Teign Housing

Report and financial statements
Reporting date 31 March 2022

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	Board Meeting Attendance (5 meetings)
Andrew Jones (Chair of Board)	5
Angie Edwards-Jones (Chair of Audit)	4
Maureen Robinson	5
James O'Dwyer (Retired 04/11/2021)	2
Mary Bennell (Resigned 12/05/2021)	0
Stephen Cook	4
Stuart Davies	5
Stephen Higginson (Appointed 29/07/2021)	4
Joanna Davoile (Appointed 04/11/2021)	1
Executive Director	
Jo Reece (Chief Executive)	5

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

The Housing Finance Corporation
3rd Floor
17 St Swithin's Lane
London
EC4N 8AL

GB Social Housing
Future Business Centre
Cambridge
CB4 2HY

Barclays
PO Box 1015
3 Windsor Place
Cardiff
CF10 3ZL

Nationwide Building Society
Public Sector Team
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Company Secretary

Helen Hilditch

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 2022.

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 adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code however this year there has been two exceptions. The new Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest. One member reached 9 years of service on 7 September 2021; however, this member did not retire until the Board meeting in November 2021. In addition, there is another member due to retire at the AGM in 2022. However, Teign no longer hold AGMs and the Board have agreed a retirement date of November 2022.

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 triennial 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	£8,330
Angie Edwards-Jones	Chair of Audit	£4,640
James O'Dwyer	Board Member (Retired 04/11/2021)	£1,922
Maureen Robinson	Board Member and Chair of Templer HomeBuild	£5,658
Mary Bennell	Board Member (resigned 12/05/2021)	£ 366
Stephen Cook	Board Member	£3,306
Stuart Davies	Board Member	£3,327
Steve Higginson	Board Member (Appointed 29/07/2021)	£2,869
Joanna Davoile	Board Member (Appointed 04/11/2021)	£1,305
Colin McDonald	Independent Audit Committee Member (Appointed 22/02/2022)	£ 179

For the year ending 31 March 2022 the Board met on 5 occasions. There was 90% 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 deficit after tax for the year of £1,661,000 (2020-21: surplus £3,471,000). Full details of our financial results can be found on pages 36 – 77. The deficit for the current financial year is wholly attributable to £4,219,000 paid to Barclays in June 2021 in order to break the loan agreement that we had with them and allow refinancing to proceed with longer term debt at more favourable rates.

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 12 – 28.

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

During 2021-22 the refinancing process, which begun in 2020-21, was 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. Security was put in place on 28 June 2021 and the loan of £33m was drawn and the remaining £21.5m of Barclays debt was repaid, resulting in a cost of £4.219m of break costs to terminate the Barclays loan agreement.

At 31 March 2022 Teign Housing was funded by a £33m bond with The Housing Finance Corporation and a £25m bond with GB Social Housing and had a loan balance of £57.5m (2020-21: £46.9m) and an undrawn revolving credit facility of £20m (2020-21: £13.5m). The funding agreements contain three financial covenants. Due to the high value of the break costs incurred within the year, there is a covenant breach as at 31 March 2022, however, this has been agreed and fully signed off by our Board and our funders and is accepted as a one off occurrence.
Finance costs on loans were £2.411m (2020-21: £2.583m) which equates to an average rate of 3.9% (2020-21: 4.22%). Finance costs of £190,000 were capitalised during the year (2020-21: £164,000). At 31 March 2022 Templer HomeBuild had loan balance with Teign Housing of £400,000 (2020-21: £400,000). This loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £18.4m of capital committed to the development programme which was in contract at 31 March 2022 (2020-21: £8.358m) and there was a cash and cash equivalents balance of £16.373m (2020-21: £11.421m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

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 2022 was £64,397,000 (2020-21 £66,145,000) and in the revaluation reserves £31,929,000 (2020-21 £30,409,000).
Unrestricted reserves excluding tangible fixed assets net of grant were £-78,729,000 at 31 March 2022 (2020-21 £-70,490,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year 17 properties were sold (2020-21: 23 properties) of which 1 property was under the Right to Acquire scheme (2020-21: 1 property) and 10 properties were under the Right to Buy scheme (2020-21: 11 properties). Teign Housing received proceeds of £1,892,000 of which £1,178,000 were from right to buy sales (2020-21: £1,043,100). Under the terms of the transfer agreement, £759,000 (2020-21: £796,000) 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 2022 was 155 (2020-21:149 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 £131,000 on staff training and development (2020-21: £98,000).

Development

During 2021-22 we entered into new contracts with a total value of £15,595,000 to purchase 5 section 106 schemes that will deliver 79 rented and 34 shared ownership homes. We also entered a build contract to deliver 8 rented homes on land that we own in Widecombe in the Moor.

We were successful in bidding on 2 further section 106 schemes, which are proceeding to contract. These schemes will deliver a total of 17 rented and 9 shared ownership properties.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2021	36	14	**50**
Started in the year	85	37	**122**
Completed in the year	31	14	**45**
Under construction 31/03/2022	**90**	**37**	**127**

45 new affordable homes were completed in 2021-22. This was less than anticipated because of delays associated with the COVID-19 pandemic.

We currently have contractual agreements to develop 77 homes over the next 12 months and 83 homes in 2023-24.

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 403 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration and £455,000 has been included in the business plan for 2022-23 with £450,000 included in each of the following years for the life of the plan.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint and the first stage of this is to invest in homes which have a lower energy performance rating. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2022-23 the business plan makes provision for £406,000 of investment in our homes to improve their energy performance rating and for the following 6 years £500,000 is included for this purpose, each year.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. We were re-accredited as Investors in People Platinum in 2020, we have a robust training and development policy and work life balance policy and in 2021-22 we introduced 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

We recognise that risks happen and in order to thrive and achieve our objectives we need to take a managed degree of risk.

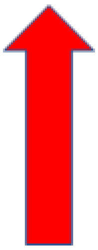
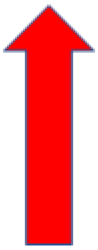
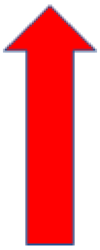
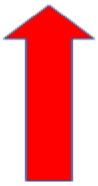
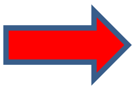
We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

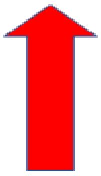
Any changes to our strategic risks are reported to our Audit Committee and Board on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our 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 the wider geopolitical landscape, changes to the Shared Ownership programme, 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. We maintained our COVID-19 Communications team to ensure that our residents and staff were fully informed of our plans throughout the pandemic. Our recovery team met fortnightly throughout the lockdowns and continues to meet monthly to monitor our services.
Service unable to deal with the increasing complexity of vulnerable people	↑	This risk reflects the impact of dealing with third parties (statutory & voluntary sector) who are finding resources stretched and finding cases more challenging. This has the potential to affect the delivery of our Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs.	Our Housing strategy delivers a Housing management service equipped to manage more complex cases. We have an established Head Start service which is structured to assist people through the start of their tenancy and then a Tenancy Sustainment service in place to support throughout the life of the tenancy.
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.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
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.
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.
Loss of key staff, high turnover and / or inability to recruit to key roles		The inability to predict how COVID19 would affect staffing levels. We aim to retain and develop our staff	Our recovery team met regularly to ensure continuity of service. We have reviewed succession planning across the organisation. We delivered more training to our leadership team.
Failure to manage property assets appropriately		This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic.	We undertake regular stock condition surveys, and we maintain high levels of Health & Safety compliance. This year the Board approved our carbon reduction Strategy.
Failure to meet consumer regulatory standards		This is linked to our overall governance and our aim of putting our customer first.	This year our Board approved our new Complaints Policy & Procedure. We have a Resolutions Manager dedicated to helping residents resolve any complaints and dissatisfaction. During the next twelve months we will see the roll -out of our new resident involvement platform which will help us better understand our tenants and their views.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to demonstrate effective governance in setting and operating an appropriate strategic direction		We have a number of Board members reaching the end of their term and wanted to ensure that maintain a high level of skill, experience and expertise at Board level whilst being representative of our residents	We began our Board recruitment exercise early to ensure that we had smooth handovers.

Value for Money Statement

The Value for Money (VfM) strategy was approved by the Board in July 2021 and reflects both 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
			2021/22	2020/21	**2021/22**	2020/21	2022/23	2021/22	2020/21
Metric 1		Reinvestment %	**7.4%**	5.7%	**7.4%**	5.7%	8.8%	6.3%	5.68%
Metric 2	A	New supply delivered SH %	**1.1%**	1.2%	**1.1%**	1.2%	2.2%	1.1%	1.01%
	B	New supply delivered NSH %	**0.0%**	0.0%	**0.0%**	0.0%	0.0%	0.0%	0%
Metric 3		Gearing %	**28.1%**	25.2%	**28.1%**	25.4%	36.2%	34.3%	44.65%
Metric 4		EBITDA MRI Interest Cover %	**156.7%**	186.6%	**155.9%**	186.6%	166.6%	90.7%	147.2%
Metric 5		Social housing cost per unit £	**£ 4,023**	£ 3,709	**£ 4,023**	£ 3,700	£ 4,300	£ 4,140	£ 3,486
Metric 6	A	Operating margin SH %	**20.0%**	28.6%	**19.7%**	28.0%	26.0%	18.6%	28.94%
	B	Operating margin overall %	**21.8%**	28.7%	**21.6%**	28.7%	24.7%	26.1%	29.8%
Metric 7		ROCE %	**2.6%**	4.0%	**2.6%**	4.0%	3.1%	2.3%	3.9%

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 7.4% has increased from last year and the sector, however development had been delayed slightly due to the effects of the pandemic still being felt at the start of the year and issues with the supply of some materials. The latest sector metrics relate to 2020-21 and as such it is difficult to compare with this benchmark as it does not reflect the include delays that other Housing Associations may have experienced. Even with the initial delays, the development programme has performed well with significant investment into new properties and capital improvements. In 2021-22 we bid on 50 schemes and were successful in securing 5 schemes with a total of 62 homes.

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 a forecast increase in re-investment from the 7.4% achieved this year to a budgeted 8.8% next year.

New supply delivered is a calculation based on units completed in 2021-22. We have achieved the 1.1% target of new supply through delivering 45 units. We are just above the sector average on this metric.

New supply is forecasted to increase by a further 83 units in 2022-23 including 50 affordable rent, 1 social rent and 32 shared ownership properties. We will continue to seek new opportunities to achieve our development aspirations and have capacity to deliver 403 homes over the next 5 years. This capacity has increased slightly from 400 homes in the previous business plan and continues to be made possible the through refinancing and increase in our loan facilities completed in April 2021.

Gearing has increased from 2020-21, this is due to the refinancing and increased loan facilities. At 28.1%, this is well below the sector average and gives us scope to increase this.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) has reduced as the operating surplus has decreased from 2020-21 by £1,920,000. This is due to increased operational expenditure across areas such as planned maintenance, regeneration, voids, independent living, and finance. The operating surplus did underachieve marginally against the budget. This is due largely to the costs incurred by the cessation event triggered by leaving the LGPS Pension Scheme. Interest Cover is forecast to recover next year and remain well within target as the cessation fees are a one-off event.

The social housing cost per unit has increased from £3,709 last year to £4,023 this year. This is due to an increase in the planned maintenance compliance spending, an improved void standard and major regeneration works continuing at Kingsway during 2021-22. Although an increase compared to the prior year, we had targeted a social housing cost per unit of £4,140. This £117 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 lockdowns during the year.

The operating margin has reduced from last year due to the pension cessation event of £1,178,000, 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 as well as increasing the frequency of compliance checks.

The return on capital employed has reduced, again, due to the reduced operating surplus compared to last year. This metric still exceeds target yet is below the sector average. It is forecasted to recover next year in the absence of the pension cessation event.

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 again been made in 2021-22 into improving our digital services and this process is ongoing. 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 includes the delivery of 403 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.

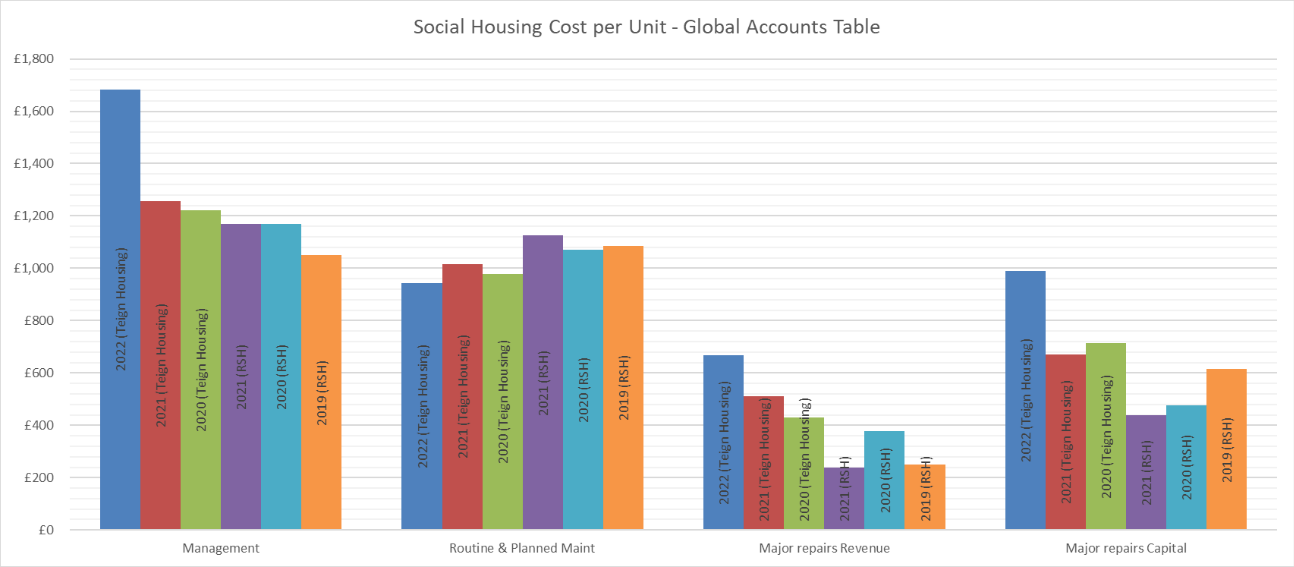
These include:

- Value for Money Metrics – 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 2021.

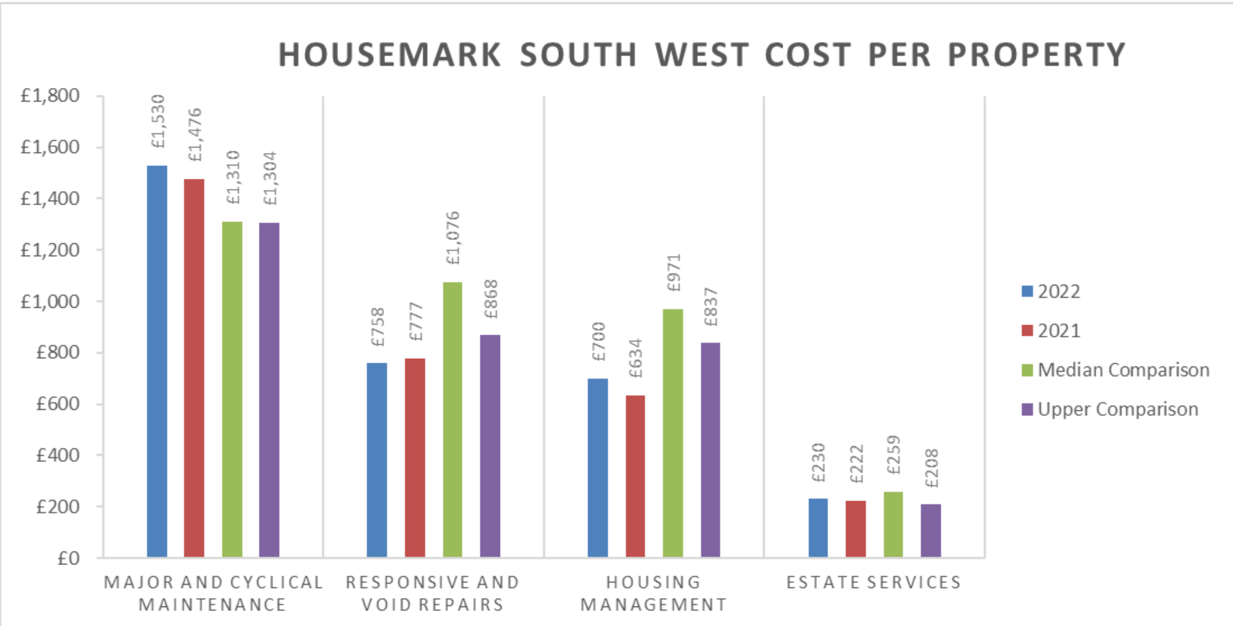
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2021-22 £	2020-21 £	2019-20 £	2021 £	2020 £	2019 £
Expenditure – per Social Housing Property						
Management	1,684	1,257	1,222	1,169	1,169	1,050
Routine & Planned Maintenance	942	1,017	978	1,125	1,072	1,086
Major repairs – Total	1,656	1,182	1,142	677	855	866
Major repairs – Revenue	666	512	429	240	378	251
Major repairs – Capital	990	670	713	438	477	615



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group	Comparison Group
			Median	Upper
	2021-22	2020-21	2019-20	2019-20
Department	**£**	**£**	**£**	**£**
Major and Cyclical Maintenance	1,530	1,476	1,310	1,304
Responsive and Void Repairs	758	777	1,076	868
Housing Management	700	634	971	837
Estate Services	230	222	259	208
No of Properties	3,743	3,714	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 2021-22 were above that for 2020-21 by an average of 28% and the Housemark cost per property shows a 3.5% increase, with there being differences in how these are calculated.

Management cost per unit has seen a significant rise from last year and continues to be above the sector average. This is again due to the costs of the pension cessation event being included in the Global Accounts calculations.

Routine and Cyclical Maintenance have increased marginally from last year and are above the sector average but as the sector averages are relating to 2019-20 data this is to be expected as the pandemic situation has improved, and operations have begun to return to normal activity levels. Again, this finding is similar to the Housemark data. Teign's responsive and void costs have decreased slightly on last year and are well below that of the comparative. We continue to provide the improved void standard which was launched last year. 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 was 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 and initial results appear favourable.

Major repairs, both capital and revenue remain above the RSH sector average. Both revenue and capital expenditure has increased over the last couple of years. Similar figures are shown in the Housemark data. The increased major revenue cost per unit is due to regeneration spend at the Kingsway blocks. 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 an increase 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 and as we return to normal activity levels without social restrictions expenditure was anticipated to increase.

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 2022. We continue to look for opportunities to invest in renewable energy solutions for both our new build and existing homes.

The carbon reduction strategy was approved by the Board in January 2022. This 3 year strategy will be predominantly about raising awareness, trials, and testing. In the first 2 years of the strategy our approach will be to test and trial existing and new technologies, the outcomes of which will provide us with a menu of agreed options that we can then begin to deploy across the stock from year 3. We will also explore how to use and access existing and future funding streams and working collaboratively with the ASW Procurement Consortium for long term support to develop our investment plans. This strategy commits us to progressively ensure all our homes have a positive impact on health and wellbeing and are affordable to run, with specific actions to continue to deliver investment in energy efficiency works. We will also try to ensure that new developments, where we have an influence, are designed to reduce climate impacts, and meet high standards of energy efficiency, by addressing energy consumption and generation. Our aims are to:

- Implement a 5 year plan of improvement works to bring all our homes to EPC Band C by 2030 to meet Government targets.
- Develop a menu of agreed options that sets out an action plan for investment in our homes and business that will help Teign Housing to be Carbon Neutral by 2050
- Reduce fuel poverty through energy advice enabling customers to save money and carbon
- Develop new highly energy efficient homes and retrofit our existing homes
- Provide opportunities for customer engagement
- Improved customer service and satisfaction through more energy efficient homes

Our aims are linked to the national legally-binding carbon reduction targets, alongside regional aspirations.

The Asset Management Strategy was reviewed and updated for a 12 month period and approved by the Board in April 2022. This provides us with further opportunity to consider in more detail the potential implications of Decent Homes 2 and to ensure that the investment implications of this can be reflected more fully. The strategy 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 2035 and Net Zero Carbon by 2050.
- Use the asset management software tool to improve 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 2022. Areas have been selected which we believe represents current VFM significance.

Area	2021-22	2020-21	2019-20	Housemark 2020-21 Benchmark	Target 2021-22
Customer satisfaction					
Repairs	97.6%	96.1%	96.4%	-	95.0%
Standard of property at re-let	94.0%	91.0%	-	-	95.0%
Satisfaction with complaints process	95.0%	50.0%	71.0%	84.0%	75.0%
Rent collection & arrears					
Rent collection	100.1%	100.9%	99.6%	100.7%	100.0%
Rent arrears (% of annual debit)	2.3%	2.5%	2.9%	2.3%	3.2%
Void loss & turnaround					
Void losses	0.50%	0.38%	0.33%	0.55%	0.50%
Void turnaround time	22.6	25.5 days	20.5 days	24.08	25
Digital agenda					
Total number of tenant portal registrations	603	487	295	-	667
Inbound communication by Webchat	1.6%	7.7%	1.5%	-	-

Customer satisfaction with repairs has increased from last year by 1.5% and we continue to exceed our target for the year and against the Housemark average. This is the second year of collecting more data around satisfaction of the property at the point of re-let but we have seen an increase of 3% and are now just below our 95% satisfaction target. Satisfaction of the complaints process has increased to 95%. The number of complaints and respondents to this metric increased greatly over the past year, we believe this is predominantly due to the increased awareness by tenants of the new consumer standards. In order to provide greater satisfaction to tenants moving forward, a number of new steps have been taken. Continued investment has been put into the void standard in 2021-22, we therefore would expect for this to improve over time. We now have a resolutions manager to help manage the complaints process. With greater dedication in this area, and awareness across the organisation of everyone's role in providing a better service to our tenants, 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 decreased marginally however arrears reduced from the prior year. The current economic uncertainty and cost of living increases are beginning to be seen, it is expected that as these continue the rent collection rate will fall due to individuals struggling to pay bills. Although the government has introduced a number of policies to mitigate this, Teign has also provided a hardship fund in 2022-23 for those facing extreme financial difficulties. We will continue to monitor this area closely and look to ways that we can best support our tenants during this difficult time.

Void losses have increased marginally, however the void turnaround time has decreased. This has not yet returned to pre-pandemic levels, but we are below the sector benchmark for void losses.

Across the organisation we have a strong focus on VfM, and many departments have specific VfM targets. An updated VfM strategy was presented to the Board for approval in July 2021. In 2021-22 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 following 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 introduced an agile working policy which allows continued working from home as well as in our offices, to suit both the needs of the business and the individual employees. For this to be possible we have implemented new software including MS Teams and Office 365. We migrated our files and folders to SharePoint utilising more of our capabilities within our Microsoft 365 licencing fees. We extended the use of web chat to our Income Team enabling time savings for the Business Support Team and another option for our customers to communicate with us.

During the year we decommissioned our Intranet and replaced it with our SharePoint intranet site resulting in £5,000 saving on annual support and maintenance fees and providing an easier way of sharing information between employees.

We implemented digital document signing software called Signable to save our staff and customers time obtaining physical signatures and reducing the risk of error or fraud.

We integrated our Microsoft Teams with Templer HomeBuild to enable employees in both organisations to seamlessly communicate, enabling time savings across the group and migrated our email security to Office 365 from our on-premises solution resulting in £6,000 annual support & maintenance fees.

We decommissioned our email archiving system and moved this function into Office 365 which resulted in a £1,500 saving and by moving our mobile device management software to Microsoft Intune we save a further £7,000 in annual support & maintenance costs.

During the year there has been a focus on further developing the Civica Cx housing management system. 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. We continue to see benefits such as improved accuracy of our data, communications and record keeping.

There continues to be a drive to enhance use of the CX tenant portal. Registrations has increased by 24% from last year.

Development

In March 2022 we signed up to a new consortium 'Affordable Homes South West' led by LiveWest. The consortium has signed up to grant agreement with Homes England and this will enable us to apply for development grant funding. Being part of the consortium demonstrates value for money as we pay a modest fee and the team at LiveWest administer our grant applications and liaise with Homes England on our behalf.

Improvement of skills and behaviours of staff

Teign Housing Academy is now in place with a new evaluation process. We have improved and increased our coaching offer and have 15 qualified coaches in place. We have agreed to move away from 3 yearly staff survey to 6-month internal staff surveys.

Welfare Reform

We continue to work with our customers to support them with issues surrounding Universal Credit. 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 opened 112 support cases and have helped over 400 tenants and since the service started, we have supported our tenants in achieving over £71k this year of financial gains from charitable payments, discretionary housing benefit and employment support allowance.

Asset Management

Our continued use of Active Asset Management Sustainability software allows us to identify and to dispose of inappropriate and high value assets. During the year we identified an old cottage which was not proving efficient in terms of the rent received against the cost of maintaining it. This was placed on the market and was sold in March 2022.

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 2021-22 the savings delivered through the membership of this consortium total £186,660 which is an increase of 23.7% on last year's savings bringing the total savings since we joined in 2010 to £1,833,539 with a further £679,889 in 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 2021-22 were £399,800. The 2022-23 budget includes a further VAT saving of £413,017.

Voids

In 2021-22 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 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.

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 as expected we have seen a decline in the standard in which they have been returned. The new void standard which has been in place for 2 years resulted in an increase to the void cost per unit and a recent review of the standard found that where we have invested in providing properties to a better standard for customers and the trend information that indicated that voids costs are falling when properties become due for re-letting again showing that the investment will deliver better VfM over time.

Customers

The Business Support Team engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Business Support Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores by an average of 20% per call handler thereby significantly improving our customers experience and, hopefully, improving their expectations of our service.

For a subscription costing £800 per year, we have introduced a noise application. This reduces the time spent by employees collating and gathering evidence of noise nuisance by at least 66%. The cloud-based system also builds a chronology of reports and evidence submitted by the complainant meaning a further reduction in administration. We no longer sending paper copies of diary sheets improving our environmental footprint as well as cutting costs of postage, paper, and printing.

Homemaker South West support people with debt problems across the region. We have been working alongside them since 2019 at a cost of £17,000 since that time. They have supported our tenants to maximise their income with total gains of around £200,000. Some of this income supports tenants to ensure they are paying their rent which in-turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to achieve 100% compliance on gas and electrical safety testing this year, employing various different strategies, resulting in us not incurring legal costs.

During the year we have focused on visiting all residents in their homes bi-annually to ascertain if there are any property condition concerns. Referring residents to Templer HomeBuild for a property MOT during visits creates savings by grouping repairs together and identifying them early to avoid the issues escalating into higher cost repairs.

The introduction of agile working has allowed us to deliver a more efficient service whilst reducing our carbon footprint and cutting down travel time. This is demonstrated by the introduction of virtual property viewings, telephone sign ups and more communication with residents via other mediums such as WhatsApp.

Employees have also been using the drop-down zones, which are offices in the local areas to locate themselves on site in the community which they serve which saves time and money and makes them more accessible to our tenants.

We have moved the Remainer of our in house processed direct debits to a third party to process. This has reduced the processing time in house for the direct debits but more importantly offered a better service to customers with TeignCare alarms by offering over the phone setup, reduced mandate implementation time and also a greater variety of payment plans as we can amend schedules more easily.

Payment by direct debit take up is the highest it has ever been, and we will continue to have this as an objective for this coming year.as this is the cheapest way to collect rent.

Rents team have completed more DHP applications on behalf of tenants, which whilst initially it takes more time this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us

A review of the lettings process in CX was due last year as per the road map however that has been postponed – the current system in CX doesn’t provide VFM and this will be reviewed this year.

Independence and Wellbeing

The Independent Living service was overhauled with the new Independence and Wellbeing service and Teign were able to give an enhanced offer with no extra costs to our residents.

The new service is aimed at keeping people living independently longer as well as improving their quality of life – resulting, in time, in fewer hospital admissions/stays, less likelihood of them going into residential/nursing care etc. The residents get a regular visit to check on their welfare.

The team have achieved a great deal in their first 6 months, the new service has enabled the organisation of events in the community. The Winters Warmer campaign provided information as to how to reduce fuel consumption and understand benefit entitlements and avoiding fuel poverty.

The company provided a hot meal to residents every 2 weeks and took place in three of our community rooms. This will be continuing and has been renamed Spring Kitchen and will be also expanding into other community rooms in the area. The company as successful in being awarded funding from Western Power of £400 which was used to partially fund the scheme. There have also been craft sessions provided for tenants and look to further advance these in other community rooms. These all encourage the community to get together, aiming to build relationships and combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated.

We have begun to capture the needs of our most vulnerable customers by setting goal plans and during the year 15% of customers living in our sheltered accommodation have received a plan since the new service began in September 2021.

ALRT (Assisted Lifting Response Team)

The company has begun to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone who is unable to get up, but unhurt.

This service has benefited 64 customers this year which has prevented them not waiting for the ambulance and then being admitted into hospital unnecessarily thus helping to reduce the time that emergency services attend to much higher priority cases.

Tenant Involvement

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 during the year have meet via Zoom every

6 weeks and in 2022-23 will have the option of joining meetings by zoom or in person. 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.

Refinancing

The project which began in 2019-20 was completed in June 2021. We incurred significant break costs of £4.219m, however both the new revolving credit facility (RCF) and the long term debt are at significantly lower interest rates and carry lower administration costs, meaning that we have borrowed 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. The RCF was extended for another year in March 2022 at minimal cost. with the option to extend for one more year, until 2028 in March 2023.

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

We have made 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. During the year we reduced the non-rent debt by over 10%

Provide quality repairs

During the year there was 97.6% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

During the year there 99.3% of all repairs were resolved on the first visit

Work efficiently and respectfully in customers' homes

During the year there 100% of all planned work was completed on time

In 2022-23 as well as the projects above which will continue, our focus will also be on:

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

During the year we have collected feedback from residents and monitored communal areas where energy improvements have been made. We have set targets for properties to be improved to an EPC

C rating or above over the next 7 years and have now budget for this and it is included in the current business plan.

Improve skills and behaviours of staff

Through learning and development, we will continue to facilitate a culture of respect and exceptional customer service.

Further 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. A new Complaints Policy has been implemented which directly mirrors the Ombudsman's recommendations. Full results are published quarterly to the Board and Tenants' Forum.

Ensure our property assets remain sustainable

We will start investment work on our less efficient properties with the aim that every home will reach a minimum of EPC band C by 2030. We will identify suitable void properties to invest in, to act as a pilot and monitor these to determine if they are less costly to maintain and reduce fuel bills for 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 have a target of delivering 85 new homes in 2022-23. 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 and we will create an action plan which will be frequently reviewed, given that the Government's carbon reduction agenda is constantly changing. We will set a target for reduction in carbon emissions and cost savings based on benchmark data collected in 2021-22.and re-run carbon footprint assessment to evaluate impact of measures on assets and costs. 83 properties currently at EPC band E to be brought up to band C in 2022-23.

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

We have recently developed a new process for rechargeable repairs, and we will be more proactive rather than reactive through the debt chasing process and we aim to increase the collection of not rent debt by a further 5%.

Remain Financially Strong

In 2022-23 our operating margin is budgeted to be 24.7%

Identify opportunities to improve health and wellbeing

During 2022-23 we aim to complete a goal plan for a further 40% of our sheltered customers, bring the total to 55%.

Improving the service to our customers

The repairs call handling service is currently managed by a third party and the service levels have not been acceptable over the past 12 months, so during 2022-23 this will be brought in house. This will give us more control over the service levels provided and will be delivered by staff who have a knowledge of our homes, customers and communities.

Engaging with our community

The neighbourhood team over the next year we will continue to focus on engaging with our communities over the digital platforms that we have available to us. We are also intending to train all of our frontline staff in mediation and develop a specialist inhouse mediator to save the cost of outsourcing this service.

Increase financial Capacity

The is the option to extend the RCF for one more year in March 2023 until 2028 and this will be considered and actioned if deemed VfM at the time.

Improve our complaints process

There is some additional work required to fully roll-out “Lessons Learned” and in 2022-23 we aim to achieve 85% resident satisfaction with the complaints process.

Ensure our residents are happy with their repairs

Next year we aim to exceed 96% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year we aim to exceed 90% of repairs requiring only one visit.

Work efficiently and respectfully in customers’ homes

Next year we plan to complete at least 96% of all planned works on time.

Health and Safety

A full audit of the company’s health and safety practices, processes and procedures will be carried out during 2022-23. This will help us to identify anything that can be improved or made more efficient.

Digital

In 2022-23 we plan to introduce Civica Involve changing the way the company conducts surveys and consultations, consolidating them all in to one piece of software. This will mean all data is in one place and the results can easily be accessed by a wider number of employees and enable us to conduct more customer satisfaction surveys on a monthly basis by undertaking them online for those who have internet access. This will help to support the work that we are doing on the new Tenant satisfaction measures

The Consumer and the Social Housing White Paper

During 2022-23 two of the Heads of Service will be conducting training for the whole company on these subjects. If we were to use a consultant to do this the costs would be in excess of £6,000 and would not be as individual to Teign or as personal as our own staff members delivering the training. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

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.

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
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

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 30 June 2022. 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 2022 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 30 June 2022 and signed on its behalf by:

Andrew Jones
Chair of the Board

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Directors Report

The Directors present their report for the year ending 31 March 2022.

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 30 June 2022 and signed on its behalf by:

A Jones

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 2022 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 2022 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 29, 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 web-site 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, NHF Code of Governance 2020, 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: 10 August 2022

Statement of Comprehensive Income

	Note	**Group 2022 £'000**	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Turnover	2	**20,479**	19,864	**20,567**	19,820
Cost of sales	2	**(994)**	(632)	**(994)**	(632)
Operating expenditure	2	**(15,467)**	(13,525)	**(15,566)**	(13,493)
Gain on disposal of property, plant and equipment	2	**225**	262	**225**	262
Movement of investments property value	2	**(10)**	180	**(10)**	180
Operating surplus	2	**4,233**	6,149	**4,222**	6,137
Interest receivable	4	**6**	6	**17**	18
Interest and financing costs	5	**(5,900)**	(2,684)	**(5,900)**	(2,684)
(Deficit)/Surplus before tax		**(1,661)**	3,471	**(1,661)**	3,471
Taxation	7	**-**	-	**-**	-
(Deficit)/Surplus after tax		**(1,661)**	3,471	**(1,661)**	3,471
		(1,661)	3,471	**(1,661)**	3,471
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	19	**637**	(850)	**637**	(850)
LGPS - Actuarial gain in respect of pension schemes	19	**796**	86	**796**	86
Total		**1,433**	**(764)**	**1,433**	**(764)**
Total comprehensive income for the year		**(228)**	**2,707**	**(228)**	**2,707**

The financial statements on pages 36 to 79 were approved and authorised for issue by the Board on 30 June 2022 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 40 to 79 form an integral part of these accounts.

Statement of Financial Position

	Note	**Group At 31-Mar-22 £'000**	Restated Group At 31-Mar-21 £'000	**Association At 31-Mar-22 £'000**	Restated Association At 31-Mar-21 £'000
Fixed Assets					
Intangible Assets	8	**337**	472	**337**	472
Tangible Assets	9	**149,113**	142,492	**149,113**	142,492
Investment Properties	10	**570**	580	**570**	580
		150,020	143,544	**150,020**	143,544
Current Assets					
Stock	11	**788**	743	**788**	743
Debtors due in less than one year	12	**801**	1,476	**1,319**	1,962
Debtors due in greater than one year		**965**	-	**965**	-
Cash and cash equivalents	13	**16,373**	11,421	**16,011**	11,195
		18,927	13,640	**19,083**	13,900
Less creditors: amounts falling due within one year	14	**(3,968)**	(5,046)	**(4,124)**	(5,306)
Net Current Assets		**14,959**	**8,594**	**14,959**	**8,594**
Total assets less current liabilities		**164,979**	152,138	**164,979**	152,138
Creditors: amounts falling due after more than one year	15	**(68,081)**	(53,805)	**(68,081)**	(53,805)
Provisions for Liabilities					
Pension Liability	19	**(572)**	(1,779)	**(572)**	(1,779)
Total Net Assets		**96,326**	**96,554**	**96,326**	**96,554**
Reserves					
Income and Expenditure reserve		**64,397**	64,507	**64,397**	64,507
Revaluation reserve		**31,929**	32,047	**31,929**	32,047
Total Reserves		**96,326**	96,554	**96,326**	96,554

These financial statements on pages 36 to 79 were approved and authorised for issue by the Board 30 June 2022 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 40 to 79 form an integral part of these accounts

Statement of Changes in Reserves

Group:

	Income and expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1st April 2020 restated	**61,506**	**32,341**	**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 restated	294	(294)	-
Balance at 31st March 2021 restated	**64,507**	**32,047**	**96,554**
Deficit from Statement of Comprehensive Income	(1,661)	-	**(1,661)**
Actuarial gain relating to the year	1,433	-	**1,433**
Transfer from income and expenditure reserve to revaluation reserve	118	(118)	**-**
Balance at 31st March 2022	**64,397**	**31,929**	**96,326**

Association:

	Income and expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1st April 2020 restated	**61,506**	**32,341**	**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 restated	294	(294)	-
Balance at 31st March 2021 restated	**64,507**	**32,047**	**96,554**
Deficit from Statement of Comprehensive Income	(1,661)	-	**(1,661)**
Actuarial gain relating to the year	1,433	-	**1,433**
Transfer from income and expenditure reserve to revaluation reserve	118	(118)	**-**
Balance at 31st March 2022	**64,397**	**31,929**	**96,326**

The notes on pages 40 to 79 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2022 £'000	Group 2021 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	(1,661)	3,471
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	(225)	(262)
Interest receivable	(6)	(6)
Interest and financing costs	5,900	2,684
	5,669	2,416
Adjustments for non-cash items:		
Depreciation	2,566	2,162
Impairment of Fixed assets	-	-
Government grant utilised in the year	(70)	(74)
(Decrease)/Increase in stock	(45)	180
Decrease/(Increase) in Investment properties	10	(180)
(Increase)/Decrease in trade and other debtors	(290)	277
(Increase)/Decrease in trade and other creditors	(1,064)	1,252
Pension costs less contributions payable	25	(88)
	1,132	3,529
Net cash generated from operating activities	5,141	9,416
Cash flow from investing activities		
Capital expenditure on housing properties	(9,523)	(7,119)
Net proceeds on sale of housing properties	1,003	980
Purchase of other fixed assets and intangible assets	(116)	(252)
Government grant received	92	278
Interest received	6	6
Net cash used in investing activities	(8,538)	(6,107)
Cashflow from financing activities		
Interest paid	(2,355)	(3,245)
Loan Break Fees	(4,219)	-
Interest element of finance lease rental payment	-	-
Loans received	36,423	-
Loans repaid	(21,500)	-
Net cash used in financing activities	8,349	(3,245)
Net change in cash and cash equivalents	4,952	64
Cash and cash equivalents at beginning of year	11,421	11,357
Cash and cash equivalents at year end	16,373	11,421

The notes on pages 40 to 79 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 2022.

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.

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%.

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 £28k. However, we have converted one property into office use by Teign Housing, this has resulted in a reduction of £38k, giving an overall decrease of £10k from the value held in the accounts at 31 March 2021. This decreased 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 accruals 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.

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**	**2022 Operating surplus**	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	**18,505**	**-**	**(14,962)**	**3,543**	18,063	-	(12,906)	5,157
Other social housing activities								
Teigncare alarm services	**193**	**-**	**(176)**	**17**	203	-	(154)	49
Other services	**177**	**-**	**(189)**	**(12)**	300	-	(320)	(20)
First tranche low cost home ownership sales	**1,251**	**(994)**	**-**	**257**	955	(632)	-	323
Activities other than social housing								
Other activities (note 2b)	**353**	**-**	**(140)**	**213**	343	-	(145)	198
Total	**20,479**	**(994)**	**(15,467)**	**4,018**	19,864	(632)	(13,525)	5,707
Gain on disposal of property, plant and equipment (note 2c)				**225**				262
(Decrease)/Increase in value of investment properties				**(10)**				180
Operating surplus				**4,233**				6,149

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

Association	**Turnover**	**Cost of sales**	**Operating expenditure**	**2022 Operating surplus**	Turnover	Cost of sales	Operating expenditure	2021 Operating surplus
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	**18,506**	**-**	**(15,073)**	**3,433**	18,063	-	(13,002)	5,061
Other social housing activities								
Teigncare alarm services	**193**	**-**	**(176)**	**17**	204	-	(154)	50
Other services	**208**	**-**	**(177)**	**31**	214	-	(192)	22
First tranche low cost home ownership sales	**1,251**	**(994)**	**-**	**257**	955	(632)	-	323
Activities other than social housing								
Other activities (note 2b)	**409**	**-**	**(140)**	**269**	384	-	(145)	239
Total	**20,567**	**(994)**	**(15,566)**	**4,007**	19,820	(632)	(13,493)	5,695
Gain on disposal of property, plant and equipment (note 2c)				**225**				262
(Decrease)/Increase in value of investment properties				**(10)**				180
Operating surplus				**4,222**				6,137

2a Income and expenditure from social housing lettings

Group	General needs	Housing for older people	Low cost home ownership	Other	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	**12,413**	**4,270**	**398**	**9**	**17,090**	16,677
Service charge income	**427**	**592**	**16**	**52**	**1,087**	1,025
Amortised government grants	**70**	**-**	**-**	**-**	**70**	74
Furlough income	**-**	**-**	**-**	**-**	**-**	29
Other income from social housing lettings	**103**	**154**	**-**	**1**	**258**	258
Turnover from social housing lettings	**13,013**	**5,016**	**414**	**62**	**18,505**	18,063
Operating expenditure						
Management	**(4,282)**	**(1,931)**	**(15)**	**(24)**	**(6,252)**	(4,672)
Service charge costs	**(283)**	**(187)**	**(5)**	**(20)**	**(495)**	(561)
Routine maintenance	**(1,978)**	**(780)**	**(44)**	**(99)**	**(2,901)**	(2,946)
Planned maintenance	**(365)**	**(123)**	**(18)**	**(13)**	**(519)**	(758)
Major repairs expenditure	**(1,643)**	**(659)**	**(48)**	**(94)**	**(2,444)**	(1,877)
Bad debts	**(33)**	**(9)**	**-**	**(1)**	**(43)**	(33)
Depreciation of housing properties	**(1,427)**	**(552)**	**(57)**	**(112)**	**(2,148)**	(1,926)
Amortisation	**(107)**	**(41)**	**(4)**	**(8)**	**(160)**	(133)
Impairment of housing properties	**-**	**-**	**-**	**-**	**-**	-
Operating expenditure on social housing lettings	**(10,118)**	**(4,282)**	**(191)**	**(371)**	**(14,962)**	(12,906)
Operating surplus on social housing lettings	**2,895**	**734**	**223**	**(309)**	**3,543**	5,157
Void losses	**(58)**	**(28)**	**-**	**-**	**(86)**	(85)

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

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	**12,413**	**4,270**	**398**	**9**	**17,090**	16,677
Service charge income	**427**	**592**	**16**	**52**	**1,087**	1,025
Amortised government grants	**70**	**-**	**-**	**-**	**70**	74
Furlough income	**-**	**-**	**-**	**-**	**-**	29
Other income from social housing lettings	**103**	**154**	**-**	**1**	**259**	258
Turnover from social housing lettings	**13,013**	**5,016**	**415**	**62**	**18,506**	18,063
Operating expenditure						
Management	**(4,282)**	**(1,931)**	**(15)**	**(24)**	**(6,252)**	(4,670)
Service charge costs	**(284)**	**(187)**	**(5)**	**(20)**	**(496)**	(561)
Routine maintenance	**(2,025)**	**(798)**	**(45)**	**(102)**	**(2,970)**	(3,010)
Planned maintenance	**(372)**	**(126)**	**(18)**	**(14)**	**(530)**	(767)
Major repairs expenditure	**(1,669)**	**(662)**	**(48)**	**(95)**	**(2,474)**	(1,902)
Bad debts	**(33)**	**(9)**	**-**	**(1)**	**(43)**	(33)
Depreciation of housing properties	**(1,427)**	**(552)**	**(57)**	**(112)**	**(2,148)**	(1,926)
Amortisation	**(107)**	**(41)**	**(4)**	**(8)**	**(160)**	(133)
Impairment of housing properties	**-**	**-**	**-**	**-**	**-**	-
Operating expenditure on social housing lettings	**(10,199)**	**(4,306)**	**(192)**	**(376)**	**(15,073)**	(13,002)
Operating surplus on social housing lettings	**2,812**	**710**	**222**	**(314)**	**3,430**	5,061
Void losses	**(58)**	**(28)**	**-**	**-**	**(86)**	(85)

2b Turnover from activities other than social housing

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Garage lettings	**311**	299	**311**	299
Commercial property lettings	**42**	44	**42**	44
Gift Aid Donation	**-**	-	**57**	41
	353	344	**410**	384

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 2022 £'000**	Total 2021 £'000
Proceeds of sales	1,178	703	200	(189)	**1,892**	1,814
Less: Costs of sales	(371)	(457)	(34)	-	**(862)**	(757)
Amount payable to Teignbridge District Council	(759)	-	(46)	-	**(805)**	(796)
Gain/(Loss)	**48**	**246**	**120**	**(189)**	**225**	262

3 Directors' emoluments, key management personnel & employee information

	2022 £'000	2021 £'000
The aggregate emoluments paid to or receivable by non-executive Directors and former Directors	**32**	**33**
The aggregate emoluments paid to or receivable by executive Directors and former Directors	**141**	**136**
	173	**169**
The emoluments paid to the highest paid Director excluding pension contributions	**133**	**129**
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 2022 £'000**	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
£60,000 to £69,999	**-**	2	**-**	2
£70,000 to £79,999	**4**	3	**3**	2
£80,000 to £89,999	**1**	-	**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
£140,000 to £149,999	**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 £7,742 (2020/21: £7,627) 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 2022**	Group 2021	**Association 2022**	Association 2021
Office staff	**92**	88	**80**	77
Wardens, caretakers and cleaners	**17**	16	**17**	16
Maintenance staff	**46**	45	**-**	-
	155	149	**97**	93

Staff costs (for the above employees)	**Group 2022 £'000**	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Wages and salaries	**4,847**	4,566	**3,070**	2,895
Social Security costs	**457**	441	**283**	265
Other Pension costs	**298**	268	**249**	221
LGPS Cessation Costs	**1,178**	-	**1,178**	
Non Executive Director Wages and salaries	**33**	33	**33**	33
	6,813	5,308	**4,813**	3,414

4 Finance income and other income

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Bank finance income	**6**	6	**6**	6
Interest received from Group entities	**-**	-	**11**	12
	6	6	**17**	18

5 Finance costs and similar charges

	Group	Group	**Association**	Association
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Lease finance costs	**5**	6	**5**	6
Interest payable to Group entities	**-**	-	**-**	-
On loans repayable within 5 years	**-**	-	**-**	-
On loans wholly or partly repayable in more than five years	**2,397**	2,158	**2,397**	2,158
FRS 102 fair value adjustment	**(584)**	18	**(584)**	18
Costs associated with financing	**15**	643	**15**	643
Refinancing break away costs	**4,219**	-	**4,219**	-
Net interest on the defined liability	**37**	23	**37**	23
Less finance costs capitalised on housing properties under construction	**(190)**	(164)	**(190)**	(164)
Other interest charges	**1**	-	**1**	-
Charged to income and expenditure account	**5,900**	2,684	**5,900**	2,684

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	**Group 2022 £'000**	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Depreciation of housing properties	**2,271**	1,926	**2,271**	1,926
Depreciation of other fixed assets	**121**	103	**121**	103
Amortisation of intangible fixed assets	**161**	133	**161**	133
Operating lease rentals (land and buildings)	**-**	-	**-**	-
Operating lease rentals (other)	**-**	-	**-**	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	**22**	26	**22**	26
- Audit of subsidiaries	**2**	1	**-**	-
- Other service	**-**	3	**-**	2
Amortisation of government grant	**(70)**	(74)	**(70)**	(74)

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 2022 £'000**	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Current tax				
UK corporation tax at 19% (2020/21: 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				
Deficit on ordinary activities before taxation	**(1,661)**	3,471	**(1,661)**	3,471
Tax on surplus at standard corporation tax rate of 19% (2020/21: 19%)	**(316)**	659	**(316)**	**659**
Effects of:				
Non-taxable surplus on charitable activities	**316**	(659)	**316**	**(659)**
Expenses not deductible for tax purposes	**-**	-	**-**	-
Non trade charges utilised in period	**-**	-	**-**	-
Tax charge/(credit) for the year	**-**	-	**-**	-

8 Intangible assets – IT software

	2022
	£'000
Cost	
At 1st April 2021	1,003
Additions	26
Disposals	-
At 31st March 2022	**1,029**
Amortisation	
At 1st April 2021	(531)
Charge for year	(161)
Disposals	-
At 31st March 2022	**(692)**
Net book value	
At 31st March 2022	**337**
At 1st April 2021	472

Of the £337,000 NBV, £281,000 relates to the Housing Management Software.

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	Motor Vehicles	**Total Fixed Assets**
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost												
At 1st April 2021	138,133	4,898	8,771	721	**152,523**	65	283	1,176	222	268	102	**154,639**
Additions	5,150	3,292	(1,047)	3,312	**10,707**	-	57	-	12	17	23	**10,816**
AUC Transfers	2,443	(2,443)	1,915	(1,915)	**-**	-	-	-	-	-	-	**-**
Transfer to Current Assets	-	-	-	(994)	**(994)**	-	-	-	-	-	-	**(994)**
Disposals	(661)	-	(321)	-	**(982)**	-	(141)	-	-	-	(18)	**(1,141)**
At 31st March 2022	**145,065**	**5,747**	**9,318**	**1,124**	**161,254**	**65**	**199**	**1,176**	**234**	**285**	**107**	**163,320**
Depreciation & Impairment												
At 1st April 2021	(11,040)	(139)	(256)	-	**(11,435)**	-	(179)	(107)	(173)	(192)	(61)	**(12,147)**
Charge for the year	(2,215)	-	(67)	-	**(2,282)**	-	(46)	(15)	(26)	(16)	(19)	**(2,404)**
Disposals	186	-	17	-	**203**	-	123	-	-	-	18	**344**
At 31st March 2022	**(13,069)**	**(139)**	**(306)**	**-**	**(13,514)**	**-**	**(102)**	**(122)**	**(199)**	**(208)**	**(62)**	**(14,207)**
Net book Value												
At 31st March 2022	**131,997**	**5,608**	**9,012**	**1,124**	**147,740**	**65**	**97**	**1,054**	**35**	**77**	**45**	**149,113**
At 1st April 2021	127,093	4,759	8,515	721	141,088	65	104	1,069	49	76	41	142,492

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation	**Opening Balance**	**Started in Year**	**Completed in Year**	**Closing Balance**
Under development				
General needs housing	**33**	85	28	**90**
Social Rent	*8*	*30*	*10*	*28*
Affordable Rent	*25*	*55*	*18*	*62*
Supported housing and housing for older people	**3**	-	3	**-**
Low cost home ownership	**14**	37	14	**37**
	50	122	45	**127**

	Opening Balance	**Completed in Year**	**Disposed in Year**	**Closing Balance**
Under managemement at end of year				
General needs housing	**2,613**	28	11	**2,630**
Social Rent	*2,382*	*10*	*11*	*2,381*
Affordable Rent	*231*	*18*	-	*249*
Supported housing and housing for older people	**996**	3	-	**999**
Low cost home ownership	**105**	14	5	**114**
	3,714	45	16	**3,743**
	3,764			**3,870**
Social Housing Accommodation				
Managed for others at end of year	**29**	3	-	**32**
	29			**32**

The value of property additions includes £190,000 of capitalised finance costs (2020-21: £164,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £1,252,000 (2020-21: £1,063,000). The average rate of finance costs is 4.06% (2020-21: 4.22%).

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 2022 equated to £50.6m (1,113 properties), there were 418 properties valued on 14th April 2021 equating to £24,7m and 754 properties valued on 17th June 2021 with a value of £73m.
There are 1,458 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £8,979,020 (2020-21: £8,152,000). Of this £3,025,404 was capitalised under the SORP 2018 (2020-21: £2,488,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2022 was £34,561,400 (2020-21: £34,391,400).

10 Investment properties held for letting

	2022
Group and Association	**£'000**
Cost	
At 1st April 2021	580
Additions	-
Reclassification of use	(38)
Gain from adjustment in value	28
At 31st March 2022	**570**

Investment properties were re-valued at 31 March 2022 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. During the year, one shop was converted into an office for the use by Teign Housing, which resulted in a reduction of £37,500 in Investment properties.

11 Stock

	2022	2021
Group and Association	**£'000**	£'000
Properties held for sale		
Low cost home ownership properties		
Completed	**95**	**58**
Under construction	**693**	**685**
	788	**743**

There are 37 low cost home ownership properties under construction and 2 properties completed and available for sale at 31 March 2022.

12 Trade and other debtors

Amounts falling due in less than one year

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Arrears of rent and service charges	**579**	617	**579**	617
Provision for bad and doubtful debts	**(304)**	(318)	**(304)**	(318)
	275	299	**275**	299
Prepayments and accrued income	**239**	977	**354**	1,074
Other trade receivables	**287**	200	**290**	189
Amounts owed by subsidiary undertakings	**-**	-	**400**	400
Amounts due in less than one year	**801**	1,476	**1,319**	1,962

Amounts falling due in greater than one year

	Group 2022 £'000	Group 2021 £'000	**Association 2,022 £'000**	Association 2021 £'000
THFC loan interest paid in advance	**965**	-	**965**	-
Amounts due in greater than one year	**965**	-	**965**	-

13 Cash and cash equivalents

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Short term deposits	**1,013**	1,012	**1,013**	1,012
Cash at bank	**15,360**	10,409	**14,998**	10,183
	16,373	11,421	**16,011**	11,195

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 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Trade payables	**301**	1,149	**346**	1,178
Accruals and deferred income	**1,478**	1,134	**1,478**	1,132
Rent and service charges paid in advance	**842**	806	**842**	806
Right to Buy sharing agreement (see below)	**957**	796	**957**	796
Amounts owed to subsidiary	**-**	-	**184**	289
Other creditors	**190**	930	**170**	914
Deferred capital grant (note 15b)	**70**	76	**70**	76
VAT creditor	**5**	6	**5**	6
Income Tax (PAYE) and National Insurance	**125**	111	**72**	71
Lease obligations	**-**	38	**-**	38
	3,968	5,046	**4,124**	5,306

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 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Bank loans (note 15a)	**57,471**	46,942	**57,471**	46,942
Loan Premium	**3,711**	-	**3,711**	-
Lease obligations	**-**	-	**-**	-
Deferred capital grant (note 15b)	**6,824**	6,833	**6,824**	6,833
Recycled Capital Grant Fund (note 15c)	**43**	6	**43**	6
Sinking Fund (Haldon)	**32**	24	**32**	24
	68,081	53,805	**68,081**	53,805

15a Bank loans

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

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
Fixed rate loans				
Within one year	**-**	-	**-**	-
2 to 5 years	**-**	-	**-**	-
In 5 years or more	**57,471**	39,942	**57,471**	39,942
Variable rate loans				
Within one year	**-**	-	**-**	-
2 to 5 years	**-**	3,500	**-**	3,500
In 5 years or more	**-**	3,500	**-**	3,500
	57,471	46,942	**57,471**	46,942

The refinancing process concluded in quarter one of 2021-22. £21.5m of Barclays debt was repaid and the revolving credit facility, of £13.5m which was undrawn was rescinded.

The £25m loan from GBSH remains in place.

A £33m loan from bLEND PLC was drawn down in June, with a 33 year term, resulting in a total drawn debt of £58m.

A revolving credit facility was put in place with Nationwide for £20m, for 5 years, which has since been extended to 6 years, so currently comes to an end in 2027 and this remains undrawn.

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs, from 2.92% to 5.39%.

The average rates of finance costs on the loans outstanding at 31 March 2022 were:

Fixed rate loans 3.98% (2020-221: 6.21%)

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

	2022 £'000	2021 £'000
Undrawn facilities (Barclays)	-	13,500
Undrawn facilities (Nationwide)	**20,000**	-
	20,000	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.

15b Deferred capital grant

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
At start of the year	**6,909**	6,710	**6,909**	6,710
Received during the year	**92**	278	**92**	278
Grants recycled on disposals to RCGF	**(37)**	(5)	**(37)**	(5)
Released to income during the year	**(70)**	(74)	**(70)**	(74)
	6,894	6,909	**6,894**	6,909
Amount due to be released < 1 year	**(70)**	(76)	**(70)**	(76)
Amount due to be released > 1 year	**6,824**	6,833	**6,824**	6,833

The total accumulated government grant and financial assistance received or receivable at 31 March 2022 is £7,569k (2020-21: £7,558k), of which, £6,894k (2020-21: £6,909k) is included as deferred capital grant and £720k (2020-21: £649k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group 2022 £'000	Group 2021 £'000	**Association 2022 £'000**	Association 2021 £'000
At 1 April 2021	**6**	1	**6**	1
Inputs to RCGF:				
Grants recycled	**37**	5	**37**	5
At 31 March 2022	43	6	43	6
Due in more than one year	43	6	43	6
	43	6	**43**	6

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2022, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2022	2021
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**18,405**	8,358
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**2,990**	13,525
	21,395	**21,883**

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

	2022	2021
	£'000	£'000
Proceeds from sale of shared ownership properties	**1,947**	2,460
Uncommitted loan facilities	**19,448**	19,423
	21,395	21,883

The new revolving credit facility provided by Nationwide (£20,000,000), which was secured on 18 April 2021, will fund the £19,448,000 of committed development expenditure.

19 Pensions Liability

Total Pensions Liability	**2022**	**2021**
	£'000	£'000
SHPS	572	1,268
LGPS	-	511
Total	**572**	**1,779**

(a) Social Housing Pension Scheme

During the year, the company participated 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.

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

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

	2022	2021
	£'000	£'000
Fair value of plan assets	**4,661**	4,094
Present value of defined benefit obligation	**(5,233)**	(5,362)
(Deficit) in plan	**(572)**	(1,268)
Unrecognised surplus	**-**	-
Defined benefit (liability)	**(572)**	(1,268)

Reconciliation of opening and closing balances of the defined benefit obligation

	2022	2021
	£'000	£'000
Defined benefit obligation at start of period	**5,362**	4,026
Current service cost	**28**	20
Expenses	**4**	5
Interest expense	**118**	95
Member contributions	**23**	38
Actuarial (gains) losses due to scheme experience	**315**	(82)
Actuarial losses (gains) due to changes in demographic assumptions	**(78)**	19
Actuarial losses (gains) due to changes in financial assumptions	**(477)**	1,303
Benefits paid and expenses	**(62)**	(62)
Defined benefit obligation at end of period	**5,233**	5,362

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

	2022	2021
	£'000	£'000
Fair value of plan assets at start of period	**4,094**	3,504
Interest income	**91**	84
Experience on plan assets (excluding amounts included in interest income) - gain	**398**	390
Employer contributions	**118**	140
Member contributions	**23**	38
Benefits paid and expenses	**(62)**	(62)
Fair value of plan assets at end of period	**4,662**	4,094

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £489,000 (2021: £474,000).

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

	2022	2021
	£'000	£'000
Current service cost	**28**	20
Expenses	**4**	5
Net interest expense	**27**	11
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	**59**	36

Defined benefit costs recognised in other comprehensive income (OCI)

	2022	2021
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	**398**	390
Experience gains and losses arising on the plan liabilities - gain (loss)	**(316)**	82
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss) gain	**78**	(19)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss) gain	**477**	(1,303)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) gain	**637**	(850)
Total amount recognised in Other Comprehensive Income - (loss) gain	**637**	(850)

Assets

	2022	2021
	£'000	£'000
Global Equity	**894**	653
Absolute Return	**187**	226
Distressed Opportunities	**167**	118
Credit Relative Value	**155**	129
Alternative Risk Premia	**154**	154
Fund of Hedge Funds	**-**	-
Emerging Markets Debt	**136**	165
Risk Sharing	**153**	149
Insurance-Linked Securities	**109**	98
Property	**126**	85
Infrastructure	**332**	273
Private Debt	**119**	98
Opportunistic Illiquid Credit	**157**	104
High Yield	**40**	123
Opportunistic Credit	**17**	112
Cash	**16**	-
Corporate Bond Fund	**311**	242
Liquid Credit	**-**	49
Long Lease Property	**120**	80
Secured Income	**174**	170
Liability Driven Investment	**1,300**	1,041
Currency Hedging	**(18)**	-
Net Current Assets	**13**	25
Total assets	**4,662**	4,094

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

	2022	2021
	£'000	£'000
Discount Rate	2.78%	2.21%
Inflation (RPI)	3.47%	3.22%
Inflation (CPI)	3.14%	2.87%
Salary Growth	4.14%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	2022	2021
	Life expectancy at age 65 (Years)	**Life expectancy at age 65 (Years)**
Male retiring in 2022 (2021)	21.1	21.6
Female retiring in 2022 (2021)	23.7	23.5
Male retiring in 2042 (2041)	22.4	22.9
Female retiring in 2042 (2041)	25.2	25.1

(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 2022 were £53,514, of which employer's contributions totalled £43,284 and employees' contributions totalled £10,281.

The company withdrew from the LGPS on 31st March 2022, this triggered a cessation event and the liability of this, accounted for in 2021-22 is £1,178,000. This is the final settlement for all liabilities.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2022 by a qualified independent actuary.

	At 31 March 2022	At 31 March 2021
Rate of increase in salaries	**4.35%**	3.90%
Rate of increase for pensions in payment / inflation	**3.35%**	2.90%
Discount rate for scheme liabilities	**2.60%**	1.95%
Inflation assumption (CPI)	**3.35%**	2.90%

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 2022	At 31 March 2021
	Years	Years
Retiring today		
Males	**22.7**	22.6
Females	**24.0**	23.9
Retiring in 20 years		
Males	**24.0**	24.0
Females	**25.4**	25.4

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

	2022	2021
	£'000	£'000
Employer service cost (net of employee contributions)	**(142)**	(62)
Administration expenses	**(5)**	(5)
Total operating charge	**(147)**	(67)
Analysis of pension finance costs		
Net Interest on the defined liability	**(9)**	(12)
Amounts charged to financing costs	**(9)**	(12)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Total loss / (profit)	**156**	79

	2022	2021
	£'000	£'000
Return on Fund Assets	**484**	1,570
Change in financial assumptions	**325**	(1,662)
Change in demographic assumptions	**-**	79
Experience gain / (loss) on defined benefit obligation	**(13)**	99
Changes in effect of asset ceiling	**-**	-
Actuarial gain / (loss)	**796**	86

Cessation event disclosure	**2022**
	£'000
Active members	**1,779**
Deferred members	**1,256**
Pensioners	**6,905**
Total	**9,940**
Assets	**8,762**
(Deficit)	**(1,178)**

Movement in (deficit) during year

	2022	2021
	£'000	£'000
Deficit in scheme at 1 April	**(511)**	(558)
Movement in year:		
Employer service cost (net of employee contributions)	**(142)**	(62)
Employer contributions	**35**	40
Net interest/return on assets	**475**	1,558
Re-measurements	**325**	(1,662)
Change in demographic assumptions	**-**	79
Other actuarial gains	**(13)**	99
Administration expenses	**(5)**	(5)
Movement on Cessation	**(1,342)**	-
Deficit in scheme at 31 March	**(1,178)**	(511)

Asset and Liability Reconciliation

	2022	2021
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	**8,928**	7,439
Service cost	**68**	62
Interest cost	**171**	172
Employee contributions	**10**	12
Re-measurements	**(325)**	1,662
Change in demographic assumptions	**-**	(79)
Experience gains on defined benefit obligation	**13**	(99)
Past Service costs including curtailments	**74**	-
Benefits paid	**(301)**	(241)
Movement on Cessation	**1,302**	-
Liabilities at end of period	**9,940**	8,928

Reconciliation of assets	**2022**	2021
	£'000	£'000
Assets at start of period	**8,417**	6,881
Return on plan assets less interest	**484**	1,570
Interest on Assets	**162**	160
Other actuarial gains	**-**	-
Administration expenses	**(5)**	(5)
Employer contributions	**35**	40
Employee contributions	**10**	12
Benefits paid	**(301)**	(241)
Movement on cessation	**(40)**	-
Assets at end of period	**8,762**	8,417

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	**2022** **£'000**	2021 £'000
Gift aid distribution	**57**	41
Management & administration	**38**	38
Loan interest	**11**	12
Loan repayments received	**800**	900
	906	991

Payable to non-regulated subsidiaries from the company

Transactions with Templer HomeBuild Limited	**2022** **£'000**	2021 £'000
Property services provided	**2,150**	1,880
Loans to Subsidiary	**800**	800
	2,950	2,680

Statement of Financial Position balances between Parent and Subsidiary

	Creditors **£'000**	**Debtors** **£'000**
Teign Housing	126	965
Templar HomeBuild	460	126
	586	1091

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

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 £57,000 (2021: £41,000) and had net assets of nil (2021: 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	11,421	4,952	-	16,373
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(46,942)	(11,212)	683	(57,471)
	(35,521)	**(6,260)**	**683**	**(41,098)**

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	11,195	4,816	-	16,011
Housing Loans Due in One Year	-	-	-	-
Housing Loans Due After One Year	(46,942)	(11,212)	683	(57,471)
	(35,747)	**(6,396)**	**683**	**(41,460)**

24 Prior Period Adjustment

	At 1 April 2020	Surplus for the year ended 31 March 2021	Actuarial loss for the year ended 31 March 2021	Transfer from revaluation reserve to income and expenditure reserve	At 31 March 2021
	£'000	£'000	£'000	£'000	£'000
Income and expenditure reserve					
As previously stated	62,061	3,471	(764)	1,377	66,145
Correction of transfer from revaluation reserve	(555)	-	-	(1,083)	(1,638)
As restated	61,506	3,471	- 764	294	64,507
Revaluation reserve					
As previously stated	31,786	-	-	(1,377)	30,409
Correction of transfer from revaluation reserve	555	-	-	1,083	1,638
As restated	32,341	-	-	(294)	32,047
Total reserves (previously stated and restated)	**93,847**	**3,471**	**(764)**	**-**	**96,554**

The transfer between the Income and Expenditure Reserve and the Revaluation Reserve to reflect excess depreciation on revalued assets has formerly included the land element of each asset. In 2021/22 the accounting treatment has been reconsidered to exclude the land element and as a result the reserves for the year ended 31 March 2021 have been impacted, with the revaluation reserve increasing and the income and expenditure reserve decreasing by £1,638,000.