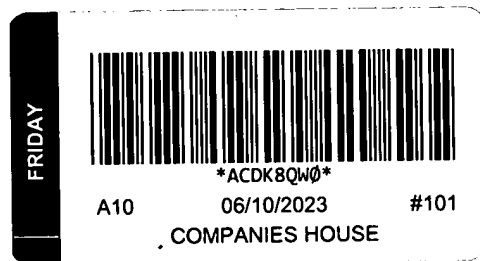


Company Registration Number: 05589014



REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023



Sutton Housing Partnership Limited
(Company limited by guarantee)
ADMINISTRATION INFORMATION

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Sutton Housing Partnership Limited

(Company limited by guarantee)

ADMINISTRATION INFORMATION

BOARD OF DIRECTORS

Resident board members

Jan Winning ²

Council appointed board members

Marlene Heron ²

Barry Lewis¹

Gary Miles ¹

Barry Russell ²

Chair of the Performance Committee

Independent board members

Rachelle Beltran ¹

Chair of Audit & Risk Committee

Anne-Britt Karunaratne ²

Vice Chair

Sir Steve Bullock

Chair

Ade Adebayo¹

1. Member of the Audit and Risk Committee

2. Member of the Performance Committee

EXECUTIVE MANAGEMENT TEAM

Steve Tucker

Managing Director

Catherine Charlton

Operations Director

Sue Hogg

Finance & Corporate Services Director and
Company Secretary

Nilavra Mukerji (to May 2023)

Director, Asset Investment & Sustainability

Vincent Roche (from May 2023)

Interim Director, Asset Investment & Sustainability

REGISTERED OFFICE

Sutton Gate
1 Carshalton Road
Sutton
Surrey SM1 4LE

SOLICITORS

Trowers & Hamlin LLP
Sceptre Court
40 Tower Hill
London EC3N 4DX

AUDITOR

Bishop Fleming LLP
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

BANKERS

Barclays Bank PLC
39 Sutton High
Sutton
SM1 1DR

Sutton Housing Partnership Limited

(Company limited by guarantee)

CHAIRMAN'S REPORT

31 March 2023

This annual report for Sutton Housing Partnership (SHP), covers the year 1 April 2022 to 31 March 2023.

Like others in the housing sector, 2022/23 has seen a marked change with many challenges and this will continue over the next 12 months due to the new regulation and assurance framework, the impact of the building safety legislation and the cost of living crisis. The Housing Sector is now under increasing scrutiny and we have been preparing for the new regulations as well as dealing with the impact damp and mould cases resulting from the tragic case in Rochdale.

This year we have invested in new systems and processes that will enable SHP to demonstrate clearly that we consistently meet the higher standards and objectives that are defined by new Regulations. In addition to the work being led by SHP managers we commissioned four independent reviews to challenge and check ourselves against those areas where there will be the most intense focus by the regulator and where external change and growing resident expectations make these a priority for improvement. These included; a Compliance Health Check, a Customer Experience Review, a Governance Review and a review of subcontractor pricing and client accountability for voids and boilers -

This is the third and final year of the Delivery Plan for 2021-2024 and a new Delivery Plan is already in development for the next three years. SHP continued to deliver on its priorities. through ;

- **Keeping people safe in their homes:** we have started planning for net zero carbon homes for lower heating costs in the future. The five year stock investment plan was signed off by HEB Committee in January 2023. A particular focus this year has been on compliance as we have to ensure that we can meet the requirements of the Building Safety Act and keep our tenants safe. The Board has good visibility of the actions in place with enhanced scrutiny.
 - **Repairs:** we continue to invest in our in-house team and celebrated the 3rd anniversary of transferring the service. Productivity has increased dramatically over the year and tenant satisfaction with repairs has increased to 78.8%
 - **Collaborative working with residents:** our community walkabouts have continued on estates across the borough and we have set up a partnership approach in the St Helier area where colleagues from the community, local churches and other public services join in. Our resident engagement strategy is nearing completion and we have reinstated our Resident Engagement Mornings.
 - **Digital access and engagement:** we continue to hold Tech and Tea events for residents to get help with carrying out day to day functions online, our digital champions have been showing residents how to access things online and we have launched our new housing online portal where residents can access details of their rent and service charge accounts.
 - **Organisational culture and leadership:** Our flexible working model has improved productivity as well as work-life balance for staff; we have extended our programme of professional training through the Chartered Institute of Housing; and we have received positive feedback from recently recruited staff on
-

Sutton Housing Partnership Limited

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CHAIRMAN'S REPORT

31 March 2023

working at SHP; we held our staff conference in September with a focus on collaborative working across all teams and well-being. SHP are well placed to deliver professional training, a recent addition to the new Social Housing Regulation Bill which will require that social housing managers gain professional qualifications to protect residents and raise standards in the sector.

Our work as the lead social housing provider in Sutton and our strong connections with residents places us strategically at the meeting point of wellbeing and place. This gives SHP a pivotal role in shaping what life in the Borough can be like and to add value that goes way beyond the transactional services we deliver. Over the last 24 months SHP has developed stronger and more effective relationships with a range of local providers

With the focus on the Tenants Voice our work continues with the Sutton Federation Tenant Resident Association (SFTRA) and Sutton Leaseholder Association (SLA) supporting, consulting and involving residents, which has proven successful. We have additional groups such as the Repairs Focus Group and Resident Actions Groups to address specific concerns and engagement and scrutiny to deliver service improvements to our residents will remain a priority .

Throughout 2022/23, all of the work completed, and the improvements made have only been possible through positive and effective working by and with staff, the SHP Board members, residents and our partners, especially the London Borough of Sutton. I would like to thank all of my fellow members of the Board for their hard work and dedication throughout the year. In particular, Jan Winning Resident Board Member who has recently had to step down and I would also like to welcome, Ade Adebayo our new Board member

On behalf of the Board, I would also like to thank all members of staff for their continued hard work and commitment to SHP. I am looking forward to working with you all as we deliver on our priorities and continue to be a good landlord, provide safe homes and promote successful communities and invests money wisely



Chair of Sutton Housing Partnership Board
27 September 2023

Sutton Housing Partnership Limited

(Company limited by guarantee)

STRATEGIC REPORT

31 March 2023

REVIEW OF THE BUSINESS

Principal Activities

Activities of the Company Sutton Housing Partnership Limited is a wholly owned and controlled Company of the London Borough of Sutton (LBS) and is limited by guarantee. The Company manages and maintains the Housing stock and other Housing Revenue Account assets on behalf of the Council.

SHP also has delegated responsibility for the "Right To Buy" (RTB) scheme, the Council's Acquisition programme, administration and the management of the local traveller's site

Business Review

The financial year 2022/23, was again a challenging year for the housing sector. Many of our services were impacted by rising costs especially around the cost of contractors and materials.

Financial Challenges

At the end of 2022/23, the financial outturn was positive with a small underspend but over the next four years it will be challenging to meet the 15 % savings target set by the Council which equates to £2.8M. The Board approved the Medium Term Financial Plan in February 2023 which has been updated to reflect this and we will work hard to ensure that this will not impact on services to our residents. It will be important that we ensure that the savings required do not detract from our ability to sustain these services and to invest in improvements to keep residents safe and homes well insulated. The Value For Money Programme Board meets regularly to progress the action plan put in place to deliver these savings and we are also working on delivering new income streams, such as a new proposal to manage local properties for a third party

A revised performance reporting framework is now in place and reviewed regularly by the Board, EMT and the Council. The Arm's Length Management Organisation continues to deliver for tenants, the Council and the communities we serve. Despite the challenges faced overall tenant satisfaction remains high at 70.9% a small drop from 20/21 (72.5%) but when benchmarked is in the upper quartile.

Our benchmarking club continues to evidence that we are high performing with high levels of satisfaction.

Performance on re-letting void properties saw a recovery which was severely impacted by the pandemic and the buy back programme. Although the average turnaround time in 22/23 was an average of 42.3 days this was reduced to 29.9 days by the end of the financial year.

Rent collection performance improved with a 98.6% collection rate up from 98.0% in 21/22. As expected, arrears levels have increased and were 4.9% as opposed to 4.4% in 22/23.

Working closely with the voluntary sector and the Council we have been addressing the cost of living crisis and ensuring there is good awareness of the help and support which we can either provide directly or connect residents to.

Sutton Housing Partnership Limited

(Company limited by guarantee)

STRATEGIC REPORT

31 March 2023

Financial Performance

Excluding the FRS102 Pension adjustments the organisation produced a surplus after taxation of £44k (2022: surplus of £63k). The loss for the year arises from the company's continuing operations.

Performance

Our priorities are identified in our three year Delivery Plan 2021-24. This plan contains a number of key performance indicators (KPIs) agreed with our parent organisation, the London Borough of Sutton, and each of these KPIs has an annual and long term target shown in the Plan. Our performance over the last year (2022-23) as reflected in the KPIs was:

Sutton Housing Partnership Limited

(Company limited by guarantee)

STRATEGIC REPORT

31 March 2023

Key Performance Indicator	2022-23	LBS Target 2022-23	HouseMark Upper Quartile 2022-23
Excellent Customer Service			
Tenant satisfaction with the overall service	70.9%	80.0%	71.8%
Leaseholder satisfaction with the overall service	54.3%	65%	53.0%
Quality Homes & Secure Neighbourhoods			
Tenant satisfaction with the overall quality of their home	71.1%	80%	73.1%
Leaseholder satisfaction with the overall quality of their block	58.5%	70%	70.2%
Tenant satisfaction with their most recent repair	80.6%	90%	83.6%
Tenant satisfaction with their neighbourhood	75.3%	85%	81.7%
Leaseholder satisfaction with their neighbourhood	70.6%	75%	79.0%
Value for Money			
Tenant satisfaction with value for money for their rent	81.4%	90%	79.9%
Leaseholder satisfaction with value for money for their service charge	33.5%	47%	36.0%
Reputation for Excellence			
Tenant satisfaction with the way SHP keeps them informed	76.2%	90%	79.5%

When benchmarking performance against 105 other social housing providers in London via HouseMark Ltd, SHP services are extremely comparable. 12 out of 12 PI's for the new tenant satisfaction measures are in the top quartile of performance for London.

PRINCIPAL RISKS FACED BY THE ORGANISATION

Principal risks and uncertainties

Risk is a key consideration throughout our business planning process and the Risk Management Framework Strategy is an important component of SHP's assurance framework. The Board and the Managing Director have overall responsibility for risk management. The Head of Governance and Information, supported by the Governance Manager, is responsible for the organisation and promotion of risk management within the organisation.

The strategic risks, issues and concerns register is reviewed regularly by the Executive Management Team (EMT), by the Audit and Risk Committee and the Board.

Each Directorate has a separate issues and concerns register, which assesses the concerns at an operational level. Operational concerns, the day-to-day issues arising whilst managing a service, are the responsibility of managers. They are monitored and reviewed regularly by the respective senior manager and departmental managers.

The current strategic risk register is being overhauled to consider all corporate issues and providing an opportunity for everyone to discuss the significant areas of concern. A zero-based review of the strategic issues and concerns has commenced in 2023 by EMT and Board Members.

Key current issues and concerns

There are currently 15 active strategic risks and three are assessed as high risk, these include Building & Fire Safety, Financial Viability and Sustainability.

The Audit & Risk Committee receive regular risk presentations on challenges such as Financial Viability and damp & mould outlining the medium term and longer term actions to mitigate these risks.

Health & Safety risks will always be present and we have in place robust monitoring procedures alongside the review of the Compliance dashboard and contractor management. SHP's Health and Safety Policy was reviewed in 2020 as part of the creation of the new health and safety management system. SHP's Health and Safety Policy is a critical tool that ensures SHP achieves compliance and effectively manages risks by detailing what we intend to achieve, who is responsible and how this will be achieved.

On behalf of the Board



Sir Steve Bullock
Chair of Sutton Housing Partnership Board
27 September 2023

Sutton Housing Partnership Limited

(Company limited by guarantee)

DIRECTOR'S REPORT

31 March 2023

The directors present their report and the audited financial statements for the year ended 31 March 2023.

INCORPORATION

The company was incorporated on 11 October 2005.

CONSTITUTION

The company is incorporated as a private company limited by guarantee under the Companies Act 1985. As such it has no share capital.

The company's sole member is London Borough of Sutton.

MATTERS COVERED IN THE STRATEGIC REPORT

Information on review of the business and the principal risks faced by the organisation has been included within the Strategic Report.

GOVERNANCE

The primary responsibility of the Board is to agree the organisation's priorities and plans and to oversee the effective implementation of these plans. The Board also plays a fundamental role in identifying the strategic risks facing the organisation and monitoring that these risks are mitigated through effective management.

The SHP Board is constitutionally made up of 4 resident members (3 tenants, 1 leaseholder), 4 independent members and 4 Council nominees. Additionally there are 2 co-opted Board members from recognised resident associations. Resident recruitment to the SHP Board is ongoing and a targeted recruitment campaign will take place during 2023/24 to attract a more diverse group of skilled residents and boost the prestige of the resident voice. In addition, we will also source a development package for residents who might be interested in joining the Board or Performance Committee.

The full Board meets four times a year and the Board and all its members operate in accordance with a Code of Governance that is compliant with the National Housing Federation (NHF) Code of Governance.

The Board delegates the day to day running of the organisation to the Executive Management Team which is made up of the Managing Director, the Operations Director, the Finance & Corporate Services Director and the Director of Assets and Sustainability. They are supported by a wider management team.

The work of the Board is supported by two sub-committees comprising the Audit & Risk and Performance Committees. These Committees are chaired by Board members and have up to five Board members sitting on each. They meet on a regular basis and the Performance Committee Chair provides a verbal report to each full Board meeting and the Board receives the minutes of the Audit and Risk Committee meeting and the Audit & Risk Chair provides a verbal update.

Task and Finish Group meetings are set up to consider critical issues when they occur, and during 2022/23 meetings were set up to consider new business opportunities .

Sutton Housing Partnership Limited

(Company limited by guarantee)

DIRECTOR'S REPORT

31 March 2023

Audit and Risk Committee

This Committee was set up to independently contribute to the Sutton Housing Partnership Board's overall process for ensuring that there are effective internal control and risk management arrangements in place.

Performance Committee

This Committee includes a mix of Board and resident members and provides additional oversight and scrutiny around the organisation's performance, including compliance with the Regulator of Social Housing's Consumer Standards. It is a public Committee and encourages resident observers for added transparency and scrutiny. It meets quarterly to coincide with the production of the performance report. This Committee monitors performance and improvement against targets.

RETIREMENT PROVISIONS

In accordance with the Articles of Association, at the Annual General Meeting on 6th December 2022:

- Ade Adebayo (Independent Member) - Was appointed to serve his first term.
- Diane Pearson (Independent Member) - Stood down from the Board

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the

Sutton Housing Partnership Limited

(Company limited by guarantee)

DIRECTOR'S REPORT

31 March 2023

financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHARITABLE DONATIONS

The company made no cash charitable donations during the year.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Bishop Fleming LLP will therefore continue in office.

On behalf of the board



Sir Steve Bullock
Chair of Sutton Housing Partnership Board
27 September 2023

Sutton Housing Partnership Limited

(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED

31 March 2023

Independent Auditor's Report to the Members of Sutton Housing Partnership Limited

Opinion

We have audited the financial statements of Sutton Housing Partnership Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 company's affairs as at 31 March 2023, and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Sutton Housing Partnership Limited

(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED

31 March 2023

Other information

The other information comprises the information included in the Report and Financial Statement ('Annual Report'), other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 directors

As explained more fully in the Directors' Responsibilities Statement set out on page 12, 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Sutton Housing Partnership Limited

(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED

31 March 2023

Auditor 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment, business performance and key drivers for directors' remuneration and performance targets;
- We have considered the results of enquiries with management in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off and significant estimates such as the pension assumptions used in valuing the year-end pension deficit. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty, including landlord health and safety laws and regulations covering fire risks, gas safety, water hygiene, electrical safety and asbestos.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
 - Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - Reviewing board meeting minutes;
-

Sutton Housing Partnership Limited

(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED

31 March 2023

- Enquiring of management in relation to actual and potential claims or litigations or areas of non-compliance with laws and regulations;
- Performing detailed testing in relation to the recognition of revenue, with a particular focus around year-end cut off, including the agreement of year end balances with the London Borough of Sutton;
- Performing a benchmarking summary of the assumptions used by the actuary and comparing to local government pension schemes across various counties and across different actuaries;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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



Nathan Coughlin FCA (Senior statutory auditor) for and on behalf of

Bishop Fleming LLP

Chartered Accountants and Statutory Auditors

Salt Quay House

4 North East Quay, Sutton Harbour

Plymouth

PL4 0BN

Date 2nd October 2023

Sutton Housing Partnership Limited

(Company limited by guarantee)

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 31 March 2023

	<i>Notes</i>	2023 £000	2022 £000
Turnover	7	19,304	17,945
Operating costs		<u>(20,893)</u>	<u>(19,681)</u>
OPERATING LOSS		(1,589)	(1,736)
Interest Receivable	9	1	-
Interest Payable	10	<u>(259)</u>	<u>(256)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,847)	(1,992)
Tax on profit on ordinary activities	12	<u>(2)</u>	<u>(2)</u>
RETAINED LOSS FOR THE FINANCIAL YEAR		<u>(1,849)</u>	<u>(1,994)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Pension surplus not recognised	22	(6298)	-
Actuarial gain / (loss) on defined benefit scheme	22	<u>16,937</u>	<u>5,189</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		10,639	5,189
TOTAL COMPREHENSIVE INCOME		8,790	3,195
RECONCILIATION OF FUNDS			
Members funds brought forward		(6,196)	(9,391)
Members funds carried forward		2,594	(6,196)

The accompanying accounting policies and notes on pages 20 to 35 form part of these financial statements

Sutton Housing Partnership Limited

(Company limited by guarantee)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2023

		2023		2022	
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Intangible Fixed Assets	13	-	-	-	-
Tangible fixed assets	14	73	83	83	83
			73		83
CURRENT ASSETS					
Debtors	15	1,578	1,934	1,934	1,934
Cash at bank and in hand		2,551	2,128	2,128	2,128
		4,129	4,062	4,062	4,062
CREDITORS: amounts falling due within one year	16	(1,489)	(1,554)	(1,554)	(1,554)
NET CURRENT ASSETS			2,640	2,508	2,508
TOTAL ASSETS LESS CURRENT LIABILITIES			2,713	2,591	2,591
CREDITORS: amounts falling due after more than one year	17	-	(40)	(40)	(40)
PROVISIONS	19	(119)	-	-	-
PENSION SCHEME LIABILITY	23	-	(8,747)	(8,747)	(8,747)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY			2,594	(6,196)	(6,196)
CAPITAL AND RESERVES					
Profit and loss account			2,594	2,551	2,551
Pension reserve	23	-	(8,747)	(8,747)	(8,747)
MEMBER'S FUNDS			2,594	(6,196)	(6,196)

Sutton Housing Partnership Limited

(Company limited by guarantee)

STATEMENT OF CASHFLOWS

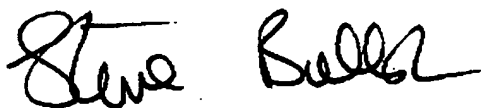
For the year ended 31 March 2023

The member derives no financial interest from its shareholding and accordingly all capital and reserves are classed as non-equity.

The accompanying accounting policies and notes on pages 20 to 35 form part of these financial statements.

The financial statements on pages 16 to 35 were approved and authorised for issue by the board on 27th September 2023.

Signed on behalf of the Board of Directors:

A handwritten signature in black ink, appearing to read 'Steve Bullock', is written over a horizontal line.

Sir Steve Bullock

Chair of Sutton Housing Partnership Board

27th September 2023

Company registration no: 05589014

Sutton Housing Partnership Limited**(Company limited by guarantee)****STATEMENT OF CASHFLOWS****For the year ended 31 March 2023**

	Notes	2023 £000	2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss for the financial year		(1,589)	(1,736)
Adjustments for:			
- Depreciation of fixed assets	14	31	75
- Interest paid		(1)	(1)
- Interest received		1	-
- Decrease / (increase) in trade and other debtors	15	356	249
- Increase / (decrease) in trade & other creditors	16	(103)	(459)
- Difference between pension scheme contributions and amounts charged to the profit and loss account		1,634	1,802
-Increase in provisions	19	119	-
Cash from operations		448	(70)
Income taxes paid	12	(2)	(2)
NET CASH GENERATED FROM OPERATING ACTIVITIES		446	(72)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds/Loss from the sale of fixed assets		-	-
Purchases of intangible fixed assets	13	-	-
Purchases of tangible fixed assets	14	(21)	-
NET CASH FROM INVESTING ACTIVITIES		(21)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance leases	18	(2)	(2)
NET CASH USED IN FINANCING ACTIVITIES		(2)	(2)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		423	(74)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
		2,128	2,202
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		2,551	2,128

The accompanying accounting policies and notes on pages 20 to 35 form part of these financial statements.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. COMPANY INFORMATION

Sutton Housing Partnership (SHP) is an Arm's Length Management Organisation or 'ALMO' set up by Sutton Council. The company is limited by guarantee and the liability of the member to contribute to any deficiency is £1. The member has no rights to the income or assets of the company.

The registered office is Sutton Gate, 1 Carshalton Road, Sutton, Surrey, SM1 4LE, United Kingdom.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis where stipulated within the requirements of FRS102.

The financial statements are presented in Sterling (£).

2.1 Going Concern

Sutton Housing Partnership has an agreed income stream in the form of its management fee from the London Borough of Sutton. In March 2019 LBS agreed to extend the management agreement for 10 years, this took effect from 1 April 2019.

There has been an improvement in the reserves position (£44k) due to the underlying surplus for 2022/23 and the long term cash flow forecast shows there are sufficient funds to meet operating expenses.

SHP is working closely with the Council to create a re-energised business plan for their Housing Revenue Account (HRA) that will generate sufficient income to support both the Council's aspirations to increase social rented housing in the borough and to fund on-going management and maintenance requirements. The management and directors of Sutton Housing Partnership are committed to streamline and modernise the business in order to continue to deliver high quality services that represent value for money to both the Council and residents. Our five year Financial strategy and VFM strategy will identify funding to support these plans and new income generating schemes are being explored.

The directors therefore have no reason to believe that the company would not be able to meet its liabilities over the next 12 months and have prepared the accounts on the going concern basis.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. For the financial year ended 31 March 2023, the net pension asset of £6,298k has not been recognised on the grounds that it is not directly recoverable as a refund or reduction in contributions. The three year valuation driving the contributions uses different methodology and assumptions. The actuarial estimates for pension assets and

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

obligations covering life expectancy, future interest rates and yields and future salary inflation rates. These estimations are shown below.

	31 March 2023	31 March 2022
LIFE EXPECTANCY FROM AGE 65 (YEARS)		
Retiring today		
- Males	21.4	21.4
- Females	24.9	24.1
Retiring in 20 years		
- Males	22.7	22.9
- Females	25.8	25.8

ASSUMPTIONS AS AT	31 March 2023 % p.a.	31 March 2022 % p.a.	31 March 2021 % p.a.
Rate of inflation			
- RPI	3.30%	3.85%	3.20%
- CPI	3.80%	3.30%	2.85%
Rate of increase in salaries	2.95%	4.20%	3.85%
Rate of increase in pensions	2.95%	3.20%	2.85%
Discount rate	4.75%	2.70%	2.00%

There are no other significant judgements and estimations contained within these accounts.

4. ACCOUNTING POLICIES

4.1 Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible and intangible fixed assets at rates calculated to write down the cost less estimated residual value over their expected useful lives, using the straight-line method. The rates applicable are:

Office Refurbishment	-	Over remaining term of lease (to June 2027)
IT Software	-	over 5 years
Equipment, plant and machinery	-	over 5 years
Furniture	-	over 10 years
Motor Vehicles	-	over 5 years

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

4.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to Sutton Housing Partnership. All other leases are classified as operating leases.

Where an asset is acquired under a finance lease, the asset is capitalised and the corresponding liability to the finance company is included under obligations under finance leases. Finance lease instalments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account in such a way as to give a reasonably constant charge on the outstanding liability over the period of the contract.

4.3 Taxation

A tax charge is recognised in the accounts for tax payable in respect of the taxable profit using relevant UK Corporation Tax rates applicable at the reporting date.

Deferred taxation liabilities are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are only recognised if it is considered that there is a reasonable expectation that they will be recoverable in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

4.4 Turnover

Turnover represents property management fees and associated income and is stated net of Value Added Tax. Management fees are included within turnover on a time apportioned basis. Associated income is included in turnover on the basis of work done.

5. EMPLOYEE BENEFITS

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

An accrual of £155,062 has been made for untaken holiday allowances as at 31 March 2023.

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the statement of comprehensive income.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Defined benefit schemes are funded, with the assets held separately from the company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency.

6. FINANCIAL INSTRUMENTS

The company only has financial instruments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

7	ANALYSIS OF TURNOVER	2023 £000	2022 £000
	Management fees	18,356	16,949
	Other income	948	996
		<hr/>	<hr/>
		19,304	17,945

All turnover is generated within the United Kingdom

8	PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2023 £000	2022 £000
	This is stated after charging:		
	Fees payable to the company's auditor for:		
	- Audit fees	25	23
	- Tax compliance fees	2	2

9	INTEREST RECEIVABLE	2023 £000	2022 £000
	Bank interest received	1	-

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

	2023	2022
	£000	£000
10 INTEREST PAYABLE		
Expected return on pension scheme assets	1,172	797
Interest on pension scheme liabilities	(1,430)	(1,052)
	(258)	(255)
Finance lease cost	(1)	(1)
Total interest payable	(259)	(256)

11 DIRECTORS AND EMPLOYEES

	2023	2022
	£000	£000
Staff costs during the year were as follows:		
Wages and salaries	6,949	6,319
Redundancy costs	2	-
Social security costs	753	651
Pension Costs - current service cost	2,950	2,941
Total employee cost	10,654	9,911

The company is an admitted member of the London Borough of Sutton local government superannuation scheme, a funded defined benefit scheme. Contributions paid during the year amount to £1,316k (2022: £1,201k)

	2023	2022
	No.	No.
Average number of employees during the year was:		
Executive management team	4	3
Operations	139	143
Asset Management & Investment	20	20
Resources (ICT, HR, Finance & Governance)	17	15
Chief Executives Office	4	4
Total	184	185

In April 2022, 20 employees were transferred from the Operations Directorate to the newly created Asset Management & Investment Directorate. The 2022 staff numbers have been restated to reflect this change.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Key management personnel remuneration:	2023	2022
	£000	£000
Wages and salaries	436	362
Social security costs	58	45
Other pension costs	87	70
	<hr/>	<hr/>
Total key management compensation	581	477

The key management personnel are considered to be those members of the Executive Management Team, which during this financial year was the Managing Director, Operations Director and Finance & Corporate Services Director.

The directors' aggregate remuneration in respect of qualifying services were:	2023	2022
	£000	£000
Salary	14	10
Pension Contribution:	-	-
	<hr/>	<hr/>
Total	14	10

Directors are considered to be Board members only. Remuneration is paid to the Chair of the Board, Vice Chair and the Chairs of the Audit and Risk Committee and Performance Committee.

None of the other directors received any remuneration or taxable benefits and none were members of the pension scheme.

12	TAX ON PROFIT ON ORDINARY ACTIVITIES	2023	2022
		£000	£000
	The tax charge is based on the profit for the year and represents:		
	Current Tax:		
	UK Corporation tax	2	2
	Tax on profit on ordinary activities	2	2

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

CURRENT TAX RECONCILIATION

The tax assessed for the years differ from the standard rate of corporation tax in the United Kingdom at 19% (2022: 19%). The differences are explained as follows:

Loss on ordinary activities before tax	(1,847)	(1,992)
Tax on ordinary activities at the standard rate of Corporation tax 19% (2022: 19%)	(351)	(378)
Effect of non-trading activities with Member that are not deductible	<u>353</u>	<u>380</u>
Actual current taxation charge	2	2

The company is a wholly owned subsidiary of the London Borough of Sutton and the majority of income is derived from services provided to the Council. HM Revenue and Customs have confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. Accordingly no tax charge/credit has been recognised in the accounts except on trading outside of this arrangement and interest earned on balances.

The taxable trading activity relates to the Sutton Connect which is a contract with the London Borough of Sutton which is outside of the management agreement. However, this contract was moved into our main management agreement in July 2021.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

13 INTANGIBLE FIXED ASSETS

	Software £000	Total £000
COST		
As at 1 April 2022	302	302
Additions	-	-
Disposals	-	-
As at 31 March 2023	<u>302</u>	<u>302</u>
DEPRECIATION		
As at 1 April 2022	(302)	(302)
Charge in the year	-	-
As at 31 March 2023	<u>(302)</u>	<u>(302)</u>
NET BOOK VALUE		
As at 31 March 2023	<u>-</u>	<u>-</u>
As at 31 March 2022	-	-

Sutton Housing Partnership Limited**(Company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2023**

14 TANGIBLE FIXED ASSETS

	Buildings	Motor Vehicles	Equipment furniture plant and machinery	Total
	£000	£000	£000	£000
COST				
As at 1 April 2022	597	217	404	1,218
Additions	-	-	21	21
Disposals	-	(32)	-	(32)
As at 31 March 2023	<u>597</u>	<u>185</u>	<u>425</u>	<u>1,207</u>
DEPRECIATION				
As at 1 April 2022	(582)	(204)	(349)	(1,135)
Charge in the year	(15)	(5)	(11)	(31)
Reversal due to disposals	-	32	-	32
As at 31 March 2023	<u>(597)</u>	<u>(177)</u>	<u>(360)</u>	<u>(1,134)</u>
NET BOOK VALUE				
As at 31 March 2023	<u>-</u>	<u>8</u>	<u>65</u>	<u>73</u>
As at 31 March 2022	15	13	55	83

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

	2023	2022
	£000	£000

15 DEBTORS

Amounts falling due within one year:

Trade debtors	153	1,146
Prepayments and accrued income	1,429	789
Provision for Bad Debts	(4)	(1)
	<u>1,578</u>	<u>1,934</u>

Trade debtors include £144k (2022: £1,126.8k) due from the London Borough of Sutton. Prepayments and accrued income payable from the London Borough of Sutton to the value of £1,007.7k (2022: £267.4k) includes excess payments on insurance claims and fees relating to Right To Buy administration work.

16 CREDITORS

	2023	2022
	£000	£000

Amounts falling due within one year:

Trade creditors	190	230
Unpaid pension contributions	148	159
Finance lease obligations	-	2
Corporation tax	2	2
Other taxation and social security	412	414
Accruals and deferred income	<u>737</u>	<u>747</u>
	<u>1,489</u>	<u>1,554</u>

Trade creditors include £36k due to London Borough of Sutton (2022: £0). Included with accruals is a liability of £45.8k (2022: £126.6k) due to the London Borough of Sutton.

	2023	2022
	£000	£000

17 CREDITORS: amounts falling due after more than one year

Amounts falling due under finance lease contracts

	-	-
Accruals and deferred income	<u>-</u>	<u>40</u>
	-	40

Obligations under finance leases are secured on the relevant tangible fixed assets.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

18 FINANCE LEASE COMMITMENTS

2023	2022
£000	£000

The company's future minimum finance lease payments are as follows:

In one year or less	-	2
In more than one year, but no more than two years	-	-
In more than two years, but no more than five years	-	-
	<hr/>	<hr/>
	-	2

The 4-year lease for equipment ended in January 2023. There was no commitment to purchase the equipment at the end of the lease period.

19 PROVISIONS

Total
£000

Balance at 1 April 2022	-
Additions during the period	119
	<hr/>
As at 31 March 2023	119

It is expected that SHP will incur additional costs relating to past contractual activity and an estimation has been made of the future liability. It is expected that payment will be required within 3 years.

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

20	OPERATING LEASE COMMITMENTS	2023 £000	2022 £000
	The company's future minimum operating lease payments are as follows:	1,416	281
	In one year or less	207	101
	In more than one year, but no more than five years	1,179	120
	In more than five years	30	60
		1,416	281

Sutton Housing Partnership has a non-cancellable operating lease on our office premises at Sutton Gate and also at the Circle Library, Carshalton. The cost of these leases for the year was £354,100 (2022: £346,247). A new 5 year lease was entered into on 16 December 2022 on the Sutton Gate office with only half rent payable in the first year.

21 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of the London Borough of Sutton, Civic Offices, St Nicholas Way, Sutton SM1 1EA, a local government organisation. No single party controls the company as, under the memorandum and articles of association, the London Borough of Sutton can only appoint one third of the board, with the balance of directors being drawn from council tenants (including leaseholders) and members of the wider community.

22 RELATED PARTY TRANSACTIONS

The company has no transactions with key personnel beyond their contractual remuneration including salaries and pensions as per note 11 or reimbursement of business expenses incurred.

Management fees totalling £18,356,000 (2022: £16,949,000) were invoiced to the London Borough of Sutton.

London Borough of Sutton has provided services to the company to the value of £1,037.3k (2022: £1,113.9k). Within this £750,883 (2022: £791,700) relates to ICT, communications, HR, 'out of hours' response & insurance services under service level agreements. Other transactions with the London Borough of Sutton include premises rates and council services including fees for training, staff car parking plus recharges for external solicitor and court costs.

The balance owed to the London Borough of Sutton as at the year-end was £81,823 (2022: £126,573) as shown in note 16 including settlement of recharged supplier costs. The balance owing from the London Borough of Sutton as at the year-end was £1,173.6k (2022: £1,394.2k) as shown in note 15. The balance is repayable on normal commercial terms and does not bear interest.

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

23 DEFINED BENEFIT PENSION SCHEME DISCLOSURES

The company is an admitted member of the London Borough of Sutton local government superannuation scheme, a funded defined benefit scheme. A full actuarial valuation was undertaken as at 31st March 2019 which has set the contributions for the period 1st April 2020 to 31st March 2023. The assumptions are updated annually.

The impact of the McCloud/Sargent judgement has been considered in the preparation of these statements. The actuary has used analysis provided by the Government Actuary Department and the assumptions and results of FRS102 disclosures to assess the potential impact on our pension liability.

ASSUMPTIONS AS AT	31 March 2023 % p.a.	31 March 2022 % p.a.	31 March 2021 % p.a.
Rate of inflation			
- RPI	3.30%	3.85%	3.20%
- CPI	3.80%	3.30%	2.85%
Rate of increase in salaries	2.95%	4.20%	3.85%
Rate of increase in pensions	2.95%	3.20%	2.85%
Discount rate	4.75%	2.70%	2.00%

RECONCILIATION OF DEFINED BENEFIT OBLIGATION	2023 £000	2022 £000
Opening defined benefit obligation at 1 April	51,728	51,446
Current service cost	2,884	2,941
Past service costs, including curtailments	-	-
Interest cost	1,430	1,052
Contributions by members	478	428
Change in financial assumptions	(19,843)	(3,284)
Change in demographic assumptions	(2,011)	57
Experience (gain)/loss	1,704	74
Estimated unfunded benefits paid	(2)	-
Administration Expenses	68	62
Estimated benefits paid	(879)	(1,048)
Closing defined benefit obligation at 31 March	35,557	51,728

Sutton Housing Partnership Limited**(Company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2023**

	2023	2022
	£000	£000
RECONCILIATION OF FAIR VALUE OF THE PLAN ASSETS		
Opening fair value of employers assets at 1 April	42,981	39,567
Interest on assets	1,172	797
Return on assets less interest	(3,616)	2,036
Other actuarial gains	403	-
Contributions by members	478	428
Contributions by the employer	1,316	1,201
Contribution in respect of unfunded benefits	2	-
Unfunded benefits paid	(2)	-
Benefits paid	(879)	(1,048)
Derecognition of surplus	(6,298)	-
Closing fair value of employers assets at 31 March	35,557	42,981

	2023	2022
	£000	£000
DEFINED BENEFIT COSTS RECOGNISED IN PROFIT OR LOSS		
Service cost	2,884	2,941
Net interest cost	258	255
Administration expenses	68	62
Defined benefit costs recognised in the profit and loss	3,210	3,258

	2023	2022
	£000	£000
DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Return on Fund assets in excess of interest – gain/(loss)	(3,616)	2,036
Other actuarial gains	403	-
Change in financial assumptions	19,843	3,284
Change in demographic assumptions	2,011	(57)
Experience gain/(loss) on defined benefit obligation	(1,704)	(74)
Total re-measurement gains / (losses)	16,937	5,189

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

	31 March 2023	31 March 2022	
LIFE EXPECTANCY FROM AGE 65 (YEARS)			
Retiring today			
- Males	21.4	21.4	
- Females	24.9	24.1	
Retiring in 20 years			
- Males	22.7	22.9	
- Females	25.8	25.8	
STATEMENT OF FINANCIAL POSITION	31 March 2023 £000	31 March 2022 £000	31 March 2021 £000
Fair value of fund assets	35,557	42,981	39,567
Present value of defined obligation	(35,523)	(51,728)	(51,407)
Present value of unfunded obligation	(34)	-	(39)
Net pension liability	0	(8,747)	(11,879)

The triennial revaluation was carried out in 2022 and recommended that employer's contributions reduce to 19% to move to a fully funded scheme by the target date of 31 March 2035. The estimated employer's contributions for the year to 31 March 2024 will be approximately £1,169k (2022: £1,123k). The next triennial revaluation of the scheme will be carried out in 2025.

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

SENSITIVITY ANALYSIS

The sensitivity regarding the principal assumptions used to measure the scheme obligations are set out below

Change in assumptions at 31 March 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	645
1 year increase in member life expectancy	4%	1,422
0.1% increase in the Salary Increase Rate	0%	36
0.1% increase in the Pension Increase Rate (CPI)	2%	619

The adjustment to the life expectancy assumptions assumes a member has the life expectancy of someone a year older or a year younger, for example, under +1 year it is assumed that a member with a 25 year life expectancy is actually expected to live for 26 years.

24 CONTINGENT LIABILITY / ASSET

There are no known events giving rise to a contingent liability or asset.

25 POST BALANCE SHEET EVENTS

There were no events occurring after 31 March 2023 that would have a bearing on these financial statements.
