

**NEW FOREST VILLAGES ASSOCIATION LIMITED**

**Co-operative and Community Benefit Society No: 24622R**

**Regulator of Social Housing No: L3704**



**New Forest Villages  
Housing Association Ltd.**

**Member of the English Rural Group**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> MARCH 2022**

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NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
BOARD MEMBERS, DIRECTORS, ADVISORS AND BANKERS  
FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022

**Board members:**

Pam Reynolds  
Michael Harris  
Adrian Maunders

Treasurer  
Chairman, resigned 21<sup>st</sup>  
September 2021

Karen Eagles  
Sarah Nield

Chairman from 6<sup>th</sup> October  
2021

Brian Carroll

Deceased September 2021

Martin Collett

Co-opted from 6<sup>th</sup> October  
2021

**Company Secretary and Head  
Office:**

Karen Eagles  
7a Strutton Ground  
London  
SW1P 2HY

**External**

**Auditor:**

Mazars LLP  
First Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

**Principal**

**Bankers:**

Lloyds Banking Group  
25 Gresham Street  
London  
EC2V 7HN

**Registered Office:**

7a Strutton Ground  
Westminster  
London  
SW1P 2HY

## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

### BOARD REPORT

The Board is pleased to present its report and audited financial statements for year ended 31st March 2022.

#### **Principal activities and review of the business**

New Forest Villages Housing Association Limited is a Registered Provider of Social Housing under the Co-operative and Community Benefit Societies Act 2014. The Association provides rented housing for households in the New Forest District Council area in the greatest need and who are least able, through limited income, advanced age or disability, to obtain suitable accommodation in their own communities.

During the year, the Association continued to manage the 47 properties owned at the end of the previous year in accordance with the principal activity described above. A contract is in place to manage a further four properties on behalf of the Nalder Trust and this is facilitated through the Association's parent, English Rural.

At year end, the Association has share capital and reserves of £1,730,044 (2021 - £1,627,738).

#### **Value for money**

The Value for Money (VfM) Standard, issued by the Regulator for Social Housing (RSH), moved the focus of the RSH approach away from the primarily narrative VfM Statements to reporting through the statutory annual accounts by providers on progress in meeting their own targets, including a suite of metrics to be defined, from time to time by the RSH. The outcomes required by the new standard are that providers registered with the RSH must:

- Clearly articulate their strategic objectives;
- Have an approach agreed by the Board to the achievement of VfM in meeting those objectives and the demonstration of the delivery of VfM to stakeholders;
- Through the strategic objectives to articulate the Board's strategy for delivering homes that meet a range of needs;
- Ensure that optimal benefit is derived from resources and assets to secure economy, efficiency and effectiveness in the delivery of strategic objectives.

The VfM Standard requires Registered Providers to provide additional measures and targets which are bespoke to the organisation and which supplement the VfM metrics. Despite being a smaller registered provider, New Forest Villages Housing Association Limited (NFVHA) can still demonstrate VfM in the services it provides to its residents. The financial position of NFVHA continues to be strong, enabling investment in existing homes and provision for future investment in developing new affordable homes. Our Parent, English Rural, has continued to advise us on financial matters including improving VfM. Good examples of this include sourcing services such as insurance, audit services, electricity supplies and maintenance contracts through competitive arrangements. Each of these examples has resulted in lower charges to NFVHA, with cost savings also being secured for residents. The Association also contributes to the Group VfM targets as set out in English Rural Housing Association's financial statements.

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
BOARD REPORT

VFM Metric	NFVHA 2021/22	NFVHA 2020/21	Median RP's < 2,500 units *
<b>1 - Reinvestment %</b>	3.6%	1.1%	3.3%
<b>2 - New supply delivered %:</b>			
A. New supply delivered (Social Housing Units)	0%	0%	0%
B. New supply delivered (Non-Social Housing Units)	0%	0%	0%
<b>3 - Gearing %</b>	(27.2)**	(26.3%)**	28.9%
<b>4 - EBITDA MRI Interest Cover (inc sales) %</b>	288%	423%	167%
<b>5 - Headline social housing cost per unit</b>	£4,392	£3,431	£4,170
<b>6 - Operating Margin %:</b>			
A. Operating Margin (social housing lettings only)	39.1%	28.20%	25.1%
B. Operating Margin (overall)	39.5%	28.70%	22.1%
<b>7 - Return on capital employed</b>	3.50%	2.50%	3.00%

\* Source: Regulator of Social Housing – Value for money metrics and reporting 2021 Annex to 2021 Global Accounts

\*\* Cash exceeds debt, therefore negative gearing

The above metrics for NFVHA, when compared to peers, demonstrate strong financial metrics, for example, operating margin, negative gearing, high interest cover and low operating costs per unit. There is a fall in interest cover compared to last year due to a planned increase in component expenditure, in particular windows and doors.

The Board is still committed to delivering new social housing in the New Forest area and is pleased to report that a planning application has recently been made to build 8 homes in the area.

### Board Members

The present Board Members are set out on page 1. The Board comprises up to six non-executive members and is responsible for the strategy and viability of the Association. Board Members are drawn from a wide background bringing together professional, commercial and other relevant experience. The Board met four times during the year to discuss strategy and related matters.

All members of the Board hold one share of £1 each in the Association and no member had any interest in any contract or arrangement with the Association.

### Code of governance

During the year, the English Rural Board agreed to adopt, along with New Forest Villages Housing Association, the new National Housing Code of Governance (2020). In readiness for this, a Task & Finish Panel was set-up to consider what additional work needed to be completed to secure compliance and to report on this work to the Board. Some highlights of this work included - collectively revisiting and recording agreed culture, behaviours and values; an appraisal of board and committee effectiveness; revising board succession plans to move towards two three-year standard terms and a review of subsidiaries within the Group against intended purpose. Parallel to this work, a separate staff group progressed a review of equality, diversity and inclusion (EDI), which cumulated in an action plan to be delivered over the following year.

## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

## BOARD REPORT

**Compliance with the Governance and Financial Viability Standard**

The Board has reviewed the requirements of the Regulator's Governance and Financial Viability Standard and, having carried out a self-assessment against the Standard, have confirmed that the Association, in conjunction with its Parent, English Rural, continues to meet its requirements. The Board consider the following measures as fundamental to on-going compliance (measures denoted with an \* are at Group level including NFFVHA)

- Adoption of the principal recommendations of the 2015 NHF revised Code of Governance and Code of Conduct (2012);
- Adoption of the 2020 NHF Code of Governance from April 2022;
- An effective Board committed to the principles of good governance, with regularly external appraisals to advise on and validate board performance;
- Annual succession and skills planning, ensuring the Board maintains the right level of skills and culture for the organisations type and business objectives;
- Standing Orders and Financial Regulations establishing and delegating roles and responsibilities, which are reviewed annually by the Board;\*
- A dynamic risk management framework with an agreed risk appetite and detailed risk map;\*
- Basing decisions on sound advice from the executive team and third-party experts;
- A long-term financial business plan supporting agreed Business Strategy. The financial business plan having been robustly stress tested against likely scenarios and multiple perfect storm scenarios, including the latest impact of Covid 19. With mitigating actions considered and understood;
- Sufficient liquidity to meet contractual commitments;
- A robust annual budget setting process for both revenue and capital elements;
- Sufficient capacity within agreed financial parameters (headroom) to meet strategic ambitions, including growth by developing new affordable homes;
- An effective system of internal controls which are continually tested by a programme of internal audit;\*
- Regular reports from the executive team and third parties on compliance with RSH standards and timely submission of returns;\*
- An asset and liability register compliant with the expectations of the Governance and Viability Standard; and
- A fraud register reviewed annually by the Audit & Risk Committee.\*
- A "Business Health Dashboard" in place that considers key performance measures, including compliance with health and safety requirements;\*
- Establishment of "Golden Rules" to act as early warning signs for any corrective actions.\*
- A Recovery Plan that has been prepared in readiness were there to be a need to take corrective financial actions;
- A formal structure and approach for involving residents within the governance of the Association, including a robust approach to handling resident complaints that involves the Group Audit & Risk Committee; and
- A review of compliance against all the Regulatory Standards, considered by the Audit & Risk Committee and reported on to the Board.\*

The Board was pleased to note that English Rural's Regulatory Assessments of G1 (for Governance) and V1 (for Financial Viability), which include the activities of NFFVHA, were renewed during the year. This confirmed that English Rural continues to meet the requirements on governance and viability set

## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

### BOARD REPORT

out in the Governance and Financial Viability Standards and maintained the highest of the four available grades in both categories.

#### **Going Concern**

Although services are no longer directly impacted by the pandemic, the Board continue to monitor the economic consequences to supply chains and inflationary pressure as part of financial business planning and stress testing; these pressures being exacerbated by the war in Ukraine and also trade and labour market disruption arising from Brexit. The latest financial business plan was updated by the Board in June 2022 to include greater provision for future cost inflation and, despite this, the plan demonstrates that the Association remains financially viable.

The Association has sufficient resources to finance the Association's day to day operations. The Association also has a long-term financial forecast, which shows that the debt outstanding and interest due can be paid in accordance with the loan agreements.

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

#### **Data protection & confidentiality**

The Board have approved a Data Protection & Confidentiality Policy which ensures that English Rural complies with the General Data Protection Regulation (GDPR).

#### **Appointment of external auditors**

A resolution proposing that Mazars be reappointed as auditor of the Association will be put to the forthcoming Annual General Meeting.

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
BOARD REPORT

## **Statement of the Board's Responsibilities in Respect of the Accounts**

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of New Forest Villages Housing Association Limited ("the Association") and of the surplus or deficit for that period.

In preparing those financial statements, the Board is required to: -

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Accounting Direction for Social Housing in England from April 2019. The Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Assessment of the effectiveness of internal controls**

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of internal control and for reviewing its effectiveness.

Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable assurance against material financial misstatement or loss. The Association has an Audit and Risk Committee to assist and advise the Board in the audit and risk management processes. Key elements of the Committee's role include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and controls and a summary of delegated authorities, which ensures a strong control environment and enables the monitoring of these controls;
- Robust strategic and business planning processes, with detailed financial budgets and forecasts are prepared which enable the Board to monitor the key business risks and financial objectives. Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information. Significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures;
- A sophisticated approach to treasury management, which is subject to external review each year;
- Regular monitoring of loan covenants and requirements for new loan facilities;



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## BOARD REPORT

- the Board reviews reports from the Executive Management Team, from the internal auditors and the external auditors with a view to obtaining reasonable assurance that control procedures are in place and are being followed;
- Board approved fraud policies, covering prevention, detection and reporting, together with recoverability of assets;
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks; and
- weaknesses identified from the above reports are discussed with management and addressed by the Board.

The Board has reviewed, on an ongoing basis with the external auditor the effectiveness of the system of internal control in existence at the Association for the year ended 31<sup>st</sup> March 2022 and until the date of approval of the annual Financial Statements. No weaknesses were found in internal financial controls that resulted in material losses, contingencies or uncertainties that require disclosure in the Financial Statements or in the auditor's report on the Financial Statements.

So far as each of the directors at the time the report is approved are aware: a) there is no relevant audit information of which the auditors are unaware and, b) that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board has received an annual report from the Association's Executive Team and Audit & Risk Committee confirming they have reviewed the effectiveness of the system of internal control throughout this year and have taken account of any changes needed to maintain the effectiveness of the risk management and control processes. This Board Report was approved on 20<sup>th</sup> July 2022 and signed on its behalf by order of the Board:

*Sarah Nield*

Sarah Nield (Jul 26, 2022 10:40 GMT+1)

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Date: Jul 26, 2022

## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

**Independent auditor's report to the members of New Forest Villages Housing Association Limited****Opinion**

We have audited the financial statements of New Forest Villages Housing Association Limited (the 'Association') for the year ended 31 March 2022 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Association's affairs as at 31 March 2022 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

**Basis for opinion**

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

**Conclusions relating to going concern**

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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the Board 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.

## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board Report.

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

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

#### **Responsibilities of the Board**

As explained more fully in the Statement of the Board's Responsibilities set out on page [X], the Board are 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Association and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Association is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS

- Considering the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

In addition, we evaluated the Board's and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### Use of the audit report

This report is made solely to the Association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Vincent Marke (Aug 2, 2022 10:47 GMT+1)

Vincent Marke (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor 1st Floor  
2 Chamberlain Square  
Birmingham  
B3 3AX

Date Aug 2, 2022

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
 FINANCIAL STATEMENTS  
**STATEMENT OF COMPREHENSIVE INCOME**

for the period ended 31 March 2022

	Notes	March 2022 £	March 2021 £
Turnover	3	319,306	306,857
Operating expenditure	3	(192,994)	(218,713)
<b>Operating surplus</b>		<u>126,312</u>	<u>88,144</u>
Interest receivable and similar income	5	1,855	3,271
Interest payable and similar charges	6	<u>(25,861)</u>	<u>(26,152)</u>
<b>Surplus before tax</b>	8	102,306	65,263
Taxation	9	-	-
<b>Surplus for the period after tax</b>		<u>102,306</u>	<u>65,263</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the current period and preceding year</b>		<u><u>102,306</u></u>	<u><u>65,263</u></u>

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN RESERVES**  
for the period ended 31 March 2022

	<b>Notes</b>	<b>Revenue reserves</b>	<b>Total</b>
		£	£
Balance at 31 March 2021		1,627,724	1,627,724
Surplus from statement of comprehensive income for the period		102,306	102,306
Other comprehensive income		-	-
Balance as at 31 March 2022		<u>1,730,030</u>	<u>1,730,030</u>

	<b>Notes</b>	<b>Revenue reserves</b>	<b>Total</b>
		£	£
Balance at 31 March 2020		1,562,461	1,562,461
Surplus from statement of comprehensive income for the period		65,263	65,263
Other comprehensive income		-	-
Balance as at 31 March 2021		<u>1,627,724</u>	<u>1,627,724</u>

All activities reported above, both in the current period and preceding year, relate to continuing activities.

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS

**STATEMENT OF FINANCIAL POSITION**  
as at 31<sup>st</sup> March 2022

		<b>March 2022</b>	<b>March 2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Social housing properties	10	2,692,408	2,649,897
<b>Current assets</b>			
Trade and other debtors	11	38,037	24,673
Short Term Deposit		600,086	783,231
Cash and cash equivalents		350,288	140,376
		<u>988,411</u>	<u>948,280</u>
<b>Less: Creditors:</b> amounts falling due within one year	12	(63,661)	(58,948)
<b>Net current assets</b>		924,750	889,332
<b>Total assets less current liabilities</b>		3,617,158	3,539,229
<b>Creditors:</b> amounts falling due after more than one year	13	(1,887,114)	(1,911,491)
<b>Total net assets</b>		<u>1,730,044</u>	<u>1,627,738</u>
<b>Capital and reserves</b>			
Non-equity share capital	14	14	14
Revenue Reserve		1,730,030	1,627,724
		<u>1,730,044</u>	<u>1,627,738</u>

These financial statements were approved by the Board on 20 July 2022 and signed on its behalf by:

*Sarah Nield*

Sarah Nield (Jul 26, 2022 10:40 GMT+1)

Sarah Nield (Chair)

*M.R.Harris*

M.R.Harris (Jul 26, 2022 21:20 GMT+1)

Michael Harris (Treasurer)

*K. Eagles*

Karen Eagles (Secretary)

The accompanying notes form part of these financial statements

NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS

**STATEMENT OF CASH FLOWS**  
for the period ended 31<sup>st</sup> March 2022

	Notes	March 2022 £	March 2021 £
<b>Net cash generated from operating activities</b>	17	<u>156,662</u>	<u>116,983</u>
<b>Cash flow from investing activities</b>			
Property expenditure		(96,766)	(22,522)
Interest received		1,855	3,271
		<u>(94,911)</u>	<u>(19,251)</u>
<b>Cash flow from financing activities</b>			
Finance charges		(25,861)	(26,152)
Loans received		-	-
Loans repaid		(9,123)	(16,587)
Proceeds from issue of shares		-	-
Short term deposits		183,145	(783,230)
		<u>148,161</u>	<u>(825,969)</u>
<b>Net change in cash and cash equivalents</b>		209,912	(728,237)
Cash and cash equivalents at beginning of period		140,376	868,613
<b>Cash and cash equivalents at end of period</b>		<u><u>350,288</u></u>	<u><u>140,376</u></u>

The accompanying notes form part of these financial statements



NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31st March 2022

**1. Legal status**

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

**2. Principal Accounting Policies**

(a) **Basis of accounting**

The financial statements of the Association are prepared on an historical cost basis and are in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. The Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The Board is satisfied that the current accounting policies are the most appropriate for the Association.

(b) **Going concern**

The financial statements have been prepared on a going concern basis after consideration of the future prospects of the Association and the preparation of long-term financial forecasts and plans which include an assessment of the availability of funding and the certainty of cash flow from rental of social housing stock.

(c) **Accounting judgements and estimations**

**Significant management judgements**

The following are the significant management judgements made in applying the accounting policies of the Group that have the most significant effect on the financial statements:

*Impairment* - housing properties are annually assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount. The resulting impairment loss is recognised as expenditure in the statement of comprehensive income.

**Estimation uncertainty**

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

*Useful lives of depreciable assets* - judgements have been made in determining the main components and useful lives of property, plant and equipment for depreciation purposes. Details are provided in note (f) – Housing properties and depreciation.

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*Rental and other trade receivables* - Estimations have been made internally regarding the recoverable amount of rental and other trade receivables.

(d) **Turnover and revenue recognition**

Turnover represents rental income receivable, amortised capital grant, income from the sale of shared ownership and other income and are 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. Income from property sales is recognised on legal completion.

(e) **Service charges**

Service charge income and costs are recognised on an accruals basis. The Association operates variable service charges on a scheme by scheme basis in full consultation with residents. The charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within current creditors.

(f) **Housing properties and depreciation**

In accordance with SORP 2018, the Association operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock. Housing properties (in development and completed) are stated at cost less accumulated depreciation and any accumulated impairment losses. Staff costs and overheads which are directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over their estimated useful lives which have been set taking into account professional advice. Freehold land is not subject to depreciation.

On becoming a subsidiary of English Rural Housing Association, the Association adopted the same useful economic lives as the Parent. The only change being that windows and doors are now depreciated over 25 years rather than 30 years.

Major components are treated as separate assets and depreciated over their expected useful economic lives at the following rates:

	Economic Life (years)
Land	n/a
Bathrooms	30
Heating systems	15 -20
Kitchens	20
Electrics	40
Mechanical Systems	30
Roofs	70
Structure	100
Windows and doors	25

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Housing assets are depreciated from the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the fair value after deducting costs to sell, and any write down is charged to operating surplus.

Housing properties in the course of construction are held at cost and not depreciated. They are transferred to completed properties when handed over for letting or sale.

Any surplus arising on first tranche sales of shared ownership properties are restricted to the "overall surplus" which is defined as the difference between the net present value of cash flows and cost. The Association charges a rent on the retained percentage of the property. Therefore, the net cost allocated to first tranche sale is the balance after allowing for the proportion of the property that is expected to be retained by the Association.

(g) **Government and other grants**

Social housing grant (SHG), receivable from Homes England, and other capital grants are recognised in income over the expected useful life of the housing property structure under the accruals model.

SHG must be recycled by the Association 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.

(h) **Financial instruments**

The Association has determined that its financial instruments meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historical cost model. This includes loans where there are two-way breakage cost clauses as part of the terms of the loan agreement.

(i) **Properties held for disposal**

Where the Association has identified properties to be sold within the short term, they have been transferred to current assets.

(j) **Works to existing properties**

Where a major component of a housing property is replaced or restored, the works are capitalised. All other costs of works to existing properties are charged to the Statement of Comprehensive Income.

(k) **Taxation**

The Association is accepted as a charity by HMRC. Income and capital gains of the Association are generally exempt from tax if applied for charitable purposes. There is no provision required for deferred tax.

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(l) **Value added tax**

The Association is registered for VAT and accordingly, where specifically applicable, expenditure incurred in selling shared ownership schemes is shown net of VAT. All other expenditure is shown inclusive of VAT.

(m) **Apportionment of management expenses**

Management expenses are allocated to activities either directly or on the basis of estimated staff time spent on the activity.

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**3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	Note	----- March 2022 -----				----- March 2021 -----			
		Turnover	Cost of sales	Operating Costs	Operating surplus/ (deficit)	Turnover	Cost of sales	Operating Costs	Operating surplus/ (deficit)
		£	£	£	£	£	£	£	£
<b>Social Housing Lettings:</b>									
General needs housing	4	317,290	-	(192,994)	124,296	304,919	-	(218,713)	86,206
		<u>317,290</u>	<u>-</u>	<u>(192,994)</u>	<u>124,296</u>	<u>304,919</u>	<u>-</u>	<u>(218,713)</u>	<u>86,206</u>
<b>Other Social Housing Activities:</b>									
Other income		2,016	-	-	2,016	1,938	-	-	1,938
		<u>319,306</u>	<u>-</u>	<u>(192,994)</u>	<u>126,312</u>	<u>306,857</u>	<u>-</u>	<u>(218,713)</u>	<u>88,144</u>

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**4. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

	March 2022		March 2021	
	General Needs Housing	Total	General Needs Housing	Total
	£	£	£	£
Rent receivable net of identifiable service charges	265,495	265,495	258,781	258,781
Service charges receivable	28,478	28,478	22,821	22,821
Grants released from deferred income	23,317	23,317	23,317	23,317
<b>Turnover from Social Housing Lettings</b>	<b>317,290</b>	<b>317,290</b>	<b>304,919</b>	<b>304,919</b>
Housing management	66,639	66,639	69,335	69,335
Housing services	20,529	20,529	23,498	23,498
Routine maintenance	18,150	18,150	27,258	27,258
Planned maintenance	5,521	5,521	8,109	8,109
Major repairs	28,217	28,217	35,920	35,920
Bad debts	(316)	(316)	1,295	1,295
Depreciation of housing properties	54,254	54,254	53,298	53,298
<b>Operating costs on social housing lettings</b>	<b>192,994</b>	<b>192,994</b>	<b>218,713</b>	<b>218,713</b>
Operating surplus on social housing lettings	124,296	124,296	86,206	86,206
<b>Void Losses</b>	<b>1,480</b>	<b>1,480</b>	<b>2,703</b>	<b>2,703</b>

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**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Interest Receivable on Bank Deposit Accounts	1,855	3,271
	<u>1,855</u>	<u>3,271</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Interest on loans	25,861	26,152
	<u>25,861</u>	<u>26,152</u>

**7. EMOLUMENTS AND EXPENSES**

**Emoluments and Expenses**

New Forest Villages Housing Association does not employ any Executive Directors or staff. Instead, these services are provided its parent, English Rural Housing Association, and included as part of their management fee. Non-executive board members for New Forest Villages Housing Association are not remunerated but did receive expenses of £nil (£nil:2021).

**8. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The surplus on ordinary activities before taxation is stated after charging:

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Auditor's remuneration including VAT:		
In their capacity as auditors	6,240	5,940
For other services	-	-
Depreciation:		
Housing Properties	54,254	53,298
	<u>54,254</u>	<u>53,298</u>

**9. TAXATION**

New Forest Villages Housing Association Limited is an exempt charity registered with the Regulator for Social Housing and is exempt from liability to taxation on its income and capital gains.

## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

**10. FIXED ASSETS (PROPERTIES)**

	Completed Properties for Letting	Properties in Development	Total
	£	£	£
<b>Cost</b>			
At 31 <sup>st</sup> March 2021	3,652,516	11,427	3,663,943
Works to existing properties	84,423	-	84,423
Addition: New Properties	-	12,342	12,342
Components written off	(19,660)	-	(19,660)
At 31 <sup>st</sup> March 2022	<u>3,717,279</u>	<u>23,769</u>	<u>3,741,048</u>
<b>Depreciation</b>			
At 31 <sup>st</sup> March 2021	1,014,046	-	1,014,046
Charge for period	54,254	-	54,254
Released on disposal	(19,660)	-	(19,660)
At 31 <sup>st</sup> March 2022	<u>1,048,640</u>	<u>-</u>	<u>1,048,640</u>
<b>Net Book Value</b>			
At 31 <sup>st</sup> March 2022	<u>2,668,639</u>	<u>23,769</u>	<u>2,692,408</u>
At 31 <sup>st</sup> March 2021	<u>2,638,470</u>	<u>11,427</u>	<u>2,649,897</u>

**11. DEBTORS**

	March 2022	March 2021
	£	£
Arrears of rent and service charges	10,046	11,734
Provision for doubtful debts	(1,740)	(2,056)
	<u>8,306</u>	<u>9,678</u>
Amounts due from parent	25,661	8,402
Recharges to tenants	1,542	1,542
Sundry debtors and prepayments	2,528	5,051
	<u>38,037</u>	<u>24,673</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Other creditors and accruals	25,686	12,115
Rents paid in advance	-	-
Deferred income – capital grants	23,318	23,318
Housing loans	1,058	9,123
Accruals and deferred income	13,599	14,392
	<u>63,661</u>	<u>58,948</u>



## NEW FOREST VILLAGES HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Housing loans	217,240	218,299
Deferred income – capital grants	<u>1,669,874</u>	<u>1,693,192</u>
	<u><u>1,887,114</u></u>	<u><u>1,911,491</u></u>

**Housing Loans**

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Borrowings are repayable as follows:		
Due in less than 1 year	<u>1,058</u>	<u>9,122</u>
Due between 1 and 2 years	1,186	1,058
Due between 2 and 5 years	4,493	4,008
Due after 5 years	<u>211,561</u>	<u>213,233</u>
Due after more than one year	<u>217,240</u>	<u>218,299</u>
Total	<u><u>218,298</u></u>	<u><u>227,421</u></u>

Loan balances were as follows:

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Lender Debt:		
Orchardbrook	<u>218,298</u>	<u>227,421</u>
Total debt	<u><u>218,298</u></u>	<u><u>227,421</u></u>

**Deferred income – capital grants**

	<b>Total</b>
	£
<b>Capital grants received</b>	
At 31st March 2021	2,331,715
Grant received during the period	-
Grant recycled during the period	-
At 31st March 2022	<u>2,331,715</u>
<b>Less grant amortisation</b>	
At 31st March 2021	615,205
Grant amortised for period	<u>23,318</u>
At 31st March 2022	<u>638,523</u>
Net deferred income at 31st March 2022	<u>1,693,192</u>
Net deferred income at 31st March 2021	<u>1,716,510</u>

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	<b>March 2022</b>	<b>March 2021</b>
	£	£
Amount due to be released in less than one year	23,318	23,318
Amount due to be released in more than one year	1,669,874	1,693,192
	<u>1,693,192</u>	<u>1,716,510</u>

#### 14. CALLED UP SHARE CAPITAL

	<b>March 2022</b>	<b>March 2021</b>
	£	£
Shares of £1 each – allotted, issued and fully paid at 31st March 2021	14	30
Issued during the period	1	(16)
Cancelled during the period	(1)	-
Shares of £1 each – allotted, issued and fully paid at 31 <sup>st</sup> March 2022	<u>14</u>	<u>14</u>

The shares provide Members with the right to vote at General Meeting, but they do not provide any rights to dividends or distributions, if the Association is wound up or dissolved. When a shareholder ceases to be a shareholder, his or her share shall be cancelled. The amount paid up becomes the property of the Association.

#### 15. CAPITAL COMMITMENTS

	<b>March 2022</b>	<b>March 2021</b>
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the Financial Statements	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	2,136	-
Total	<u>2,136</u>	<u>-</u>
Proposed financing of above expenditure:		
Grants	460	-
Other Subsidy	-	-
Loans & Cash	1,676	-
Property sales	-	-
	<u>2,136</u>	<u>-</u>

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## 16. HOUSING STOCK

	Units in management	
	March	March
	2022	2021
	No.	No.
The number of units of housing accommodation in management at 31 <sup>st</sup> March 2021 and 31 <sup>st</sup> March 2022 were:		
General needs housing - social rent	47	47
Total units owned or in development	47	47
Units managed on behalf of other registered providers	4	4
	51	51

## 17. CASH FLOW FROM OPERATING ACTIVITIES

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

	March	March
	2022	2021
	£	£
Surplus for the period	102,306	65,263
<b>Adjustments for non-cash items:</b>		
Depreciation and assets written off	54,254	53,298
Forfeited shares	(1)	(16)
(Increase)/Decrease in trade and other debtors	(13,364)	(947)
Increase/(Decrease) in trade and other creditors	12,778	(179)
<b>Adjustments for investing or financing activities:</b>		
Loss on disposal of fixed assets	-	-
Government grants utilised during the period	(23,317)	(23,317)
Interest Receivable	(1,855)	(3,271)
Interest Payable	25,861	26,152
<b>Net Cash Inflow from Operating Activities</b>	<b>156,662</b>	<b>116,983</b>

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**Analysis of change in net cash/(debt)**

	<b>At 31<sup>st</sup> March 2021</b>	<b>Cashflows</b>	<b>Other Changes</b>	<b>At 31<sup>st</sup> March 2022</b>
	£	£	£	£
Cash at bank and in hand	140,376	209,912	-	350,288
Short-term deposits	783,231	(183,145)	-	600,086
Overdrafts	-	-	-	-
	<u>923,607</u>	<u>26,767</u>	<u>-</u>	<u>950,374</u>
Debt due within one year	(9,122)	8,064	-	(1,058)
Debt due after more than one year	(218,299)	1,059	-	(217,240)
<b>Net cash</b>	<b>696,186</b>	<b>35,890</b>	<b>-</b>	<b>732,076</b>

**18. RELATED PARTIES**

There are no residents on the Board as at 31<sup>st</sup> March 2022 as for other residents. The Board have confirmed that there are no other related party transactions.

**19. OPERATING LEASE COMMITMENTS**

There were no operating lease commitments in the period.

**20. PARENT – ENGLISH RURAL HOUSING ASSOCIATION**

English Rural Housing Association is parent company to New Forest Villages Housing Association. English Rural Housing Association is a Registered Provider of Social Housing under the Co-operative and Community Benefit Societies Act 2014 whose registered office is 7a Strutton Ground, London SW1P 2HY.