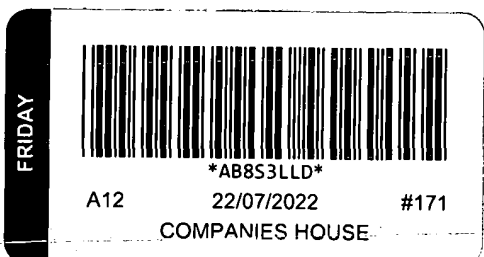


BLUE PITS HOUSING ACTION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

Registered Charity No. 1154280
Company Registration No. 07825886
RSL No. RP4719



BLUE PITS HOUSING ACTION

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Report of the trustees for the year ended 31st October 2021

The trustees present their annual directors' report and financial statements of the charity, for the year ended 31st October 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Housing SORP 2018, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The purposes of the charity are to provide an inclusive, tenant needs-led, high quality accommodation and support service to vulnerable adults that enable them to achieve their full potential and promote social inclusion.

Our main activities are as a Registered Social Landlord (RSL) to provide specialist accommodation and preventative and enabling support to people with mental health conditions, learning disabilities and Autistic Spectrum Conditions (ASC), including those with a dual diagnosis which may include substance use.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities, and setting the policies for the year.

The charity furthers its charitable purposes for the public benefit through our charity's purposes as set out in the objects contained in the company's memorandum of association are to:

To carry on for the benefit of the community the business of providing social housing and any associated amenities, services, advice or assistance for persons:

- ~ in necessitous circumstances upon terms appropriate to their means;
- ~ for whom it would be charitable to provide housing.

To promote or carry out any other charitable purpose that can be carried out by a company registered as a social landlord with the tenant services authority or such similar authority from time to time.



The legislative provisions under which the PRP is established

The objects of Blue Pits Housing Action are specifically restricted to:

- 1) To carry on for the benefit of the community the business of providing social housing and any associated amenities, services, advice or assistance for persons:
 - in necessitous circumstances upon terms appropriate to their means;
 - for whom it would be charitable to provide housing
- 2) To promote or carry out any other charitable purpose that can be carried out by a company registered as a non-profit, private registered provider with the Regulator of Social Housing or such similar authority from time to time.

The aims of Blue Pits Housing Action are:

- To provide high quality accommodation which meets the needs of vulnerable people
- To improve the overall health and wellbeing of vulnerable people with complex mental health needs, including those with a dual diagnosis.
- To enable people to develop and maintain the skills and competencies they need to return to, or remain, living independently in their own home
- To minimise the need for secondary health and social care provision
- To promote integration and reintegration among socially excluded groups and those leaving institutions of confinement

Blue Pits Housing Action meets these aims through the provision of supported living, home care and outreach services to 43 'Adults at Risk' across Rochdale, Heywood and Middleton.

A review of our achievements and performance

The continuing focus for the organisation over the last year has been on improving quality and reviewing all policies and procedures to ensure continuing compliance with the Care Quality Commission's fundamental standards and adherence to their Key Lines of Enquiry.

Blue Pits Housing underwent its second CQC inspection on 11 March 2020, just prior to the pandemic restrictions and all of its inspection areas (key lines of enquiry) were found to be



'Good' giving an overall 'Good' rating. The report was published on 10 April 2020 and can be found at: <https://www.cqc.org.uk/location/1-2693034270>.

CQC have had to change and review how they regulate and monitor services during the Covid -19 pandemic restrictions. At regular intervals, they have contacted Blue Pits to state they have carried out a review of the data available to them and have not found evidence that they need to carry out an inspection or reassess our rating at this time.

Ten year Anniversary since incorporation (27.10.2011)

In October 2021, Blue Pits celebrated it's 10-year anniversary. We marked the occasion by holding a Covid-safe party at a local Community Centre and all staff received a gift voucher. A celebratory banner was designed and is displayed on the front of our building.

Mental Health Discharge Scheme Pilot

In January 2021, Rochdale Adult Care Commissioning Teams invited local providers to bid to provide support to people being discharged from inpatient psychiatric units whose discharge might otherwise have been delayed due to barriers such as poor housing and inadequate support to resettlement at home.

Blue Pits Housing Action successfully tendered to provide services under this pilot which ran from 01 January to 31st March 2021.

Local Authority commissioners have commended BPHA on the success of the service and are keen to expand the pilot following review.

RHS Britain in Bloom - (Rochdale in Bloom)

This year, our community garden at Dunsterville House was nominated for these awards and achieved "It's Your Neighbourhood Level 3 - Advancing", the certificate being presented at the Britain In Bloom North West Awards Ceremony in November 2021.

GMCVO Grant (Walking Group)

We successfully tendered for and were awarded a £3000 grant by Greater Manchester Centre for Voluntary Organisations (GMCVO) to set up a Walking Group. The aim of this grant was to improve physical and mental health outcomes for at risk groups of people. The walking group has remained active.



Dale Works Employability Program

Following a successful collaboration with Rochdale AFC Community Trust and The Maverick Lab, three of our tenants underwent a 12- week employability skills course and secured voluntary work at the end of the course.

Tackling Minds Fishing Group

In a joint venture with Tackling Minds, we were pleased to be able to offer opportunities for several of our tenants to participate in angling and engaged with the local environment

The development and provision of social housing and social housing activities for the year

Blue Pits Housing Action (BPHA) provides social housing through leasing suitable accommodation from private landlords. This model has served the housing and community needs of our supported tenants during the period since BPHA was incorporated in October 2011 and it becoming financially established.

BPHA is now in a strong position to begin to acquire property assets alongside this lease model and to this end, the company bought its first property, a two-bed bungalow, in July 2020.

The acquisition of property assets allows BPHA to increase its social housing stock and to ensure that this remains affordable in consideration of the national trend for rising rents in the private rented sector.

Our Projects

Dunsterville House

Dunsterville House provides self-contained one/two bed accommodation for people via 9 self-contained flats with 24-hour overarching support.

Thornbush Way

Thornbush Way provides fully self-contained studio flats for 8 people.

A community spirit has developed in both projects and the tenants have supported each other through the pandemic which has served to combat feelings of social isolation and loneliness which may otherwise have developed.



Supported tenancies

42 x 1/2 bedroom single tenancies comprising houses, flats and bungalows. These are occupied by people who live independently with support.

Our Framework contracts:

- GM Learning Disability and Autism Ethical Purchasing System
- Mental Health Approved Provider List - Rochdale
- Care At Home (Adults) - Flexible Purchasing System - Rochdale

Financial review

The accounts up to October 2021 showed a surplus of £20,326 compared with October 2020 when the accounts showed a surplus of £43,883.

Principal Funding Sources

- Rochdale Borough Council Adult Care and Support
- Rochdale Revenues and Benefits service for intensive housing management provision

Investment powers and policy

The trustees, having regard to the liquidity requirements of operating the charity, have kept a prudent amount available as reserve funds in an interest bearing deposit account.

Reserves policy and going concern

The balance held in unrestricted reserves at 31st October 2021 was £271,350 of which £196,412 are free reserves after allowing for funds tied up in tangible fixed assets. The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

The Charity's main source of income is housing benefit and adult care funding. The Trustees consider that it is appropriate to prepare the accounts on a going concern basis and, consequently, the accounts do not include any adjustments that would be necessary if these sources of income should cease.



Risk management

The Trustees identify the major risks to which the charity is exposed each financial year when preparing and updating the strategic plan, in particular those related to the operations and finances of the charity. The Trustees then review any major risks which have been identified and establish systems to mitigate those risks. The charity is satisfied that the systems are in place to mitigate their exposure to the major risks which have been so far identified and reviewed.

Safeguarding and wellbeing policy

Blue Pits Housing Action is committed to promoting the safety and wellbeing of the Adults at Risk who use our services. We have appropriate safeguarding policies and procedures in place that reflect this commitment. In addition, the welfare and wellbeing of the people we employ is a major underlying driver of the high quality support we provide. As part of our undertaking to sustaining a healthy and resilient workforce, we offer opportunities for reflective supervision, accredited training and continuing professional development at all levels and for all roles.

Plans for Future Periods

As a Registered Provider of Social Housing, Blue Pits Housing Action has adopted a lease model for acquiring properties. However, In July 2020, we bought our first property – a one bedroomed bungalow in Rochdale.

Future plans will include buying further property suitable for supported living tenancies. The changing needs of our tenants and the national trend for rent increases has been taken into consideration on the choice of housing stock to invest in, this being local, single storey flat, and also small terraced property and bungalow accommodation.

BPHA continues to provide placement opportunities for intermediate and final year social work students for both Uclan and Salford Universities. In addition, during 2021, we were pleased to be able to offer HEE/NHS nursing placements for students looking for careers within learning disability and autism services.

Compliments have been received from Uclan University on the “incredibly supportive learning environment the organisation provides for all our students”.

Our focus will continue to be on improving quality and reviewing all policies and procedures to ensure compliance with the Care Quality Commission’s fundamental standards and adherence to their Key Lines of Enquiry.



Added Value projects

Community Garden

The community garden and food growing project at Dunsterville House continues to thrive despite the necessary suspension of activities at various periods of time due to restrictions imposed by Covid-19.

The post of Grounds and Gardens Project Coordinator was created in January 2021, funded by Newbarn Ltd. The Project Co-ordinator has brought the area up to a level that we were awarded a Level 3 – Advancing Award by Britain in Bloom later this year.

Unit 8, The Landings

This creative space at Unit 8, The Landings, 157 Oldham Rd, Rochdale has been leased from March 2019 and refurbishments have been completed following consultation with proposed beneficiaries.

The space will be used to promote the physical health and mental well-being of the people we support and will offer functional skills, arts, crafts, relaxation, therapies, staff meetings, donation of space for other groups in exchange for their specialist services (to benefit our tenants) etc.

Activities have currently been suspended due to the restrictions imposed due to Covid-19.

Structure, governance and management

Blue Pits Housing Action is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27th October 2011. It is registered as a charity with the Charity Commission and is constituted under a trust deed dated 21st October 2013.

Appointment of trustees

As set out in the Articles of Association trustees are elected annually by the members of the charitable company attending the Annual General meeting and serve for a period of one year.

At the October 2021 Annual General Meeting, Mr. Philip Traynor was re-elected for a third year as Chair.



Trustee induction and training

Provided for all trustees as appropriate.

Organisation

The board of trustees administers the charity. The board normally meets four times a year. Meetings have been suspended due to Covid-19, although communication between the Chief Executive Officer (appointed by the trustees to manage the day-to-day operations of the charity) and Trustees, has not been affected. The trustees have been kept fully informed of the organisation's response to Covid-19.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager with any service providers must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Reference and administrative information

Charity Name: Blue Pits Housing Action

Charity Number: 1154280

Company Registration Number: 07825886

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Key management personnel: Trustees and Directors

Peter Ruddy	Treasurer
Kathleen Ince	Secretary
Philip Traynor	Chair
Sarah-Jayne Randall	

Senior managers

Dorothy Lynn Collins	Service Lead
Vicky Chanter	Registered Manager

**Registered Office**

169 Drake Street
Rochdale
OL11 1EF

Independent Examiners

Community Accountancy Service Limited
The Grange
Pilgrim Drive
Beswick
Manchester
M11 3TQ

Auditors

Wyatt Morris Golland Limited
Chartered Accountants
Park House
200 Drake Street
Rochdale
OL16 1PJ

Bankers

Co-operative Bank
1 Balloon Street
Manchester



Trustees responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Blue Pits Housing Action for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting principles and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board of trustees on 20/7/2022



Philip Traynor
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BLUE PITS HOUSING ACTION

Opinion

We have audited the financial statements of Blue Pits Housing Action (the 'charitable company') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BLUE PITS HOUSING ACTION

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of charities;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011 and Companies Act 2006 and

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where necessary,

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BLUE PITS HOUSING ACTION**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

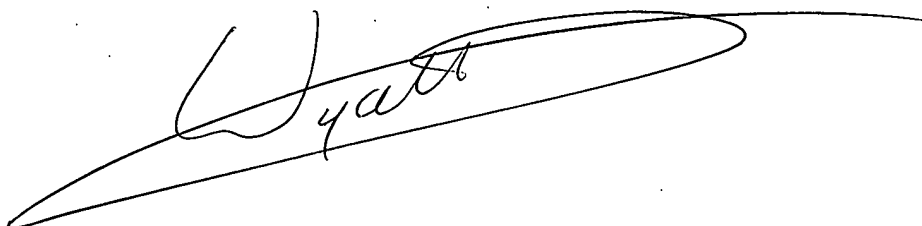
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wyatt, Morris, Golland Ltd
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Park House
200 Drake Street
Rochdale
Lancashire
OL16 1PJ

Date: 20 July 2022

A large, stylized handwritten signature in black ink, appearing to read 'Wyatt', is written over a horizontal line.

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2021

		Year Ended 31 October 2021	Year Ended 31 October 2020
	Note	£	£
Turnover	1	1,004,469	958,676
Operating Costs	1	(984,149)	(914,793)
Operating Surplus		20,320	43,883
Interest Receivable		6	-
Interest Payable		-	-
Surplus for the year		20,326	43,883
Total comprehensive income for the year		20,326	43,883

The statement of total comprehensive income includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 18 to 24 form part of these accounts.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 OCTOBER 2021

	Income and Expenditure Reserve	Restricted Reserve £	Total £
At 1st November 2019	208,179	1,274	209,453
Surplus from Statement of Comprehensive Income	45,157	(1,274)	43,883
At 31st October 2020 and 01 November 2020	253,336	-	253,336
Surplus from Statement of Comprehensive Income	18,014	2,312	20,326
At 31st October 2021	271,350	2,312	273,662

The notes on pages 18 to 24 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

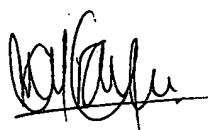
Company Registration Number: 07825886

	Note	2021 £	2020 £
Fixed assets:			
Tangible assets - Housing Properties	7	71,952	74,938
Tangible assets - Other Fixed Assets	7	2,986	953
Total fixed assets		74,938	75,891
Current assets:			
Trade and Other Debtors	8	47,031	37,624
Cash at Bank & in Hand		174,143	157,342
Total current assets		221,174	194,966
Liabilities:			
Creditors: Amounts falling due within one year	9	22,450	17,521
Net current assets or liabilities		198,724	177,445
Total assets less current liabilities		273,662	253,336
Creditors: Amounts falling due after more than one year	11	-	-
Provisions for liabilities		-	-
Total net assets		273,662	253,336
Reserves			
Restricted reserves	12	2,312	-
Income and Expenditure		271,350	253,336
Total Reserves		273,662	253,336

The accompanying notes form part of these Financial Statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Financial Statements on pages 14 to 24 were approved by the Board of Directors on 21/12/22 and are signed on it's behalf by:



Philip Traynor
Acting Chair

Peter Ruddy
Treasurer

The notes on pages 18 to 24 form part of these accounts.

Statement of Cash Flows for the year ending 31 October 2021

	Year Ended 31 October 2021 £	Year Ended 31 October 2020 £
Reconciliation of net movement in funds to net cash flow from operating activities		
Surplus for the year	20,326	43,883
Investment Income	(6)	-
Add back depreciation	3,552	4,473
(Increase)/decrease in debtors	(9,407)	720
Increase/(decrease) in creditors	4,929	(211)
Net cash used in operating activities	19,394	48,865
Cash flows from other activities:		
Interest	6	-
Purchase of other fixed assets	(2,599)	(76,027)
Net cash provided by other activities	(2,593)	(76,027)
Increase/(decrease) in cash and cash equivalents during the year	16,801	(27,162)
Cash and cash equivalents brought forward	157,342	184,504
Cash and cash equivalents carried forward	174,143	157,342

Notes to the financial statements for the year ended 31st October 2021**Legal Status**

Blue Pits Housing Association is a company limited by guarantee, registered under the Companies Act 2006, an English registered social housing provider and a charity.

The address of the registered office is given on page 8 of these financial statements.

The principal activities of Blue Pits Housing Association are set out of page 1 of the financial statements. Blue Pits Housing Association is a public benefit entity as defined by FRS102.

Accounting policies**Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with Housing SORP 2018: the Statement of Recommended Practice for Registered Social Housing Providers and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Turnover

Turnover represents rental and service charges income receivable, net of void losses in the year, revenue grants receivable from local authorities.

Government grants

Government grants include grants receivable from local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grants conditions will be met and the grants will be received.

Government grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once reasonable assurance has been gained that Blue Pits Housing Association will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Taxation

Blue Pits Housing Association is a registered charity and is, therefore, exempt from paying corporation tax on charitable activities.

Leases

All leases are operating leases and the annual rentals are charged to income and expenditure on a straight line basis over the lease term.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement at 31st October is recognised in the period in which the employee's services are received.

Notes to the financial statements for the year ended 31st October 2021

Tangible fixed assets and depreciation**Housing property**

The housing property is for the provision of social housing and is available to rent. It is stated at cost less accumulated depreciation. The housing property is depreciated at the following rate:

Housing Property	2% on cost
------------------	------------

The housing property comprises one property purchased 21st July 2020 and costing £74,950. The property will be repaired before each new tenancy commences and the costs of the repairs will be treated as repair costs.

Other fixed assets

All assets costing more than £500 are capitalised and valued at historical cost. Depreciation is charged on the following basis:

Computers	33.33% on cost
Equipment	25% on cost
Motor Vehicles	25% on cost
Refurbishment of Leased Property	25% on cost

Impairment

Housing properties will be reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down is charged to the operating surplus for the year.

In addition, revaluations of properties are undertaken on completion of developments and at regular intervals thereafter. If these valuations are less than the carrying value of the property, an impairment charge will result. The impairment charge is charged to operating surplus for the year, unless there has been a previous upward valuation of that property. In that case the impairment would be charged to revaluation reserves (to the extent of previous upward revaluations) with any balance then being charged to operating surplus.

Pensions

The charity currently administers contributions to a pension scheme on behalf of individuals.

The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1. Particulars of turnover, cost of sales, operating costs and operating surplus

		Turnover	Operating costs	Operating surplus	Operating surplus
	Note	Year Ended 31 October 2021	Year Ended 31 October 2021	Year Ended 31 October 2021	Year Ended 31 October 2020
		£	£	£	£
Social housing lettings	2	993,356	(980,656)	12,700	31,207
Other social housing income and expenditure					
Trip Income		20	-	20	1
Student Placement Fees		4,900	(1,757)	3,143	7,602
Miscellaneous Income		50		50	500
Tenant Care Income		4,283	(585)	3,698	3,790
Blue Pits Project		-	(1,151)	(1,151)	(3,611)
Donations		1,860	-	1,860	4,394
		<u>1,004,469</u>	<u>(984,149)</u>	<u>20,320</u>	<u>43,883</u>

Previous reporting period

		Turnover	Operating costs	Operating surplus
		Year Ended 31 October 2020	Year Ended 31 October 2020	Year Ended 31 October 2020
		£	£	£
Social housing lettings		939,445	(908,238)	31,207
Other social housing income and expenditure				
Trip Income		345	(344)	1
Student Placement Fees		7,974	(372)	7,602
Miscellaneous Income		500		500
Tenant Care Income		4,955	(1,165)	3,790
Blue Pits Project		1,063	(4,674)	(3,611)
Donations		4,394	-	4,394
		<u>958,676</u>	<u>(914,793)</u>	<u>43,883</u>

Notes to the financial statements for the year ended 31st October 2021

2. Particulars of turnover, cost of sales, operating costs and operating surplus

	Total Funds Year Ended 31 October 2021 £	Total Funds Year Ended 31 October 2020 £
Government housing related grants:		
Housing Benefit	503,095	478,033
Adult Care Grants	434,644	334,699
Making Space Income	48,502	113,172
Other grants:		
GMCVO	3,000	-
HMRC CVJRS/SSP	1,803	6,892
RMBC Covid 19	-	6,649
RMBC Workforce Grant	2,312	-
	<u>993,356</u>	<u>939,445</u>

3. Operating costs

	Year Ended 31 October 2021 £	Year Ended 31 October 2020 £
Services		
Motor Expenses	2,540	3,021
Project Costs	4,227	-
Property Rents	274,266	282,721
Subscriptions	460	275
Repairs and Maintenance	107	62
Quality Assurance	3,219	1,791
Software Costs	660	-
Minor Equipment	218	1,698
Telephone	9,103	7,146
Rent	25,922	22,960
Insurance	-	200
Governance Costs	13,780	10,884
Post, Printing & Stationery	148	248
Depreciation	2,053	2,974
Sundry	37	69
	<u>336,740</u>	<u>334,049</u>
Management		
Employment Costs	574,580	530,452
Recruitment	1,584	-
Training	1,850	3,232
DBS Fees	693	544
Staff Well-being	33	390
Travel Expenses	-	19
Refreshments	18	191
	<u>578,758</u>	<u>534,828</u>
Property Maintenance		
Housing Related Costs	<u>63,659</u>	<u>37,862</u>
Housing Property Depreciation	<u>1,499</u>	<u>1,499</u>
Total operating costs	<u>980,656</u>	<u>908,238</u>

Notes to the financial statements for the year ended 31st October 2021

4. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown below:

	General Support	Governance	Total 2021
Accountancy Fees	-	1,305	1,305
Auditors remuneration	-	3,840	3,840
HR Costs	5,417	-	5,417
Payroll Bureau Fees	2,720	-	2,720
Professional Fees	498	-	498
	<u>8,635</u>	<u>5,145</u>	<u>13,780</u>

Previous reporting period:

	General Support	Governance	Total 2020
Accountancy Fees	-	1,200	1,200
Health and Safety	983	-	983
HR Costs	1,056	-	1,056
Payroll Bureau Fees	2,479	-	2,479
Professional Fees	2,141	-	2,141
Legal Fees	3,025	-	3,025
	<u>9,684</u>	<u>1,200</u>	<u>10,884</u>

5. Employees

	Year Ended 31 October 2021	Year Ended 31 October 2020
	£	£
Wages and Salaries	526,153	484,604
Social Security Costs	39,126	36,876
Pension Costs	9,301	8,972
	<u>574,580</u>	<u>530,452</u>

The average number of employees during the year was 25, FTE 23.7 (previous year: 22, FTE 21.3).

The key management personnel comprises the trustees, service manager, project leader and team leader. The total employment benefits, including employer pension contributions of the key management personnel were £98,577 (previous year: £112,564). No employee has benefits in excess of £60,000 (previous year: none).

6. Operating surplus

The operating surplus is arrived at after charging:

	Year Ended 31 October 2021	Year Ended 31 October 2020
	£	£
Depreciation of housing properties	1,499	1,499
Property rents	274,266	282,721
Auditors remuneration	3,840	-
Independent examination fees	1,200	1,200
Other Accountancy services	<u>105</u>	<u>-</u>

Notes to the financial statements for the year ended 31st October 2021

7. Tangible Fixed Assets

	Motor Vehicles	Equipment	Refurbishment of Leased Property	Computers	Housing Property	Total
Cost	£	£	£	£		£
At 1 November 2020	1,625	1,096	16,828	7,280	74,950	101,779
Additions	-	1,301	-	1,298	-	2,599
At 31 October 2021	1,625	2,397	16,828	8,578	74,950	104,378
Depreciation						
At 1 November 2020	812	413	16,528	6,636	1,499	25,888
Charge for Year	406	598	150	899	1,499	3,552
At 31 October 2021	1,218	1,011	16,678	7,535	2,998	29,440
NET BOOK VALUE						
At 31 October 2021	407	1,386	150	1,043	71,952	74,938
At 31 October 2020	813	683	300	644	73,451	75,891

8. Analysis of debtors

	2021	2020
	£	£
Debtors	30,798	23,668
Prepayments	16,233	13,956
	47,031	37,624

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Creditors	4,218	2,286
Short-term compensated absences (holiday pay)	-	912
Other creditors and accruals	5,107	1,774
Deferred income	497	1,497
Taxation and social security costs	12,628	11,052
	22,450	17,521

10. Deferred income

Deferred income comprises adult care grants received in advance	
Balance as at 1 November 2020	1,497
Amount released to income earned from charitable activities	(1,497)
Amount deferred in year	497
Balance at 31 October 2021	497

11. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Provisions for liabilities	-	-

Notes to the financial statements for the year ended 31st October 2021

12. Restricted Reserves**Analysis of movements in restricted funds**

	01 November 2020	Incoming Resources	Resources Expended	Transfers	31 October 2021
	£	£	£	£	£
GMCVO	-	3,000	(3,039)	39	-
RMBC Workforce Grant	-	2,312	-	-	2,312
	-	5,312	(3,039)	39	2,312

Previous reporting period

	01 November 2019	Incoming Resources	Resources Expended	Transfers	31 October 2020
	£	£	£	£	£
National Lottery Community Fund	1,274	-	(1,274)	-	-
	1,274	-	(1,274)	-	-

Name of restricted fund:

GMCVO

RMBC Workforce Grant

Description, nature and purpose of the fund

for the walking group

for workforce capacity measures - to ensure staffing levels remain at a sustained level to cope with any Covid isolating issues

13. Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised on a transaction value and subsequently measured at their settlement value with the

14. Lease Commitments

The charity rents properties from commercial and private landlords in which to place tenants in receipt of housing benefit. These rents are ongoing and can be terminated at one month's notice should the properties no longer be required.

Future lease payments within 1 year are calculated as £64,030.

15. Related party transactions

Lynn Collins, senior manager, is a director of Newbarn Limited where some of the properties are leased from. Rental and insurance transactions are at a market value rate. Staff are also seconded out to Blue Pits Housing Association from Newbarn Limited.