Teign Housing

Report and financial statements
Reporting date 31 March 2021

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

Contents

Teign Housing – company information

Board of Management

Non-Executive Directors	Meeting Attendance (6 meetings)
Andrew Jones (Chair of Board)	6
Angie Edwards-Jones (Chair of Audit from 26/11/2020)	6
Maureen Robinson	6
James O'Dwyer	6
Mary Bennell (Resigned 12/05/2021)	6
Stephen Cook	6
Stuart Davies (Appointed 28/01/2021)	2
Alan Soper (Chair of Audit until retired on 26/11/2020)	4

Executive Director

Jo Reece (Chief Executive)	6

Auditors

External Auditor
Beever and Struthers
St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Internal Auditor
PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Solicitors

Housing Management
Capsticks Solicitors LLP
1 George Street
London
SW19 4DR

Human Resources
Tozers
Southernhay West
Exeter
EX1 1UA

Governance and Development
Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Bankers and Funders

Barclays Bank
PO Box 1015
3 Windsor Place
Cardiff
CF10 3ZL

GB Social Housing
5 Great St Helen's
London
EC3A 6AP

Company Secretary

Lisa Maunder (resigned 08/02/2021)
Helen Hilditch (appointed 08/02/2021)

Registered Office

Millwood House
Collett Way
Newton Abbot
Devon
TQ12 4PH

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2021.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers.

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the Social Housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build, and with our customers, contractors and partners, we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there are up to 10 Board Members consisting of 7 non-executive and up to 3 executive members. The Board currently consists of 6 non-executive members and 1 executive member. The members of the Board are legally the directors of the company and the Board is Teign Housing's governing body.

The Board is committed to and complies with the standards of the National Housing Federation's Code of Governance 2015 with one exception. The Code states that no Board member should serve more than 9 years. We are committed to a maximum nine years of service, however, one member reached 9 years of service on 24 March 2020. Due to the delays in recruitment caused by the pandemic, this member did not retire until November 2020. In addition, there is a member who is due to retire at the Annual General Meeting (AGM) in 2021; however, we no longer have AGM's and the Board have agreed a retirement date of November 2021. From April 2021 the Board will be adopting the NHF Code of Governance 2020 and so will be reviewed against the new code next year.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct triannual pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the senior management team.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All Board members are paid a fee for their services. Payments during the year were:

Andrew Jones	Chair of Board	£8,469
Alan Soper	Chair of Audit (retired 26/11/2020)	£3,435
Angie Edwards-Jones	Chair of Audit (from 26/11/2020)	£4,044
James O'Dwyer	Board Member	£3,210
Maureen Robinson	Board Member	£5,000
Mary Bennell	Board Member	£3,210
Stephen Cook	Board Member	£3,210
Stuart Davies	Board Member (appointed 28/01/2021)	£559

Kevin Fairman	Co-optee to the Board (resigned 04/11/2020)	£1,208
Steve Higginson	Independent Audit Committee Member	£710

For the year ending 31 March 2021 the Board met on 6 occasions. There was 100% attendance at Board meetings.

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs and shared ownership properties. For our tenants and the wider community, we provide a personal alarm and home visit service under the brand Teigncare and through our commitment to building new homes we are helping to address the shortage of good quality affordable housing.

Financial Performance

Teign Housing Group has made a surplus after tax for the year of £3,470,000 (2019-20: £4,431,000). Full details of our financial results can be found on pages 31 - 72.

Financial performance is monitored through the annual budget, which is set by the Board. The annual budget is based on the business plan and the Board receives a report, at each meeting, assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by Board in March 2021. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors quarterly through the Balanced Scorecard, Financial Framework, and the Development Report.

Further details of our operational performance including value for money can be found on pages 11 – 23.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The Business Plan has been thoroughly stress tested and the key risks to the organisation identified and appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2021 Teign Housing was funded by a £35m loan facility with Barclays Bank and a £25m bond with GB Social Housing and had a loan balance of £46.9m (2019-20: £47.4m) and an undrawn facility of £13.5m (2019-20: £13.5m). The funding agreements both contain three financial covenants. Teign Housing did not breach any of its loan covenants. Finance costs on loans were £2.583m (2019-20: £2.591m) which equates to an average rate of 4.22% (2019-20: 4.27%). Finance costs of £164,000 were capitalised during the year (2019-20: £179,000). At 31 March 2021 Templer HomeBuild had loan balance with Teign Housing of £400,000 (2019-20: £500,000). There was £8.36m of capital committed to the development programme which was in contract at 31 March 2021 (2019-20: £9.38m) and there was a cash and cash equivalents balance of £11.421m (2019-20: £11.357m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

During 2021-22 the refinancing process, which begun in 2020-21, will be concluded. From 18 April 2021 there was a new revolving credit facility (RCF) in place with the Nationwide (£20m) which replaced the previous facility with Barclays (£13.5m). During quarter one of 2021-22, new funding was sourced from The Housing Finance Corporation (THFC) via their bLEND product. The transition took place on 23 April 2021 when the pricing was secured. It is anticipated that security will be in place by the end of quarter 1, at which time the loan of £33m will be drawn and the remaining £21.5m of Barclays debt will be repaid, leaving a total of drawn debt of £58m made up of £33m bond with bLEND and a £25m bond with GB Social Housing and a total facility of £78m.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30 year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2021 was £66,145,000 (2019-20 £62,061,000) and in the revaluation reserves £30,409,000 (2019-20 £31,786,000).
Unrestricted reserves excluding tangible fixed assets net of grant were £-70,490 at 31 March 2021 (2019-20 £-69,938) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year 23 properties were sold (2019-20: 27 properties) of which 11 properties were under the Right to Buy scheme (2019-20: 10 properties). Teign Housing received proceeds of £1,815,000 of which

£1,043,100 were from right to buy sales (2019-20: £968,300). Under the terms of the transfer agreement, £795,551 (2019-20: £600,338) of the right to buy sale proceeds were paid to Teignbridge District Council and the remainder was retained by Teign Housing in recognition of future income foregone and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2021 was 149 (2019-20:142 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year the company spent £98,000 on staff training and development (2019-20: £52,000).

Development

During 2020-21 we entered into no new development contracts but were successful in bidding on 4 section 106 schemes, which are preceeding to contract. The schemes in progress at the reporting date will deliver a total of 14 shared ownership and 36 rented properties.

The table below summarises the development program by tenure.

	Social Rental Units	**Low Cost Home Ownership**	**Total Units**
Under construction 31/03/2020	99	38	**137**
Started in the year	0	0	**0**
Completed in the year	31	14	**45**
Delayed	32	10	**42**
Transfer in the year	0	0	**0**
Under construction 31/03/2021	**36**	**14**	**50**

We currently have contractual agreements to develop a further 19 homes over the next 12 months. We are in the process of securing planning approval to build a further 147 homes on land that we own or have an option to purchase.
The 42 homes which have been delayed are due to the reprofiling of the development programme, a consequence of the COVID-19 pandemic.

Future Direction

To achieve the Corporate Vision and Values, we focus on the core of our business and the Board has committed to the following strategic aims:

- Excellent Services – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- Quality Homes – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- Sustainable Business – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of joint working with our partners, and investing in our staff.

Performance against these aims is monitored as part of a three-year Corporate Plan for 2021 to 2024.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan which currently has capacity for 400 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration and £344,000 has been included in the business plan for 2021-22 with £500,000 included in each of the following years for the life of the plan.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. Following our Platinum Investors in People Re-Accreditation in 2020, an action plan was drawn up focusing on areas for improvement. We have a robust training and development policy and work life balance policy and in 2021-22 will introduce an agile working policy. The VFM strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

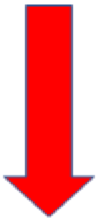
Risk Management

Teign Housing understands that to be a thriving and growing housing association we need to recognise that risks happen, and that we need to take a managed degree of risk in order to achieve our objectives. Our risk framework ensures that the way we manage these risks is appropriate to the reward they will deliver and minimises any impact they might have on the organisation.

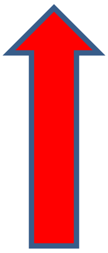
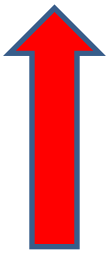
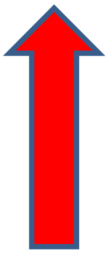
The constantly changing environment of a global pandemic led to us reviewing our risk registers on a fortnightly basis and we will continue to do so until we see the situation return to more normal levels. During the year we introduced new risk software which allows our leadership team to amend operational risks easily and as frequently as they need. The software also allows our Audit Committee and Board more visibility of our risk registers and the ability to view them regularly.

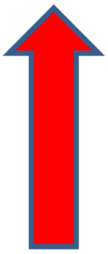
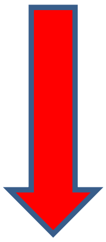
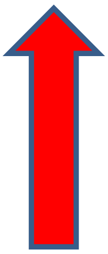
Any changes to our strategic risks are reported to our Audit Committee and Board on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.
During the year our Board considered several emerging risks including the impact of Brexit, changes to the Shared Ownership programme, the increasing complexity of vulnerable tenants, the availability and cost of materials for repairs and maintenance and the long-term impact of COVID-19.

Our top risks during the year were:

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
COVID-19		A global pandemic: impact on our staff, our services and our stakeholders	Throughout the pandemic we have followed government guidance to ensure our plans protect our staff, our residents and our business. Our staff remain largely home based. We maintained our COVID-19 Communications team to ensure that our residents and staff were fully informed of our plans throughout the pandemic. Our Housing and Asset Management teams utilised

Cont'd			technology to introduce remote viewings and inspections. Our recovery team continues to meet fortnightly to steer the organisation as we start to come out of the third lockdown. Our roadmap to recovery mirrors the roadmap announcements by the Government.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customer first. External pressures resulting from the pandemic presented challenges to delivering the high service standards	We formed a response team focused on maintaining light levels of service during periods of lockdown. We put processes in place to ensure that we had early notice of any potential issues and could direct resources accordingly
Welfare reform has adverse impact on customers, arrears, and tenancy turnover		The impact of COVID19 saw a sharp increase in residents transferring onto Universal Credit	We have a well-established rents team who know our client base and proactively engage with them. We redirected resources to ensure we had ability to advise and support residents.
Loss of key staff, high turnover and / or inability to recruit to key roles		The inability to predict how COVID19 would affect staffing levels	Introduction of COVID19 specific risk assessments. Moved all office based staff to home working in line with Government guidance. Introduced a programme of welfare checks on our staff.
		We aim to retain and develop our staff	We have reviewed succession planning across the organisation. We delivered more training to our leadership team.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Planned surplus from sales of home ownership properties or asset disposals is not achieved.		Uncertainty over the home ownership market as a result of COVID19. Potential delays in the delivery of new homes available.	Our business plan was reviewed regularly throughout the pandemic. We followed Government guidance and resumed work on our new builds as soon as it was safe to do so.
Failure to provide a safe environment in accordance with Health & Safety legislation		Ensuring the safety of our homes, our residents and our staff has always been and will always remain our main priority.	This year we continued to implement our Health & safety strategy which saw us introducing more controls, more reviews, and more processes to better monitor our Health & Safety
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The increasing number of people affected by COVID19 could have affected the amount of rent we were receiving.	We closely monitor our rent collection performance. We have a well-established rents team and a team of head start advisors who have a good relationship with our residents, and we were able to provide support at this difficult time.

Value for Money Statement

The Value for Money (VfM) strategy was approved by the Board in June 2018 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation and these are presented below.

			Group		Association		Budget FY22	Target FY21	Sector Metrics
			2020/21	2019/20	**2020/21**	2019/20	2021/22	2020/21	2019/20
Metric 1		Reinvestment %	**5.7%**	9.1%	**5.7%**	9.1%	**7.7%**	6.4%	7.0%
Metric 2	A	New supply delivered SH %	**1.2%**	1.9%	**1.2%**	1.9%	**1.5%**	1.4%	1.8%
	B	New supply delivered NSH %	**0.0%**	0.0%	**0.0%**	0.0%	**0.0%**	0.0%	0.0%
Metric 3		Gearing %	**25.2%**	26.5%	**25.4%**	26.6%	**31.4%**	28.0%	50.8%
Metric 4		EBITDA MRI Interest cover %	**186.6%**	207.8%	**186.6%**	207.8%	**133.5%**	131.7%	151.6%
Metric 5		Social housing cost per unit £	**3,709**	3,564	**3,700**	3,595	**4,142**	3,924	3,836
Metric 6	A	Operating margin SH %	**28.6%**	30.0%	**28.0%**	29.4%	**24.6%**	22.0%	33.4%
	B	Operating margin overall %	**28.7%**	31.4%	**28.7%**	31.2%	**21.5%**	18.8%	30.1%
Metric 7		ROCE %	**4.0%**	4.6%	**4.0%**	4.6%	**2.8%**	2.7%	3.4%

The group's metrics presented above compare favourably against the sector average in some areas, but less favourably in others.

The group's re-investment of 5.7% has reduced when compared against last year and the sector, however development had been delayed slightly due to lockdown restrictions at the start of the year. The latest sector metrics relate to 2019-20 and as such it is difficult to compare with this benchmark as it does not include delays that other Housing Associations may have experienced. Our targets were also set prior to lockdown restrictions and as such it has been difficult to achieve these early targets. Even with the initial delays from the first lockdown, the development programme has performed well with significant investment into new properties and capital improvements. In 2020-21 we bid on 13 section 106 schemes and were successful in securing 4 schemes with a total of 66 homes. We were also granted planning permission to build 8 homes within Dartmoor National Park.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. Because of this we are seeing an increase in re-investment from the 5.7% achieved this year to 7.7% next year.

New supply delivered is a calculation based on units completed in 2020-21. We have achieved 1.2% new supply through delivering 45 units, this compares to a target of 1.4%. This difference is due to the Glebelands development being delayed over year end as a result of issues with the original contractor. It is anticipated that these homes will be completed in October 2021.

We are below the sector average on this metric however the benchmark relates to 2019-20 data which is not a true like for like comparison as most of the year was not impacted by the pandemic.

New supply is forecasted to increase by a further 58 units in 2021-22 including 31 affordable rent, 11 social rent and 16 shared ownership properties. We will continue to seek new opportunities to achieve our development aspirations and have capacity to deliver 400 homes over the next 5 years. This capacity has increased from 237 homes in the previous business plan and this has been possible through refinancing and an increase in our loan facilities which will be available in the first quarter of 2021-22.

Gearing has decreased marginally from 2019-20, this is due to long term loans remaining static, whilst we have increased investment into new homes and regeneration, reducing the ratio. At 25.2%, this is well below the sector average and gives us scope to increase this. Through re-financing, we forecast an increase in 2021-22 to gearing with the additional loan debt. This will allow us to further invest into new homes and regeneration, the financial capacity to meet the decarbonisation targets from 2022-2030 and develop our extensive digitalisation agenda. All of which aims to improve the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels due to more favourable terms of the new loan.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) has reduced as the operating surplus has decreased from 2019-20 by £685,000. This is due to increased operational expenditure across areas such as planned maintenance, regeneration, voids, independent living, and finance. The operating surplus did however overachieve considerably against the budget. This is due largely to underspends across repairs and maintenance, as well as some service costs, impacted in part by the lockdown. As a result of this, the interest cover ratio compares favourably against our target. Interest Cover is expected to fall further next year as we continue to invest in new and existing properties. As described on page 21, new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £3,564 last year to £3,709 this year. This has been due to an increase in the planned maintenance compliance spending, an improved void standard and major regeneration works at Kingsway during 2020-21. Although an increase compared to the prior year, we had targeted a social housing cost per unit of £3,924. This £215 favourable variance highlights various underspends when compared against that budgeted for the year. These largely relate to previously mentioned underspends across planned maintenance compliance, regeneration and internal fabric, in addition to various service costs, all of which have in part been impacted by the lockdown at the beginning of the year. Overall, whilst we have seen a cost per property increase compared to the prior year, this brings us more aligned to sector average spending per unit.

The operating margin has reduced from last year however a reduction in operating surplus was anticipated with the drive to improve our service delivered to tenants. Increased expenditure on a significantly upgraded void standard and further regeneration are examples of this. The loss of service charge income from COVID-19 disruptions has been relatively minor but has further reduced this metric. Although we have managed to achieve target and our budgeted metrics.

The return on capital employed has reduced, again, due to a reduced operating surplus compared to last year. This metric still exceeds target and is in line with the sector. It is forecasted to decrease as it will take time for the investments into new homes and services to be realised and generate greater turnover and cost savings.

We continue to be committed to providing good levels of customer service in, what continues to be, a changing environment. Amplified by the impact of COVID-19 lockdowns, significant investment has already been made in 2020/21 into improving our digital services. This is in order to create a better, more effective service offered to tenants as well as to help reduce costs over the long term and generating efficiencies.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it in order to make informed choices about how resources are effectively channelled towards the delivery of services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan including the financial position after refinancing, includes the delivery of 400 homes over the next 5 years.

The Board scrutinise financial and service delivery performance at each meeting, through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

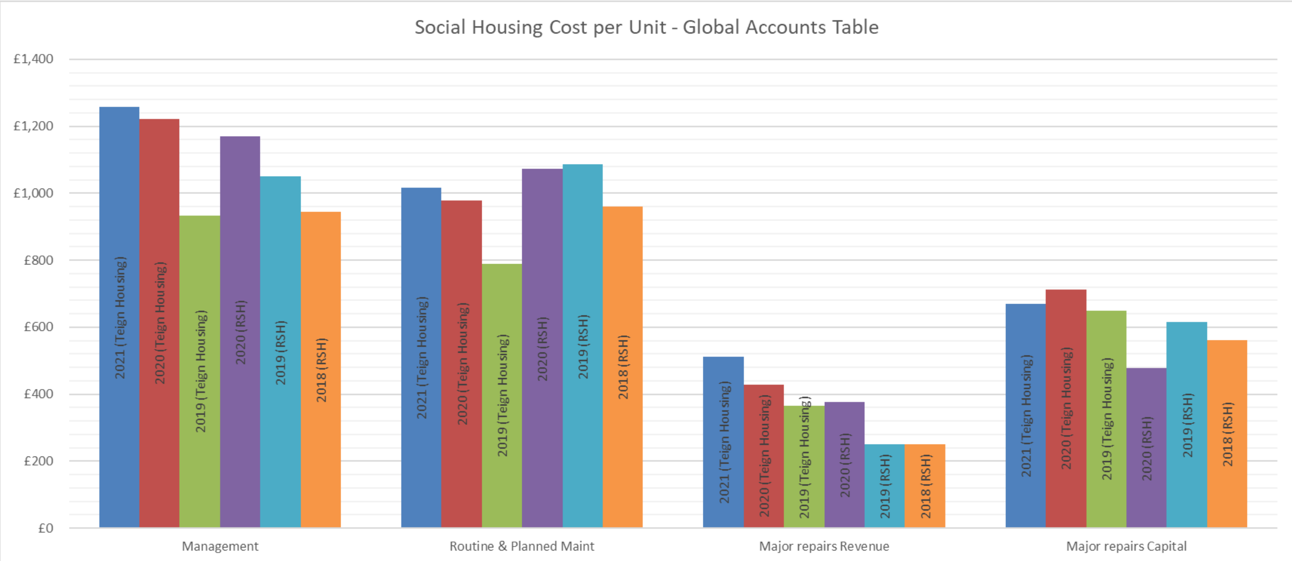
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly treasury report – details of cash flow performance, loans, investments and forecasts
- Quarterly financial framework report - details of financial performance
- Annual report – report sent annually to our tenants
- Quarterly development report – progress of development schemes, comparison to business plan, development cash flows

An evaluation of our costs in comparison to the global accounts is presented below and the figures for Teign Housing have been re-stated in line with the current global accounts format. The latest figures available as a sector comparative are the year ending March 2020.

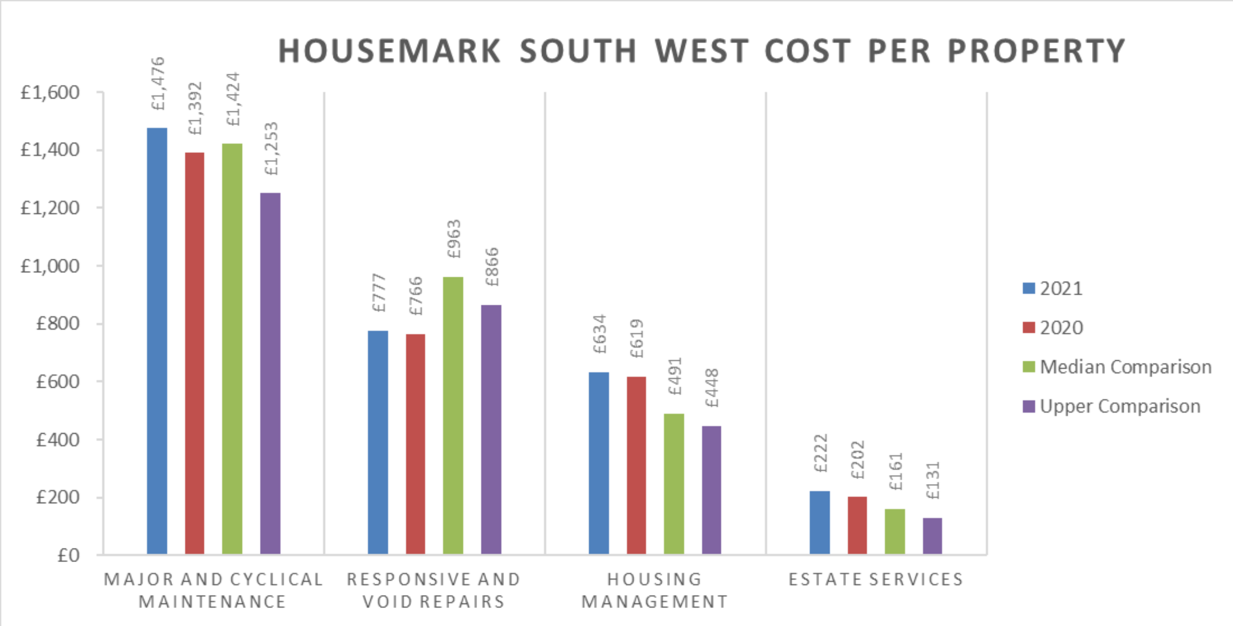
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2020-21 £	2019-20 £	2018-19 £	2020 £	2019 £	2018 £
Expenditure – per Social Housing Property						
Management	1,257	1,222	934	1,169	1,050	944
Routine & Planned Maintenance	1,017	978	790	1,072	1,086	960
Major repairs – Total	1,182	1,142	1,014	855	866	813
Major repairs – Revenue	512	429	365	378	251	251
Major repairs – Capital	670	713	649	477	615	562



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group	Comparison Group
			Median	**Upper**
	2020-21	**2019-20**	**2019-20**	**2019-20**
Department	**£**	**£**	**£**	**£**
Major and Cyclical Maintenance	1,476	1,392	1,424	1,253
Responsive and Void Repairs	777	766	963	866
Housing Management	634	619	491	448
Estate Services	222	202	161	131
No of Properties	3,714	3,691	3,235	1,187



As expected, these two comparisons against RSH global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2020-21 were above that for 2019-20 by an average of 3.4% and the Housemark cost per property shows a 4.4% increase, with there being slight differences in how these are calculated.

Management cost per unit has seen a slight rise from last year and continues to be above the sector average. There are a few areas which have impacted this including an increase in Health & Safety costs. The Health & Safety team was increased from one to two staff members in 2020/21 and in addition to this there has been a large amount of expenditure on PPE due to COVID-19. There have also been general salary cost increases across the company from last year and increase spend on IT largely to help drive our digital agenda. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance have increased from last year and towards the sector average. Again, this finding is similar to the Housemark data, with Teign responsive and void costs increasing but below that of the comparative. This is in part due to the decision to improve the void standard this year, demonstrating our commitment to improve the quality of our stock and providing tenants with an enhanced service. The improved void standard included the provision of carpets in flats to help reduce noise levels, more electrical sockets being installed, painting the property throughout, tiling more areas in the kitchen and bathroom and sometimes supplying white goods if the tenant is facing particular hardship. It is anticipated that by investing more initially and by providing a better quality property from the outset will help to preserve the standard of the property and reduce the repair and maintenance costs over the life of the tenancy and result in a lower turnover of tenants. It is very difficult to measure the success of this in the short term, but we are monitoring this to do some analysis in the future.

Major repairs, both capital and revenue remain above the RSH sector average. Revenue expenditure has increased over the last couple of years, whereas capital spend has reduced in comparison to last year. Similar figures are shown in the Housemark data. The increased major revenue cost per unit is due to regeneration spend at the Rowan Kingsway block. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and therefore contributes to the longer-term improved stock quality. In addition to this is there has been increased expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas, in part to avoid longer term more expensive non-conformance related costs and to keep our residents safe.

This year has seen a decrease to capital major repairs cost per unit. There is some fluctuation in capital expenditure year on year due to the planning of the maintenance programme in order to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future and we maintain a 5 year rolling stock condition survey to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes; this has been reflected in the recent Business Plan approved by the Board in May 2021. We continue to look for opportunities to invest in renewable energy solutions for both our new build and existing homes.

The Asset Management Strategy was reviewed and updated for a 12 month period and approved by the Board in March 2021. A further updated Asset Management and Carbon Reduction Strategy is being developed and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and allows us to proactively manage our planned maintenance programme to drive out maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management software tool continues to improve the knowledge of our housing stock, including neighbourhood mapping and allows us to model the various options to determine the future of the asset.

Below is an extract from the scorecard which presents the company's performance against targets set internally and against targets taken from Housemark data in for the year ended 31 March 2021. Areas have been selected which we believe represents current VFM significance.

Area	2020-21	2019-20	2018-19	Housemark 2019-20 Benchmark	Target 2020-21
Customer satisfaction					
Repairs	96.1%	96.4%	97.4%	94.2%	95.0%
Standard of property at re-let	91.0%	-	-	-	95.0%
Satisfaction with complaints process	50.0%	71.0%	80.0%	55.0%	75.0%
Rent collection & arrears					
Rent collection	100.9%	99.6%	100.0%	100.7%	100.0%
Rent arrears (% of annual debit)	2.5%	2.9%	2.3%	2.3%	3.2%
Void loss & turnaround					
Void losses	0.38%	0.33%	0.44%	0.55%	0.50%
Void turnaround time	25.5 days	20.5 days	20.5 days	22.4 days	23.0 days
Digital agenda					
Total number of tenant portal registrations	487	295	-	-	475
Inbound communication by Webchat	7.7%	1.5%	-	-	-

Although customer satisfaction with repairs has fallen marginally from last year by 0.3%, we do continue to exceed our target for the year and against the Housemark average. We have recently begun collecting more data around satisfaction of the property at the point of re-let. There is little to compare against this year, but we are below our 95% satisfaction target. Satisfaction of the complaints process has fallen to 50%, however this is based on a sample of just 2 respondents and therefore is an unreliable indicator. The number of complaints and respondents to this metric reduced greatly over the past year, we believe this is predominantly due to the lockdown. In order to provide greater satisfaction to tenants moving forward, a number of new steps have been taken. Further investment has been put into the void standard in 2020/21 and into the 2021/22 budget, we therefore would expect for this to improve over time. We have also recruited a resolutions manager to help manage the complaints process. With greater dedication in this area, it is hoped that further investigation and analysis of complaints can lead to improving systems in place, ways of doing things and dealing with the root causes.

Rent collection increased and arrears reduced from the prior year. This is a positive to take forward as there were some expectations that lockdowns and various external factors might negatively affect both of these metrics. We do perform less favourably against the 2019-20 benchmark however this does not take any impact from COVID-19 into account and therefore is not a fair comparison. We have continued to support tenants over the last year, through the process of applying for universal credit and working with them where possible to manage their rent payments. This has helped us to improve performance from last year and exceed our internal targets.

Void losses have increased marginally, likely as a result of an increased void turnaround time. By improving the void standard, this has had an impact on the turnaround time.

Across the organisation we have a strong focus on VfM, and many departments have specific VfM targets. These will be reviewed when an updated VfM strategy is presented to the Board for approval in July 2021. In 2020-21 our VfM focus was on:

Digital

The opportunity to further enhance the digital offering to customers and staff continues to be a vital part our approach to Value for Money into the future. Our Corporate plan has a digital focus and the Digital Strategy approved by the Board in March 2021 sets out our plans and ambitions for the next 3 years.

The periods of lock down, which forced people to work at home where possible has prompted us evaluate the way that we work. In consultation with the employees, we are introducing an agile working policy which will allow continued working from home as well as in the offices, to suit both the needs of the business and the individual employees.

During the year there has been a focus on further developing the Civica Cx housing management system, phase 2 of the project. This has seen the successful introduction of the ASB and Estate modules and enhancements in many other work streams including development, compliance, caretaking and finance. We are heavily involved in the user group which drives forward product enhancements and are a flagship site for the software. This has allowed us to negotiate additional support and training days, free of charge in exchange for sharing our experiences with potential customers. As we are still developing the software, we cannot yet measure the cost savings from using the new software confidently, but we have seen benefits such as the improved accuracy of our data, communications and record keeping.

The senior management team completed a digital leadership course to empower them to develop the strategy, which was presented and approved by the Board in March 2021. Towards the end of the year, the IT team issued new equipment to all employees to allow them to work efficiently at home. Following this the team were then able to begin the Microsoft modernisation program which will give IT users a whole suite of Microsoft products.

There continues to be a drive to enhance use of the Webchat service and use of the CX tenant portal. The webchat service now represents around 8% of inbound communication (up from 2% last year) and the number of tenant portal registrations has increased by 65% from last year.

Health and Safety

The Board approved increased expenditure for Health and Safety over the next two years from 2020-21, totalling £200,000. This includes replacement of fire doors, reviewing evacuation procedures, notices and signage improvements and this work has commenced during the year. This will ensure that we keep customers safe and informed.

There has been an increase in the Health and Safety team with the appointment of a Health and Safety advisor and we have introduced a new software package, SHE Assure to manage health and safety in the organisation.

Welfare Reform

We continue to work with our customers to support them with issues surrounding Universal Credit. The Welfare Reform Action Group continue to meet regularly to share knowledge and best practice to allow us to develop our knowledge and support customers through the changes. We have 3 Head Start Advisors who support our customers with issues such as Universal Credit claims and any grants that they may be entitled to. With a clear focus on tenancy sustainment they consider affordability assessments and checks prior to sign up and then continue to monitor the tenant's payment behaviours during the first 12 months of their tenancy, offering additional support as and when required. This year we supported over 400 tenants and since the service started, we have supported our tenants in achieving over of £200k of financial gains from charitable payments, discretionary housing benefit, income support, employment support allowance and Universal Credit.

Asset Management

Our continued use of Active Asset Management Sustainability software allows us to identify and to dispose of inappropriate and high value assets. We identified a large old, listed property comprising of 9 homes which was not proving efficient in terms of the rent received against the cost of maintaining it. This was placed on the market in early 2020 and was sold in August 2020.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and improves value for money for its members. In 2020-21 the savings delivered through the membership of this consortium total £150,836 and a further £117,518 of RPI avoidance.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on ‘right first time’ generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2020-21 were £357,000. The 2021-22 budget includes a further VAT saving of £430,000.

Voids

In 2020-21 we continue to see a rise in the number properties that are being returned to us in a poor state of repair or that need extensive clearance work. We expected to see a significant increase in the costs of repairing our void properties due to the enhanced void standard that we are offering and whilst the number of voids was lower than expected we have seen a decline in the standard in which they have been returned. The total expenditure was under budget, but we recognise that some earlier intervention and some support for the tenants living in these properties may help to prevent these issues. We analyse the voids properties and their tenants on monthly basis to identify any trends or patterns in order to mitigate these issues.

The new void standard which has been implemented this year has resulted in an increase to the void cost per unit. This, however, includes the property being fully decorated, the installation of more power sockets, enhanced tiling in the kitchen and bathrooms and in some cases floor coverings, curtains or blinds being provided. We also provide some white goods for those most in need. The success of this additional investment in our properties is difficult to gauge after the first year however it is hoped that in the longer term, we will see less tenancy turnover and the properties that are being handed back being in better condition.

Tenants

We continue to actively engage with our tenants and the wider community. We have a Resident Involvement Manager who co-ordinates this and helps us to gauge what it is that tenants’ value and what they expect from us. We have a Tenants’ Forum which due to the pandemic currently meet via Zoom every 6 weeks. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertake regular reviews of our services, from a tenant point of view and provide critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports Teign Housing’s strong ethos towards co-regulation and at their quarterly meetings they focus on areas in relation to the Regulator of Social Housing’s Consumer Standards. These all help to keep Teign Housing connected with its tenants.

Towards the end of the year we appointed a Resolution Officer to coordinate, manage and record any dissatisfaction or complaint about the service we are providing. New policies and procedures have been developed to help employees navigate through the complaints process and deal with any issues efficiently, the data is all now held in the housing management system all of which should provide a higher quality service for our customers.

In 2021-22 as well as the projects above which will continue, our focus will also be on:

Refinancing

The project which began in 2019-20 will be completed in the first quarter of 2021-22. Whilst we will incur significant break costs of £4.13m, both the new revolving credit facility and the long debt are at significantly lower interest rates and carry lower administration costs, meaning that we can borrow an additional £18m with very little change in the costs. The covenants that are attached to these loans are also more favourable than the previous debt, as they do not require major repairs to be included in any interest cover calculations, which gives us greater financial capacity.

Further Improving both our customer and employee experience via digital transactions

We will continue to enhance our digital offering to staff by progressing the Microsoft modernisation project with completion expected in the autumn, we will then begin to plan the next stage of development for the Cx housing management system.

Using data intelligence, we hope to develop customer personas to enable us to communicate with our customers more effectively and to further grow our webchat and portal users. During 2021-22 we will move all our IT infrastructure to the Cloud. Across the organisation we aim to reduce reliance on paper-based systems, looking for opportunities to automate processes and improve efficiency and data accuracy.

Improve our complaints process

The aim of the investment in a dedicated Resolutions Officer is for the organisation to be able to deliver a better service to our customers. We will further enhance our approach to complaints and co-develop processes with our customers.

Develop more affordable homes

We aim to increase the scale of the development programme, whilst ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. We continue to review our land and properties for redevelopment opportunities. Ultimately this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or to build more new homes.

Reduce our carbon emissions and improve the environment and reduce the costs of living in our homes

We will strive to deliver the actions which have been set out in the Carbon Reduction strategy, we will create an action plan which will be frequently reviewed, given that the Government's carbon reduction agenda is constantly changing. We will begin to work towards our target of reducing carbon emissions by 20% over the next 3 years.

Improve cash flow by increasing the collection of non-rent debt

We will be making some modest investments in our credit control function in order to improve the performance and the collection rates, as well as providing a better quality service to our customers. We have recently developed a new process for rechargeable repairs, and we will be more proactive rather than reactive through the debt chasing process.

Teigncare

We aim to make the financial administration of the Teigncare service more efficient by firstly managing all the customer accounts on the housing management system and secondly by introducing a managed direct debit service. As well as this saving on processing time and making our data more accurate, it will also give the customer access to their account online and the choice of which day to pay their direct debit, as this is currently restricted. It will also be possible to set up a direct debit over the phone, which is not currently possible.

All of this continues to allow us to have a strong business plan that can manage the impact of costs increases which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Regulatory Judgement

During the year Teign was subject to an In Depth Assessment by the Regulator of Social Housing and on 31st March 2021 the results were published with the company maintaining the rating of G1,V1.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company's objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve their effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.

The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Financial Regulations
- Authorisation controls
- Access controls
- Exception reports
- Cash receipting procedures

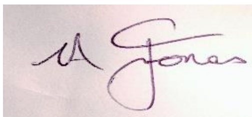
Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 24 June 2021. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.

The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2021 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 24 June 2021 and signed on its behalf by:



Andrew Jones

Chair of the Board

The Directors present their Directors report for the year ending 31 March 2021.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

The directors who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Compliance

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors Responsibilities

The directors are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

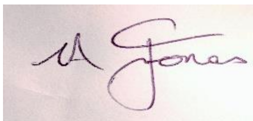
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards 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 company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 24 June 2021 and signed on its behalf by:



Andrew Jones
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 Group and parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's and the parent Company'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 Group or the parent Company or to cease operations, or has 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

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

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 25 August 2021

Statement of Comprehensive Income

	Note	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Turnover	2	**19,864**	19,905	**19,820**	20,007
Cost of sales	2	**(632)**	(954)	**(632)**	(954)
Operating expenditure	2	**(13,525)**	(12,694)	**(13,493)**	(12,806)
Gain on disposal of property, plant and equipment	2	**262**	577	**262**	577
Gain on revaluation of investment properties	2	**180**	-	**180**	-
Operating surplus	2	**6,149**	6,834	**6,137**	6,824
Interest receivable	4	**6**	63	**18**	73
Interest and financing costs	5	**(2,684)**	(2,466)	**(2,684)**	(2,466)
Surplus before tax		**3,471**	4,431	**3,471**	4,431
Taxation	7	-	-	-	-
Surplus for the year after tax		**3,471**	4,431	**3,471**	4,431
		3,471	4,431	**3,471**	4,431
Other Comprehensive Income					
SHPS - Actuarial (loss)/gain in respect of pension schemes	19	**(850)**	622	**(850)**	622
LGPS - Actuarial gain in respect of pension schemes	19	**86**	65	**86**	65
Total		**(764)**	**687**	**(764)**	**687**
Total comprehensive income for the year		**2,707**	**5,118**	**2,707**	**5,118**

The financial statements on pages 31 to 72 were approved and authorised for issue by the Board on 24 June 2021 and were signed on its behalf by:

Helen Hilditch
Company Secretary

Andrew Jones
Chair of the Board

Angela Edwards Jones
Director

The results relate wholly to continuing activities and the notes on pages 35 to 72 form an integral part of these accounts.

Statement of Financial Position

	Note	**Group At 31-Mar-21 £'000**	Group At 31-Mar-20 £'000	**Association At 31-Mar-21 £'000**	Association At 31-Mar-20 £'000
Fixed Assets					
Intangible Assets	8	**472**	509	**472**	509
Tangible Assets	9	**142,492**	137,800	**142,492**	137,800
Investment Properties	10	**580**	400	**580**	400
		143,544	138,709	**143,544**	138,709
Current Assets					
Stock	11	**743**	923	**743**	923
Trade and other debtors	12	**1,476**	1,753	**1,962**	2,312
Cash and cash equivalents	13	**11,421**	11,357	**11,195**	11,146
		13,640	14,033	**13,900**	14,381
Less creditors: amounts falling due within one year	14	**(5,046)**	(3,769)	**(5,306)**	(4,117)
Net Current Assets		**8,594**	**10,264**	**8,594**	**10,264**
Total assets less current liabilities		**152,138**	148,973	**152,138**	148,973
Creditors: amounts falling due after more than one year	15	**(53,805)**	(54,046)	**(53,805)**	(54,046)
Provisions for Liabilities					
Pension Liability	19	**(1,779)**	(1,080)	**(1,779)**	(1,080)
Total Net Assets		**96,554**	**93,847**	**96,554**	**93,847**
Reserves					
Income and Expenditure reserve		**66,145**	62,061	**66,145**	62,061
Revaluation reserve		**30,409**	31,786	**30,409**	31,786
Total Reserves		**96,554**	93,847	**96,554**	93,847

These financial statements on pages 31 to 72 were approved and authorised for issue by the Board 24 June 2021 and were signed on its behalf by:

Helen Hilditch
Company Secretary

Andrew Jones
Chair of the Board

Angela Edwards-Jones
Director

The notes on pages 35 to 72 form an integral part of these accounts.

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2019	**56,849**	**31,849**	**88,698**
Surplus from Statement of Comprehensive Income	4,431	-	4,431
Actuarial gain relating to the year	687	-	687
Transfer from revaluation reserve to income and expenditure reserve	94	(94)	-
Revaluation Reserve Adjustment	-	31	31
Balance at 31st March 2020	**62,061**	**31,786**	**93,847**
Surplus from Statement of Comprehensive Income	3,471	-	**3,471**
Actuarial (loss) relating to the year	(764)	-	**(764)**
Transfer from revaluation reserve to income and expenditure reserve	1,377	(1,377)	-
Balance at 31st March 2021	**66,145**	**30,409**	**96,554**

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2019	**56,849**	**31,849**	**88,698**
Surplus from Statement of Comprehensive Income	4,431	-	4,431
Actuarial gain relating to the year	687	-	687
Transfer from revaluation reserve to income and expenditure reserve	94	(94)	-
Revaluation Reserve Adjustment	-	31	31
Balance at 31st March 2020	**62,061**	**31,786**	**93,847**
Surplus from Statement of Comprehensive Income	3,471	-	**3,471**
Actuarial (loss) relating to the year	(764)	-	**(764)**
Transfer from revaluation reserve to income and expenditure reserve	1,377	(1,377)	-
Balance at 31st March 2021	**66,145**	**30,409**	**96,554**

The notes on pages 35 to 72 form an integral part of these accounts.

Consolidated Statement of Cash Flows

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Surplus for the year after tax	**3,471**	**4,431**
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	**(262)**	**(577)**
Interest receivable	**(6)**	**(63)**
Interest and financing costs	**2,684**	**2,466**
	2,416	**1,826**
Adjustments for non-cash items:		
Depreciation	**2,162**	**1,886**
Impairment of Fixed assets	**-**	**139**
Government grant utilised in the year	**(74)**	**(71)**
Decrease in stock	**180**	**186**
(Increase) in Investment properties	**(180)**	**-**
Decrease/(Increase) in trade and other debtors	**277**	**(1,001)**
Increase in trade and other creditors	**1,252**	**591**
Pension costs less contributions payable	**(88)**	**(39)**
	3,529	**1,690**
Net cash generated from operating activities	**9,416**	**7,948**
Cash flow from investing activities		
Capital expenditure on housing properties	**(7,119)**	**(11,376)**
Net proceeds on sale of housing properties	**980**	**1,029**
Purchase of other fixed assets and intangible assets	**(252)**	**(119)**
Government grant received	**278**	**299**
Interest received	**6**	**63**
Net cash used in investing activities	**(6,107)**	**(10,104)**
Cashflow from financing activities		
Interest paid	**(3,245)**	**(2,666)**
Net cash used in financing activities	**(3,245)**	**(2,666)**
Net change in cash and cash equivalents	**64**	**(4,822)**
Cash and cash equivalents at beginning of year	**11,357**	**16,179**
Cash and cash equivalents at year end	**11,421**	**11,357**

The notes on pages 35 to 72 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2021.

Parent company disclosure exemptions

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

- No cash flow statement has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

1 Principal Accounting Policies cont'd

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The impact of the Covid-19 pandemic continues to be monitored and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind and no significant concerns were noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a. **Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b. **Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.

c. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. **Provision for bad debts.** A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

1 Principal Accounting Policies cont'd

g. **Valuation of investment properties.** Investment properties are included at the fair value each year and a professional revaluation has been undertaken. The revaluation has shown an increase in the market value of £180k from the value held in the accounts at 31 March 2020. This increased value has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover comprises primarily of rental income receivable from tenants and leaseholders. The following items are also included within the Turnover figure:

- other services supplied excluding VAT,
- Income from property sales, including Shared Ownership and tenants exercising their "Right to Buy" their home
- Amortised capital grant

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual's basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.
The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

Investment property includes commercial properties not held for the social benefit of the company. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1 Principle Accounting Policies cont'd.

Social Housing Grant (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (excluding land), under the accruals model.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

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

Group	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus	Turnover	Cost of sales	Operating expenditure	2020 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	**18,063**	**-**	**(12,906)**	**5,157**	17,549	-	(12,279)	5,270
Other social housing activities								
Teigncare alarm services	**203**	**-**	**(154)**	**49**	206	-	(180)	26
Other services	**300**	**-**	**(320)**	**(20)**	168	-	(111)	57
First tranche low cost home ownership sales	**955**	**(632)**	**-**	**323**	1,618	(954)	-	664
Activities other than social housing								
Other activities (note 2b)	**343**	**-**	**(145)**	**198**	364	-	(124)	240
Total	**19,864**	**(632)**	**(13,525)**	**5,707**	19,905	(954)	(12,694)	6,257
Gain on disposal of property, plant and equipment (note 2c)				**262**				577
Gain on revaluation of investment properties				**180**				-
Operating surplus				**6,149**				6,834

2 Turnover, cost of sales, operating expenditure and operating surplus cont'd.

Association	**Turnover**	**Cost of sales**	**Operating expenditure**	**2021 Operating surplus**	Turnover	Cost of sales	Operating expenditure	2020 Operating surplus
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	**18,063**	**-**	**(13,002)**	**5,061**	17,549	-	(12,382)	5,167
Other social housing activities								
Teigncare alarm services	**203**	**-**	**(154)**	**50**	206	-	(180)	26
Other services	**214**	**-**	**(192)**	**22**	270	-	(120)	150
First tranche low cost home ownership sales	**955**	**(632)**	**-**	**323**	1,618	(954)	-	664
Activities other than social housing								
Other activities (note 2b)	**384**	**-**	**(145)**	**239**	364	-	(124)	240
Total	**19,820**	**(632)**	**(13,493)**	**5,695**	20,007	(954)	(12,806)	6,247
Gain on disposal of property, plant and equipment (note 2c)				**262**				577
Gain on revaluation of investment properties				**180**				-
Operating surplus				**6,137**				6,824

2a Income and expenditure from social housing lettings

Group	General needs	Housing for older people	Low cost home ownership	Other	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	12,062	4,256	358	1	16,677	16,218
Service charge income	380	585	14	46	1,025	1,038
Amortised government grants	74	-	-	-	74	70
Furlough income	20	8	-	1	29	-
Other income from social housing lettings	86	147	-	25	258	223
Turnover from social housing lettings	12,622	4,996	372	73	18,063	17,549
Operating expenditure						
Management	(3,142)	(1,499)	(11)	(20)	(4,672)	(4,512)
Service charge costs	(313)	(205)	(17)	(26)	(561)	(614)
Routine maintenance	(1,982)	(800)	(33)	(131)	(2,946)	(2,730)
Planned maintenance	(507)	(193)	(18)	(40)	(758)	(814)
Major repairs expenditure	(1,305)	(439)	(39)	(94)	(1,877)	(1,550)
Bad debts	(24)	(9)	-	-	(33)	(137)
Depreciation of housing properties	(1,280)	(495)	(51)	(100)	(1,926)	(1,652)
Amortisation	(88)	(34)	(4)	(7)	(133)	(131)
Impairment of housing properties	-	-	-	-	-	(139)
Operating expenditure on social housing lettings	(8,641)	(3,674)	(173)	(418)	(12,906)	(12,279)
Operating surplus on social housing lettings	3,981	1,322	199	(345)	5,157	5,270
Void losses	(58)	(27)	-	-	(85)	(66)

2a Income and expenditure from social housing lettings cont'd.

Association	**General needs**	**Housing for older people**	**Low cost home ownership**	**Other**	**Total 2021**	**Total 2020**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Income						
Rent receivable, net of identifiable service charge and voids	12,062	4,256	358	1	16,677	16,218
Service charge income	380	585	14	46	1,025	1,038
Amortised government grants	74	-	-	-	74	70
Furlough income	20	8	-	1	29	-
Other income from social housing lettings	86	147	-	25	258	223
Turnover from social housing lettings	12,622	4,996	372	73	18,063	17,549
Operating expenditure						
Management	(3,142)	(1,499)	(11)	(18)	(4,670)	(4,512)
Service charge costs	(313)	(205)	(17)	(26)	(561)	(617)
Routine maintenance	(2,024)	(818)	(34)	(134)	(3,010)	(2,787)
Planned maintenance	(513)	(195)	(18)	(41)	(767)	(824)
Major repairs expenditure	(1,327)	(441)	(39)	(95)	(1,902)	(1,582)
Bad debts	(24)	(9)	-	-	(33)	(138)
Depreciation of housing properties	(1,280)	(495)	(51)	(100)	(1,926)	(1,652)
Amortisation	(88)	(34)	(4)	(7)	(133)	(131)
Impairment of housing properties	-	-	-	-	-	(139)
Operating expenditure on social housing lettings	(8,711)	(3,696)	(174)	(421)	(13,002)	(12,382)
Operating surplus on social housing lettings	3,911	1,300	198	(348)	5,061	5,167
Void losses	(58)	(27)	-	-	(85)	(66)

2b Turnover from activities other than social housing

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Garage lettings	**299**	319	**299**	319
Commercial property lettings	**44**	45	**44**	45
Gift Aid Donation	-	-	**41**	-
	343	364	**384**	364

2c Gain on disposal of assets

Group and Association	**Right to Buy Sales** £'000	**Low Cost Home Ownership** £'000	**Open Market Sales** £'000	**Other Disposals** £'000	**Total 2021 £'000**	Total 2020 £'000
Proceeds of sales	1,042	124	650	(1)	**1,814**	1,597
Less: Costs of sales	(362)	(81)	(314)	-	**(757)**	(419)
Amount payable to Teignbridge District Council	(796)	-	-	-	**(796)**	(601)
Gain/(Loss)	**(116)**	**43**	**336**	**(1)**	**262**	577

3 Directors' emoluments, key management personnel & employee information

	2021	2020
	£'000	£'000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors	**33**	**35**
The aggregate emoluments paid to or receivable by executive Directors and former Directors	**136**	**132**
	169	**167**
The emoluments paid to the highest paid Director excluding pension contributions	**129**	**126**
The aggregate amount of Directors or past Directors' pensions, excluding amounts payable under a property funded pension scheme	**-**	-

The number of full time equivalent staff whose remuneration payable fell within bands of:	**Group**	Group	**Association**	Association
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
£60,000 to £69,999	**2**	2	**2**	2
£70,000 to £79,999	**3**	2	**2**	2
£80,000 to £89,999	**-**	1	**-**	-
£90,000 to £99,999	**-**	-	**-**	-
£100,000 to £109,999	**-**	-	**-**	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	**-**	-	**-**	-
£130,000 to £139,999	**1**	1	**1**	1

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £7,627 (2019/20: £5,945) was paid in addition to the personal contributions of the Chief Executive.

Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee Information

The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:	**Group 2021**	Group 2020	**Association 2021**	Association 2020
Office staff	**88**	87	**77**	75
Wardens, caretakers and cleaners	**16**	13	**16**	13
Maintenance staff	**45**	42	**-**	-
	149	142	**93**	88

Staff costs (for the above employees)	**Group 2021 £'000**	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Wages and salaries	**4,566**	4,230	**2,895**	2,608
Social Security costs	**441**	404	**265**	238
Other Pension costs	**268**	232	**221**	189
Non Executive Director Wages and salaries	**33**	35	**33**	35
	5,308	4,901	**3,414**	3,070

4 Finance income and other income

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Bank finance income	**6**	63	**6**	63
Interest received from Group entities	-	-	**12**	10
	6	63	**18**	73

5 Finance costs and similar charges

	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Lease finance costs	**6**	6	**6**	6
On loans wholly or partly repayable in more than five years	**2,158**	2,565	**2,158**	2,565
FRS 102 fair value adjustment	**18**	26	**18**	26
Costs associated with financing	**643**	8	**643**	8
Net interest on the defined liability	**23**	40	**23**	40
Less finance costs capitalised on housing properties under construction	**(164)**	(179)	**(164)**	(179)
Charged to income and expenditure account	**2,684**	2,466	**2,684**	2,466

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	Group 2021 £'000	Group 2020 £'000	Association 2021 £'000	Association 2020 £'000
Depreciation of housing properties	**1,926**	1,648	**1,926**	1,648
Depreciation of other fixed assets	**103**	107	**103**	107
Amortisation of intangible fixed assets	**133**	131	**133**	131
Operating lease rentals (land and buildings)	-	-	-	-
Operating lease rentals (other)	-	2	-	2
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	**26**	16	**26**	16
- Audit of subsidiaries	**1**	1	-	-
- Other service	**3**	2	**2**	2
Amortisation of government grant	**(74)**	(70)	**(74)**	(70)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

Analysis of charge/(credit) for the year	**Group 2021 £'000**	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Current tax				
UK corporation tax at 19% (2019/20: 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Total current tax charge/(credit)	-	-	-	-
Deferred tax				
Total deferred tax charge/(credit)	-	-	-	-
Tax on surplus on ordinary activities	-	-	-	-
Reconciliation of tax charge				
Surplus on ordinary activities before taxation	**3,471**	4,431	**3,471**	4,431
Tax on surplus at standard corporation tax rate of 19% (2019/20: 19%)	**659**	842	**659**	842
Effects of:				
Non-taxable surplus on charitable activities	**(659)**	(842)	**(659)**	(842)
Expenses not deductible for tax purposes	-	-	-	-
Non trade charges utilised in period	-	-	-	-
Tax charge/(credit) for the year	-	-	-	-

8 Intangible assets - IT software

	2021
	£'000
Cost	
At 1st April 2020	907
Additions	96
Disposals	-
At 31st March 2021	**1,003**
Amortisation	
At 1st April 2020	(398)
Charge for year	(133)
Disposals	-
At 31st March 2021	**(531)**
Net book value	
At 31st March 2021	**472**
At 31st March 2020	509

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for letting under construction	Low cost home ownership properties completed	Low cost home ownership properties under construction	**Total housing properties**	Land	IT equipment	Office	Supported Housing equipment	Fixtures, fittings & other equipment	Motor Vehicles	**Total fixed assets**
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost												
At 1st April 2020	132,518	5,154	6,990	1,332	**145,994**	65	193	1,176	222	234	81	**147,966**
Additions	2,488	3,542	-	1,943	**7,972**	-	92	-	-	34	30	**8,129**
AUC Transfers	3,798	(3,798)	1,864	(1,864)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(690)	**(690)**	-	-	-	-	-	-	**(690)**
Disposals	(671)	-	(83)	-	**(754)**	-	(2)	-	-	-	(9)	**(766)**
At 31st March 2021	**138,133**	**4,898**	**8,771**	**721**	**152,523**	**65**	**283**	**1,176**	**222**	**268**	**102**	**154,639**
Depreciation & Impairment												
At 1st April 2020	(9,209)	(139)	(203)	-	**(9,551)**	-	(150)	(92)	(144)	(179)	(50)	**(10,166)**
Charge for the year	(1,871)	-	(55)	-	**(1,926)**	-	(29)	(15)	(29)	(13)	(17)	**(2,029)**
Disposals	40	-	2	-	**42**	-	-	-	-	-	6	**48**
At 31st March 2021	**(11,040)**	**(139)**	**(256)**	-	**(11,435)**	-	**(179)**	**(107)**	**(173)**	**(192)**	**(61)**	**(12,147)**
Net book Value												
At 31st March 2021	**127,093**	**4,759**	**8,515**	**721**	**141,088**	**65**	**104**	**1,069**	**49**	**76**	**41**	**142,492**
At 31st March 2020	123,309	5,015	6,787	1,332	136,443	65	43	1,084	78	55	32	137,800

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association Social Housing Accommodation	2020 Opening Balance	Started in Year	Completed in Year	Delayed	2021 Closing Balance
Under development					
General needs housing	99	-	31	32	36
Social Rent	*17*	-	*6*	-	*11*
Affordable Rent	*82*	-	*25*	*32*	*25*
Low cost home ownership	38	-	14	10	14
	137	-	45	42	50

	2020 Opening Balance	Completed in Year	Disposed in Year	2021 Closing Balance
Under managemement at end of year				
General needs housing	2,602	31	20	2,613
Social Rent	*2,396*	6	*20*	2,382
Affordable Rent	*206*	25	-	231
Supported housing and housing for older people	996	-	-	996
Low cost home ownership	93	14	2	105
	3,691	45	22	3,714
	3,828			3,764
Social Housing Accommodation				
Managed for others at end of year	32	0	3	29
	32			29

The value of property additions includes £164,000 of capitalised finance costs (2019-20: £179,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £1,063,000 (2019-20: £899,000). The average rate of finance costs is 4.22% (2019-20: 4.27%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Properties valued annually for funding commitments at 31 March 2021 equated to £71.9m (1,533 properties) and properties valued triennially for funding commitments at 31 March 2021 equated to £61.7m (1,916 properties) in total 3,449 properties. There are 265 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £8,152,000 (2019-20: £7,964,000). Of this £2,488,000 was capitalised under the SORP 2018 (2019-20 £2,571,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2021 was £34,391,400 (2019-20: £34,281,000).

10 Investment properties held for letting

Group and Association	2021 £'000
Cost	
At 1st April 2020	400
Gain from adjustment in value	180
At 31st March 2021	**580**

Investment properties were re-valued at 31 March 2021 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value.

11 Stock

Group and Association	2021 £'000	2020 £'000
Properties held for sale		
Low cost home ownership properties		
Completed	58	31
Under construction	685	892
	743	923

There are 14 low cost home ownership properties under construction and 2 properties completed and available for sale at 31 March 2021.

12 Trade and other debtors

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Arrears of rent and service charges	**617**	774	**617**	774
Provision for bad and doubtful debts	**(318)**	(331)	**(318)**	(331)
	299	443	**299**	443
Prepayments and accrued income	**977**	678	**1,074**	731
Other trade receivables	**200**	632	**189**	638
Amounts owed by subsidiary undertakings	-	-	**400**	500
Amounts due in less than one year	**1,476**	1,753	**1,962**	2,312

13 Cash and cash equivalents

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Short term deposits	**1,012**	1,012	**1,012**	1,012
Cash at bank	**10,409**	10,345	**10,183**	10,134
	11,421	11,357	**11,195**	11,146

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as working capital for the company.

14 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Trade payables	**1,149**	173	**1,178**	158
Accruals and deferred income	**1,134**	903	**1,132**	903
Rent and service charges paid in advance	**806**	699	**806**	699
Right to Buy sharing agreement (see below)	**796**	600	**796**	600
Amounts owed to subsidiary	-	-	**289**	431
Other creditors	**930**	1,122	**914**	1,095
Deferred capital grant (note 15b)	**76**	73	**76**	73
VAT creditor	**6**	10	**6**	10
Income Tax (PAYE) and National Insurance	**111**	109	**71**	68
Lease obligations	**38**	80	**38**	80
	5,046	3,769	**5,306**	4,117

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council.

15 Creditors: amounts falling due after more than one year

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Bank loans (note 15a)	**46,942**	47,358	**46,942**	47,358
Lease obligations	-	34	-	34
Deferred capital grant (note 15b)	**6,833**	6,637	**6,833**	6,637
Recycled Capital Grant Fund (note 15c)	**6**	1	**6**	1
Sinking Fund (Haldon)	**24**	16	**24**	16
	53,805	54,046	**53,805**	54,046

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	**39,942**	40,358	**39,942**	40,358
Variable rate loans				
Within one year	-	-	-	-
2 to 5 years	**3,500**	3,500	**3,500**	3,500
In 5 years or more	**3,500**	3,500	**3,500**	3,500
	46,942	47,358	**46,942**	47,358

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs, from 1.99% to 6.77%.

The average rates of finance costs on the loans outstanding at 31 March 2021 were:

Fixed rate loans	6.21%	(2019-20: 6.21%)
Variable rate loans	2.00%	(2019-20: 2.57%)

At 31 March the Group and Association also had the following undrawn loan facilities:

	2021 £'000	2020 £'000
Undrawn facilities (Barclays)	**13,500**	13,500
	13,500	13,500

The Barclays Revolving Credit facility (£13.5m) was rescinded in April 2021 and was replaced with a £20m Revolving credit facility with the Nationwide which remains undrawn. The remainder of the Barclays debt (£21.5m) will be repaid in early 2021-22 and replaced with a £33m loan issued by bLEND PLC.

15b Deferred capital grant

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
At start of the year	**6,710**	6,436	**6,710**	6,436
Received during the year	**278**	344	**278**	344
Grants recycled on disposals to RCGF	**(5)**	-	**(5)**	-
Released to income during the year	**(74)**	(70)	**(74)**	(70)
	6,909	6,710	**6,909**	6,710
Amount due to be released < 1 year	**(76)**	(73)	**(76)**	(73)
Amount due to be released > 1 year	**6,833**	6,637	**6,833**	6,637

The total accumulated government grant and financial assistance received or receivable at 31 March 2021 is £7,558k (2019-20: £7,285k), of which, £6,909k (2019-20: £6,710k) is included as deferred capital grant and £649k (2019-20: £575k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group 2021 £'000	Group 2020 £'000	**Association 2021 £'000**	Association 2020 £'000
At 1 April 2020	**1**	47	**1**	47
Inputs to RCGF:				
Grants recycled	**5**	(46)	**5**	(46)
At 31 March 2021	**6**	1	**6**	1
Due in more than one year	6	1	6	1
	6	1	**6**	1

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases. Compared to last year, the photocopier lease is now treated as a finance lease and the water cooler contract has now ended.

	2021	2020
	£'000	£'000
Land and buildings:		
Not later than one year	**-**	-
Later than one year and not later than five years	**-**	-
Others:		
Not later than one year	**-**	2
Later than one year and not later than five years	**-**	1
	-	3

The lease agreements do not include any contingent rent or restrictions

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2021 the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2021	2020
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**8,358**	9,376
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**13,525**	5,872
	21,883	15,248

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2021	2020
	£'000	£'000
Proceeds from sale of shared ownership properties	**2,460**	1,749
Uncommitted loan facilities	**19,423**	13,499
	21,883	15,248

The new revolving credit facility provided by Nationwide (£20,000,000), which was secured on 18 April 2021, will fund the £19,423,000 of committed development expenditure.

19 Pensions Liability

Total Pensions Liability	**2021**	**2020**
	£'000	£'000
SHPS	1,268	522
LGPS	511	558
Total	**1,779**	**1,080**

(a) Social Housing Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2021	2020
	£'000	£'000
Fair value of plan assets	**4,094**	3,504
Present value of defined benefit obligation	**(5,362)**	(4,026)
(Deficit) in plan	**(1,268)**	(522)
Unrecognised surplus	**-**	-
Defined benefit (liability)	**(1,268)**	(522)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021	2020
	£'000	£'000
Defined benefit obligation at start of period	**4,026**	4,524
Current service cost	**20**	31
Expenses	**5**	4
Interest expense	**95**	107
Member contributions	**38**	32
Actuarial (gains) losses due to scheme experience	**(82)**	60
Actuarial losses (gains) due to changes in demographic assumptions	**19**	(39)
Actuarial losses (gains) due to changes in financial assumptions	**1,303**	(619)
Benefits paid and expenses	**(62)**	(74)
Defined benefit obligation at end of period	**5,362**	4,026

Reconciliation of opening and closing balances of the fair value of plan assets

	2021	2020
	£'000	£'000
Fair value of plan assets at start of period	**3,504**	3,325
Interest income	**84**	80
Experience on plan assets (excluding amounts included in interest income) - gain	**390**	24
Employer contributions	**140**	117
Member contributions	**38**	32
Benefits paid and expenses	**(62)**	(74)
Fair value of plan assets at end of period	**4,094**	3,504

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £474,000 (2020: £104,000).

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	2021	2020
	£'000	£'000
Current service cost	**20**	31
Expenses	**5**	4
Net interest expense	**11**	27
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	**36**	62

Defined benefit costs recognised in other comprehensive income (OCI)

	2021	2020
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	**390**	24
Experience gains and losses arising on the plan liabilities - gain (loss)	**82**	(60)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) gain	**(19)**	39
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) gain	**(1,303)**	619
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) gain	**(850)**	622
Total amount recognised in Other Comprehensive Income - (loss) gain	**(850)**	622

Assets

	2021	2020
	£'000	£'000
Global Equity	**653**	512
Absolute Return	**226**	183
Distressed Opportunities	**118**	67
Credit Relative Value	**129**	96
Alternative Risk Premia	**154**	245
Fund of Hedge Funds	**-**	2
Emerging Markets Debt	**165**	106
Risk Sharing	**149**	118
Insurance-Linked Securities	**98**	108
Property	**85**	77
Infrastructure	**273**	261
Private Debt	**98**	71
Opportunistic Illiquid Credit	**104**	85
High Yield	**123**	-
Opportunistic Credit	**112**	-
Corporate Bond Fund	**242**	200
Liquid Credit	**49**	1
Long Lease Property	**80**	61
Secured Income	**170**	133
Liability Driven Investment	**1,041**	1,163
Net Current Assets	**25**	15
Total assets	**4,094**	3,504

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	2021	2020
	£'000	£'000
Discount Rate	2.21%	2.35%
Inflation (RPI)	3.22%	2.55%
Inflation (CPI)	2.87%	1.55%
Salary Growth	3.87%	2.55%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	2021 **Life expectancy at age 65 (Years)**	2020 **Life expectancy at age 65 (Years)**
Male retiring in 2021 (2020)	21.6	21.5
Female retiring in 2021 (2020)	23.5	23.3
Male retiring in 2041 (2040)	22.9	22.9
Female retiring in 2041 (2040)	25.1	24.5

19 Pensions cont'd

(b) Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Devon County Council. The total contributions made for the year ended 31 March 2021 were £52,385, of which employer's contributions totalled £40,202 and employees' contributions totalled £12,185. The agreed contribution rates for future years are 23% for employers and range from 6.5% to 8.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2021 by a qualified independent actuary.

	At 31 March 2021	At 31 March 2020
Rate of increase in salaries	**3.90%**	2.95%
Rate of increase for pensions in payment / inflation	**2.90%**	1.95%
Discount rate for scheme liabilities	**1.95%**	2.35%
Inflation assumption (CPI)	**2.90%**	1.95%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2021	At 31 March 2020
	Years	Years
Retiring today		
Males	**22.6**	22.9
Females	**23.9**	24.1
Retiring in 20 years		
Males	**24.0**	24.3
Females	**25.4**	25.5

Analysis of the amount charged to operating expenditure in the Statement of Total Comprehensive Income

	2021	2020
	£'000	£'000
Employer service cost (net of employee contributions)	**(62)**	(79)
Administration expenses	**(5)**	(6)
Total operating charge	**(67)**	(85)
Analysis of pension finance costs		
Net Interest on the defined liability	**(12)**	(13)
Amounts charged to financing costs	**(12)**	(13)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gain recognised	**86**	65

Movement in (deficit) during year

	2021	2020
	£'000	£'000
Deficit in scheme at 1 April	**(558)**	(567)
Movement in year:		
Employer service cost (net of employee contributions)	**(62)**	(79)
Employer contributions	**40**	42
Net interest/return on assets	**1,558**	(784)
Re-measurements	**(1,662)**	672
Change in demographic assumptions	**79**	21
Other actuarial gains	**99**	143
Administration expenses	**(5)**	(6)
Deficit in scheme at 31 March	**(511)**	(558)

Asset and Liability Reconciliation

	2021	2020
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	**7,439**	8,196
Service cost	**62**	79
Interest cost	**172**	190
Employee contributions	**12**	14
Re-measurements	**1,662**	(672)
Change in demographic assumptions	**(79)**	(21)
Experience gain on defined benefit obligation	**(99)**	(127)
Benefits paid	**(241)**	(220)
Liabilities at end of period	**8,928**	7,439

Reconciliation of assets	**2021**	2020
	£'000	£'000
Assets at start of period	**6,881**	7,629
Return on plan assets less interest	**1,570**	(771)
Interest on Assets	**160**	177
Other actuarial gains	**-**	16
Administration expenses	**(5)**	(6)
Employer contributions	**40**	42
Employee contributions	**12**	14
Benefits paid	**(241)**	(220)
Assets at end of period	**8,417**	6,881

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

Transactions with Templer HomeBuild Limited	**2021** **£'000**	2020 £'000
Gift aid distribution	**41**	66
Management & administration	**38**	37
Loan interest	**12**	10
Loan repayments received	**900**	600
	991	713

Payable to non-regulated subsidiaries from the company

Transactions with Templer HomeBuild Limited	**2021** **£'000**	2020 £'000
Property services provided	**1,880**	1,961
Loans to Subsidiary	**800**	800
	2,680	2,761

21 Consolidated structure and investment

On 17 October 2005 Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on the 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £41,000 (2020: £66,000) and had net assets of nil (2020: Nil).

22 Low cost home ownership – buyback liability

Teign Housing has two low cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

<u>10 Lonsee Gardens</u>
Sale date – 23rd November 2010
Share percentage bought – 35%
Price of percentage bought - £53,235
Original 100% market value as stated in the Lease - £152,100
The property/shares were transferred to a new shared owner on 21st November 2013.
The 100% market value on 21st November 2013 was £145,000

<u>12 Lonsee Gardens</u>
Sale date – 1st October 2010
Share percentage bought – 25%
Price of percentage bought - £37,537.50
Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,357	64	-	11,421
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(47,358)	-	416	(46,942)
	(36,001)	**64**	**416**	**(35,521)**

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,146	49	-	11,195
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(47,358)	-	416	(46,942)
	(36,212)	**49**	**416**	**(35,747)**