ST MARTIN OF TOURS HOUSING ASSOCIATION LIMITED

Co-operative and Community Benefit Societies Act Registration No. 22546R

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

St Martin of Tours Housing Association Limited
Co-operative and Community Benefit Societies Act Registration No. 22546R
A Member of the National Housing Federation
Regulator of Social Housing Registration No. H3021

Registered Office:	318-320 St Pauls Road Islington London N1 2LF
Bankers:	The Royal Bank of Scotland Plc Barclays Bank Plc Lloyds Bank Plc
External auditors:	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Internal auditors:	Beever and Struthers LLP 15 Bunhill Row London EC1Y 8LP

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St Martin of Tours Housing Association Limited

Report of the Board of Management

The Board of Management ("Board") presents its report and the financial statements for the year ended 31 March 2020.

Principal Activity of the Registered Provider of Social Housing ("Registered Provider")

The principal activity of St Martin of Tours Housing Association Limited ("St Martins") is the provision of social care services and housing for people who are vulnerable and who require additional support or care to enable them to live as independently as possible within the community. St Martins provides support to its service users using the Recovery Approach, which emphasises hope, empowerment and opportunity.

Staff members provide a wide range of services to service users including key working, tenancy support, resettlement services, assistance with training and employment, involvement in arts projects and the provision of residential care.

Board of Management (from 1 April 2020 to the date of this report)

Fiona Weir	Chair	Appointed 21 May 2020
Nicholas Purchase	Chair	Resigned 21 May 2020
Selina Siak	Treasurer	Appointed 21 May 2020
Mayan Shah	Treasurer	Resigned 21 May 2020
Peter Spelman	Vice Chair	Resigned 11 March 2021
Anthony Kearns	Trustee	Resigned 24 September 2020
Catherine Cox	Trustee	Resigned 24 September 2020
Phyllis Starkey	Trustee	Resigned 28 January 2021
Clive Blackwood	Trustee	Appointed 1 September 2013
Ian Child	Trustee then Vice Chair	Appointed 24 September 2020
Carlos Thibaut	Trustee	Appointed 24 September 2020

Chief Executive

Since the departure of the previous Chief Executive in May 2020 the Chair has provided oversight and strategic management to the organisation. A new Chief Executive, Malcolm Campbell, has been appointed and he joined on 4 January 2021.

Company Secretary

Beth Haile

St Martins is registered under the Co-operative and Community Benefit Societies Act 2014, registration number 22546R, and is a Registered Provider, registration number H3021, under the Housing and Regeneration Act 2008.

Statement of Board of Management's Responsibilities

The Board is required under the Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Registered Provider and of the surplus earned for that period. In preparing financial statements, the Board has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Registered Provider and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Registered Provider and to prevent and detect fraud and other irregularities.

Internal Financial Control

The Board acknowledges that it is responsible for the Registered Provider's systems of internal control, which are designed to produce reasonable assurances regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial and other management information. The following procedures are in place, which are designed to produce effective internal control:

- Clearly defined management and reporting structures set out in the Registered Provider's financial regulations.

- Management information systems with quarterly reporting of financial results and monthly key performance indicators compared with targets.

- An annual Risk Analysis Procedure, which identifies major risks and the action required to reduce them. All major risks are reported to the Board.

- A programme of internal audit carried out by an independent audit company.

The Board is not aware of any significant weaknesses in internal financial control that have resulted in any material losses, contingencies or uncertainties regarding these financial statements.

The Board recognises that no system of internal control can provide absolute assurance of elimination of all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

Going Concern

Under the governance requirements, the Board confirms that it has made enquiries into factors that could materially affect the Association's future.

St Martins activities, its current financial position and factors likely to affect its future development are set out in the Report of the Board of Management.

The Association have prepared and approved the budget forecast for 31 March 2023. Additionally, the Association undertook a cost reduction exercise in the current financial year. These changes have been made to ensure St Martins financial health and long-term viability remains intact.

St Martins has reliable income streams from its block service contracts and spot purchases. During the 2021-22 financial year, St Martins submitted tenders for its existing services in Islington. The Board were advised in October 2021 that St Martins had been successful in retaining its contract for services provided to Islington.

On this basis, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Review of the Year and Future Developments

Results for the Year

The Board of Management is presenting its report and financial statements for the Association for the year ended 31 March 2021. The results show a deficit for the year of £1,221,005. The financial year ending March 2021 was a particularly difficult year for St Martin of Tours. Due to the PCP requirement and Covid- 19, St Martins turnover has reduced by 16% to £3,529,062 (2020: £4,203,710) whilst operating costs were only reduced by 1% to £4,905,499 (2020: £4,973,448). The Association received £180,448 from gain on disposal of housing properties.

Review of the Year

Similar to the previous year, 2020/21 has presented St Martins with a number of challenges. However, there has also been a number of changes in personnel and improvements in our services.

Following the Provider Concerns Process (PCP) being successfully lifted in August 2020, referrals have been reinstated since this time.

During the financial year ending March 2021, St Martins has invested in IT infrastructure. The migration of the email infrastructure away from the on-premises email server to Microsoft Office 365 in September 2020 was the organisation's first step towards the cloud. Furthermore, St Martins migrated users documents to OneDrive and Data to SharePoint in March 2021.

37 % of the Infection control grant received from the local authorities was spend on improving the IT infrastructure which enables service users to access wireless network throughout four of the seven services A number of laptops were also purchased for service users to access. This allowed service users to follow self-distancing rules and self-isolate as per government guidance.

Covid-19 remains an ongoing issue and has impacted on St Martins financially and operationally. However, we continue to operate in accordance with government guideline to minimise transmission across our services.

St Martins vision is to be the housing provider of choice across London for people with complex mental health needs, in order to support their mental health recovery. We remain committed to working with local authorities and care teams to provide a dynamic service with is responsive to the needs of the local community. This approach will enable us to play to our strengths, develop new services within our expertise and continue to be financially viable and sustainable.

We have continued to review and improve services to our service users/residents. We hope to evidence this in our service user survey later in the year.

Service Developments

- Due to concerns about St Martins financial viability, the Regulator for Social Housing (RSH) have been in ongoing dialogue with the Chief Executive and Director of Finance and have scheduled quarterly meetings to take place. These will cease to take place following the procurement decisions by LBI in October 2021.
- The Board took the decision not to re-open the supporting living service at Bruce Grove in Haringey which had closed in early 2020. Discussions to take place with a partner organisation with a view to sub contract the property in 2021.
- LBI have reviewed their housing requirements for the coming five years and have announced their intention to go out to tender for their changing needs across the borough. This affects the contracts held by St Martins and requires our participation in the tender process for 2021.
- The major refurbishments of our registered care homes at New North Road and Wilton Villas have now been completed. This has resulted in a reduction of bedrooms to provide additional lounges and kitchens in order that service users can be more independent.
- A new Chief Executive was appointed in January 2021 and a new Head of Service is due to start in April 2021. This will be the final appointment to the new Senior Leadership Team.
- Two long serving Trustees stepped down from the Board and three new Board members have been appointed.
- Development of a staff council.
- Migration of email system to Office 365.
- Migration of our servers to a cloud based service
- The interim Referrals Pathway Coordinator role was not made permanent and all referrals are now screened by Unit Managers, the Recovery Services Manager and Head of Service. This has given greater ownership of referrals at site level and improved our occupancy.
- Restructure and reduction of unit management across services.
- In order to reduce costs, a decision was taken to relocate Head Office to one of the floors within our care home at Wilton Villas. This move is due to take place in April 2021.
- Following the purchase of a new accounting system and outsourcing of payroll services, St Martins will restructure the finance and HR teams. The savings from this will be realised in late 2021.
- Following the introduction of our new learning management system, we are reviewing all of our other processes and we are planning to implement a new incident reporting system, a new housing management system and a new electronic care records system in mid-2021.
- We carried out some initial consultation with staff, service users and residents in relation to our values. We aim to launch our new values in mid-2021.
- We have reviewed our Equality and Diversity policy and developed a Transgender Equality policy. All staff were also required to undertake online training on LGBT+ Awareness.
- Covid 19 remains a challenge, St Martins will ensure all staff follow government guidelines and local protocols, and to participate in the vaccination programme.
- In relation to our carbon footprint and sustainability, we are now reporting our carbon emissions by individual site.

St Martins will continue to focus its efforts on its core activities of providing support, housing and care services which meet the needs of some of the most vulnerable and excluded people in our communities. Our mission is that we work hard every day to create a better life for our service users and residents, and inspire them to live independently and safely in our community.

Over the next twelve months, we will continue to concentrate on developing our existing services and will seek to develop new business in our core areas of expertise. We will continue to work with local authorities and NHS organisations to provide step down services from inpatient mental health services into the community.

Our plans for 2021/22 include:

- Launch of new values
- Implementation of a new incident reporting system
- Implementation of a new housing management system
- Implementation of a new electronic care records system
- Outsourcing of payroll
- Restructure of HR and Finance teams
- Submission of tender for our Islington services
- Identification of new business opportunities
- Opening of new Head Office
- Purchase of food provision from an external catering company to provide meals in the registered care homes.
- The appointment of a new Chair as the existing Chair will be stepping down due to ill health. Recruitment of a new chair is scheduled to take place in November 2021 to ensure a smooth handover.
- Further recruitment of two trustees with a mental health or housing background.
- To review the contract with Barnet Enfield and Haringey NHS Trust in relation to Bruce Grove.
- Exploring opportunities within the provision of domiciliary services.
- Working in partnership with another organisation for future tender bids
- To improve St Martins CQC ratings across registered care provision.
- Provision of female beds for 2021/22 within New North Road as part of the new contract with the London Borough of Islington.
- To comply with the updated Code of Governance
- To meet with RSH as required.

It is acknowledged that there will continue to be increasing demands on registered care and supported living services coupled with major funding pressures across local authorities and the NHS. However, the Board believe St Martins is well placed to grow and develop and continue to be a successful viable and sustainable organisation.

Surpluses and Reserves

The generation of a sustainable level of surpluses is a key element of St Martins financial strategy, intended to create long term financial stability for the organisation, to fund future service developments and to cover unforeseen costs. Ensuring a low level of voids across our services will

assist with this. Reserves are internally generated resources which are reinvested in our support services, and in particular, our housing stock which requires regular investment.

Governance and Regulation

The Board has ultimate responsibility for the governance of the organisation. Its central role is to determine St Martin's strategic direction and policies, to establish and oversee risk management frameworks and ensure that the organisation achieves its aims and objectives.

Regulation

St Martins is regulated by the Regulator of Social Housing (RSH), the Care Quality Commission (CQC) and the Financial Conduct Authority (FCA) as a charitable Co-operative and Community Benefit Society.

The Care Quality Commission is responsible for regulating St Martin's Registered Care Homes.

Governance

St Martins embraces the updated principles set out in the National Housing Federation's Governance Code published in August 2020. St Martins complies with all aspects of the Governance Code.

The Board of Management is non-executive in its membership and is responsible for St Martins overall direction and strategy. The members of the Board of Management are listed on page 1. Each of the members is allocated one share for voting purposes but this does not entitle the members to a beneficial interest in St Martins.

The Board established a Finance & Development Sub-Committee in January 2021. The Sub-Committee is responsible for monitoring all aspects of the finances and risks of the organisation and makes recommendations to the Board with a view to ensuring the financial viability and proper resourcing of St Martins.

The Board reviews the key risks facing the organisation and the controls to mitigate those risks at each meeting. St Martins has a cautious and measured approach to risk and a robust approach to risk management. In assessing both operational and business risks, we have adopted an approach that considers the likely impact and probability of actual events. As well as the new Finance sub-committee, we will be looking at developing a Quality & Audit sub-committee structure later in 2021 which will comply with the principles set out in the NHF Code of Governance.

Key Management Personnel

The key management personnel during the financial year to 31 March 2021 was the senior leadership team comprising the Chief Executive, Director of Finance & Company Secretary, Head of Workforce, Service Development & Marketing Manager and the interim Head of Operations. Their total remuneration was £311,465 (2020: £312,207) including pension contributions.

St Martin's remuneration policy for all staff including key management personnel is based on the market rate with no incentives paid. Any cost-of-living increase the Board decides to award to key management personnel is awarded at the same rate as all staff.

Value-for-Money

At St Martins we are continuously looking at ways of using our resources more efficiently and cutting our costs. Delivering value for money is crucial and it is important we use our resources wisely. We continued to manage our property efficiently, ensuring these assets were put to best use. We have continued to upgrade all our buildings over the past few years and offer value for money to the people that use and purchase our services.

We are very conscious of the financial pressures on our commissioners and statutory partners in both local authorities and NHS organisations. We will continue to market and position St Martins as the leading provider of recovery services to people with complex mental health needs. Our offer to local authorities and NHS organisations will continue to be that St Martins can provide high quality, innovative and value-for-money services for people leaving inpatient mental health services, such as to enable them to achieve independence safely within 2-3 years.

St Martins management will continue to bear down on costs and seek efficiencies across the organisation, particularly in the areas of utilities, maintenance and the procurement of external services. Investment in IT infrastructure will continue, to ensure current levels of service quality are maintained.

Value-for-Money Metrics

The Regulator of Social Housing have a set of seven common metrics, which each provider is required to publish each year. These metrics are considered the most appropriate set of measures to capture performance across the sector in a fair and comparable way.

The financial year to 31 March 2021 is the third year in which St Martin has been required to comply with this requirement as a small provider, as defined by the RSH.

Common metrics:

No,		2021 Value	2020 Value	Note
1	Reinvestment %	4%	1	
2a	New Supply [social housing units] %	-33%	15%	
2b	New Supply [non - social housing units] %	0%	0%	
3	Gearing %	-1%	-26%	i
4	EBITDA MRI interest cover %	-4428%	-2249%	ii
5	Headline Social Housing Cost £	0%	0%	iii
6a	Operating Margin [social housing lettings] %	0%	0%	iii
6b	Operating Margin [overall] %	-39%	-18%	iv
7	Return on Capital Employed %	-17%	3%	v

Notes:

i This figure is negative as cash and cash equivalents exceed total loans and finance lease obligations

ii EBITDA = Earnings before interest, tax, depreciation and amortisation
MRI = Major repairs included
The figure is negative in 2021 because the adjusted EBITDA is a deficit after the gain on sale of property is excluded

iii In note 3 to these accounts we explain that provision of accommodation is seen as secondary to the delivery of care. It is not our policy to provide accommodation as a principal activity. As such, we do not record key income and cost data in a way that enables a reliable split to be made between the provision of social housing management and the provision of mental health care. Therefore, we cannot provide a reliable metric in these cases and would not consider it cost effective or beneficial to do so.

iv These figures are negative because the Statement of Comprehensive Income displays a deficit for the year under review

v The figure for 2021 is negative because the Statement of Comprehensive Income displays a deficit for that year.

Funders and Other Agencies

St Martin of Tours would like to thank funders and other agencies with whom we have worked closely during 2020/21.

Fixed Assets

Fixed asset additions are shown in note 10 to the financial statements.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act, it is proposed that their reappointment as auditors to the Association will be considered at the forthcoming Annual General Meeting.

Approved and authorised for issue on 25/11/21 under the delegated authority given by the Board of Management and signed on its behalf by:

Fiona Weir

Board of Management Chair.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARTIN OF TOURS HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of St Martin of Tours Housing Association Limited (the 'association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Reserves, the Statement of Cash Flows and the 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 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019; and the Statement of Recommended Practice for private registered social housing providers 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for

the other information. 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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

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

- the information given in the Report of the Board of Trustees prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees has 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 association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees.

We have nothing to report in respect of the following matters where 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 directors' 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 of Management

As explained more fully in the Statement of the Board of Management's responsibilities set out on page 1, the directors 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 directors 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 trustees 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 directors either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

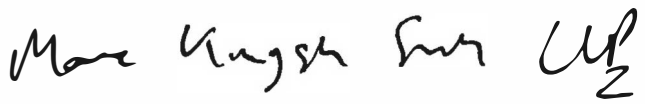
Auditor's responsibilities for the audit of the financial statements

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 these financial statements.

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

Use of our report

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



Luke Holt

Senior Statutory Auditor, for and on behalf of

Moore Kingston Smith LLP

Statutory Auditor

Chartered Accountants

Devonshire House

60 Goswell Road

London EC1M 7AD

Date: 25/11/21

St Martin of Tours Housing Association Limited
Statement of Comprehensive Income
For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	3,529,062	4,203,710
Operating costs	3	(4,905,499)	(4,973,448)
Gain on disposal of housing properties	3	180,488	1,028,713
Operating (Deficit) / Surplus	3	(1,195,949)	258,975
Interest receivable and similar income	4	613	1,521
Interest payable	5	(25,969)	(23,394)
Other income:			
Unrestricted donations		300	300
(Deficit) / Surplus on Ordinary Activities	6	(1,221,005)	237,402

All of the activities of the Registered Provider relate to continuing operations.

There were no recognised gains or losses for the accounting years shown above other than those included in the statement of comprehensive income.

There is no difference between the reported surplus for the period and the historical cost surplus.

St Martin of Tours Housing Association Limited
Statement of Changes in Reserves
For the year ended 31 March 2021

	Capital Reserve £	Called up Share capital £	Restricted Reserves £	Designated Reserves £	Revenue Reserve £	Total £
Balance at 1 April 2019	53	20	67,431	212,350	5,406,529	5,686,383
Surplus/(deficit) for the year	-	-	-	-	237,402	237,402
New shares allotted in the year	-	(1)	-	-	-	(1)
Balance at 1 April 2020	53	19	67,431	212,350	5,643,931	5,923,784
(Deficit)/surplus for the year	-	-	-	-	(1,221,005)	(1,221,005)
New shares allotted in the year	-	-	-	-	-	-
Balance at 31 March 2021	53	19	67,431	212,350	4,422,926	4,702,779

St Martin of Tours Housing Association Limited
Statement of Financial Position at 31 March 2021

	Note	2021 £	2020 £
Fixed Assets			
Housing properties (Cost less depreciation)		6,607,332	6,828,347
Housing properties in development (Cost less depreciation)		-	-
Other fixed assets		137,907	152,815
	10	6,745,239	6,981,162
Current Assets			
Debtors	11	352,854	148,563
Cash at bank and in hand		634,052	2,417,336
		986,906	2,565,899
Creditors: Amounts falling due within one year	12	(811,301)	(1,132,769)
Net Current Assets		175,605	1,433,130
Total Assets less Current Liabilities		6,920,844	8,414,292
Creditors: Amounts falling due greater than one year	13	2,218,064	2,490,508
Capital and Reserves			
Capital reserve	15	54	53
Called up share capital	16	19	19
Restricted reserves	17	67,431	67,431
Designated reserves	17	212,350	212,350
Revenue reserves	17	4,422,926	5,643,931
		6,920,844	8,414,292

The financial statements were approved on 25/11/21 under the delegated authority given by the Board of Management and signed on its behalf by:

..... **F Weir** Chair

..... **S Siak** Treasurer

St Martin of Tours Housing Association Limited
Cash Flow Statement
For the year ended 31 March 2021

	Note	2021	2020
		£	£
Net cash outflow from operating activities	(i)	(1,338,218)	(206,142)
Returns on investments and servicing of finance	(iia)	(50,761)	(43,786)
Capital expenditure and financial investment	(iib)	(394,306)	1,610,658
Net cash (outflow) / inflow before management of liquid resources		**(1,783,285)**	**1,360,730**
Management of liquid resources	(iic)	1	(1)
(Decrease) / increase in cash in the year	(iii)	**(1,783,284)**	**1,360,729**

Notes to the cash flow statement

(i) Reconciliation of change in resources to net (outflow) / inflow from operating activities		
Net (outgoing) / incoming resources	(1,195,949)	258,975
Depreciation	313,235	335,626
Government grants utilised in the year	(87,381)	(93,584)
Profit on disposal of fixed assets	(180,488)	(1,070,929)
(Increase) / decrease in debtors	(204,291)	109,501
Increase in creditors	16,656	254,269
Net cash outflow from operating activities	**(1,338,218)**	**(206,142)**
(ii) Analysis of cash flows		
a. Returns on investments and servicing of finance		
Interest received	613	1,521
Interest paid	(25,969)	(23,394)
Donations	300	300
New secured loans	-	-
Repayment of borrowings	(25,705)	(22,213)
	(50,761)	**(43,786)**
b. Capital expenditure and financial investment		
Payments to acquire housing property assets	(282,009)	(64,709)
Payments to acquire other fixed assets	(55,365)	(67,993)
Payments of social housing grant	(723,067)	-
Receipts on disposal of housing property assets	666,135	1,735,000
Receipts on disposal of other fixed assets	-	8,360
	(394,306)	**1,610,658**
c. Management of liquid resources		
Share capital redemption	-	(1)
Share capital issue	1	-
	1	(1)

(iii) Analysis of net debt	**At 1 April 2020**	**Cash flow**	**At 31 March 2021**
	£	£	£
Cash at bank and in hand	2,417,336	(1,783,284)	634,052
Loans due within one year	(25,802)	-	(25,802)
Loans due after one year	(599,757)	25,705	(574,052)
Total	**1,791,777**	**(1,757,579)**	**34,198**

St Martin of Tours Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2021

1 Accounting policies

The financial statements of the Registered Provider have been prepared in accordance with UK Generally Accepted Accounting Practice (UKGAAP) including Financial Reporting Standard 102 (FRS 102) and in accordance with the Co-operative and Community Benefit Societies Act 2014, the Accounting Direction for Private Registered Providers of Social Housing 2019, and the Statement of Recommended Practice for registered social housing providers 2018.

Accounting Convention
The financial statements are prepared under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern
Under the governance requirements, the Board confirms that it has made enquiries into factors that could materially affect the Association's future. St Martins activities, its current financial position and factors likely to affect its future development are set out in the Report of the Board of Management. The Association have prepared and approved the budget forecast for 31 March 2023. Additionally, the Association undertook a cost reduction exercise in the current financial year. These changes have been made to ensure St Martins financial health and long-term viability remains intact. St Martins has reliable income streams from its block service contracts and spot purchases. During the 2021-22 financial year, St Martins submitted tenders for its existing services in Islington. The Board were advised in October 2021 that St Martins had been successful in retaining its contract for services provided to Islington.

On this basis, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Given the above and taking into due consideration the other enquiries made, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future for at least 12 months from the date of approval of these financial statements. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Turnover
Turnover represents income from lettings, Registered Care Home fees, amounts received under Supporting People contracts and revenue grants receivable from Local Authorities and other funders due as at the year end date.

Within income from lettings are service charges which represent all amounts billed to tenants other than that representing core rent and recoverable council tax.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Tangible Fixed Assets

i) Housing properties with the exception of freehold land are stated at cost less accumulated depreciation.

Freehold land and assets in the course of construction are not subject to depreciation. Depreciation is charged on a straight-line basis over the useful economic lives of fixed asset components to write off the cost to the estimated residual value at the following annual rates:

Structure	75 years
Roofs	50 years
External doors and windows	35 years
Partitions and cupboards	30 years
Internal finishes	25 years
Electrical wiring	25 years
Plumbing and heating	20 years
Bathroom fittings	20 years
Kitchen fittings	15 years
General short life fittings	10 years

ii) *Other fixed assets*

Depreciation is provided on the cost of fixed assets by equal annual instalments at the following rates, in order to write off each asset over its estimated useful life or lease term, whichever is the shorter.

Hostel furniture, fixtures and fittings	33% straight line
(the Board of Management, the Chief Executive and	33% straight line
IT infrastructure	20% -33% straight line
Motor vehicles	25% straight line

Operating Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Rentals paid under operating leases are charged to the Income and Expenditure account as incurred.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Social Housing Grant (SHG) and other Grants

SHG is receivable from Homes England (formerly Homes and Communities Agency), local authorities and other government organisations. Government grants received for housing are recognised in income and expenditure over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Government grants received in respect of revenue expenditure is credited to the income and expenditure account over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants due from government agencies or received in advance are included as current assets or liabilities

Government grants received for housing purposes are subordinated to the repayment of loans by agreement with Homes England (formerly Homes and Communities Agency). SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the statement of financial position in Creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the income and expenditure account.

1 **Accounting policies (Continued)**

Works to Existing Housing Properties
The Association capitalises expenditure on housing properties which replaces or restores an existing component; or increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

Supporting People
Supporting People income represents the value of current Supporting People contracts and is taken to the Statement of Comprehensive Income account in the period to which it relates.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments
Financial instruments are recognised in the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

The association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Reserves
Restricted Reserves are monies received from charitable, private or corporate bodies where the donor has requested that the monies are used for a specific purpose or a specific project, and these sums remain unspent at the balance sheet date. The Designated Reserve for future maintenance and major repairs is a reserve to support the Registered Provider's commitment to maintain its properties with a continuing programme of refurbishment and maintenance.

Pension Costs
The Registered Provider operates work pension schemes whereby they agree to contribute to an employee's salary-related pension up to a maximum contribution of 6% of a staff member's salary.

Payments to the pension schemes are charged to the Statement of Comprehensive Income account in the financial year in which they are payable.

Significant Judgements and Estimates
In the application of the Registered Provider's accounting policies, the Board of Management are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:
- Impairment
- Recoverability of rental income and care charges
- Recognition of SHG in the Statement of Comprehensive Income
- Depreciation
- Amortisation

St Martin of Tours Housing Association Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2021

2 Particulars of Operating Surplus

	2021	2020
	£	£
Property Management		
Income from lettings excluding service charges	2,365,838	4,450,443
Service charges	909,662	208,515
	3,275,500	4,658,958
Voids	(906,595)	(1,454,085)
Net income from lettings	2,368,905	3,204,873
Grants and Other Income from Local Authorities and Other Agencies		
Covid funding	158,493	-
HAG income	87,381	93,584
Other revenue grants	914,283	905,253
	1,160,157	998,837
Gain on disposal of housing properties	180,488	1,028,713
* **Expenditure**		
Services	3,801,836	3,871,043
Routine Maintenance	148,781	250,828
Planned Maintenance	34,925	30,626
Property Lease charges	127,642	156,835
Management	788,129	653,688
Bad Debt Provisions	4,186	10,428
	4,905,499	4,973,448
Operating Surplus	(1,195,949)	258,975

* Salaries totalling £3,019,825 (2020: £3,151,202) are included in the expenditure sub-headings.

3 Turnover, Operating Costs and Operating (Deficit)/Surplus

	2021	2020
	£	£
Turnover	3,529,062	4,203,710
Operating Costs	(4,905,499)	(4,973,448)
Gain on disposal of housing properties	180,488	1,028,713
Operating Surplus/(Deficit)	(1,195,949)	258,975

St Martins' primary purpose is to provide care and support to people with mental health difficulties. The extent of this care ranges from support for people in their own homes through to 24-hour residential care for those with greater need. In all cases, the provision of accommodation to service users is seen as secondary to the delivery of care. It is not St Martins' policy to provide accommodation as a principal activity.

Accommodation in Management	2021	2020
Care Homes	53	66
Supported Housing	40	58
	93	124

4 Interest Receivable and Similar Income

	2021	2020
	£	£
Bank interest	613	1,521

5 Interest Payable and Similar Charges

	2021	2020
	£	£
Interest payable on housing loans repayable wholly or partly in more than 5 years	25,969	23,394

6 Surplus/(Deficit) on Ordinary Activities

	2021	2020
	£	£
This is stated after charging:		
External auditors' remuneration - current year	19,100	16,150
External auditors' remuneration - non audit services	-	-
Operating lease payments - property rent	127,642	156,835
Depreciation on tangible fixed assets	313,235	335,626

7 Directors' Emoluments

	2021 £	2020 £
The remuneration paid to the key management personnel (directors) of the Registered Provider (the Board of Management, the Chief Executive and other members of the Senior Management Team) was:		
Emoluments (including pension contributions, employers national insurance and benefits in kind)	311,465	312,207
Emoluments (including pension contributions) include amounts accrued to the highest paid director	103,374	78,056
The Chief Executive has a personal pension to which the Association contributes a fixed percentage of contractual salary:	2,369	4,418

The Board of Management are not executive staff members and received no emoluments during the year (2020: £nil).

8 Employee Information

	2021 No.	2020 No.
The number of persons (including the Chief Executive) employed during the year was:		
Administration	12	11
Provision of Care and Ancillary Services	73	97
Maintenance	2	2
	87	110

	£	£
Staff costs (for the above persons)		
Wages and salaries	2,361,411	2,605,819
Social security costs	213,003	238,335
Other pension costs	97,356	123,888
	2,671,770	2,968,042

The number of employees who received total remuneration (excluding pension contributions) in the following bands were:

	2021 No.	2020 No.
£60,000 to £69,999	-	2
£70,000 to £79,999	-	1
£90,000 to £99,999	1	-
£100,000 to £109,999	1	-

Total remuneration above comprises gross salary and employers pension contributions.

9 Taxation

The Registered Provider is an Co-operative and Community Benefit Society and qualifies as an Exempt Charity and its surplus for the year is not chargeable to corporation tax.

10 Tangible Fixed Assets

	Housing Properties held for Letting	Housing Properties in Development	Other Fixed Assets	Total
	£		£	£
At 1 April 2020	12,336,479	-	1,651,501	13,987,980
Additions	282,009	-	55,365	337,374
Disposals	(409,177)	-	-	(409,177)
Transfer	-	-	-	-
At 31 March 2021	12,209,311	-	1,706,866	13,916,177
Non-property Subsidies				
At 1 April 2020 and 31 March 2021	-	-	48,805	48,805
Depreciation				
At 1 April 2020	5,508,132	-	1,449,881	6,896,889
Charge for the year	242,962	-	70,273	313,235
Eliminated on disposal	(149,115)	-	-	(149,115)
Transfer	-	-	-	-
At 31 March 2021	5,601,979	-	1,520,154	7,061,009
Net Book Value				
At 31 March 2021	6,607,332	-	137,907	6,745,239
At 31 March 2020	6,828,347	-	152,815	6,981,162

	2021	2020
	£	£
Housing Properties held for Letting and Property Assets in Redevelopment comprise:		
Freehold	6,525,891	6,668,683
Short Leasehold	81,441	159,664
	6,607,332	6,828,347

The London Borough of Islington holds a fixed charge over a freehold property owned by the Association.

An overdraft facility of £250,000 (2020: £250,000) had been arranged which is secured against some of the Association's freehold property.

Total expenditure on existing properties in the year to 31 March 2021

	£
Improvements to properties:	
Properties held for letting	282,009
Amounts written off to the Income & Expenditure account	-
	282,009

No fixed asset components for existing properties were replaced during the year.

11 Debtors: Amounts falling due within one year	2021	2020
	£	£
Gross rental debtors	269,505	113,559
Bad debt provision	(19,997)	(33,456)
Other debtors	21,369	21,705
Prepayments	81,977	46,755
	352,854	148,563

12 Creditors: Amounts falling due within one year	2021	2020
	£	£
Bank loan	25,802	25,802
Trade creditors	193,453	139,622
Other creditors	400,554	426,397
Other taxes and social security	46,048	60,399
Accruals and deferred income	57,613	54,594
Social Housing Grant due within one year (see movements below)	87,831	425,955
	811,301	1,132,769

13 Creditors: Amounts falling due after more than one year	2021	2020
	£	£
Bank loan	574,052	599,757
Social Housing Grant (see movements below)	1,644,012	1,890,751
	2,218,064	2,490,508
Included within the bank loan balance above are amounts falling due as follows:		
Between one and two years:	25,802	25,802
Between two and five years:	77,406	77,406
Over five years (repayable by instalments):	470,844	496,549
	574,052	599,757
Movement on Social Housing Grant:		
Opening balance	2,316,706	2,108,581
Amortisation to be recognised in Statement of Comprehensive Income	(87,381)	(93,584)
Grant repaid on previously disposed asset	(723,067)	-
Amortisation added back on Social Housing Grant relating to disposed asset	225,585	301,709
Closing balance	1,731,843	2,316,706

14 Secured Debts

Included within creditors are the following amounts in respect of secured debts:

	2021	2020
	£	£
Bank loans	599,854	625,559

A bank loan of £515,904 (2020: £530,285) carries a fixed rate of interest of 4.42% was taken out in August 2018. This bank loan is repayable by August 2043.

A bank loan of £83,950 (2020: £95,274) carries a floating rate of interest applied at 0.9% above the bank base rate of interest. This bank loan was originally repayable by 99 equal quarterly payments and one final payments. The loan may be repaid earlier with no charge being raised by the bank.

All bank borrowings are secured against freehold property owned by the Association.

15 Capital Reserve

	2021	2020
	£	£
Cancelled £1 shares in respect of former members		
As at 1 April 2020	53	53
New shares allotted in the year	1	-
As at 31 March 2021	54	53

16 Called Up Share Capital

	2021	2020
	£	£
Allotted, issued and fully paid £1 shares		
As at 1 April 2020	19	19
As at 31 March 2021	19	19

17 Reserves

	Income and Expenditure Account	Designated Reserve for future Maintenance/ Major Repairs	Restricted Reserves	Total
	£	£	£	£
As at 1 April 2020	5,643,931	212,350	67,431	5,923,712
Surplus for the year	(1,221,005)	-	-	(1,221,005)
As at 31 March 2021	4,422,926	212,350	67,431	4,702,707

17 Reserves (Continued)

Movement on restricted reserves during the year were as follows:

	At 1 April 2020	Donations Received	Expenditure	At 31 March 2021
	£	£	£	£
Capital Youth Link	318	-	-	318
Cadogan Terrace Live-in volunteers	3,636	-	-	3,636
Islington Young Women's project	13,582	-	-	13,582
Hackney projects	4,757	-	-	4,757
Non-specific	326	-	-	326
E & T	13,427	-	-	13,427
Tenant development project	6,024	-	-	6,024
Young Men's project	1,226	-	-	1,226
Young teenage mothers	21,815	-	-	21,815
Layton supported housing team	2,000	-	-	2,000
Forensic residents welfare projects	320	-	-	320
	67,431	-	-	67,431

18 Operating Leases

At 31 March 2021, the Registered Provider had annual commitments under non-cancellable operating leases as follows:

	2021		2020	
	Land and Buildings	Other Assets	Land and Buildings	Other Assets
	£	£	£	£
Within one year	-	-	80,445	-
Within two to five years	-	-		-
Over five years	-	-	-	-

During the year, an amount of £127,642 (2020: £156,835) has been recognised as an expense in the Statement of Comprehensive Income.

At 31 March 2021, the Registered Provider had minimum lease payments due to them as lessor under non-cancellable operating leases, including tenanted accomodation of £12,500 (2020: £11,500) due within one year.

19 Capital Commitments

At 31 March 2021, the Registered Provider had contracted capital commitments of £nil (2020: £nil) and authorised but not contracted for capital commitments totalling £nil (2020: £nil) being the anticipated cost of the Ferrini House redevelopment.

20 Legislative Provision

The Registered Provider is incorporated under the Co-operative and Community Benefit Societies Act 2014.

21 Related Party Transactions

During the year, 3 Trustees (2020: 3) were reimbursed a total of £1,607 (2020: £1,162) for travel expenses to Trustee meetings and for equiptment required to accommodate business practice with Covid-19 restrictions.