. INTEREST RECEIVABLE

Bank Interest	<u>27,132</u>	<u>37,856</u>
	<u>£27,132</u>	<u>£37,856</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

Loan Interest	298,854	299,066
Bank Charges and Interest	8,253	9,487
	<u>£307,107</u>	<u>£308,553</u>

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

7(a) TANGIBLE FIXED ASSETS: HOUSING PROPERTIES

	Housing Properties held for Letting	Properties Under Construction	Total Properties
	£	£	£
COST			
At 1 st April 2019	19,598,819	413,613	20,012,432
Transfer of Engagements	1,340,000	-	1,340,000
Additions			
New units	2,081,876	1,881,753	3,963,629
Components	165,970	-	165,970
Transfer on completion	2,051,795	(2,051,795)	-
Transfer to Property for resale	(170,827)	-	(170,827)
Disposals			
Units	(102,117)	-	(102,117)
Components	(61,812)	-	(61,812)
At 31 st March 2020	<u>24,903,704</u>	<u>243,571</u>	<u>25,147,275</u>
DEPRECIATION			
At 1 st April 2019	2,375,298	-	2,375,298
Charge for the Year	267,801	-	267,801
Disposals			
Units	(6,510)	-	(6,510)
Components	(51,387)	-	(51,387)
At 31 st March 2020	<u>2,585,202</u>	<u>-</u>	<u>2,585,202</u>
NET BOOK VALUE			
At 31 st March 2020	<u>£22,318,502</u>	<u>£243,571</u>	<u>£22,562,073</u>
At 31 st March 2019	<u>£17,223,521</u>	<u>£413,613</u>	<u>£17,637,134</u>

Properties held for Resale amounting to £97,615 are the development costs of First Tranche disposals of shared ownership units which were not sold at the year end.

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

7(b) SOCIAL HOUSING GRANT (Note 11)

	Housing Properties held for Letting £	Properties Under Construction £	Total Properties £
COST			
At 1 st April 2019	9,320,418	-	9,320,418
Received in Year	-	-	-
Property disposal	(40,757)	-	(40,757)
At 31 st March 2020	9,279,661	-	9,279,661
AMORTISATION			
At 1 st April 2019	1,147,290	-	1,147,290
Received in Year	-	-	-
Released to Income in 19/20	93,204	-	93,204
	1,240,494	-	1,240,494
CARRYING VALUE			
At 31 st March 2020	£8,039,167	-	£8,039,167
At 31 st March 2019	£8,173,128	-	£8,173,128

Social Housing Grant is disclosed in the Balance Sheet within creditors as deferred income (Note 11)

8. TANGIBLE FIXED ASSETS: OTHER

	Freehold Office Property £	Housing Furniture & Fittings £	Office Furniture & Equipment £	Total £
COST				
At 1 st April 2019	289,354	218,149	138,643	646,146
Additions	-	-	13,349	13,349
At 31 st March 2020	289,354	218,149	151,992	659,495
DEPRECIATION				
At 1 st April 2019	85,000	194,348	115,404	394,752
Charge for the Year	5,000	2,645	4,894	12,539
At 31 st March 2020	90,000	196,993	120,298	407,291
NET BOOK VALUE				
At 31 st March 2020	£199,354	£21,156	£31,694	£252,204
At 31 st March 2019	£204,354	£23,801	£23,239	£251,394

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

9. DEBTORS

	2020	2019
	£	£
Amounts falling due within one year		
Rent arrears	75,040	57,798
Less : Provision for bad debts	<u>(17,178)</u>	<u>(5,992)</u>
	57,862	51,806
Other debtors and prepayments	<u>180,050</u>	<u>121,389</u>
	<u>£238,712</u>	<u>£173,195</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Creditors	99,546	83,747
Rents in Advance	70,627	71,651
Housing Loans (Note 11)	109,271	72,688
Oxted, Limpsfield & District Housing Association	-	351,645
Other Creditors	1,130,725	60,261
Accruals	75,919	72,845
Taxation and Social Security	20,021	19,214
Social Housing Grant (Note 11)	93,204	93,204
Recycled Grant Liability	40,757	-
	<u>£1,640,070</u>	<u>£825,255</u>

11. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Social Housing Grant	7,945,963	8,079,924
Housing Loans	<u>6,842,816</u>	<u>6,998,208</u>
	<u>£14,788,779</u>	<u>£15,078,132</u>
<u>Social Housing Grant</u> (Note 7b)		
To be amortised within one year	93,204	93,204
To be amortised in more than one year	<u>7,945,963</u>	<u>8,079,924</u>
	<u>£8,039,167</u>	<u>£8,173,128</u>
<u>Housing Loans</u>		
Housing loans brought forward	7,070,896	7,197,908
Repayments during the year	<u>(118,809)</u>	<u>(127,012)</u>
Housing Loans carried forward	<u>£6,952,087</u>	<u>£7,070,896</u>
Amount payable in less than one year	109,271	72,688
Amount payable in greater than one year	<u>6,842,816</u>	<u>6,998,208</u>
	<u>£6,952,087</u>	<u>£7,070,896</u>

Housing loans comprise a bond issued by the Housing Finance Corporation in 2014 and bank loans.

The bond, which has a nominal value of £3.5m is repayable in 2044 and has an interest rate of 5.2%. The bond was issued at a premium, with net proceeds amounting to £3,850,830. The premium is being effectively amortised over the life of the loan reducing the nominal interest charge. The balance of the bond at the year end, including the unamortised premium, amounts to £3,774,945.

Bank loans are repayable by monthly, quarterly or six-monthly instalments of principal and interest and are for terms of between 25 and 40 years at interest rates of between 1.3605% to 5.31%, which falls to be repaid on dates between 2036 and 2043.

Loans are secured by charges on housing properties.

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

12. NON EQUITY SHARE CAPITAL

	2020	2019
	£	£
Shares of £1 each issued and fully paid		
At 1 st April 2019	9	9
Shares issued during the year	-	-
Cancellations of shares	-	-
At 31 st March 2020	<u>£9</u>	<u>£9</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up. Each member holds one share of £1 which carries one vote.

13. RESERVES

	2020	2019
	£	£
REVENUE RESERVES		
At 1 st April 2019	7,830,872	7,310,100
Total comprehensive income for the year	<u>1,292,720</u>	<u>520,772</u>
At 31 st March 2020	<u>£9,123,592</u>	<u>£7,830,872</u>

14. KEY MANAGEMENT PERSONNEL

Key Management Personnel

Key management personnel comprise the Board of Management and the senior management team. The senior management team comprised the Chief Executive and, from January 2019, the Finance Director and the Operations Director.

Emoluments (including benefits in kind)	268,424	173,396
Pension contributions	<u>22,858</u>	<u>14,249</u>
	<u>£291,282</u>	<u>£187,645</u>

Non-executive Board members were reimbursed expenses of £401 (2019: £289) for the year.

Chief Executive

The aggregate remuneration paid to the Chief Executive, who was the highest paid employee was:

Emoluments (including benefits in kind and excluding pension contributions)	<u>£118,427</u>	<u>£117,497</u>
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Pension contributions for the Chief Executive amounted to £14,430 (2019: £12,989)

The Chief Executive participated in the SHPS scheme until June 2019.

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

15. EMPLOYEE INFORMATION

	2020	2019
	No.	No.
The average weekly number of persons (including the Chief Executive and non-executive Board Members excluding temporary agency staff) employed during the year was:	<u>24</u>	<u>27</u>
	2020	2019
	£	£
STAFF COSTS (FOR THE ABOVE PERSONS)		
Wages and Salaries	681,537	674,750
Social Security Costs	71,672	68,672
Settlement	6,600	23,903
Pension Costs	<u>30,214</u>	<u>28,310</u>
	<u>£790,023</u>	<u>£795,635</u>

16. UNITS

The number of housing properties in management at 31st March 2020

	2020	2019
Housing accommodation	255	225
Supported Housing and housing for older people	164	164
Housing accommodation let at sub-market rent	5	5
Accommodation managed on behalf of others	120	144
Leaseholds RTB	<u>3</u>	<u>3</u>
	<u>547</u>	<u>541</u>

The increase in Housing accommodation units comprised units acquired under a Transfer of Engagements which the Association previously managed and newly developed units, and a further unit was sold.

17. FINANCIAL COMMITMENTS

Capital Commitments

The Board had made no contractual capital commitments as at 31 March 2020.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions.

GREENOAK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2020

19. CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of surplus to net cash inflow from operating activities

	2020	2019
	£	£
Total comprehensive income for the year	1,491,509	343,772
Adjustments for non-cash items:		
Depreciation	280,340	239,506
Loss on disposal of tangible fixed assets	106,032	31,851
Transfer to property held for resale	170,825	-
(Increase) in property held for resale	(97,615)	-
(Increase)/Decrease in trade and other debtors	(65,517)	8,009
Increase/(Decrease) in trade and other creditors	778,231	429,058
Increase/(Decrease) in pension provisions	-	(131,588)
Increase/(Decrease) in pension liability	(177,000)	177,000
Receipt of donated land/assets	(1,691,645)	-
Adjustments for investing or financing activities:		
Proceeds from sale of Tangible Fixed Assets	(350,000)	-
Government grants utilised during the year	(93,204)	(93,204)
Recycling of grant	(40,757)	-
Interest Receivable	(27,132)	(37,856)
Interest Payable	307,107	308,553
Net Cash Inflow from Operating Activities	<u>591,174</u>	<u>1,275,101</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	1 April 2019	Cash flow	Non-cash Items	31 March 2020
	£	£	£	£
Cash at bank and in hand	5,672,545	(3,248,913)	-	<u>2,423,632</u>

21. MOVEMENT IN NET DEBT

	1 April 2019	Cash flows	31 March 2020
	£	£	£
Cash and cash equivalents	5,672,545	(3,248,913)	2,423,632
Housing loans due within 1 year	(72,688)	(36,583)	(109,271)
Housing loans due after 1 year	(6,998,208)	155,392	(6,842,816)
	<u>(1,398,351)</u>	<u>(3,130,104)</u>	<u>(4,528,455)</u>

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 MARCH 2020****22. PENSION OBLIGATIONS NOTE – SHPS SCHEME**

Until June 2019 the Association participates in the Social Housing Pension Scheme (SHPS) a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

For financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

The Association withdrew from the Scheme in the year and made a payment to settle its liabilities in full. The charge in the financial statements represents the settlement paid less the Association's share of the Scheme's net deficit as at 31 March 2019.

GREENOAK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 MARCH 2020****23. PENSION OBLIGATIONS NOTE – GROWTH PLAN**

- a) Until November 2019 the Association participated in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state Scheme. The plan is a multi-employer pension plan.
- b) It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the assets are co-mingled for investment purposes and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contribution payable.
- c) The Trustee commissions an actuarial valuation of the plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
- d) The Scheme Actuary is currently undertaking the Triennial valuation of the Scheme as at 30 September 2018. The latest figures indicate a funding level of 86%. Under the current and future recovery plan the Association is not required to make any deficit contributions.

On withdrawal from the Scheme, the Association settled its liabilities in respect of the Scheme.

GREENOAK HOUSING ASSOCIATION LTD
Board Members

Name	Occupation/ Employer	Relevant experience & skills
Martin Large Chair	Retired CEO	CEO to Dec 15 of GLE Group, a leading SME focused property regeneration and business services organisation. Significant senior management and board experience. Former NED at Pocket Living Limited and Hexagon Housing Association. Current NED and chair of Assets and Development at Selwood Housing Society Limited
Jane Vessey CFA Vice Chair	Non-Executive Director and University Lecturer	Qualified as CFA (Chartered Financial Analyst). 18 years' experience as fund manager and investment director in Europe and Asia. Non-executive experience in fund management and voluntary sectors. Wide knowledge of investment industry and lectures on investment on Masters degree courses at leading business schools. Owner and MD of Wentworth Advisors, INED and Chair of Margetts Fund Management, INED of Northern Trust Global Investments. NED and served on Risk and Audit committee at Inquilab HA, Board member of CFA UK in London
Peju Fabunmi CIHCM, AssocRICS	Housing Development Consultant	Peju has 25 years involvement in the housing sector as a manager and consultant with specific experience in planning, property development and acquisitions. Peju initially qualified as an urban planner and has post graduate diplomas in both Urban Design and Property Development & Planning (RICS accredited). Peju is also a career mentor and CIH Chartered Member
Louisa Martin	Executive Director & Board Advisor	Louisa has specialised in Capital Markets for 22 years. She is an ex Director at Citigroup and ABN AMRO, and held senior roles at Societe Generale and Daiwa, advising asset manager clients on investment, risk and strategy. She was Director at a Toronto-based real estate brokerage and advisory, and founded an insurance start-up. Louisa is a Director of BIGbleu, a London-based property business, and is a Trustee and Committee Chair at Citizens Advice Brent.
Gordon Mattocks CPFA	Retired Accountant	40 years' experience in public sector finance and audit. Worked in new towns, local government, higher education and lastly for 15 years in social housing. Subsequently a member of various boards/ audit/ risk/ finance committees, including currently Board member of Inquilab and Ekaya housing associations. Past audit committee member of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Treasurer/ Executive Committee member of the Housing Internal Audit Forum, the trade association for housing internal audit.
Julia Tyson CIPD (FCIPD)	Executive Director	Julia is currently CHRO for Lloyd's of London leading the cultural change associated with creating a Digital marketplace following a 30 year Executive career in large corporates such as Barclays, RBS, Centrica and Wates. She is also a portfolio Non Executive for Ufi VocTech providing Digital learning solutions for Vocational skills and for St Michaels Preparatory School in Sevenoaks and is Chair of Remuneration Committee for both.