

TARGET HOUSING LIMITED

England & Wales · Charity number 1017481

Details

Status	Registered
Legal form	Charitable company
Company number	02787689
Registered	1993-02-18
Register	View on the Charity Commission register

Contact

Address	Unit A4 - A6 Bradmarsh Business Park Bow Bridge Close Rotherham S60 1BY
Phone	03302020403
Email	info@targethousing.org.uk
Website	www.targethousing.org.uk

Activities

Objects: TO RELIEVE HOMELESS PERSONS, AND IN PARTICULAR THOSE PERSONS WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS INCLUDING THOSE WHO HAVE SUFFERED A LEGAL RESTRICTION ON THEIR LIBERTY, BY THE PROVISION OR ASSISTING IN THE PROVISION OF ACCOMMODATION INCLUDING SOCIAL HOUSING;2.2 TO ASSIST PEOPLE WHO ARE IN NEED, HARDSHIP OR DISTRESS, WITH PARTICULAR REGARD FOR THOSE WHO ARE VULNERABLE AND/OR HAVE COMPLEX NEEDS; SUCH ASSISTANCE TO INCLUDE:(A) SUPPORTED ACCOMMODATION WITH THE PURPOSE OF ACHIEVING INDEPENDENT LIVING(B) ADVICE, INFORMATION, GUIDANCE AND SUPPORT CONCERNING ACCOMMODATION, HEALTH, EMPLOYMENT, SELF-EMPLOYMENT, TRAINING AND EDUCATION(C) FINANCIAL ASSISTANCE AS APPROPRIATE(D) SUCH TRAINING IN TECHNICAL, SOCIAL LIFE SKILLS AS WILL ENHANCE WELLBEING AND EMPLOYMENT OPPORTUNITIES AND ASSIST SOCIAL INTEGRATION AND COMMUNITY STABILITY

Activities: Target provides housing and support services to vulnerable and marginalised adults and families. Target holds contracts with both local authorities and private sector organisations. As a registered social landlord Target is steadily developing its own property portfolio with the assistance of Charity Bank and Futurebuilders England.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Accommodation/housing
- **Who:** Children/young People, People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** CITY OF SHEFFIELD
- Barnsley
- Derbyshire
- Doncaster
- East Riding Of Yorkshire
- Kingston Upon Hull City
- Nottinghamshire
- Rotherham
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£18,327,992	£18,527,195	£2,597,060	195
2024-03-31	£15,383,849	£15,574,122	£2,496,263	183
2023-03-31	£13,920,504	£13,944,148	£2,753,536	178
2022-03-31	£12,231,814	£12,074,527	£2,975,709	148
2021-03-31	£10,122,921	£9,070,236	£2,767,875	118

Trustees

Name	Role	Appointed
Karen Rick	Chair	2022-11-15
Andrew Stott		2025-07-01
Richard Casken		2022-09-06
Simon Holcombe		2023-08-01
Steven Crane		2023-05-15

TARGET HOUSING LIMITED

England & Wales - Charity number 1017481

Accounts

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

Target Housing Limited
(Limited by Guarantee)

Report and financial statements

For the year ended 31 March 2025

**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2025

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Target Housing Limited (Limited by Guarantee)

Company Information

Board members

Karen Rick – Chair
Rachel Heath - Treasurer (resigned 17 September 2024)
Richard Casken
Mike Day (resigned 17 September 2024)
Tom Doughty (appointed 28 May 2024 and resigned 09 June 2025)
Simon Holcombe
Jimitha Jacob (appointed 15 July 2024)
Sharon Moya Jones (resigned 17 September 2024)
Andrew Stott (appointed 1 July 2025)

Secretary

Steven Crane

Chief Executive Officer

Steven Crane

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

Charity Bank
Fosse House
182 High Street
Tonbridge
Kent
TN91BE

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025

The Board of Trustees presents their report, which incorporates the strategic report, together with the audited financial statements for the year ended 31 March 2025 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

Chair's introduction **Annual Report 2024 - 2025**

It gives me great pride to present this year's Annual Report for Target Housing. 2024/25 has been a year of both challenge and progress, as we have continued to grow our services and strengthen our impact despite the pressures of the wider economic climate. This year, Target's turnover increased to £18.6m, a rise of more than 20% on the previous year, reflecting the scale and breadth of the support we now provide. Importantly, after several years of deficit, we returned to surplus with a positive outturn, a testament to the resilience of our staff and the careful stewardship of resources.

Our property portfolio has expanded significantly. By March 2025, we managed 1,085 properties across Yorkshire, the East Midlands and the Humber, up from 986 in the previous year. Twenty-eight new acquisitions were completed, enabled by our continued partnerships with Homes England, Charity Bank and Social and Sustainable Capital (SASC). These investments are not only providing secure homes but also represent long-term stability for the charity.

Operationally, our frontline teams have once again delivered outstanding results. In 2024/25 we supported thousands of vulnerable individuals and families. Highlights and successes during the year include:

- Elliott Court – we started work on a five year contract for a 30 bed hostel with Rotherham local authority.
- Growth Project – A pioneering and innovative service offering support and accommodation to mothers who have experienced child removal, generously funded through the Big Lottery.
- SHAP Sheffield – 3 years revenue funding for the provision of support in our Homes England funded properties.
- CQC registration achieved in June 2024.
- Hull MHLD – our first 24 units of floating support for this cohort in Hull.
- Doncaster MH – an 8-bed accommodation project for those experiencing poor mental health.
- Successful conclusion of SHAP purchasing programmes – 31 properties purchased in total over two financial years, in partnership with Homes England.
- Our Queen Street refurbishment project via Big Lottery Capital funding.
- Cost of Living Grant – This funds our Cost of Living Worker, via Charity Bank.
- Green Energy Grant – to provide green energy and efficient upgrades to our properties, via Charity Bank.

The year was not without financial pressures. Rising costs, including mortgage interest, inflation and the rise to employer's NI contributions weighed heavily. However, the return to surplus, improvement in interest cover, and reduced gearing demonstrate our finances are strengthening, even as we invest for the future.

Looking ahead, our priorities include:

- Re-apply to Big Lottery for the Growth Project, to increase the units in Sheffield and expand into Rotherham.
- Independent evaluation of the Growth Project.
- Doncaster MHFS mobilisation and project start.
- Expansion of Hull MHLD by a further 17 units.
- Launch our first 24/7 service with Sheffield City Council.
- Refurbishment and development of Norman House/Oak Tower.
- Review and restructure of our dedicated in-house Maintenance Department.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Together, these developments demonstrate the trust placed in Target by commissioners and funders.

Finally, I want to thank our dedicated staff and volunteers. With a workforce of over 200 people, their professionalism and compassion remain the driving force behind all we achieve. I also extend my gratitude to my fellow Board members for their wisdom, challenge, and support, in particular Rachel Heath, Mike Day, Moya Jones and Tom Doughty who all retired from the Board in the last year. Three new Board members have also joined, bringing with them a range of valuable expertise in a variety of backgrounds.

Together, we will continue to build an organisation that is Agile, Innovative, Resilient, and People-Focused, ensuring that those we serve have the opportunity to live independently, fulfil their potential, and contribute to their communities.

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

Karen Rick

**Karen Rick
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Structure, governance and management

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM.

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 13, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees fluctuated during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Structure, governance and management (Continued)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 19 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Objectives and activities – General statement

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living.

During 2024–2025, Target Housing made significant progress toward these objectives, despite external financial pressures. Key achievements aligned with these objectives include:

- Continuing to successfully deliver excellent services to all our vulnerable clients despite a continued challenging economic climate.
- Expanded and improved the provision of supported housing and related services across Yorkshire, the East Midlands, the Humber, and surrounding areas.
- Achieved CQC registration, ensuring quality and compliance in care delivery.
- Secured new funding streams and partnerships to support service delivery and capital investment, including working with Homes England, Charity Bank, Big Lottery, and Social and Sustainable Capital.
- Continued to access new and innovative forms of training, to give staff the professional tools they need to succeed in their roles.
- Strengthened our financial position by returning to a surplus, while maintaining and growing service quality.
- Increased our property portfolio to meet growing demand, ensuring that accommodation remains safe, sustainable, and tailored to client needs.
- Invested in innovative, trauma-informed services, such as the specialised women-only Growth Project and our new floating support models, particularly for clients facing mental health challenges or recovering from domestic abuse.
- Improved service outcomes, with a continued emphasis on positive move-on rates, person-centred support, and client wellbeing.
- Commissioned and delivered several new and renewed projects, including Elliott Court in Rotherham, and MHLD support in Hull.

These objectives underpin our commitment to being an agile, resilient, and people-focused organisation, and guide the stewardship of our resources.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Performance – General statement

Our performance in 2024/25 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in continuing unprecedented circumstances; something noted by all commissioners of our services.

Complex Need Support Projects (Sheffield, Rotherham, Doncaster)

- Employs 29 Front line staff
- 226 Directly managed bed spaces
- 94% positive move on

TH:RIVE Project

- Employs 11 Front line staff
- 43 Directly managed bed spaces.
- 98% positive move on

Sheffield Mental Health & Supported Living Project

- Employs 22 Front line staff
- 26 Directly managed bed spaces, plus 102 floating support clients
- 95% positive move on

Hull AST Project

- Employs 9 Front line staff
- 100 Directly managed properties
- 97% positive move on

AST South Yorkshire

- Employs 7 front line staff
- 145 Directly managed properties
- 97% positive move on

GROWTH

- Employs 5 Front line staff
- 12 Directly managed bed spaces
- 99% positive move on

SHAP (Sheffield)

- Employs 4 Front line staff
- 11 Directly managed bed spaces
- 99% positive move on

Doncaster Mental Health Project

- Employs 4 Front line staff
- 8 Directly managed bed spaces
- 100% positive move on

Hull MHL D

- Employs 17 Front line staff
- 41 Directly managed bed spaces
- 98% positive move on

Rotherham Rough Sleeper Initiative Hostel

- Employs 3 staff
- 7 Specialist bed spaces
- 98% positive move on

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Performance – General statement (continued)

Housing First Rotherham

- Employs 3 staff
- 15 Directly managed bed spaces
- 98% positive move on

Grimsby AST

- Employs 4 staff members
- 80 Directly managed properties
- 97% Positive move on

AASC - Asylum Accommodation and Support Project

- Employs 20 staff
- Housed and supported a total of 2,101 individuals during the year, in both shared accommodation and family properties
- During this year we have had 875 people move out and 835 people move in
- The top 5 countries of origin were again Iraq, Iran, Eritrea, Albania and Pakistan

Maintenance Team

- Employs 40 staff
- 14,260 repair orders raised
- Completed 12,776 repairs completed by Target staff
- 1,484 repairs were completed by either landlords or contractors

Domestic Abuse Support (Sheffield, Rotherham, Doncaster)

- Employs 4 front line staff
- 67 Directly managed properties
- 95% positive move on

Elliott Court

- Employs 7 front line staff
- 30 Directly managed properties
- 98% positive move on

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Value for Money

The Regulator of Social Housing requires the Association, in common with all private registered providers of social housing, to publish evidence within its annual report to facilitate an understanding of its performance against certain key metrics set out by the Regulator, as follows:

1. Reinvestment: 23.1% (2024: 21.9%)

The Reinvestment metric looks at the investment in properties (Existing stock and New supply) as a percentage of the value of total properties held

2a. New supply delivered [social housing]: 18.9% (2024: 12.6%)

2b. New supply delivered [non-social housing]: NIL% (2024: NIL%)

The New supply metric sets out the number of new social housing and non-social housing units that have been newly constructed (acquired or developed) in the year as a proportion of total social housing units and non-social housing units owned at period end.

3. Gearing: 66.8% (2024: 76.0%)

Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.

4. EBITDA MRI interest cover: 370.2% (2024: 268.3%)

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover. A key indicator of liquidity and investment capacity. Measures the level of surplus that a registered provider generates compared to interest payable, but in a way that avoids distortions stemming from the depreciation charge.

5. Headline social housing cost per unit: £1,313 (2024: £1,206)

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator. It is a proxy cash measure of a social housing cost per unit. This means it excludes non-cash items such as depreciation, amortisation and write downs. The Association has calculated this metric based on 1,085 (2024: 986) social housing units owned and/or managed at year end.

6a. Operating margin (social housing only): 2.4% (2024: 0.5%)

6b. Operating margin (overall): 2.3% (2024: 0.5%)

Measures the profitability of operating assets before exceptional items are taken into account. The Association specialises in providing supported housing, which means its margin will tend to be lower than average.

7. Return on capital employed: 2.6% (2024: 0.6%)

The Return on capital employed (ROCE) compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Financial review

Target Housing continued its programme of growth in 2024/25, with both income and expenditure rising in line with increased activity levels. Turnover reached £18.63m (2024: £15.38m), an increase of 21.1%, reflecting higher rental income, additional grant funding, and expansion of managed accommodation.

Operating costs increased correspondingly to £18.21m (2024: £15.31m), driven primarily by staffing growth (195 FTE staff, up from 183), property related expenditure from new acquisitions across the last two years, and general inflationary pressures. Depreciation charges also rose to £763k (2024: £650k), in line with the enlarged asset base.

Despite these pressures, the charity delivered an operating surplus of £421k (2024: £71k). After interest payable of £320k (up 22% from £261k in 2024) on expanded borrowings, the net surplus for the year was £101k (2024: £190k deficit). No actuarial losses were recorded in the pension scheme this year, in contrast to the £67k loss recognised in 2024, resulting in overall comprehensive income of £101k (2024: £257k deficit).

The balance sheet reflects continued investment in housing stock. Tangible fixed assets increased to £14.88m (2024: £12.05m), with housing properties alone representing £14.64m. Cash balances closed at £1.62m (2024: £1.08m), while debtors were £1.28m (2024: £1.16m). Borrowings rose to £11.40m (2024: £10.14m), in line with the organisation's financing of acquisitions.

Total reserves stood at £2.60m (2024: £2.50m). Net free reserves (excluding restricted funds and assets financed by borrowing) amounted to £1.995m, compared with the trustees' policy target of £1.233m.

Cash flow from operating activities was £3.20m (2024: £1.08m), demonstrating strong underlying cash generation. However, investment in housing stock required £3.59m of capital expenditure, largely funded through new loan drawdowns of £1.33m.

Overall, the financial results demonstrate a return to surplus despite continuing cost pressures, with strengthened liquidity and asset growth. The organisation remains reliant on mortgage finance to sustain its expansion but retains sufficient reserves and cash to support its ongoing commitments.

Reserves policy

The principal aim of Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission. This policy complements Target's risk management framework, ensuring the charity can continue operations in the face of adverse events and known reserves requirements. Our aim is to deliver the highest standard of housing and support to enable vulnerable people to live independently, fulfil their potential and contribute to their communities and wider society, having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASC
- To fund the enhancement of office premises as activities expand
- To invest in improvements and re-development of both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To allow for other unforeseeable risks and contingencies that may arise from time to time.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2025 (continued)

Reserves policy (continued)

Target's unrestricted reserves at 31 March 2025 were £2,597,060. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2025, the book value of owned assets was £14,640,919. Many of these fixed assets are financed by external borrowing, which totalled £11,400,177 at that date. In addition, some properties have been acquired using restricted grant funding, which totalled £2,638,980 at that date. In calculating free reserves, the Trustees consider that both:

- (a) the value of fixed assets financed by external borrowing, and
- (b) the value of fixed assets acquired using restricted grants, should be excluded. These assets are not freely available for use in meeting general expenditure or contingencies.

After excluding the value of fixed assets financed by borrowing and those funded through restricted grants, the net free reserves at 31 March 2025 are calculated as £1,995,298.

Based on the Trustees' evaluation of the above reserves requirements and a risk-based assessment of income volatility and capital commitments, the target level of net free reserves (excluding restricted funds and tangible fixed assets, whether grant or loan financed) has been set at £1,233,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to £1,995,298, resulting in a surplus of £762,298.

The current level of net free reserves is considered reasonable, providing operational flexibility and the capacity to pursue new opportunities in line with our mission. The Trustees are committed to deploying reserves where appropriate to expand support for vulnerable people.

This policy is reviewed annually by the Board of Trustees to ensure it remains fit for purpose and aligned with the organisation's strategic goals and risk profile.

Plans for future periods

During this extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop and build its projects and partnerships, building on this for the coming year the Charity intends:

- To successfully re-tender and retain our existing contracts, to continue to offer safe and secure accommodation to vulnerable individuals, and further develop and enhance the services we provide
- To re-apply for continuation funding of the Growth Project, to support the continued expansion of services. This will specifically enable an increase in the number of units in Sheffield and support the opening of the service into Rotherham.
- To publish an external evaluation of the Growth Project, commissioned to assess the project outcomes, and inform future strategic planning and funding applications.
- To mobilise and launch the new Mental Health Floating Support (MHFS) service in Doncaster. This project will commence in the next period and aims to address growing local needs.
- To expand our Mental Health and Learning Disabilities (MHL) provision in Hull by a further 17 units, significantly increasing our capacity to support individuals with complex needs in the area.
- To work in partnership with Sheffield City Council, to implement our first 24/7 service, representing a key step forward in delivering responsive, round-the-clock support.
- To commence refurbishment and development of Norman House/Oak Tower, to improve the quality and suitability of the accommodation for current and future residents.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2025 (continued)

Plans for future periods (continued)

- To undertake a comprehensive review and restructure of the Maintenance Department, processes will be undertaken to ensure efficiency, responsiveness, and alignment with the organisation's expanding property portfolio.
- To expand into new strategic geographical areas, creating a link corridor between our current office bases.
- To continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- To continue to prioritise training for staff and managers in recognising and managing the stresses of work, and creating positive environments at work for all staff to be open, and supported, about any mental health issues they may face now, and in the future.
- To continue to foster our culture of professionalism, personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Karen Rick

.....
Karen Rick

23rd September 2025

Target Housing Limited (Limited by Guarantee)

Statement of Board's responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Companies Act 2006, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) (“the association”) for the year ended 31 March 2025 which comprise the Income and Expenditure Account, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the related notes. 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) including FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association’s affairs as at 31 March 2025 and of 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 board report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

We have nothing to report in respect of the following matters where 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

Responsibilities of board

As explained more fully in the board's responsibilities statement set out on page 13, the board (who are also the directors of the association for the purposes of charity 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 board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

The association is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the association to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2025

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Hawsons

Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

24/09/2025

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Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2025

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2025

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vehicles	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its charitable activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2025

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

The measurement of two of the loans is the higher of the amount transferred from the lender and the amount linked to the market value of the associated properties. The loan is held at transaction value but could be revalued to the fair value if or when the underlying properties are revalued.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 19.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2025

	Note	2025 £	2024 £
Turnover		18,627,965	15,383,742
Less: Operating costs		(18,207,342)	(15,312,723)
Operating surplus	1	420,623	71,019
Interest receivable and similar income	5	27	107
Interest payable and similar charges	6	(319,853)	(261,399)
Surplus/(Deficit) on ordinary activities for the year		<u>100,797</u>	<u>(190,273)</u>

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

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 23rd September 2025 and signed on its behalf by:

Karen Rick

Richard Casken

Karen Rick

Richard Casken

**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	2025	2024
		£	£
Surplus/(Deficit) for the year		<u>100,797</u>	<u>(190,273)</u>
Actuarial (losses) in respect of defined benefit pension scheme	19	-	(67,000)
		<u>100,797</u>	<u>(257,273)</u>
Total comprehensive income/(expenditure) for the year		<u>100,797</u>	<u>(257,273)</u>

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2025

Company Number – 2787689

	Note	2025 £	2024 £
Fixed assets			
Properties at depreciated cost	7	14,640,919	11,932,756
Other fixed assets	8	240,599	120,738
Total fixed assets		<u>14,881,518</u>	<u>12,053,494</u>
Current assets			
Debtors	10	1,277,147	1,155,159
Cash at bank and in hand	9	1,617,714	1,075,301
		2,894,861	2,230,460
Creditors – amounts falling due within one year	11	(1,843,251)	(1,587,950)
Net current (liabilities)/assets		<u>1,051,610</u>	<u>642,510</u>
Total assets less current liabilities		15,933,128	12,696,004
Creditors – amounts falling due after one year	12	(13,137,068)	(9,932,741)
Defined benefit liability	19	(199,000)	(267,000)
Total net assets		<u>2,597,060</u>	<u>2,496,263</u>
Capital and reserves			
Revenue reserve	16	2,597,060	2,454,596
Restricted reserves	16	-	41,667
		<u>2,597,060</u>	<u>2,496,263</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 23rd September 2025 and were signed on its behalf by:

Karen Rick

Richard Casken

Karen Rick

Richard Casken

**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flow from operating activities	17	3,195,495	1,084,519
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(3,591,430)	(2,648,027)
Receipts from sales of tangible fixed assets		-	131,690
Interest received		27	107
Net cash flow from investing activities		(3,591,403)	(2,516,230)
Cash flow from financing activities			
Interest paid		(319,853)	(261,399)
Repayment of long term loans		(74,998)	(60,625)
Cash inflow from new borrowings		1,333,172	2,070,720
Net cash flow from financing activities		938,321	1,748,696
Net increase in cash and cash equivalents		542,413	316,985
Cash and cash equivalents at the beginning of the reporting period		1,075,301	758,316
Cash and cash equivalents at the end of the reporting period		1,617,714	1,075,301
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	1,617,714	1,075,301

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2025

1. Social housing income and expenditure

	2025	2024
	£	£
Gross rents receivable	11,204,661	8,656,806
Supporting People income	1,508,733	1,242,245
Revenue grants receivable	421,847	215,308
AASC income	4,910,961	4,806,400
Other income	581,763	462,983
	<u>18,627,965</u>	<u>15,383,742</u>
Social housing operating costs	<u>(18,207,342)</u>	<u>(15,312,723)</u>
Operating surplus	<u>420,623</u>	<u>71,019</u>

2. Operating surplus

Operating surplus is stated after charging:

	2025	2024
	£	£
Auditors remuneration		
- as auditors	8,825	8,400
- for non audit services	5,500	5,250
Depreciation	<u>763,406</u>	<u>649,648</u>

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the eleven members of the senior management team amounted to £597,044 (2024 – twelve members £590,223). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year-end comprises the staff members listed below.

Chief Executive Officer
 Finance Director
 Business Development Director
 Head of Operations
 Head of Development
 Head of Property Acquisition
 Head of Housing & Asylum Support
 Head of Health & Safety and compliance
 Head of Central Services
 Head of Care
 Head of Human Resources

No remuneration or out of pocket expenses were paid to the Trustees during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

4. Employee information

The average number of persons employed during the year was:

	2025	2024
	No.	No.
Administration staff	34	28
Housing development staff	161	155
	195	183
<hr/>		
Total employee emoluments:	2025	2024
	£	£
Gross salaries	5,228,890	4,616,398
Employers national insurance	480,199	403,662
Pension contributions	233,951	199,898
	5,943,040	5,219,958

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	-

5. Interest receivable

	2025	2024
	£	£
Bank deposits	27	107

6. Interest payable

	2025	2024
	£	£
Mortgage interest	319,853	261,399

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

7. Tangible fixed assets – housing properties (for letting)

	Properties £
Cost	
As at 1 April 2024	14,255,245
Additions	3,382,148
Disposals	-
As at 31 March 2025	17,637,393
Depreciation	
As at 1 April 2024	2,322,489
Charge for the year	673,985
Eliminated on Disposals	-
As at 31 March 2025	2,996,474
Net book value	
As at 31 March 2025	14,640,919
As at 31 March 2024	11,932,756

Social housing properties with a net book value of £13,920,944 (2024 - £11,126,082) have been pledged as security for liabilities of the company.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

8. Other tangible fixed assets

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2024	35,400	506,876	38,736	581,012
Additions	106,007	103,275	-	209,282
Disposals	-	-	-	-
As at 31 March 2025	141,407	610,151	38,736	790,294
Depreciation				
As at 1 April 2024	13,625	407,913	38,736	460,274
Charge for the year	18,936	70,485	-	89,421
Eliminated on Disposals	-	-	-	-
As at 31 March 2025	32,561	478,398	38,736	549,695
Net book value				
As at 31 March 2025	108,846	131,753	-	240,599
As at 31 March 2024	21,775	98,963	-	120,738

Target Housing Limited
(Limited by Guarantee)

Notes to the financial statements (continued)

For the year ended 31 March 2025

9.	Cash and cash equivalents	2025	2024
		£	£
	Cash at bank and in hand	<u>1,617,714</u>	<u>1,075,301</u>
10.	Debtors	2025	2024
	All receivable within one year:	£	£
	Rents receivable	318,089	281,140
	Other trade debtors	716,614	686,012
	Prepayments and accrued income	<u>242,444</u>	<u>188,007</u>
		<u>1,277,147</u>	<u>1,155,159</u>

Included within rents receivable is a provision of £427,398 (2024: £230,287) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors	2025	2024
	Amounts falling due within one year:	£	£
	Trade creditors	539,566	566,842
	Accruals and deferred income	918,110	811,846
	Bank loans	371,603	196,627
	Other loans	<u>13,972</u>	<u>12,635</u>
		<u>1,843,251</u>	<u>1,587,950</u>

12.	Creditors	2025	2024
	Amounts falling due after one year:	£	£
	Bank loans	3,971,281	3,376,452
	Other loans	7,043,321	6,556,289
	Accruals and deferred income	<u>2,122,466</u>	<u>-</u>
		<u>13,137,068</u>	<u>9,932,741</u>

Included within creditors are the following amounts due after more than 5 years:

	2025	2024
	£	£
After more than five years	<u>9,784,927</u>	<u>8,990,739</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025	2024
	£	£
Operating leases which expire:		
Within one year	236,464	229,135
Within two to five years	411,329	273,879
After five years	-	-
	647,793	503,014
	647,793	503,014

14. Accommodation in management

	2025	2024
	No.	No.
Social housing properties owned		
- General needs housing	157	120
Social housing properties managed		
- General needs housing	581	498
Non-social housing properties managed		
- Asylum housing	347	368
Total owned and managed	1,085	986
	1,085	986

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

16. Reserves note

2025	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
RSAP 1	-	4,400	(4,400)	-	-
RSAP 2	-	2,937	(2,937)	-	-
Clothworkers	-	1,000	(1,000)	-	-
RMBC Adult care	41,667	(16,667)	(25,000)	-	-
Efficiency North	-	1,000	(1,000)	-	-
SYHA Activities	-	10,000	(10,000)	-	-
SHAP Doncaster	-	15,868	(15,868)	-	-
SHAP Sheffield	-	5,462	(5,462)	-	-
Cost of Living grant	-	20,833	(20,833)	-	-
BLF Growth Project	-	139,119	(139,119)	-	-
SHAP Revenue	-	144,838	(144,838)	-	-
Barnsley DA	-	8,715	(8,715)	-	-
Unrestricted funds	<u>2,454,596</u>	<u>18,290,487</u>	<u>(18,148,023)</u>	-	<u>2,597,060</u>
	<u>2,496,263</u>	<u>18,627,992</u>	<u>(18,527,195)</u>	-	<u>2,597,060</u>
2024	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
RSAP 1	-	4,400	(4,400)	-	-
RSAP 2	-	2,937	(2,937)	-	-
Clothworkers	-	1,000	(1,000)	-	-
Efficiency North	-	1,000	(1,000)	-	-
RMBC Adult care	-	91,667	(50,000)	-	41,667
Small individual grants	-	235	(235)	-	-
SYHA Activities	-	14,330	(14,330)	-	-
SHAP Doncaster	-	1,172	(1,172)	-	-
Barnsley DA	-	484	(484)	-	-
Unrestricted funds	<u>2,753,536</u>	<u>15,266,624</u>	<u>(15,498,564)</u>	<u>(67,000)</u>	<u>2,454,596</u>
	<u>2,753,536</u>	<u>15,383,849</u>	<u>(15,574,122)</u>	<u>(67,000)</u>	<u>2,496,263</u>

SYF A capital grant funding to provide sprinkler system at HMO property.

RSAP A capital grant funding to purchase property as part of Ministry of Housing, Communities & Local Government Rough Sleeping Accommodation Programme.

Clothworkers A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people, match funded with Efficiency North.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

16. Reserves note (continued)

RMBC Adult care	Funding for 2 full time equivalent support workers to ensure provision of accommodation and related support for singles exiting custody and those at risk of re-offending.
Efficiency North	A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people, match funded with Clothworkers.
SYHA Positive Activities Fund	Grants funding to deliver positive activities (e.g. access to education, training and volunteering), to adults in Sheffield who are experiencing homelessness, substance misuse, mental health issues, contact with the criminal justice system or domestic abuse.
SHAP Doncaster & Sheffield	A capital grant funding to purchase properties as part of Ministry of Housing, Communities & Local Government Single Homeless Accommodation Programme.
Cost of Living	Grant funding to relieve financial hardship of individuals and communities who are struggling with everyday living costs, such as basic living expenses, household items, utilities, work or education related expenses, or rent arrears and specifically to introduce a Cost of Living Navigator programme across South Yorkshire.
BLF Growth Project	A project to provide specific support to vulnerable females who have had children removed into care.
SHAP Revenue	A revenue grant funding to provide support services to individuals occupying accommodation purchased by Target Housing.
Barnsley DA	A capital grant funding to purchase property to accommodate people accessing domestic abuse services.

17. Reconciliation of operating surplus to cash flows from operating activities

	2025	2024
	£	£
Total comprehensive income/(expenditure) for the year	100,797	(257,273)
Interest payable	319,853	261,399
Interest receivable	(27)	(107)
Depreciation	763,406	649,698
(Profit) on disposal	-	(12,788)
(Increase) in debtors	(121,988)	(55,853)
Increase in creditors	2,133,454	499,443
	<hr/>	<hr/>
Net cash flow from operating activities	3,195,495	1,084,519
	<hr/> <hr/>	<hr/> <hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

18. Analysis of changes in net debt

	2024	Cash flows	Non-cash changes	2025
	£	£	£	£
Short term borrowings	(209,262)	74,998	(251,311)	(385,575)
Long term borrowings	(9,932,741)	(1,333,172)	251,311	(11,014,602)
Total borrowings	(10,142,003)	(1,258,174)	-	(11,400,177)
Cash and cash equivalents	1,075,301	542,413	-	1,617,714
Total net debt	(9,066,702)	(715,761)	-	(9,782,463)

19. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2025 £000s	2024 £000s
Fair value of scheme assets	1,112	1,151
Present value of defined benefit obligation	1,311	1,418
Defined benefit pension scheme deficit	<u>(199)</u>	<u>(267)</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

19. Defined benefit pension scheme (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025	2024
	£000s	£000s
Obligation at the start of the year	1,418	1,482
Service cost	(1)	(5)
Interest expense	68	70
Actuarial (gains)	(105)	(21)
Benefits paid	(84)	(127)
Member contributions	11	15
Other	4	4
	<hr/>	<hr/>
Obligation at the end of the year	1,311	1,418
	<hr/> <hr/>	<hr/> <hr/>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2025	2024
	£000s	£000s
Fair value at start of the year	1,151	1,215
Interest income	56	59
Return on plan assets, excluding amounts included in net interest	(105)	(88)
Employer contributions	83	77
Member contributions	11	15
Deficit contributions	(84)	(127)
	<hr/>	<hr/>
Fair value at the end of the year	1,112	1,151
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of deficit funding to defined benefit position

	2025	2024
	£000s	£000s
Deficit funding liability at 1 April 2024	267	267
Actuarial movements during the year	-	67
Current service cost during the year	15	10
Deficit contributions paid during the year	(83)	(77)
	<hr/>	<hr/>
Defined benefit liability at 31 March 2025	199	267
	<hr/> <hr/>	<hr/> <hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2025

19. Defined benefit pension scheme (continued)

Principal actuarial assumptions

The principal actuarial assumptions used are as follows:

	2025	2024
	% per annum	% per annum
Discount rate	5.77	4.89
Inflation (RPI)	3.11	3.17
Inflation (CPI)	2.78	2.77
Salary Growth	3.78	3.77
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

20. Capital commitments

As at 31 March 2025 the charitable company had contracted to purchase fixed assets amounting to £165,000 (2024: £1,414,000).

21. Controlling party

The Board considers that there is no overall controlling party.

TARGET HOUSING LIMITED

England & Wales - Charity number 1017481

Accounts

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

Target Housing Limited
(Limited by Guarantee)

Report and financial statements

For the year ended 31 March 2024

**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2024

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**Target Housing Limited
(Limited by Guarantee)**

Company Information

Board members

Karen Rick – Chair
Rachel Heath - Treasurer
Mike Day
Richard Casken
Simon Holcombe (appointed 1 August 2023)
Sharon Moya Jones (appointed 1 August 2023)
Hannah Weinhold (resigned 1 October 2023)
Francesca Rockett (resigned 17 January 2024)
Tom Doughty (appointed 28 May 2024)
Jimitha Jacob (appointed 15 July 2024)

Secretary

Shaun Needham (resigned 15 May 2023)
Steven Crane (appointed 15 May 2023)

Chief Executive Officer

Shaun Needham (resigned 15 May 2023)
Steven Crane (appointed 15 May 2023)

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

Charity Bank
Fosse House
182 High Street
Tonbridge
Kent
TN91BE

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024

The Board of Trustees presents their report, which incorporates the strategic report, together with the audited financial statements for the year ended 31 March 2024 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

Chair's introduction **Annual Report 2023 - 2024**

I began my last report by suggesting it had been a year of change with key personnel moving on to retirement or stepping down from the Board. 2023/24 has seen further change in this area. Two Board members have stood down and I would like to thank Fran and Hannah for their valued contribution to Target, the effect of which has helped Target to achieve the position it is in today. Four new Board members have also joined, bringing with them a range of valuable expertise in a variety of backgrounds.

With our newer Board members, it was therefore timely and welcomed that we arranged a professionally facilitated away day to reevaluate and cement the organisation we strive to be; Agile, Innovative, Resilient and People Focussed.

This was highlighted at a March staff conference, held to underline and provide clarity to all staff on where we are, where we want to go and the challenges we need to overcome to get there.

Our new CEO has hit the ground running and we have seen a flurry of activity, not only in successful tenders and new business but also in re-shaping of some departments.

The financial challenges of the cost-of-living crisis continues to have an impact. Despite this we proudly remain a Joseph Rowntree Living Wage accredited employer. The Board, and I as Chair, are particularly keen to ensure we reward our staff as well as possible. A salary benchmarking paper from the CEO will lead to the Board awarding a pay rise significantly above inflation for all staff for 2024/25.

Our partnerships with Social And Sustainable Capital (SASC) and Charity Bank remain strong and are very much part of our long term strategy. With the continued support and understanding of these two organisations, together with a talented and dedicated property procurement team the Target Housing property portfolio stood at 127 in March 2024.

Doncaster Local Authority asked Target to be part of their Single Homelessness Accommodation Programme (SHAP) bid; the bid with Doncaster was successful with Target getting 45% grant funding via Homes England, to purchase 18 properties to house rough sleepers in Doncaster.

In Sheffield a similar bid was submitted for 10 properties and was also successful, however Target will also receive the revenue funding for the provision of support. Both projects are initially for 3 years.

A successful tender in Barnsley has resulted in the capital funding for four properties, specifically for those people affected by domestic abuse and sexual violence.

Additional strong bids saw Target;

- Retain our existing project in Sheffield for a further 5 years.
- Partner with IDAS in a successful bid to Doncaster council for 25 properties.
- Win a five year contract for a 30 bed hostel with Rotherham local authority
- Receive grant funding for a Cost-of-Living Crisis advisor for 3 years
- Receive 70% funding through Skills Bank to aid the bespoke training and coaching of our staff.
- Receive a 12K activities grant from SYHA

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2024 (continued)

The addition of two key posts within the senior leadership team has seen a significant impact. Amanda Fields as Head of Care and Maria Halliwell as Head of HR have provided immediate value to Target and their expertise is already evident.

On behalf of the Board, I would like to put it into record our heartfelt thanks to the entire staff team for the amazing professionalism and dedication they have shown this year.

The Board and Senior Management Team have continued to work together to identify possible development opportunities as well as any risks and threats ensuring Target continues to develop as an organisation.

I cannot end without thanking my fellow Board members who like our staff continue to rise to the challenge of providing support and guidance to myself as Chair as well as the senior management and wider staff teams.



**Karen Rick
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Structure, governance and management

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM.

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 12, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees was seven during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Structure, governance and management (Continued)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 19 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Objectives and activities – General statement

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living. In relation to these objectives the Charity has undertaken the following activities during the year –

- We have continued to successfully deliver excellent services to all our vulnerable clients despite a continued challenging economic climate.
- Successfully tendered with Doncaster local authority to Homes England and Department for Levelling Up, Housing and Communities. The successful bid was to purchase 18 properties for entrenched Rough Sleepers, including those presenting with complex needs.
- Successfully tendered with Sheffield local authority to Homes England and Department for Levelling Up, Housing and Communities. The successful bid was to purchase 10 properties for entrenched Rough Sleepers, including those presenting with complex needs.
- Successfully tendered to Barnsley local authority to purchase 4 properties to be used for those fleeing domestic abuse.
- Successfully tendered to Rotherham local authority for Elliot Court. This is a 30 bed hostel for those who are homeless. The contract is for 5 years.
- Successfully tendered and retained our Sheffield complex needs project for a further 5 years.
- Continued to provide a Rapid Rehousing service in Doncaster; including providing emergency beds during severe weather periods in Winter.
- Continued to develop our working relationships with both Mears and Serco, to the benefit of all three organisations.
- Continued to expand our AST schemes for homeless families in Rotherham; Doncaster and Barnsley.
- Continued to work positively with IDAS in Sheffield and Doncaster and Rotherham Rise in Rotherham, to provide properties and accommodation-based support to individuals under their respective Domestic Abuse contracts with the Local Authorities
- Retained all existing accreditations.
- Continued to be fully accredited as a Joseph Rowntree Living Wage Employer.
- Staffing numbers continue to rise across all areas as Target continues to expand; 184 staff as at 31st March 2024.

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Performance – General statement

Our performance in 2023/24 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in continuing unprecedented circumstances; something noted by all commissioners of our services.

Complex Need Support Projects (Sheffield, Rotherham, Doncaster)

- Employs 35 Front line staff
- Supported a total of 560 people in the year
- 267 Directly managed bed spaces
- 320 People moved on during the year
- Of the 320 who moved on, 87% moved on positively

TH:RIVE Project

- Employs 11 Front line staff
- Supported a total of 46 people in the year
- 43 Directly managed bed spaces.

Sheffield Mental Health & Supported Living Project

- Employs 22 Front line staff
- 26 Directly managed bed spaces, plus 102 floating support clients

Hull AST Project

- Employs 14 Front line staff
- Supported 360 families and individuals
- 140 Directly managed properties
- 42 families moved on from scheme in year.
- 84% moved on positively

AST South Yorkshire and Domestic Abuse Sheffield & Rotherham.

- Employs 7 front line staff + x 1 Admin, x 1 Team leader, x 1 Service manager
- Supported 244 Families or individuals (Including children)
- 145 Directly managed properties
- 59 families/singles moved on from the service

Rotherham Rough Sleeper Initiative Hostel

- Employs 4 staff
- Supported 40 individuals
- 8 Specialist bed spaces
- 33 Moved on from the service
- 97% positive move on

Housing First Rotherham

- Employs 3 staff
- Supported 16 individuals
- 1 Moved on from the service
- 100% Positive move on

Grimsby AST

- Employs 4 staff members
- 260 families and individuals supported
- 6 Moved on from the service
- 79% Positive move on

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Performance – General statement (continued)

AASC - Asylum Accommodation and Support Project.

- Housed and supported a total of 2101 individuals during the year, in both shared accommodation and family properties
- During this year we have had 875 people move out and 835 people move into properties
- The top 5 countries where people came from were again Iraq, Iran, Eritrea, Albania and Pakistan

Maintenance Team

- Processed 11021 repair orders
- Completed 10409 maintenance jobs
- 1538 maintenance jobs were completed by either landlords or contractors

Value for Money

The Regulator of Social Housing requires the Association, in common with all private registered providers of social housing, to publish evidence within its annual report to facilitate an understanding of its performance against certain key metrics set out by the Regulator, as follows:

1. Reinvestment: 21.9% (2023: 21.1%)

Measures investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

2a. New supply delivered [social housing]: 12.6% (2023: 17.0%)

2b. New supply delivered [non-social housing]: NIL% (2023: NIL%)

Sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at year end.

3. Gearing: 76.0% (2023: 73.7%)

Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth. The Association's gearing percentage arises from its significant cash balances; these are actively managed to optimise returns consistent with its twin priorities of capital preservation and ensuring sufficient liquidity is available to meet operational requirements.

4. EBITDA MRI interest cover: 268.3% (2023: 541.4%)

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover. A key indicator of liquidity and investment capacity. Measures the level of surplus that a registered provider generates compared to interest payable, but in a way that avoids distortions stemming from the depreciation charge.

5. Headline social housing cost per unit: £1,206 (2023: £913)

Self-explanatory unit cost metric; the Association has calculated this metric based on 986 (2023: 940) social housing units owned and/or managed at year end.

6a. Operating margin (social housing only): 0.5% (2023: 0.7%)

6b. Operating margin (overall): 0.5% (2023: 0.7%)

Measures the profitability of operating assets before exceptional items are taken into account. The Association specialises in providing supported housing, which means its margin will tend to be lower than average.

7. Return on capital employed: 0.6% (2023: 0.9%)

This metric compares the operating surplus to total assets less current liabilities, a measure commonly employed in the commercial sector to assess the efficient investment of capital resources.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Financial review

The Chair's Introduction and the General Statements on Objectives and Activities and Performance set the context for this review of the results for the financial year 2023-24.

Income and charitable expenditure have again increased significantly as we have continued to grow our core activities. Income has increased by 10.5% and expenditure by 10.8%. For 31 March 2024 interest payable and similar charges totalled £261,399 representing a 115% increase compared to 31 March 2023. As in recent years, the income increase results principally from continuing growth in the levels of activity on most contracts. Expenditure increases mirror increased activity levels. These are principally staffing (the average number increased by 5 in the year) and property (with 15 acquisitions in the year in addition to the 19 in the previous year, as well as increased numbers of rental properties) related costs. In addition, these continuing property acquisitions and utilising mortgage finance, impact on both our interest payments and depreciation charges.

Whilst Target is a not-for-profit entity, generating surpluses enables us to sustain and enhance the services provided to our service users, by investing in properties and people, and to cover our substantial loan repayment commitments.

The year-end financial position as shown in the Balance Sheet remains healthy, and whilst free reserves are below our target at the year end, the shortfall is due to timing which is remedied post year end. One important factor behind the reduction is our continuing acquisition of properties. Most of the property acquisitions are financed by mortgage borrowings but we do have to utilise part of our cash resources as well. At the 31 March 2024 our cash at bank had increased by £316,985 to £1,075,301 compared to £758,316 as at 31 March 2023. Our mortgage borrowings have increased significantly as we continued the major programme of property acquisitions utilising mortgage finance facilities with Charity Bank and with SASC, the specialist provider of funding to the not-for-profit sector. This has enabled us to maintain our property acquisition programme in certain geographical areas and respond to increasing demand for our services to the most vulnerable in our society.

The year under review as not been without its challenges, the cost of living crisis and high inflation have contributed to a negative financial outturn for the year to 31 March 2024. Continued challenges including the on-going requirement to re-tender for the contract services we provide require our management team to explore and pursue the generation of income from other diversified sources that complement our existing services to our vulnerable client groups.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2024 (continued)

Reserves policy

The principal aim of the Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission of 'delivering the highest standard of housing and support to enable vulnerable people to live independently, fulfil their potential and contribute to their communities and wider society', having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASH
- To provide funds for the contribution required for the purchase of property, utilising finance from Charity Bank
- To invest in improvements to both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To allow for other unforeseeable risks and contingencies that may arise from time to time

Target's unrestricted reserves at 31 March 2024 were £2,454,596. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2024, the net book value of owned assets was £12,053,494. Many of the fixed assets are financed by external borrowing which totalled £10,142,003 at 31 March 2024. The Trustees consider it should be the net value of fixed assets not financed by borrowings which should be used for the calculation of free reserves. This gives a 'net free reserves' figure of £543,105.

Based on the Trustees' evaluation of the above reserves requirement, the target level of net free reserves (excluding restricted funds and tangible fixed assets net of borrowings) has been set at £860,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to £543,105, resulting in a shortfall of £316,895.

The Trustees recognise the year end shortfall of net free reserves and note that during this period of investment in property, the reserves will not meet the required level. However, the Trustees are committed to focussing on meeting long-term financial objectives, and mitigating risk in the short to medium term.

The ambition to build free reserves recognises that the element relating to the acquisition of properties under the SASH facility must be accumulated over the borrowing period.

Target's reserves policy is subject to annual review by the Trustees.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2024 (continued)

Plans for future periods

During this extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop and build its projects and partnerships, building on this for the coming year the Charity intends:

- To register with the CQC as a regulated activity provider, to compliment and expand the services we currently provide, and to develop additional income streams for reinvestment back into our organisation.
- To develop further Social Investment funding opportunities via our partner SASC and to compliment this with further lending from Charity Bank.
- To bid for, and secure, further funding from Homes England for purchased property as part of their Single Homeless Accommodation Programme (SHAP).
- To take the total number of Target owned properties to over 150.
- To successfully re-tender and retain our existing contracts, to continue to offer safe and secure accommodation to vulnerable individuals, and further develop and enhance the services we provide.
- To develop and implement a specialised women-only service, catering our offer to the more specific needs of vulnerable women presenting with complex needs.
- To expand into new strategic geographical areas, creating a link corridor between our current office bases.
- Continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To a review and enhance our skilled property maintenance and compliance department to ensure all our properties are operated at the highest standards possible for Target.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- Continue to prioritise training for staff and managers in recognising and managing the stresses of work, and creating positive environments at work for all staff to be open, and supported, about any M/H issues they may face now and in the future.
- Continue to foster our culture of professionalism, personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



.....
Karen Rick

13th September 2024

Target Housing Limited (Limited by Guarantee)

Statement of Board's responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Companies Act 2006, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2024

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) (“the association”) for the year ended 31 March 2024 which comprise the Income and Expenditure Account, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the related notes. 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) including FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association’s affairs as at 31 March 2024 and of 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the 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 board’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2024

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 board report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

We have nothing to report in respect of the following matters where 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2024

Responsibilities of board

As explained more fully in the board's responsibilities statement set out on page 12, the board (who are also the directors of the association for the purposes of charity 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 board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

The association is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the association to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2024

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Hawsons

Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

16/09/2024
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Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2024

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2024

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vans	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its charitable activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2024

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

The measurement of two of the loans is the higher of the amount transferred from the lender and the amount linked to the market value of the associated properties. The loan is held at transaction value but could be revalued to the fair value if or when the underlying properties are revalued.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 19.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2024

	Note	2024 £	2023 £
Turnover		15,383,742	13,920,051
Less: Operating costs		(15,312,723)	(13,822,878)
Operating surplus	1	71,019	97,173
Interest receivable and similar income	5	107	453
Interest payable and similar charges	6	(261,399)	(121,270)
Deficit on ordinary activities for the year		<u>(190,273)</u>	<u>(23,644)</u>

There is no difference between the reported deficit for the period and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 13th September 2024 and signed on its behalf by:



Rachel Heath



Karen Rick

**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 £	2023 £
Deficit for the year		<u>(190,273)</u>	<u>(23,644)</u>
Actuarial (losses) in respect of defined benefit pension scheme	19	(67,000)	(42,000)
		<u>(257,273)</u>	<u>(65,644)</u>
Total comprehensive (expenditure) for the year		<u>(257,273)</u>	<u>(65,644)</u>

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2024

Company Number – 2787689

	Note	2024 £	2023 £
Fixed assets			
Properties at depreciated cost	7	11,932,756	10,011,337
Other fixed assets	8	120,738	162,730
Total fixed assets		<u>12,053,494</u>	<u>10,174,067</u>
Current assets			
Debtors	10	1,155,159	1,099,306
Cash at bank and in hand	9	1,075,301	758,316
		<u>2,230,460</u>	<u>1,857,622</u>
Creditors – amounts falling due within one year	11	<u>(1,587,950)</u>	<u>(1,089,293)</u>
Net current assets		<u>642,510</u>	<u>768,329</u>
Total assets less current liabilities		<u>12,696,004</u>	<u>10,942,396</u>
Creditors – amounts falling due after one year	12	<u>(9,932,741)</u>	<u>(7,921,860)</u>
Defined benefit liability	19	<u>(267,000)</u>	<u>(267,000)</u>
Total net assets		<u>2,496,263</u>	<u>2,753,536</u>
Capital and reserves			
Revenue reserve	16	2,454,596	2,753,536
Restricted reserves	16	41,667	-
		<u>2,496,263</u>	<u>2,753,536</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on 13th September 2024 and were signed on its behalf by:

Rachel Heath

Karen Rick

**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flow from operating activities	17	1,084,519	565,126
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(2,648,027)	(2,187,774)
Receipts from sales of tangible fixed assets		131,690	900
Interest received		107	453
Net cash flow from investing activities		<u>(2,516,230)</u>	<u>(2,186,421)</u>
Cash flow from financing activities			
Interest paid		(261,399)	(121,270)
Repayment of long term loans		(60,625)	(78,290)
Cash inflow from new borrowings		2,070,720	1,012,285
Net cash flow from financing activities		<u>1,748,696</u>	<u>812,725</u>
Net increase/(decrease) in cash and cash equivalents		316,985	(808,570)
Cash and cash equivalents at the beginning of the reporting period		758,316	1,566,886
Cash and cash equivalents at the end of the reporting period		<u>1,075,301</u>	<u>758,316</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	<u>1,075,301</u>	<u>758,316</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2024

1. Social housing income and expenditure

	2024	2023
	£	£
Gross rents receivable	8,656,806	7,719,287
Supporting People income	1,242,245	1,240,708
Revenue grants receivable	215,308	130,076
AASC income	4,806,400	4,406,807
Other income	462,983	423,173
	15,383,742	13,920,051
Social housing operating costs	(15,312,723)	(13,822,878)
Operating surplus	71,019	97,173

2. Operating surplus

Operating surplus is stated after charging:

	2024	2023
	£	£
Auditors remuneration		
- as auditors	8,400	4,290
- for non audit services	5,250	6,710
Depreciation	649,648	558,986

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the twelve members of the senior management team amounted to £590,223 (2023 – ten members £432,699). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year-end comprises the staff members listed below.

Chief Executive Officer
Deputy Chief Executive Officer
Finance Director
Head of Housing & Asylum Support
Business Development Director
Head of Operations
Head of Development
Head of Maintenance & Compliance
Head of Central Services
Head of Property Acquisition
Head of Care
Head of Human Resources

No remuneration or out of pocket expenses were paid to the Trustees during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

4. Employee information

The average number of persons employed during the year expressed in full time equivalents was:

	2024	2023
	No.	No.
Administration staff	28	30
Housing development staff	155	148
	183	178
Total employee emoluments:	2024	2023
	£	£
Gross salaries	4,616,398	4,095,636
Employers national insurance	403,662	366,363
Pension contributions	199,898	178,423
	5,219,958	4,640,422

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	-
In the band £110,001 - £120,000	-	1

5. Interest receivable

	2024	2023
	£	£
Bank deposits	107	453

6. Interest payable

	2024	2023
	£	£
Mortgage interest	261,399	121,270

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

7.	Tangible fixed assets – housing properties (for letting)	Properties £
	Cost	
	As at 1 April 2023	11,772,263
	Additions	2,609,372
	Disposals	(126,390)
	As at 31 March 2024	<u>14,255,245</u>
	Depreciation	
	As at 1 April 2023	1,760,926
	Charge for the year	578,951
	Eliminated on Disposals	(17,388)
	As at 31 March 2024	<u>2,322,489</u>
	Net book value	
	As at 31 March 2024	<u>11,932,756</u>
	As at 31 March 2023	<u>10,011,337</u>

Social housing properties with a net book value of £11,126,082 (2023 - £9,406,140) have been pledged as security for liabilities of the company.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

8. Other tangible fixed assets

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2023	33,000	483,821	38,736	555,557
Additions	15,600	23,055	-	38,655
Disposals	(13,200)	-	-	(13,200)
As at 31 March 2024	35,400	506,876	38,736	581,012
Depreciation				
As at 1 April 2023	8,250	346,119	38,458	392,827
Charge for the year	8,675	61,794	278	70,747
Eliminated on Disposals	(3,300)	-	-	(3,300)
As at 31 March 2024	13,625	407,913	38,736	460,274
Net book value				
As at 31 March 2024	21,775	98,963	-	120,738
As at 31 March 2023	24,750	137,702	278	162,730

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

9.	Cash and cash equivalents	2024	2023
		£	£
	Cash at bank and in hand	<u>1,075,301</u>	<u>758,316</u>
10.	Debtors	2024	2023
	All receivable within one year:	£	£
	Rents receivable	281,140	290,539
	Other trade debtors	686,012	622,160
	Prepayments and accrued income	<u>188,007</u>	<u>186,607</u>
		<u>1,155,159</u>	<u>1,099,306</u>

Included within rents receivable is a provision of £230,287 (2023: £246,490) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors	2024	2023
	Amounts falling due within one year:	£	£
	Trade creditors	566,842	436,651
	Accruals and deferred income	811,846	442,594
	Bank loans	196,627	196,627
	Other loans	<u>12,635</u>	<u>13,421</u>
		<u>1,587,950</u>	<u>1,089,293</u>

12.	Creditors	2024	2023
	Amounts falling due after one year:	£	£
	Bank loans	3,376,452	2,355,587
	Other loans	<u>6,556,289</u>	<u>5,566,273</u>
		<u>9,932,741</u>	<u>7,921,860</u>

Included within creditors are the following amounts due after more than 5 years:

	2024	2023
	£	£
After more than five years	<u>8,990,739</u>	<u>6,981,269</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Operating leases which expire:		
Within one year	229,135	280,181
Within two to five years	273,879	348,216
After five years	-	14,000
	503,014	642,397

14. Accommodation in management

	2024	2023
	No.	No.
Social housing properties owned		
- General needs housing	120	106
Social housing properties managed		
- General needs housing	498	471
Non-social housing properties managed		
- Asylum housing	368	363
Total owned and managed	986	940

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

16. Reserves note

2024	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
RSAP 1	-	4,400	(4,400)	-	-
RSAP 2	-	2,937	(2,937)	-	-
Clothworkers	-	1,000	(1,000)	-	-
Efficiency North	-	1,000	(1,000)	-	-
RMBC Adult care	-	91,667	(50,000)	-	41,667
Small individual grants	-	235	(235)	-	-
SYHA Activities	-	14,330	(14,330)	-	-
SHAP Doncaster	-	1,172	(1,172)	-	-
Barnsley DA	-	484	(484)	-	-
Unrestricted funds	<u>2,753,536</u>	<u>15,266,624</u>	<u>(15,498,564)</u>	<u>(67,000)</u>	<u>2,454,596</u>
	<u>2,753,536</u>	<u>15,383,849</u>	<u>(15,574,122)</u>	<u>(67,000)</u>	<u>2,496,263</u>

2023	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
SYF	-	1,303	(1,303)	-	-
RSAP 1	-	367	(367)	-	-
Clothworkers	-	1,000	(1,000)	-	-
Efficiency North	-	1,000	(1,000)	-	-
RMBC Adult care	-	50,000	(50,000)	-	-
Small individual grants	-	5,974	(5,974)	-	-
Unrestricted funds	<u>2,819,180</u>	<u>13,860,860</u>	<u>(13,884,504)</u>	<u>(42,000)</u>	<u>2,753,536</u>
	<u>2,819,180</u>	<u>13,920,504</u>	<u>(13,944,148)</u>	<u>(42,000)</u>	<u>2,753,536</u>

SYF	A capital grant funding to provide sprinkler system at HMO property.
RSAP	A capital grant funding to purchase property as part of Ministry of Housing, Communities & Local Government Rough Sleeping Accommodation Programme.
Clothworkers	A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people, match funded with Efficiency North.
Efficiency North	A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people, match funded with Clothworkers.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

16. Reserves note (continued)

RMBC Adult care	Funding for 2 full time equivalent support workers to ensure provision of accommodation and related support for singles exiting custody and those at risk of re-offending.
SYHA Positive Activities Fund	grants funding to deliver positive activities (e.g. access to education, training and volunteering), to adults in Sheffield who are experiencing homelessness, substance misuse, mental health issues, contact with the criminal justice system or domestic abuse.
SHAP Doncaster	A capital grant funding to purchase properties as part of Ministry of Housing, Communities & Local Government Single Homeless Accommodation Programme.
Barnsley DA	A capital grant funding to purchase property to accommodate people accessing domestic abuse services.

17. Reconciliation of operating surplus to cash flows from operating activities

	2024 £	2023 £
Total comprehensive (expenditure) for the year	(257,273)	(65,644)
Interest payable	261,399	121,270
Interest receivable	(107)	(453)
Depreciation	649,698	558,986
(Profit) on disposal	(12,788)	(775)
(Increase) in debtors	(55,853)	(249,195)
Increase in creditors	499,443	200,937
Net cash flow from operating activities	1,084,519	565,126

18. Analysis of changes in net debt

	2023 £	Cash flows £	Non-cash changes £	2024 £
Short term borrowings	(210,049)	60,625	(59,838)	(209,262)
Long term borrowings	(7,921,860)	(2,070,719)	59,838	(9,932,741)
Total borrowings	(8,131,909)	(2,010,094)	-	(10,142,003)
Cash and cash equivalents	758,316	316,985	-	1,075,301
Total net debt	(7,373,593)	(1,693,109)	-	(9,066,702)

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

19. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2024	2023
	£000s	£000s
Fair value of scheme assets	1,151	1,215
Present value of defined benefit obligation	1,418	1,482
Defined benefit pension scheme deficit	<u>(267)</u>	<u>(267)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2024	2023
	£000s	£000s
Obligation at the start of the year	1,482	2,245
Service cost	(5)	7
Interest expense	70	61
Actuarial (gains)	(21)	(739)
Benefits paid	(127)	(131)
Member contributions	15	35
Other	4	4
Obligation at the end of the year	<u>1,418</u>	<u>1,482</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2024	2023
	£000s	£000s
Fair value at start of the year	1,215	1,943
Interest income	59	54
Return on plan assets, excluding amounts included in net interest	(88)	(781)
Employer contributions	77	95
Member contributions	15	35
Deficit contributions	(127)	(131)
Fair value at the end of the year	<u>1,151</u>	<u>1,215</u>

Reconciliation of deficit funding to defined benefit position

	2024	2023
	£000s	£000s
Deficit funding liability at 1 April 2023	267	302
Actuarial movements during the year	67	42
Current service cost during the year	10	18
Deficit contributions paid during the year	(77)	(95)
Defined benefit liability at 31 March 2024	<u>267</u>	<u>267</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2024

Principal actuarial assumptions

The principal actuarial assumptions used are as follows:

	2024	2023
	% per annum	% per annum
Discount rate	4.89	4.88
Inflation (RPI)	3.17	3.20
Inflation (CPI)	2.77	2.74
Salary Growth	3.77	3.74
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

20. Capital commitments

As at 31 March 2024 the charitable company had contracted to purchase fixed assets amounting to £1,414,000 (2023: £1,114,000).

21. Controlling party

The Board considers that there is no overall controlling party.

TARGET HOUSING LIMITED

England & Wales - Charity number 1017481

Accounts

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

Target Housing Limited
(Limited by Guarantee)

Report and financial statements

For the year ended 31 March 2023



**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2023

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**Target Housing Limited
(Limited by Guarantee)**

Company Information

Board members

Karen Rick – Chair (appointed 26 September 2022)
Rick Plews – Treasurer (resigned 6 September 2022)
Rachel Heath - Treasurer (appointed 26 September 2022)
Farayi Dzichauya (resigned 26 September 2022)
Mike Day
Hannah Weinhold (resigned 20 September 2023)
Phillip Moss (resigned 20 July 2022)
Francesca Rockett (appointed 19 July 2022)
Steven Crane (resigned 15 November 2022)
Richard Casken (appointed 26 September 2022)

Secretary

Shaun Needham (resigned 15 May 2023)
Steven Crane (appointed 15 May 2023)

Chief Executive Officer

Shaun Needham (resigned 15 May 2023)
Steven Crane (appointed 15 May 2023)

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

Charity Bank
Fosse House
182 High Street
Tonbridge
Kent
TN91BE

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023

The Board of Trustees presents their report together with the audited financial statements for the year ended 31 March 2023 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

Chair's introduction
Annual Report 2022 - 2023

2022/23 was a year of Board change with the ex-Chair stepping down in October and this was also the last full year for our CEO who retired at the end of July 2023.

The legacy of the pandemic continued into 2022 and although we managed to get back to fully face to face meetings for the Board, I know the CEO and other Senior staff still juggled the "new protocol" of zoom and teams meetings, with many organisations preferring to use them instead of face to face. The fact that they and so many others at Target have successfully negotiated this tangled web of communication is testament to their skill and to the wonderful resourcefulness of the whole staff team.

The continued whole world financial challenges have had a real impact, and as Chair I was particularly keen to ensure we continued to reward our staff as well as our finances would allow, and to ensure we remain a Joseph Rowntree Living Wage accredited employer.

The continued partnerships with Social And Sustainable Capital (SASC) and Charity Bank are vital elements in our long term strategy; with the Target Housing property portfolio breaking the 100 properties mark during the year, I feel a word of thanks to both organisations for helping to make this happen is more than justified. Once again congratulations must also be noted to the property procurement team for managing to successfully source and procure properties, both purchase and rented during the year; and to the maintenance team for bringing them up to Target standards and getting them "ready to let" in the shortest possible time.

Both Rotherham and Doncaster Local Authorities asked Target to be part of their Rough Sleepers Accommodation Project (RSAP) bids; the bid from Doncaster was successful with Target getting 49% grant funding to purchase 5 properties to house rough sleepers in Doncaster.

The complex needs / CARE service (THRIVE) which was won in May 2021; has continued to be held up as an example of excellence in service delivery. Target commissioned an external independent evaluation of the service which was published at the back end of year showing the project to be both extremely successful for both Clients and the local authority who commissioned it. A celebration of the project was held in June 2023 and Lincoln University are now in the process of conducting a much bigger and in-depth evaluation with will be published in 2023/24.

The Mental Health project that was transferred and consolidated into Targets existing MHLD project has bedded in well and is one area for future development.

Once again nearly every project run by Target has seen client number growth this year reflecting the growing need for services across the board.

On behalf of the Board, I would like to put it into record our heartfelt thanks to the entire staff team for the amazing professionalism and dedication they have shown this year.

The Board and Senior Management Team have continued to work together to identify possible development opportunities that can expand Target and give it as broad a base as possible to ensure loss of contract risk is spread as thin as possible and Target continues to develop as an organisation.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

I cannot end without thanking my fellow Board members who like our staff continue to rise to the challenge of providing support and guidance to myself as "new" Chair as well as the senior management and wider staff teams.

Finally, I want to make special note of the work of my predecessor who served as Chair for seven years until personal and work commitments forced his decision to step down from the Board last autumn.

2023/24 will see further changes with the departure of our current CEO and the appointment of his successor. I am confident the organisation can deal with this change and continue to develop and grow.

Target has much to thank Shaun for. He has managed to achieve a £10m increase in turnover in as many years. He has turned 'a little charity' into an organisation which local authorities hold up as an exemplar, go to organisation, whilst consistently remaining faithful to the ethos of Target and his own humanitarian principles. His principles of 'people first,' being responsible, conscious of the circumstances of other people's lives, and helping them on the basis of need, without discrimination has benefited hundreds of staff and approximately 15,500 service users during his time as CEO.

Thank you Shaun.



**Karen Rick
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2023 (continued)

Structure, governance and management

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM.

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 13, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees was seven during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Structure, governance and management (Continued)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 19 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Objectives and activities – General statement

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living. In relation to these objectives the Charity has undertaken the following activities during the year –

- Continued to successfully deliver excellent services to all our vulnerable clients despite a challenging economic climate.
- Successfully tendered and retained our existing Rough Sleeper Initiative (RSI) Accommodation Based Support Hub in Rotherham. Providing 8 short-term emergency bed spaces for entrenched Rough Sleepers, including those presenting with complex needs.
- Tendered and delivered 5 purchased properties through capital grant from Doncaster MBC Rough Sleeper Accommodation Programme.
- Successfully tendered and retained our position on the Sheffield Council M/H framework, increased client numbers and staffing.
- Successfully tendered and retained our position on the Sheffield Council Supported Living framework, increased client numbers and staffing
- Continued to provide a Rapid Rehousing service in Doncaster; including providing emergency beds during severe weather periods in Winter.
- Continued to expand Asylum contract bed spaces in existing areas, with continuing demand from Home Office. By March 2023 Target supported 1280 asylum seekers.
- Expanded our Asylum contract housing and support service into Goole, and surrounding areas.
- Continued to develop our working relationships with both Mears and Serco, to the benefit of all three organisations.
- Continued to expand our AST schemes for homeless families in Rotherham; Doncaster and Barnsley.
- Continue to work positively with IDAS in Sheffield and Rotherham Rise in Rotherham, to provide properties and accommodation-based support to individuals under their respective Domestic Abuse contracts with the Local Authorities
- Successfully negotiated a further investment of £2m from SASH Sidecar to support the purchase of property for ex-homeless individuals and families.
- Despite a very competitive property market Target successfully managed to expand our owned portfolio by 19 new properties, including 8 funded through Social Investment, and 5 via capital grant, through Doncaster MBC Rough Sleeper Accommodation Programme.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Objectives and activities – General statement (continued)

- Retained all existing accreditations.
- Continued to be fully accredited as a Joseph Rowntree Living Wage Employer.
- Staffing numbers continue to rise across all areas as Target continues to expand; 187 staff as at 31st March 2023.

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

Performance – General statement

Our performance in 2022/23 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in continuing unprecedented circumstances; something noted by all commissioners of our services.

Complex Need Support Projects (Sheffield, Rotherham, Doncaster)

- Employs 32 Front line staff
- Supported a total of 600 people in the year
- 267 Directly managed bed spaces
- 372 People moved on during the year
- Of the 372 who moved on, 82% moved on positively

TH:RIVE Project

- Employs 11 Front line staff
- Supported a total of 46 people in the year
- 43 Directly managed bed spaces.

Sheffield Mental Health & Supported Living Project

- Employs 27 Front line staff
- 26 Directly managed bed spaces, plus 102 floating support clients

Hull Homeless Families Project (AST)

- Employs 13 Front line staff
- Supported 215 families
- 152 Directly managed properties
- 67 families moved on from scheme in year.
- 95% moved on positively

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Performance – General statement (continued)

AST South Yorkshire

- Employs 7 front line staff
- Supported 177 Families or individuals
- 117 Directly managed properties
- 77 families/singles moved on from the service
- Of the 77 who moved on, 94% moved positively

Rotherham Rough Sleeper Initiative Hostel

- Employs 4 staff
- Supported 51 individuals
- 8 Specialist bed spaces
- 45 Moved on from the service
- 100% positive move on

Housing First Rotherham

- Employs 4 staff
- Supported 16 individuals
- 3 Moved on from the service
- 100% Positive move on

Grimsby AST

- Employs 2 staff members
- 35 families and individuals supported
- 6 Moved on from the service
- 100% Positive move on

AASC - Asylum Accommodation and Support Project.

- Housed and supported a total of 1655 individuals during the year, in both shared accommodation and family properties
- The top 5 countries were people came from were again Iraq, Iran, Eritrea, Albania and Pakistan

Maintenance Team

- Processed 9852 repair orders
- Completed 8214 maintenance jobs
- 1862 maintenance jobs were completed by either landlords or contractors

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Value for Money

The Regulator of Social Housing requires the Association, in common with all private registered providers of social housing, to publish evidence within its annual report to facilitate an understanding of its performance against certain key metrics set out by the Regulator, as follows:

1. Reinvestment: 21.1% (2022: 51.6%)

Measures investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

2a. New supply delivered [social housing]: 17.0% (2022: 42.0%)

2b. New supply delivered [non-social housing]: NIL% (2022: NIL%)

Sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at year end.

3. Gearing: 73.7% (2022: 63.5%)

Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth. The Association's gearing percentage arises from its significant cash balances; these are actively managed to optimise returns consistent with its twin priorities of capital preservation and ensuring sufficient liquidity is available to meet operational requirements.

4. EBITDA MRI interest cover: 541.4% (2022: 891.7%)

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover. A key indicator of liquidity and investment capacity. Measures the level of surplus that a registered provider generates compared to interest payable, but in a way that avoids distortions stemming from the depreciation charge.

5. Headline social housing cost per unit: £913 (2022: £1,415)

Self-explanatory unit cost metric; the Association has calculated this metric based on 940 (2022: 865) social housing units owned and/or managed at year end, which specifically excludes one unit used as staff accommodation.

6a. Operating margin (social housing only): 0.7% (2022: 1.5%)

6b. Operating margin (overall): 0.7% (2022: 1.3%)

Measures the profitability of operating assets before exceptional items are taken into account. The Association specialises in providing supported housing, which means its margin will tend to be lower than average.

7. Return on capital employed: 0.9% (2022: 1.6%)

This metric compares the operating surplus to total assets less current liabilities, a measure commonly employed in the commercial sector to assess the efficient investment of capital resources.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Financial review

The Chair's Introduction and the General Statements on Objectives and Activities and Performance set the context for this review of the results for the financial year 2022-23.

Income and charitable expenditure have again increased significantly as we have continued to grow our core activities. Income has increased by 15.4% and expenditure by 15.8%. For 31 March 2023 interest payable and similar charges totalled £121,270 representing a 91% increase compared to 31 March 2022. As in recent years, the income increase results principally from continuing growth in the levels of activity on most contracts. Expenditure increases mirror increased activity levels. These are principally staffing (the average number increased by 30 in the year) and property (with 19 acquisitions in the year in addition to the 37 in the previous year as well as increased numbers of rental properties) related costs. In addition, these continuing property acquisitions and utilising mortgage finance, impact on both our interest payments and depreciation charges.

Whilst Target is a not-for-profit entity, generating surpluses enables us to sustain and enhance the services provided to our service users, by investing in properties and people, and to cover our substantial loan repayment commitments.

The year-end financial position as shown in the Balance Sheet remains healthy, and whilst free reserves are below our target at the year end, the shortfall is due to timing which is remedied post year end. One important factor behind the reduction is our continuing acquisition of properties. Most of the property acquisitions are financed by mortgage borrowings but we do have to utilise part of our cash resources as well. At the 31 March 2023 our cash at bank had reduced by £808,570 to £758,316 compared to £1,566,886 as at 31 March 2022. Our mortgage borrowings have increased significantly as we continued the major programme of property acquisitions utilising mortgage finance facilities with Charity Bank and with SASC, the specialist provider of funding to the not-for-profit sector. This has enabled us to maintain our property acquisition programme in certain geographical areas and respond to increasing demand for our services to the most vulnerable in our society.

The year under review as not been without its challenges, the cost of living crisis and high inflation have contributed to a negative financial outturn for the year to 31 March 2023. Continued challenges including the on-going requirement to re-tender for the contract services we provide require our management team to explore and pursue the generation of income from other diversified sources that complement our existing services to our vulnerable client groups.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Reserves policy

The principal aim of the Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission of 'delivering the highest standard of housing and support to enable vulnerable people to live independently, fulfill their potential and contribute to their communities and wider society', having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASH
- To provide funds for the contribution required for the purchase of property, utilising finance from Charity Bank
- To invest in improvements to both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To mitigate against interest rate rises in future
- To allow for other unforeseeable risks and contingencies that may arise from time to time

Target's unrestricted reserves at 31 March 2023 were £2,753,536. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2023, the book value of owned assets was £10,174,067. Many of the fixed assets are financed by external borrowing which totalled £8,131,908 at 31 March 2023. The Trustees consider it should be the net value of fixed assets not financed by borrowings which should be used for the calculation of free reserves. This gives a 'net free reserves' figure of £711,377.

Based on the Trustees' evaluation of the above reserves requirement, the target level of net free reserves (excluding restricted funds and tangible fixed assets net of borrowings) has been set at £900,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to 711,377, resulting in a shortfall of £188,623.

The Trustees recognise the year end shortfall of net free reserves. However, the Trustees note that due to timing differences in receipt of financing income, the net free reserves have increased to circa £1m during quarter 1 of 2023/24.

The ambition to build free reserves recognises that the element relating to the acquisition of properties under the SASH facility must be accumulated over the borrowing period.

Target's reserves policy is subject to annual review by the Trustees.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2023 (continued)

Plans for future periods

During this extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop and build its projects and partnerships, building on this for the coming year the Charity intends:

- To register with the CQC as a regulated activity provider, to compliment and expand the services we currently provide, and to develop additional income streams for reinvestment back into our organisation.
- To develop further Social Investment funding opportunities via our partner SASC and to compliment this with further lending from Charity Bank.
- To bid for, and secure, further funding from Homes England for purchased property as part of their Single Homeless Accommodation Programme (SHAP).
- To take the total number of Target owned properties to over 150.
- To successfully re-tender and retain our existing contracts, to continue to offer safe and secure accommodation to vulnerable individuals, and further develop and enhance the services we provide.
- To develop and implement a specialised women-only service, catering our offer to the more specific needs of vulnerable women presenting with complex needs.
- To expand into new strategic geographical areas, creating a link corridor between our current office bases.
- Continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To a review and enhance our skilled property maintenance and compliance department to ensure all our properties are operated at the highest standards possible for Target.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- Continue to prioritise training for staff and managers in recognising and managing the stresses of work, and creating positive environments at work for all staff to be open, and supported, about any M/H issues they may face now and in the future.
- Continue to foster our culture of professionalism, personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



Karen Rick

26th September 2023

**Target Housing Limited
(Limited by Guarantee)**

Statement of Board's responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Companies Act 2006, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2023

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) ("the association") for the year ended 31 March 2023 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2023 and of 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2023

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 board report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

We have nothing to report in respect of the following matters where 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2023

Responsibilities of trustees

As explained more fully in the board's responsibilities statement set out on page 13, the board (who are also the directors of the association for the purposes of charity 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 board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

The association is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the association to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2023

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

27 September 2023

Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2023

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2023

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vans	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its charitable activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2023

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

The measurement of two of the loans is the higher of the amount transferred from the lender and the amount linked to the market value of the associated properties. The loan is held at transaction value but could be revalued to the fair value if or when the underlying properties are revalued.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 19.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

Prior period restatement

In the prior period, grant income and associated expenses had been recognised in the Income and Expenditure Account. It was subsequently confirmed that this was not the income and should constitute part of the loan balance in note 12 of the accounts. This has been amended accordingly.

	Year ended 31 March 2022
	£
Other loans	(363,400)
Revenue grants receivable	178,155
Accruals and deferred income	95,527
Housing properties – for letting	111,342
Operating costs	(47,468)
Revenue reserve	25,844

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2023

	Note	2023 £	(As restated) 2022 £
Turnover		13,920,051	12,053,660
Less: Operating costs		(13,822,878)	(12,027,059)
Operating surplus	1	97,173	26,601
Interest receivable and similar income	5	453	86
Interest payable and similar charges	6	(121,270)	(63,539)
Deficit on ordinary activities for the year		<u>(23,644)</u>	<u>(36,852)</u>

There is no difference between the reported deficit for the period and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 26th September 2023 and signed on its behalf by:



Rachel Heath



Karen Rick

**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 £	(As restated) 2022 £
Deficit for the year		<u>(23,644)</u>	<u>(36,852)</u>
Actuarial gains/(losses) in respect of defined benefit pension scheme		(42,000)	114,000
		<u>(65,644)</u>	<u>77,148</u>
Total comprehensive (expenditure)/income for the year		<u>(65,644)</u>	<u>77,148</u>

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2023

Company Number – 2787689

	Note	2023 £	(As restated) 2022 £
Fixed assets			
Properties at depreciated cost	7	10,011,337	8,400,941
Other fixed assets	8	<u>162,730</u>	<u>144,463</u>
Total fixed assets		<u>10,174,067</u>	<u>8,545,404</u>
Current assets			
Debtors	10	1,099,306	850,111
Cash at bank and in hand	9	<u>758,316</u>	<u>1,566,886</u>
		1,857,622	2,416,997
Creditors – amounts falling due within one year	11	<u>(1,089,293)</u>	<u>(775,084)</u>
Net current assets		<u>768,329</u>	<u>1,641,913</u>
Total assets less current liabilities		<u>10,942,396</u>	<u>10,187,317</u>
Creditors – amounts falling due after one year	12	<u>(7,921,860)</u>	<u>(7,066,137)</u>
Defined benefit liability	19	<u>(267,000)</u>	<u>(302,000)</u>
Total net assets		<u>2,753,536</u>	<u>2,819,180</u>
Capital and reserves			
Revenue reserve	16	2,753,536	2,819,180
Restricted reserves	16	<u>-</u>	<u>-</u>
		<u>2,753,536</u>	<u>2,819,180</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on ~~26th September~~ 2023 and were signed on its behalf by:



Rachel Heath



Karen Rick

**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2023

	Note	2023 £	(As restated) 2022 £
Cash flow from operating activities	17	565,126	334,251
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(2,187,774)	(4,440,240)
Receipts from sales of tangible fixed assets		900	-
Interest received		453	86
Net cash flow from investing activities		<u>(2,186,421)</u>	<u>(4,440,154)</u>
Cash flow from financing activities			
Interest paid		(121,270)	(63,539)
Repayment of long term loans		(78,290)	(69,618)
Cash inflow from new borrowings		1,012,285	3,032,400
Net cash flow from financing activities		<u>812,725</u>	<u>2,899,243</u>
Net (decrease) in cash and cash equivalents		(808,570)	(1,206,660)
Cash and cash equivalents at the beginning of the reporting period		1,566,886	2,773,546
Cash and cash equivalents at the end of the reporting period		<u>758,316</u>	<u>1,566,886</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	<u>758,316</u>	<u>1,566,886</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2023

1. Social housing income and expenditure

	2023	(As restated) 2022
	£	£
Gross rents receivable	7,719,287	6,332,834
Supporting People income	1,240,708	1,153,687
Revenue grants receivable	130,076	103,107
AASC income	4,406,807	4,062,564
Other income	423,173	401,468
	<u>13,920,051</u>	<u>12,053,660</u>
Social housing operating costs	<u>(13,822,878)</u>	<u>(12,027,059)</u>
Operating surplus	<u>97,173</u>	<u>26,601</u>

2. Operating surplus

Operating surplus is stated after charging:

	2023	2022
	£	£
Auditors remuneration		
- as auditors	4,290	3,900
- for non audit services	6,710	7,140
Depreciation	<u>558,986</u>	<u>409,203</u>

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the ten members of the senior management team amounted to £432,699 (2022 – six members £305,860). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the staff members listed below.

Chief Executive Officer
Deputy Chief Executive Officer
Finance Director
Head of Social Housing
Strategy and Development Director
Head of Operations
Head of Operations (since April 2022)
Head of Maintenance (since April 2022)
Head of Central Services (since March 2023)
Head of Procurement (since March 2023)

No remuneration or out of pocket expenses were paid to the Trustees during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

4. Employee information

The average number of persons employed during the year expressed in full time equivalents was:

	2023	2022
	No.	No.
Administration staff	30	27
Housing development staff	148	121
	178	148
Total employee emoluments:	2023	2022
	£	£
Gross salaries	4,095,636	3,324,970
Employers national insurance	366,363	281,574
Pension contributions	178,423	202,924
	4,640,422	3,809,468

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £100,001 - £110,000	-	1
In the band £110,001 - 120,000	1	-

5. Interest receivable

	2023	2022
	£	£
Bank deposits	453	86

6. Interest payable

	2023	2022
	£	£
Mortgage interest	121,270	63,539

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

7.	Tangible fixed assets – housing properties (for letting)	Properties £
	Cost	
	As at 1 April 2022 (as restated)	9,664,393
	Additions	2,107,870
	Disposals	-
	As at 31 March 2023	11,772,263
	Depreciation	
	As at 1 April 2022	1,263,452
	Charge for the year	497,474
	Eliminated on Disposals	-
	As at 31 March 2023	1,760,926
	Net book value	
	As at 31 March 2023	10,011,337
	As at 31 March 2022 (as restated)	8,400,941

Social housing properties with a net book value of £9,406,140 (2022 - £7,646,382) have been pledged as security for liabilities of the company.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

8. Other tangible fixed assets

Cost	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
As at 1 April 2022	25,800	417,117	38,736	481,653
Additions	13,200	66,704	-	79,904
Disposals	(6,000)	-	-	(6,000)
As at 31 March 2023	33,000	483,821	38,736	555,557
Depreciation				
As at 1 April 2022	7,225	291,578	38,387	337,190
Charge for the year	6,900	54,541	71	61,512
Eliminated on Disposals	(5,875)	-	-	(5,875)
As at 31 March 2023	8,250	346,119	38,458	392,827
Net book value				
As at 31 March 2023	24,750	137,702	278	162,730
As at 31 March 2022	18,575	125,539	349	144,463

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

9.	Cash and cash equivalents	2023	2022
		£	£
	Cash at bank and in hand	<u>758,316</u>	<u>1,566,886</u>
10.	Debtors	2023	2022
	All receivable within one year:	£	£
	Rents receivable	290,539	196,821
	Other trade debtors	622,160	535,720
	Prepayments and accrued income	<u>186,607</u>	<u>117,570</u>
		<u>1,099,306</u>	<u>850,111</u>

Included within rents receivable is a provision of £246,490 (2022: £215,553) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors		(As restated)
		2023	2022
	Amounts falling due within one year:	£	£
	Trade creditors	436,651	485,536
	Accruals and deferred income	442,594	157,772
	Bank loans	196,627	119,429
	Other loans	<u>13,421</u>	<u>12,347</u>
		<u>1,089,293</u>	<u>775,084</u>

12.	Creditors		(As restated)
		2023	2022
	Amounts falling due after one year:	£	£
	Accruals and deferred income	-	-
	Bank loans	2,355,587	1,987,454
	Other loans	<u>5,566,273</u>	<u>5,078,683</u>
		<u>7,921,860</u>	<u>7,066,137</u>

Included within creditors are the following amounts due after more than 5 years:

			(As restated)
		2023	2022
		£	£
	After more than five years	<u>6,981,269</u>	<u>6,030,264</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Operating leases which expire:		
Within one year	280,181	261,925
Within two to five years	348,216	528,362
After five years	14,000	14,000
	642,397	804,287
	642,397	804,287

14. Accommodation in management

	2023	2022
Social housing properties owned		
- General needs housing	106	88
Social housing properties managed		
- General needs housing	471	428
Non-social housing properties managed		
- Asylum housing	363	349
Total owned and managed	940	865
	940	865

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

16. Reserves note

2023	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
- SYF	-	1,303	(1,303)	-	-
- RSAP	-	367	(367)	-	-
- Clothworkers	-	1,000	(1,000)	-	-
- Efficiency North	-	1,000	(1,000)	-	-
- RMBC Adult care	-	50,000	(50,000)	-	-
- Small individual grants	-	5,974	(5,974)	-	-
Unrestricted funds	<u>2,819,180</u>	<u>13,860,860</u>	<u>(13,884,504)</u>	<u>(42,000)</u>	<u>2,753,536</u>
	2,819,180	13,920,504	(13,944,148)	(42,000)	2,753,536
2022 – As restated	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
- SMITF Welcome Fund	1,667	-	(1,667)	-	-
- BLF Hull EU Revenue	8,517	-	(8,517)	-	-
- SYCF CSE	70	-	(70)	-	-
- SYF Sprinklers	-	1,955	(1,955)	-	-
- Children in Need	3,998	-	(3,998)	-	-
- Clothworkers	-	1,000	(1,000)	-	-
- Efficiency North	-	1,000	(1,000)	-	-
- RMBC Adult care	-	50,000	(50,000)	-	-
- Small individual grants	-	9,167	(9,167)	-	-
Unrestricted funds	<u>2,727,780</u>	<u>11,990,624</u>	<u>(12,013,224)</u>	<u>114,000</u>	<u>2,819,180</u>
	2,742,032	12,053,746	(12,090,598)	114,000	2,819,180

SYF	A capital grant funding to provide sprinkler system at HMO property.
RSAP	A capital grant funding to purchase and refurbish property as part of Department for Levelling Up, Housing and Communities Rough Sleeping Accommodation Programme.
Clothworkers	A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people.
Efficiency North	A capital grant funding to purchase and refurbish property to provide accommodation for vulnerable people.
RMBC Adult care	Funding for 2 full time equivalent support workers to ensure provision of accommodation and related support for singles exiting custody and those at risk of re-offending

Target Housing Limited
(Limited by Guarantee)

Notes to the financial statements (continued)

For the year ended 31 March 2023

17. Reconciliation of operating surplus to cash flows from operating activities

	2023	(As restated)
	£	2022
		£
Total comprehensive (expenditure)/income for the year	(65,644)	77,148
Interest payable	121,270	63,539
Interest receivable	(453)	(86)
Depreciation	558,986	409,203
(Profit) on disposal	(775)	-
(Increase) in debtors	(249,195)	(130,594)
Increase/ (decrease) in creditors	200,937	(84,959)
	<hr/>	<hr/>
Net cash flow from operating activities	565,126	334,251
	<hr/> <hr/>	<hr/> <hr/>

18. Analysis of changes in net debt

	(As restated)			
	2022	Cash flows	Non-cash changes	2023
	£	£	£	£
Short term borrowings	(131,776)	78,290	(156,563)	(210,049)
Long term borrowings	(7,066,137)	(1,012,286)	156,563	(7,921,860)
Total borrowings	<hr/> (7,197,913)	<hr/> (933,996)	<hr/> -	<hr/> (8,131,909)
Cash and cash equivalents	1,566,886	(808,570)	-	758,316
Total net debt	<hr/> (5,631,027)	<hr/> (1,742,566)	<hr/> -	<hr/> (7,373,593)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

19. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2023	2022
	£000s	£000s
Fair value of scheme assets	1,215	1,943
Present value of defined benefit obligation	1,482	2,245
Defined benefit pension scheme deficit	<u>(267)</u>	<u>(302)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2023	2022
	£000s	£000s
Obligation at the start of the year	2,245	2,104
Service cost	7	54
Interest expense	61	46
Actuarial (gains) and losses	(739)	48
Benefits paid	(131)	(36)
Member contributions	35	25
Other	4	4
Obligation at the end of the year	<u>1,482</u>	<u>2,245</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2023	2022
	£000s	£000s
Fair value at start of the year	1,943	1,681
Interest income	54	37
Return on plan assets, excluding amounts included in net interest	(781)	162
Employer contributions	95	74
Member contributions	35	25
Deficit contributions	(131)	(36)
Fair value at the end of the year	<u>1,215</u>	<u>1,943</u>

Reconciliation of deficit funding to defined benefit position

	2023	2022
	£000s	£000s
Deficit funding liability at 1 April 2022	302	423
Actuarial movements during the year	42	(114)
Current service cost during the year	18	67
Deficit contributions paid during the year	(95)	(74)
Defined benefit liability at 31 March 2023	<u>267</u>	<u>302</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2023

Principal actuarial assumptions

The principal actuarial assumptions used are as follows:

	2023	2022
	% per annum	% per annum
Discount rate	4.88	2.79
Inflation (RPI)	3.20	3.59
Inflation (CPI)	2.74	3.20
Salary Growth	3.74	4.20
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of Maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

20. Capital commitments

As at 31 March 2023 the charitable company had contracted to purchase fixed assets amounting to £1,114,000 (2022: £Nil).

21. Controlling party

The Board considers that there is no overall controlling party.

TARGET HOUSING LIMITED

England & Wales - Charity number 1017481

Accounts

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2022



**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2022

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**Target Housing Limited
(Limited by Guarantee)**

Company Information

Board members

Steve Crane - Chair
Rick Plews – Treasurer
Jacqui Dyer (resigned 18 January 2022)
Farayi Dzichauya
Mike Day
Hannah Weinhold
Phillip Moss (resigned 20 July 2022)
Francesca Rockett (appointed 19 July 2022)

Secretary

Shaun Needham

Chief Executive Officer

Shaun Needham

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

Charity Bank
Fosse House
182 High Street
Tonbridge
Kent
TN91BE

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022

The Board of Trustees presents their report together with the audited financial statements for the year ended 31 March 2022 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

Chair's introduction
Annual Report 2021 - 2022

2021/22 was once again a challenge to every part of Target Housing.

The continuing pandemic, despite the fact that everyone felt hopeful of seeing the light at the end of the tunnel, proved to be as challenging to work through as last year; the CEO and senior team have, I know, wrestled with both the optimism and near despair of lockdowns and relaxation of restrictions whilst trying to both deliver services and keep staff safe. The fact that they have successfully negotiated this tangled web of restriction and non-restriction is testament to their skill and leadership and to the wonderful resourcefulness of the whole staff team.

Last year's record-breaking results has allowed significant spend on the refurbishment of property, both existing and new. The Social Investment from SASC totalled £5M at the end of the year. The surplus from last year also allowed further borrowing from Charity Bank in the form of additional mortgages against new property taking the total number of Target owned properties to 88. Congratulations must be noted to the property procurement team for managing to successfully source and procure this number of properties during a pandemic.

The complex needs / CARE service (THRIVE) which was won in May 2021; has proved both extremely challenging and rewarding in equal parts to all involved but the service is now fully operational; in a recent audit by Sheffield Council care and support managers, it was praised as a "unique and highly successful service" with many of the clients "experiencing their first truly stable accommodation in many years". While audits from commissioning teams like this one can be (and are) stressful for staff and the organisation they also give independent validation of the excellent work of our staff teams.

One area of Target that has been building relatively slowly has been our specialist Mental Health projects; but in January 2022 the team were asked to bid to take over a service from Sheffield Mind; winning this bid more than doubled both our M/H client numbers and M/H staff numbers. Once again testament to Target's growing reputation in the M/H field is the fact that a) we were asked to bid and b) we won and have successfully transferred the staff team to Target.

Once The Home Office re-started to send out asylum decisions, meaning people have to move on from our accommodation once they get a decision; we saw a significant drop in client numbers housed in November 2021, but by the end of the year numbers were actually 200 people higher than at the start, reflecting the continuing rise in overall asylum seeker numbers.

Nearly every project run by Target has seen client number growth this year reflecting the growing need for services across the board.

On behalf of the Board I would like to put it into record our heartfelt thanks to the entire staff team for the amazing professionalism and dedication they have shown this year.

The Board and Senior Management Team continue to work together to identify possible development opportunities that can expand Target and give it as broad a base as possible to ensure loss of contract risk is spread as thin as possible and Target continues to develop as an organisation.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

I cannot end without thanking my fellow Board members who like our staff continue to rise to the challenge of providing support and guidance to the senior management and wider staff teams throughout this pandemic.

On a sad note we learned of the untimely passing of Mark Allen, Target's former Grant Bid writer; Mark was responsible for getting our 3 year Big Lottery grant to assist the Eastern European community in Hull; Securing funding to purchase and refurbish a 5 bed property in Rotherham for adults with Learning Disability, plus numerous smaller grants that enhanced Target's work and outcomes.

Finally, I want to make special note of the work of our Treasurer Mr Rick Plews who has announced his intention to retire from the Board in September 2022.

Rick is the longest standing member of the Target Board serving as Treasurer for over 10 years. On behalf of my fellow Board members I wish to publicly thank Rick for everything he has done for Target Housing, wish him the very best and hope he will keep in touch.

Thank you Rick.

**Steven Crane
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Structure, governance and management

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM.

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 11, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees was seven during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Structure, governance and management (Continued)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 19 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, including the ongoing COVID-19 pandemic, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Objectives and activities – General statement

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living. In relation to these objectives the Charity has undertaken the following activities during the year –

- Continued to successfully delivered services to all vulnerable clients throughout second year of lockdown and Covid restrictions.
- No Target staff were Furloughed; safe ways of working were found for all staff.
- Tendered and won new Sheffield service which works in partnership with NHS and SCC social services staff to provide Housing and specialist support for extremely complex clients who have both support and significant care needs.
- 37 new properties purchased and rented to bring the new Sheffield scheme to full numbers in less than 10 months.
- Utilised Social Investment monies to provide specialist properties for complex needs disabled clients.
- Continued to provide a Rapid Rehousing service in Doncaster; providing emergency beds over the winter and lockdown periods.
- Continued to expand the Asylum contract bed spaces with continuing demand from Home Office despite decision to restart decision process for clients. By March 2022 Target supported 1254 asylum seekers.
- Successfully won the right to provide initially 25 properties per location for homeless families and couples in Rotherham; Doncaster and Barnsley; this is Target's first LA agreement in Barnsley.
- Sheffield M/H framework reopened and Target increased client numbers and staffing.
- Despite lockdown and a very complex property market Target successfully managed to purchase £5M of property via SASC Social Investment and a further £750K of property funded by mortgages with Charity Bank
- Fully accredited as a Joseph Rowntree Living Wage Employer.
- In last quarter of 2021/22 Target was asked to bid and won the right to Take over Sheffield Mind's Floating Support Service which increased Client numbers by 75 and staffing numbers by 20 overnight. This service compliments Target's existing M/H services.
- Developed homeless housing and support service in Grimsby in partnership with N.E. Lincs council.
- Staffing numbers continue to rise across all areas as Target continues to expand; 177 staff as at 31st March 2022.

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Performance – General statement

Our performance in 2021/22 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in unprecedented circumstances; something noted by all commissioners of our services.

Offender Support Projects

- Employs 28 Front line staff
- Supported a total of 422 people in the year.
- 227 Directly managed bed spaces.
- 181 People moved on during the year.
- Of the 181 who moved on 79% moved on positively.

Hull Homeless Families Project (AST)

- Employs 12 Front line staff.
- Supported 259 families.
- 164 Directly managed properties.
- 56 families moved on from scheme in year.
- Of the 56 who moved on 92% moved on positively.

AST South Yorkshire

- Employs 7 front line staff.
- Supported 169 Families or individuals.
- 117 Directly managed properties.
- 38 families/singles moved on from the service.
- Of the 38 who moved on 96% moved positively.

Rotherham Hostel

- Employs 4 staff.
- Supported 16 individuals.
- 7 Specialist bed spaces.
- 9 Moved on from the service.
- 100% positive move on.

Housing First Rotherham

- Employs 4 staff.
- Supported 18 individuals.
- 3 Moved on from the service.
- 100% Positive move on.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2022 (continued)

Performance – General statement (continued)

Grimsby AST

- Employs 1 staff member.
- 18 Individuals supported.
- Non have yet moved on from scheme.

AASC - Asylum Accommodation and Support Project.

- Housed and supported a total of 1146 individuals during the year.
- 454 were singles in shared accommodation.
- 196 were families in family houses.
- The top 4 countries were people came from were Iraq; Iran; Eritrea and Albania.

Maintenance Team

- Processed 9136 repair orders.
- Completed 7706 maintenance jobs.
- 1430 maintenance jobs were completed by either landlords or contractors.

Value for Money

The Regulator of Social Housing requires the Association, in common with all private registered providers of social housing, to publish evidence within its annual report to facilitate an understanding of its performance against certain key metrics set out by the Regulator, as follows:

1. Reinvestment: 51.6%

Measures investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.

2a. New supply delivered [social housing]: 42.0%

2b. New supply delivered [non-social housing]: NIL%

Sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at year end.

3. Gearing: 63.5%

Measures how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth. The Association's negative gearing percentage arises from its significant cash balances; these are actively managed to optimise returns consistent with its twin priorities of capital preservation and ensuring sufficient liquidity is available to meet operational requirements.

4. EBITDA MRI interest cover: 891.7%

Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) interest cover. A key indicator of liquidity and investment capacity. Measures the level of surplus that a registered provider generates compared to interest payable, but in a way that avoids distortions stemming from the depreciation charge.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Value for Money (continued)

5. Headline social housing cost per unit: £1,415

Self-explanatory unit cost metric; the Association has calculated this metric based on 33 (2020: 33) social housing units owned and/or managed at year end, which specifically excludes one unit used as staff accommodation.

6a. Operating margin (social housing only): 1.5%

6b. Operating margin (overall): 1.3%

Measures the profitability of operating assets before exceptional items are taken into account. The Association specialises in providing supported housing, which means its margin will tend to be lower than average.

7. Return on capital employed: 1.6%

This metric compares the operating surplus to total assets less current liabilities, a measure commonly employed in the commercial sector to assess the efficient investment of capital resources.

Financial review

The Chair's Introduction and the General Statements on Objectives and Activities and Performance set the context for this review of the results for the financial year 2021-22.

Income and charitable expenditure have again increased significantly as we have continued to grow our core activities. Income has increased by 20.8% and expenditure by 33.1%. As in recent years, the income increase results principally from continuing growth in the levels of activity on most contracts. Expenditure increases mirror increased activity levels and higher prices. These are principally staffing (the average number increased by 30 in the year) and property (with 37 acquisitions in the year in addition to the 18 in the previous year as well as increased numbers of rental properties) related costs, some of the latter being both significant and, in essence, 'one-off set up'. In addition, these continuing property acquisitions, utilising mortgage finance, and other tangible fixed assets purchases impact on both our interest payments and depreciation charges.

Whilst Target is a not-for-profit entity, generating surpluses enables us to sustain and enhance the services provided to our service users, by investing in properties and people, and to cover our substantial loan repayment commitments.

The year-end financial position as shown in the Balance Sheet remains healthy, with a comfortable level of liquid reserves, albeit at a reduced level from the previous year-end. One important factor behind the reduction is our continuing purchase of properties and computer equipment. Most of the property acquisitions are financed by mortgage borrowings but we do have to utilise part of our cash resources as well. Our mortgage borrowings have increased significantly as we continued the major programme of property acquisitions utilising mortgage finance facilities with Charity Bank and with SASC, the specialist provider of funding to the not-for-profit sector. This has enabled us to maintain our property acquisition programme in certain geographical areas and respond to increasing demand for our services to the most vulnerable in our society.

Despite reporting positive financial outturns for a number of years, the year under review being at the lowest end of the range, we are not without challenges, not least the on-going requirement to re-tender for the contract services we provide and, most recently, sharply increasing costs, particularly for energy. Our management team remains focussed on securing satisfactory outcomes to any challenges faced. In addition, they continue to explore and pursue the generation of income from other diversified sources to enable us to provide a wider range of complementary services to our vulnerable client groups.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Reserves policy

The principal aim of the Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission of 'delivering the highest standard of housing and support to enable vulnerable people to live independently, fulfil their potential and contribute to their communities and wider society', having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASC
- To provide funds for the contribution required for the purchase of property utilising finance from Charity Bank
- To fund the enhancement of the central office premises as activities expand
- To invest in improvements to both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To mitigate against reductions in income from the loss of operating contracts on short term notice periods
- To allow for other unforeseeable risks and contingencies that may arise from time to time.

Target's unrestricted reserves at 31 March 2022 were £2,976,000. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2022, the book value of owned assets was £8,434,000. Many of the fixed assets are financed by external borrowing which totalled £6,835,000 at 31 March 2022. The Trustees consider it should be the net value of fixed assets not financed by borrowings which should be used for the calculation of free reserves. This gives a 'net free reserves' figure of £1,377,000.

Based on the Trustees' evaluation of the above reserves requirement, the target level of net free reserves (excluding restricted funds and tangible fixed assets net of borrowings) has been set at £1,356,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to £1,377,000, resulting in a small surplus of £21,000.

The Trustees recognise the current small surplus of net free reserves and consider the current level to be reasonable in the light of the target figure although they would wish to build up the level in the coming years. This ambition recognises that the element relating to the acquisition of properties under the SASH facility must be accumulated over the borrowing period and that the element relating to reductions in income from the loss of operating contracts would be more appropriate at 10% of turnover.

Target's reserves policy is subject to annual review by the Trustees.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2022 (continued)

Plans for future periods

During this second extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop and build its projects and partnerships, building on this the Charity intends to:

- Continue to work with its staff to use the lessons learned throughout the last two years to develop opportunity for more flexible working patterns wherever possible.
- To look for further Social Investment opportunities via our partner SASC and to compliment this with further lending from Charity Bank in the form of mortgages for property.
- To take the total number of Target owned properties to over 100.
- Continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To secure longer term funding for the Rotherham Homeless hostel to continue to offer safe and secure accommodation to "street homeless" individuals.
- To re-establish direct contracted work with the newly nationalised Probation Service.
- To create a fully staffed and skilled property compliance department to ensure all our properties are operated at the highest H & S standards possible for Target.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- Continue to prioritise training for staff and managers in recognising and managing the stresses of work and creating positive environments at work for all staff to be open and supported about any M/H issues they may face now and in the future.
- Continue to foster our culture of professionalism; personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Steve Crane



.....2022

6 September 2022

**Target Housing Limited
(Limited by Guarantee)**

Statement of Board's responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Companies Act 2006, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) ("the association") for the year ended 31 March 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 board report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

We have nothing to report in respect of the following matters where 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

Responsibilities of trustees

As explained more fully in the board's responsibilities statement set out on page 12, the board (who are also the directors of the association for the purposes of charity 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 board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

The association is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the association to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2022

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

9 September2022

Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2022

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, including the recent COVID-19 pandemic, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2022

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vans	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2022

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

The measurement of one of the loans is the higher of the amount transferred from the lender and the amount linked to the market value of the associated properties. The loan is held at transaction value but could be revalued to the fair value if or when the underlying properties are revalued.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 19.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover		12,231,814	10,122,921
Less: Operating costs		(12,074,527)	(9,070,236)
Operating surplus	1	157,287	1,052,685
Interest receivable and similar income	5	86	56
Interest payable and similar charges	6	(63,539)	(61,113)
Surplus on ordinary activities for the year		93,834	991,628

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

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 6 September 2022
and signed on its behalf by:



Rick Plews



Steve Crane

**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022	2021
		£	£
Surplus for the year		93,834	991,628
Actuarial gains/(losses) in respect of defined benefit pension scheme		114,000	(270,000)
		207,834	721,628
Total comprehensive income for the year		207,834	721,628

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2022

Company Number – 2787689

	Note	2022 £	2021 £
Fixed assets			
Properties at depreciated cost	7	8,289,599	4,378,564
Other fixed assets	8	<u>144,463</u>	<u>71,929</u>
Total fixed assets		<u>8,434,062</u>	<u>4,450,493</u>
Current assets			
Debtors	10	850,111	719,517
Cash at bank and in hand	9	<u>1,566,886</u>	<u>2,773,546</u>
		2,416,997	3,493,063
Creditors – amounts falling due within one year	11	<u>(870,613)</u>	<u>(803,219)</u>
Net current assets		<u>1,546,384</u>	<u>2,689,844</u>
Total assets less current liabilities		9,980,446	7,140,337
Creditors – amounts falling due after one year	12	<u>(6,702,737)</u>	<u>(3,949,462)</u>
Defined benefit liability	19	<u>(302,000)</u>	<u>(423,000)</u>
Total net assets		<u>2,975,709</u>	<u>2,767,875</u>
Capital and reserves			
Revenue reserve	16	2,975,709	2,753,623
Restricted reserves	16	<u>-</u>	<u>14,252</u>
		<u>2,975,709</u>	<u>2,767,875</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on ~~6 September~~ 2022 and were signed on its behalf by:



Rick Plews



Steve Crane

**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flow from operating activities	17	491,183	1,447,196
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(4,392,772)	(1,955,901)
Receipts from sales of tangible fixed assets		-	56,058
Interest received		86	56
Net cash flow from investing activities		(4,392,686)	(1,899,787)
Cash flow from financing activities			
Interest paid		(63,539)	(61,113)
Repayment of long term loans		(274,018)	(224,659)
Cash inflow from new borrowings		3,032,400	2,550,000
Net cash flow from financing activities		2,694,843	2,264,228
Net (decrease)/increase in cash and cash equivalents		(1,206,660)	1,811,637
Cash and cash equivalents at the beginning of the reporting period		2,773,546	961,909
Cash and cash equivalents at the end of the reporting period		1,566,886	2,773,546
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	1,566,886	2,773,546

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2022

1. Social housing income and expenditure

	2022 £	2021 £
Gross rents receivable	6,332,834	5,098,627
Supporting People income	1,153,687	805,398
Revenue grants receivable	281,261	216,731
AASC income	4,062,564	3,600,926
Other income	401,468	401,239
	12,231,814	10,122,921
Social housing operating costs	(12,074,527)	(9,070,236)
Operating surplus	157,287	1,052,685

2. Operating surplus

Operating surplus is stated after charging:

	2022 £	2021 £
Auditors remuneration		
- as auditors	3,900	3,700
- for non audit services	7,140	6,362
Depreciation	409,203	249,257

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the six members of the senior management team amounted to £305,860 (2021 – six members £238,188). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the staff members listed below.

Chief Executive Officer
Deputy Chief Executive Officer
Head of Finance
Head of Social Housing
Head of Development
Head of Operations

No remuneration or out of pocket expenses were paid to the Trustees during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

4. Employee information

The average number of persons employed during the year expressed in full time equivalents was:

	2022	2021
	No.	No.
Administration staff	27	22
Housing development staff	121	96
	148	118
Total employee emoluments:	2022	2021
	£	£
Gross salaries	3,324,970	2,483,392
Employers national insurance	281,574	198,916
Pension contributions	202,924	125,807
	3,809,468	2,808,115

The number of employees who earned between £70,000 and £79,999 during the year was nil (2021 – 1).

The number of employees who earned between £100,000 and £109,999 during the year was 1 (2021 – nil).

5. Interest receivable

	2022	2021
	£	£
Bank deposits	86	56
	86	56

6. Interest payable

	2022	2021
	£	£
Mortgage interest	63,539	61,113
	63,539	61,113

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

7. Tangible fixed assets – housing properties (for letting)

	Properties £
Cost	
As at 1 April 2021	5,275,074
Additions	4,277,977
Disposals	-
As at 31 March 2022	9,553,051
Depreciation	
As at 1 April 2021	896,510
Charge for the year	366,942
Eliminated on Disposals	-
As at 31 March 2022	1,263,452
Net book value	
As at 31 March 2022	8,289,599
As at 31 March 2021	4,378,564

Social housing properties with a net book value of £7,535,039 (2021 - £3,831,133) have been pledged as security for liabilities of the company.

Target Housing Limited
(Limited by Guarantee)

Notes to the financial statements (continued)

For the year ended 31 March 2022

8. Other tangible fixed assets

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2021	6,000	322,122	38,736	366,858
Additions	19,800	94,995	-	114,795
Disposals	-	-	-	-
As at 31 March 2022	25,800	417,117	38,736	481,653
Depreciation				
As at 1 April 2021	3,250	253,718	37,961	294,929
Charge for the year	3,975	37,860	426	42,261
Eliminated on Disposals	-	-	-	-
As at 31 March 2022	7,225	291,578	38,387	337,190
Net book value				
As at 31 March 2022	18,575	125,539	349	144,463
As at 31 March 2021	2,750	68,404	775	71,929

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

9.	Cash and cash equivalents	2022	2021
		£	£
	Cash at bank and in hand	<u>1,566,886</u>	<u>2,773,546</u>
10.	Debtors	2022	2021
	All receivable within one year:	£	£
	Rents receivable	196,821	208,108
	Other trade debtors	535,720	421,402
	Prepayments and accrued income	117,570	90,007
		<u>850,111</u>	<u>719,517</u>

Included within rents receivable is a provision of £215,553 (2021: £204,868) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors	2022	2021
	Amounts falling due within one year:	£	£
	Trade creditors	485,536	376,597
	Accruals and deferred income	253,301	298,489
	Bank loans	119,429	116,201
	Other loans	12,347	11,932
		<u>870,613</u>	<u>803,219</u>

12.	Creditors	2022	2021
	Amounts falling due after one year:	£	£
	Accruals and deferred income	-	1,464
	Bank loans	1,987,454	1,466,266
	Other loans	4,715,283	2,481,732
		<u>6,702,737</u>	<u>3,949,462</u>

Included within creditors are the following amounts due after more than 5 years:

		2022	2021
		£	£
	After more than five years	<u>6,186,634</u>	<u>3,421,264</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Operating leases which expire:		
Within one year	261,925	216,832
Within two to five years	528,362	618,557
After five years	14,000	30,986
	804,287	866,375

14. Accommodation in management

	2022	2021
Social housing properties owned		
- General needs housing	88	51
Social housing properties managed		
- General needs housing	428	321
Non-social housing properties managed		
- Asylum housing	349	324
Total owned and managed	865	696

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

16. Reserves note

	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
- SMITF Welcome Fund	1,667	-	(1,667)	-	-
- BLF Hull EU Revenue	8,517	-	(8,517)	-	-
- SYCF CSE	70	-	(70)	-	-
- SYF Sprinklers	-	1,955	(1,955)	-	-
- Children in Need	3,998	-	(3,998)	-	-
- Clothworkers	-	1,000	(1,000)	-	-
- Efficiency North	-	1,000	(1,000)	-	-
- RMBC Adult care	-	50,000	(50,000)	-	-
- Small individual grants	-	9,167	(9,167)	-	-
Unrestricted funds	<u>2,753,623</u>	<u>12,168,778</u>	<u>(12,060,692)</u>	<u>114,000</u>	<u>2,975,709</u>
	<u>2,767,875</u>	<u>12,231,900</u>	<u>(12,138,066)</u>	<u>114,000</u>	<u>2,975,709</u>

17. Reconciliation of operating surplus to cash flows from operating activities

	2022 £	2021 £
Total comprehensive income for the year	207,834	721,628
Interest payable	63,539	61,113
Interest receivable	(86)	(56)
Depreciation	409,203	249,257
(Profit) on disposal	-	(6,018)
(Increase)/decrease in debtors	(130,594)	28,953
(Decrease)/Increase in creditors	(58,713)	392,319
Net cash flow from operating activities	<u>491,183</u>	<u>1,447,196</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

18. Analysis of changes in net debt

	2021	Cash flows	Non-cash changes	2022
	£	£	£	£
Short term borrowings	(128,133)	128,113	(131,776)	(131,776)
Long term borrowings	(3,947,998)	(2,886,515)	131,776	(6,702,737)
Total borrowings	(4,076,131)	(2,758,382)	-	(6,834,513)
Cash and cash equivalents	2,773,546	(1,206,660)	-	1,566,886
Total net debt	(1,302,585)	(3,965,042)	-	(5,267,627)

19. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2022 £000s	2021 £000s
Fair value of scheme assets	1,943	1,681
Present value of defined benefit obligation	2,245	2,104
Defined benefit pension scheme deficit	<u>(302)</u>	<u>(423)</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022	2021
	£000s	£000s
Obligation at the start of the year	2,104	1,576
Service cost	54	30
Interest expense	46	38
Actuarial (gains) and losses	48	468
Benefits paid	(36)	(36)
Member contributions	25	24
Other	4	4
	<hr/>	<hr/>
Obligation at the end of the year	2,245	2,104
	<hr/>	<hr/>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2022	2021
	£000s	£000s
Fair value at start of the year	1,681	1,385
Interest income	37	34
Return on plan assets, excluding amounts included in net interest	162	198
Employer contributions	74	76
Member contributions	25	24
Deficit contributions	(36)	(36)
	<hr/>	<hr/>
Fair value at the end of the year	1,943	1,681
	<hr/>	<hr/>

Reconciliation of deficit funding to defined benefit position

	2022	2021
	£000s	£000s
Deficit funding liability at 1 April 2021	423	191
Actuarial movements during the year	(114)	270
Current service cost during the year	67	38
Deficit contributions paid during the year	(74)	(76)
	<hr/>	<hr/>
Defined benefit liability at 31 March 2022	302	423
	<hr/>	<hr/>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2022

Principal actuarial assumptions

The principal actuarial assumptions used are as follows:

	2022	2021
	% per annum	% per annum
Discount rate	2.79	2.17
Inflation (RPI)	3.59	3.28
Inflation (CPI)	3.20	2.86
Salary Growth	4.20	3.86
Allowance for commutation of pension for cash at retirement	75% of Maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

20. Controlling party

The Board considers that there is no overall controlling party.

TARGET HOUSING LIMITED

England & Wales - Charity number 1017481

Accounts

Charity Commission Number: 1017481
Company Number: 2787689
Homes and Communities Agency number: 4679

Target Housing Limited
(Limited by Guarantee)

Report and financial statements

For the year ended 31 March 2021



Hawsons

We're with you

**Target Housing Limited
(Limited by Guarantee)**

Report and financial statements

For the year ended 31 March 2021

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**Target Housing Limited
(Limited by Guarantee)**

Company Information

Board members

Steve Crane - Chair
Rick Plews – Treasurer
Jacqui Dyer
Farayi Dzichauya
Mike Day
Hannah Weinhold
Phillip Moss

Secretary

Shaun Needham

Chief Executive Officer

Shaun Needham

Registered office

A5 Bradmarsh Business Park
Bow Bridge Close
Rotherham
S60 1BY

Auditors

Hawsons Chartered Accountants
Statutory Auditors
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

The Co-operative Bank
78/82 Pinstone Street
Sheffield
S1 2HP

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021

The Board of Trustees presents their report together with the audited financial statements for the year ended 31 March 2021 and confirm that these financial statements comply with current statutory requirements and with those of the governing instrument.

CHAIR'S INTRODUCTION
ANNUAL REPORT 2020 - 2021

2020/21 was a unique year for everyone.

Target Housing is more than just a charity; more than a housing association; it's a family; a large family of people all coming together to deliver services to very vulnerable people in the community, and 2020/21 challenged Target to its core and ultimately showed just what a wonderful and resourceful family it has.

The year could be categorised as one of records – Target had its largest ever turnover, breaking the £10M figure; its operating surplus is a record at just over £1M and its bottom line surplus at just under £1M is another record, BUT 2020/21 was far more than just figures.

The year started in total lockdown with no one really sure what to do or how to do it; but what Target staff did was to find a way to continue to deliver services either by phone or at a safe face to face distance. PPE suddenly became the most important thing to keep staff safe and I know the senior management team went (metaphorically) everywhere to ensure Target had a consistent supply.

Despite (or because of) lockdown, commissioners came to Target when they needed accommodation and support for people fleeing domestic violence in Rotherham and Sheffield. Existing complex needs and homeless schemes were all expanded to provide additional support and accommodation. I am proud to say Target responded to these requests for assistance from commissioners immediately, and even in the middle of a pandemic, the Target property team secured 33 properties to support victims of Domestic Violence.

As a Board we have been able to reward the entire staff team a couple of times over the course of the pandemic with bonus payments to show our appreciation of all the work they have done in the most difficult of times; keeping services running and ensuring as far as possible that both they and our service users are safe.

On behalf of the Board I would like to put it into record our heartfelt thanks to the entire staff team for the amazing professionalism and dedication they have shown this year.

This year also saw the start of the social investment from Social and Sustainable Capital, SASC; this is a true landmark moment with initially £3M to spend on property to enhance and expand our schemes in South Yorkshire; a further £2M of investment was quickly agreed in 2020 to purchase property specifically to boost Target's homeless schemes. The C.E.O. must take a lot of credit for building the relationship with SASC that allowed this additional investment to come to Target. Property purchase is programmed to continue until the end of 2021/22 financial year with over 50 new properties to be purchased.

The asylum contract (AASC) with Serco and Mears has developed at a steady pace with record numbers of asylum seekers coming into the country and the AASC project; at the same time, because of Covid, the Home Office stopped any move out from the project resulting in record turnover for the project. Our working relationship with both "prime contractors" (SERCO and Mears) developed positively during the year.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021 (continued)

The Board and Senior Management Team work together to identify possible development opportunities that can expand Target and give it as broad a base as possible to ensure loss of contract risk is spread as thin as possible and Target continues to develop as an organisation. An example of this came right at the end of the year when the Senior Management Team bid on a Complex Needs tender in Sheffield that was a "fusion" of support and care services aimed at accommodating and supporting extremely complex individuals who have both a significant care need and support needs. By winning this tender in May 2021 Target has once again expanded its operational and organisational skill set.

I cannot end without thanking my fellow Board members who, like our staff, have risen to the challenge of providing support and guidance to the senior management and wider staff teams throughout the pandemic; to think we knew nothing of Zoom or Teams a little over a year ago and yet everyone adapted and more importantly stayed with Target when the whole world had issues to deal with at one time or another. I cannot thank you all enough!

Finally, I would like to record the Board's condolence's and sympathy to the family of Mick Lynch - Gardener with Target Housing, who tragically died of Covid 19 in January 2021.

**Steven Crane
Chair of Board**

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution of the charity

Target Housing Limited is a company limited by guarantee (company number: 2787689) and is a registered charity (charity number: 1017481), working within its Memorandum and Articles of Association. It is a Registered Social Landlord with the Homes and Communities Agency (HCA registration No 4679).

Board of Trustees

The Board of Trustees is elected by the members of the company and one third of them retire by rotation every year. The present members of the Board of Trustees who are directors of the company for the purposes of company law are listed on page 1.

New Trustees are recruited via the existing Board of Trustees and by advertising appropriately, e.g. Sheffield's Voluntary Action Newsletter and Sheffield Volunteer Bureau. Potential new Trustees are invited to attend one or more Board of Trustees meetings as an observer, before they confirm a commitment to becoming a Trustee. Appointment of new Trustees is confirmed by the members annually at the AGM

Trustees bring a range of skills and expertise to their role. There is an induction process for new Trustees which includes the specific work of Target Housing, how it functions and is managed, and its values, ethos and objectives. This process begins with the Chair and is followed through by the CEO, each in turn ensuring that there is an understanding of the work of the organisation and the new Trustee's role in the governance of Target Housing, and ensuring the delivery of its stated aims and objectives.

New Trustees will have the opportunity to meet with staff and to clarify their roles and responsibilities. They can request to see our accommodation and meet with service users. All Trustees provide information about their background, skills, experience and expertise. A Trustee Handbook is provided and the Board undertake periodic Training opportunities singly and together.

Organisational Structure

In addition to its financial accounting responsibilities as outlined on page 11, the Board of Trustees takes decisions alongside its CEO about staff conduct. Decisions around the development of new projects, budgetary considerations such as the purchase of one off items of capital expenditure and the appointment of Board of Trustees also fall within its duties. Organisational policies are validated by the Board. Strategic steer is also provided by the Board of Trustees. The responsibility for overall daily operational decision making, including policy and procedural adherence and wider strategic involvement is devolved to the CEO.

The number of Trustees was seven during the year. Target Housing considers itself very fortunate to have such a dedicated, skilled and motivated Board of Trustees.

Public benefit

The trustees have complied with the duty in s.4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Risk management

The major risks to which Target is subject are recorded in a Risk Register, which also records the systems and controls established to mitigate against those risks. The Register is reviewed regularly by senior management and Trustees.

The principal risks are related to the health and safety of both service users and employees, given the challenging character of service users as a group. Appropriate safeguards are in place to minimise these risks as far as possible.

The second major area of risk is a loss of income arising from the failure to retain contracts when retendering, to win new contracts when tendering and from changes to social services funding for service users in relation to accommodation provision. Again, processes are in place to anticipate and respond as necessary to such events.

Pension Liabilities

Target's pension scheme arrangements are detailed in Note 18 to the financial statements. Its share of the deficit is recorded as a long-term liability in the Balance Sheet. This is a very long-term liability only payable over a period of many years. The annual contributions payable to the scheme in relation to both current service and the deficit are allowed for in each year's financial projections. These demonstrate that the charity is able to fund the ongoing contribution commitments as they arise.

The trustees also record that, after allowing for the long-term liability, there is still an adequate level of reserves to facilitate ongoing operations.

Going Concern

After due consideration of all relevant factors, including the ongoing COVID-19 pandemic, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In forming this view, The Trustees have taken into account recent and projected financial performance, the level of reserves and the amount of cash balances held. These provide sufficient assurance that the charity is a going concern.

Target Housing Limited (Limited by Guarantee)

Board Report

For the year ended 31 March 2021 (continued)

OBJECTIVES AND ACTIVITIES – GENERAL STATEMENT

The Objects of the Charity are (in summary) to relieve specified groups of people in need through the provision of accommodation, advice, support and training, with a view to helping people achieve independent living. In relation to these objectives the Charity has undertaken the following activities during the year –

- Successfully delivered services to all vulnerable clients throughout lockdowns and Covid restrictions.
- No Target staff were furloughed; safe ways of working were found for all staff.
- Successfully developed the Sheffield Offender/Complex Lives contract, replacing over 30 existing and very well used and worn properties for new ones in new areas, giving our clients a fresh start.
- Continued to provide a Rapid Rehousing service in Doncaster; providing emergency beds over the winter and lockdown periods.
- Continued to develop working relationship with Mears to the benefit of both organisations.
- Continued to expand the Asylum contract bed spaces following extra demand following Home Office decision not to move anyone out of current accommodation during lockdown. By March 2021 Target supported 1150 asylum seekers.
- Successfully joined IDAS in Sheffield and Rotherham Rise in Rotherham to be the accommodation and accommodation support provider to both organisations on their bids for Domestic Violence supported accommodation; by the end of March 2021 Target had provided 25 units of supported accommodation in Sheffield and 8 in Rotherham.
- After starting work on the Sheffield M/H framework all but emergency placements were stopped because of lockdown.
- Despite lockdown and a very complex property market Target successfully started to utilise the £3M of SASC Social Investment Funds to purchase property.
- Successfully negotiated a further investment of £2M from SASC to support property purchases targeted at ex homeless individuals.
- Staffing numbers continue to rise as Target continues to expand.
- All existing accreditations retained

In all of the above, the Charity has had regard to the guidance issued by the Charity Commission on public benefit.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021 (continued)

PERFORMANCE – GENERAL STATEMENT

Our performance in 2020/21 was as follows -

In reality Target staff performed brilliantly to continue to deliver services to very vulnerable clients in unprecedented circumstances; something noted by all commissioners of our services.

Offender Support Projects

- Employs 38 Front line staff
- Supported a total of 406 people in the year
- 254 Directly managed bed spaces.
- 152 People moved on during the year
- Of the 152 who moved on 108 (71%) moved on positively.

Hull Homeless Families Project (AST)

- Employs 12 Front line staff
- Supported 222 families
- 163 Directly managed properties
- 59 families moved on from scheme in year.
- Of the 59 who moved on 52 (88%) moved on positively

AST South Yorkshire

- Employs 7 front line staff
- Supported 122 Families or singles
- 97 Directly managed properties
- 25 families/singles moved on from the service
- Of the 25 who moved on 22 (88%) moved positively

AASC - Asylum Accommodation and Support Project.

- Housed and supported a total of 1146 individuals during the year
- 454 were singles in shared accommodation
- 196 were families in family houses
- The top 3 countries where people came from were Iran, Iraq and Eritrea

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021 (continued)

PERFORMANCE – GENERAL STATEMENT (CONTINUED)

Maintenance Team

- Processed 9,136 repair orders
- Completed 7,706 maintenance jobs
- 2,434 maintenance jobs were completed by either landlords or contractors

FINANCIAL REVIEW

The Chair's Introduction and the General Statements on Objectives and Activities and Performance set the context for this review of the results for the financial year 2020-21.

Income and charitable expenditure have continued to increase as we have significantly grown our activities again this year. Income has increased by 23.6% and expenditure by 18.9%. As in previous years, the income increase results principally from continuing growth in the levels of activity on certain contracts and rent increases secured with the benefit of professional advice. It also reflects the on-going sole operation of the Sheffield Complex Needs contract (formerly jointly) and a full year of the revised financial arrangements following a change in main contractors for the AASC Asylum Seeker project last year. Expenditure increases mirror increased activity levels, mainly staffing and property contract related costs, some of the latter being, in essence, 'one-off set up'. In addition, continuing property acquisitions, utilising mortgage finance, and other tangible fixed assets purchases impact on both our interest payments and depreciation charges.

In financial terms, the COVID-19 pandemic had a minimal effect on Target in the year but there is further comment elsewhere in this Report.

Whilst Target is a not-for-profit entity, generating surpluses enables us to sustain and enhance the services provided to our service users, by investing in properties and people, and to cover our substantial loan repayment commitments.

The year-end financial position as shown in the Balance Sheet remains healthy, with a comfortable level of liquid reserves. We have again purchased properties in the year as well as computer equipment. Our mortgage borrowings have increased significantly as we embarked on a major programme of property acquisitions under a new mortgage finance facility with SASC, a specialist provider of funding to the not-for-profit sector. This has enabled us to extend our property acquisition programme in certain geographical areas and respond to increasing demand for our services to the most vulnerable in our society.

Despite reporting positive financial outturns for a number of years, we are not without challenges, not least the on-going requirement to re-tender for the contract services we provide. Our management team remains focussed on securing satisfactory outcomes to any challenges. In addition, they continue to explore and pursue the generation of income from other diversified sources to enable us to provide a wider range of complementary services to our vulnerable client groups.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021 (continued)

RESERVES POLICY

The principal aim of the Target's reserves policy is to seek to ensure that an appropriate balance is maintained between ensuring a long-term sustainable financial position for the organisation and the deployment of funds towards fulfilling its charitable mission of 'delivering the highest standard of housing and support to enable vulnerable people to live independently, fulfil their potential and contribute to their communities and wider society', having regard to both current and future beneficiaries.

To ensure that there is no significant disruption to our charitable activities, holding appropriate reserves enables Target to respond to any unforeseen reduction in income or unexpected additional expenditures. Target currently holds reserves for the following specific purposes:

- To provide funds for the acquisition of property at the conclusion of the borrowing facility from SASC
- To provide funds for the contribution required for the purchase of property utilising finance from Charity Bank
- To fund the enhancement of the central office premises as activities expand
- To invest in improvements to both owned and leased properties
- To support investment in connection with the provision of new or expanded services or activities
- To mitigate against reductions in income from the loss of operating contracts on short term notice periods
- To allow for other unforeseeable risks and contingencies that may arise from time to time.

Target's unrestricted reserves at 31 March 2021 were £2,753,623. By convention, the value of owned fixed assets is generally excluded from what is commonly called 'free reserves'. Target's operations are property intensive. Whilst the majority of properties will be leased, ownership of properties provides stability and flexibility, with property generally considered to be a good asset class for the investment of reserves.

At 31 March 2021, the book value of owned assets was £4,450,000. Many of the fixed assets are financed by external borrowing which totalled £4,076,000 at 31 March 2021. The Trustees consider it should be the net value of fixed assets not financed by borrowings which should be used for the calculation of free reserves. This gives a 'net free reserves' figure of £2,379,623.

Based on the Trustees' evaluation of the above reserves requirement, the target level of net free reserves (excluding restricted funds and tangible fixed assets) has been set at £1,685,000. As noted above, Target's actual level of net free reserves as at the balance sheet date amounted to £2,379,623, resulting in a surplus of £694,623.

The Trustees recognise the current surplus of free reserves and this gives them re-assurance to utilise the reserves to enhance and expand our services to vulnerable people as opportunities arise having regard to pursuing vigorously our charitable objectives.

In this context, the Trustees consider the current level of free reserves to be reasonable both in the light of the target figure and in the context of providing sufficient flexibility for the Target's operational requirements. Target's reserves policy is subject to annual review by the Trustees.

**Target Housing Limited
(Limited by Guarantee)**

Board Report

For the year ended 31 March 2021 (continued)

PLANS FOR FUTURE PERIODS

During this extraordinary year the Charity has successfully continued to work to its Charitable aims and continued to develop its projects and partnerships, building on this the Charity intends to –

- Continue to put measures in place to allow staff to safely return to the workplace whilst giving opportunity for more flexible working patterns wherever possible.
- Continue to look for opportunities to tender for new work in areas that best utilise the skill and expertise of Target and its staff.
- To create a fully staffed and skilled property compliance department to ensure all our properties are operated at the highest H & S standards possible for Target.
- To continue to access new and innovative forms of training to give staff the professional tools they need to succeed in their roles.
- To take on additional mortgage funding via Charity Bank to enhance the growing Target owned property portfolio.
- To develop the relationship with SASC now we are actively spending their Social Investment monies.
- Train staff and managers in recognising and managing the stresses of work and creating positive environments at work for all staff to be open and supported about any M/H issues they may face now and in the future.
- Become a full member of the JR Living Wage foundation.
- Continue to foster our culture of professionalism; personal achievement and aspiration.

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the Annual General Meeting.

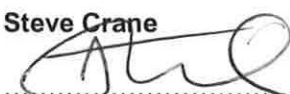
Statement of disclosure of information to auditors

The trustees of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Steve Crane



.....2021

7 September 2021

**Target Housing Limited
(Limited by Guarantee)**

Statement of Board's responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and to enable it to ensure that the financial statements comply with the Companies Act 2006, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the club and to prevent and detect fraud and other irregularities.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2021

We have audited the financial statements of Target Housing Limited (Limited by Guarantee) for the year ended 31 March 2021 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 board report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

We have nothing to report in respect of the following matters where 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

The charity is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charity to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

**Independent Auditors' report to the members of
Target Housing Limited
(Limited by Guarantee)**

For the year ended 31 March 2021

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 auditor's report.

Use of our report

This report is made solely to the housing association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Bladen, Senior Statutory Auditor

for and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

22 September 2021

Target Housing Limited (Limited by Guarantee)

Accounting policies

For the year ended 31 March 2021

The Registered Provider is incorporated under the Companies Act 2006 (registered number 2787689) and the Charities Act 2011 (registered number 1017481) and is a Registered Social Housing Provider (Home and Communities Agency number 4679). The association constitutes a public benefit entity as defined by FRS102.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 (SORP) and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company participates in the Social Housing Pension Scheme (SHPS). This is a defined benefit multiemployer scheme. Historically insufficient information was produced by the scheme administrator to enable defined benefit accounting to be applied. Accordingly, the company accounted for the SHPS as a defined contribution scheme and recognised a liability for the present value of the company's deficit funding agreement. However, in the prior year sufficient information was produced to enable the move to defined benefit accounting in accordance with FRS102.

Going concern

After due consideration of all relevant factors, including the recent COVID-19 pandemic, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Income and Expenditure Account when the association is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Rental turnover represents rental and service charges income receivable in the year.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Income and Expenditure Account when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the association, are recognised when the association becomes unconditionally entitled to the grant.

Investment income is included when receivable.

Incoming resources from charitable activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the association earns the right to consideration by its performance.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2021

Resources expended

Expenditure is recognised on an accrual basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remains with the lessor, are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2% straight line
Motor vans	25% straight line
Computer equipment	25% straight line
Office equipment	25% straight line

Pension costs

The association is part of a multi-employer defined benefit plan for the benefit of its employees. A liability for the association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Taxation

No taxation is payable by the Registered Provider, since it has charitable status its activities are exempt from tax.

**Target Housing Limited
(Limited by Guarantee)**

Accounting policies (continued)

For the year ended 31 March 2021

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

Provisions

Provisions are recognised when the association has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Defined benefit pension obligation

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Further information can be found in Note 18.

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities.

Complex financial instruments

Where a financial instrument does not meet the criteria of a basic financial instrument it is classified as a complex financial instrument in accordance with section 12 of FRS102. Where such a liability is recognised it is initially recognised at its fair value, before being subsequently adjusted at each period end with the change in fair value included in the income and expenditure account.

**Target Housing Limited
(Limited by Guarantee)**

Income and Expenditure Account

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover		10,122,921	8,190,684
Less: Operating costs		(9,070,236)	(7,628,032)
Operating surplus	1	1,052,685	562,652
Interest receivable and similar income	5	56	226
Interest payable and similar charges	6	(61,113)	(71,239)
Surplus on ordinary activities for the year		991,628	491,639

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

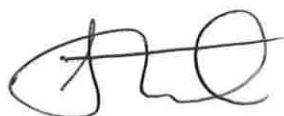
The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Directors and Trustees on 7 September 2021 and signed on its behalf by:



Rick Plews

Steve Crane



**Target Housing Limited
(Limited by Guarantee)**

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £	2020 £
Surplus for the year		991,628	491,639
		<hr/>	<hr/>
Actuarial gains/(losses) in respect of defined benefit pension scheme		(270,000)	259,000
		<hr/>	<hr/>
		721,628	750,639
		<hr/>	<hr/>
Total comprehensive income for the year		721,628	750,639

**Target Housing Limited
(Limited by Guarantee)**

Balance sheet – 31 March 2021

Company Number – 2787689

	Note	2021 £	2020 £
Fixed assets			
Properties at depreciated cost	7	4,378,564	2,694,120
Other fixed assets	8	71,929	99,769
Total fixed assets		<u>4,450,493</u>	<u>2,793,889</u>
Current assets			
Debtors	10	719,517	748,470
Cash at bank and in hand	9	2,773,546	961,909
		<u>3,493,063</u>	<u>1,710,379</u>
Creditors – amounts falling due within one year	11	<u>(803,219)</u>	<u>(640,533)</u>
Net current assets		<u>2,689,844</u>	<u>1,069,846</u>
Total assets less current liabilities		<u>7,140,337</u>	<u>3,863,735</u>
Creditors – amounts falling due after one year	12	<u>(3,949,462)</u>	<u>(1,626,488)</u>
Defined benefit liability	18	<u>(423,000)</u>	<u>(191,000)</u>
Total net assets		<u>2,767,875</u>	<u>2,046,247</u>
Capital and reserves			
Revenue reserve	16	2,753,623	2,025,923
Restricted reserves	16	14,252	20,324
		<u>2,767,875</u>	<u>2,046,247</u>

The financial statements were approved and authorised for issue by the Board of Directors and Trustees on ~~7 September~~ 2021 and were signed on its behalf by:



Rick Plews

Steve Crane



**Target Housing Limited
(Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flow from operating activities	17	1,447,196	614,508
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(1,955,901)	(276,709)
Receipts from sales of tangible fixed assets		56,058	2,654
Interest received		56	226
Net cash flow from investing activities		<u>(1,899,787)</u>	<u>(273,829)</u>
Cash flow from financing activities			
Interest paid		(61,113)	(71,239)
Repayment of long term loans		(224,659)	(59,629)
Cash inflow from new borrowings		2,550,000	300,000
Net cash flow from financing activities		<u>2,264,228</u>	<u>169,132</u>
Net increase in cash and cash equivalents		1,811,637	509,811
Cash and cash equivalents at the beginning of the reporting period		961,909	452,098
Cash and cash equivalents at the end of the reporting period		<u>2,773,546</u>	<u>961,909</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand	9	<u>2,773,546</u>	<u>961,909</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements

For the year ended 31 March 2021

1. Social housing income and expenditure

	2021	2020
	£	£
Gross rents receivable	5,098,627	3,993,760
Supporting People income	805,398	823,974
Revenue grants receivable	216,731	110,056
AASC income	3,600,926	3,108,758
Other income	401,239	154,136
	10,122,921	8,190,684
Social housing operating costs	(9,070,236)	(7,606,052)
Operating surplus	1,052,685	584,632

2. Operating surplus

Operating surplus is stated after charging:

	2021	2020
	£	£
Auditors remuneration		
- as auditors	3,700	3,600
- for non audit services	6,362	7,362
Depreciation	249,257	220,407

3. Board and key management personnel remuneration

The total remuneration for key management personnel comprising the six members of the senior management team amounted to £238,188 (2020 – five members £180,599). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the staff members listed below.

Chief Executive Officer
Deputy Chief Executive Officer
Head of Finance
Head of Social Housing
Head of Development
Head of Operations

No remuneration or out of pocket expenses were paid to the Directors during the period.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

4. Employee information

The average number of persons employed during the year expressed in full time equivalents was:

	2021	2020
	No.	No.
Administration staff	22	14
Housing development staff	96	90
	118	104
Total employee emoluments:	2021	2020
	£	£
Gross salaries	2,483,392	2,003,135
Employers national insurance	198,916	156,387
Pension contributions	125,807	162,418
	2,808,115	2,321,940

The number of employees who earned between £70,000 and £79,999 during the year was 1 (2020 – 1 employee).

5. Interest receivable

	2021	2020
	£	£
Bank deposits	56	226

6. Interest payable

	2021	2020
	£	£
Mortgage interest	61,113	71,239

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

7.	Tangible fixed assets – housing properties (for letting)	Properties £
	Cost	
	As at 1 April 2020	3,386,355
	Additions	1,888,719
	Disposals	-
	As at 31 March 2021	<u>5,275,074</u>
	Depreciation	
	As at 1 April 2020	692,235
	Charge for the year	204,275
	Eliminated on Disposals	-
	As at 31 March 2021	<u>896,510</u>
	Net book value	
	As at 31 March 2021	<u>4,378,564</u>
	As at 31 March 2020	<u>2,694,120</u>

Social housing properties with a net book value of £3,831,133 (2020 - £2,402,546) have been pledged as security for liabilities of the company.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

8. Other tangible fixed assets

	Motor Vehicles	Computer Equipment	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2020	153,323	254,940	38,736	446,999
Additions	-	67,182	-	67,182
Disposals	(147,323)	-	-	(147,323)
As at 31 March 2021	6,000	322,122	38,736	366,858
Depreciation				
As at 1 April 2020	77,940	231,756	37,534	347,230
Charge for the year	22,593	21,962	427	44,982
Eliminated on Disposals	(97,283)	-	-	(97,283)
As at 31 March 2021	3,250	253,718	37,961	294,929
Net book value				
As at 31 March 2021	2,750	68,404	775	71,929
As at 31 March 2020	75,383	23,184	1,202	99,769

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

9.	Cash and cash equivalents	2021	2020
		£	£
	Cash at bank and in hand	<u>2,773,546</u>	<u>961,909</u>
10.	Debtors	2021	2020
	All receivable within one year:	£	£
	Rents receivable	208,108	139,974
	Other trade debtors	421,402	536,851
	Prepayments and accrued income	90,007	71,645
		<u>719,517</u>	<u>748,470</u>

Included within rents receivable is a provision of £204,868 (2020: £228,351) in respect of bad and doubtful debts in relation to social housing rent arrears.

11.	Creditors	2021	2020
	Amounts falling due within one year:	£	£
	Trade creditors	376,597	295,408
	Accruals and deferred income	298,489	217,404
	Bank loans	116,201	116,373
	Other loans	11,932	11,348
		<u>803,219</u>	<u>640,533</u>

12.	Creditors	2021	2020
	Amounts falling due after one year:	£	£
	Accruals and deferred income	1,464	3,419
	Bank loans	1,466,266	1,520,404
	Other loans	2,481,732	102,665
		<u>3,949,462</u>	<u>1,626,488</u>

Included within creditors are the following amounts due after more than 5 years:

	2021	2020
	£	£
After more than five years	<u>3,421,264</u>	<u>1,097,379</u>

Security

The bank loans and other loans are secured by charges over the freehold land and buildings, book debt and by assignment of deposit held at Charity Bank.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

13. Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Operating leases which expire:		
Within one year	216,832	89,533
Within two to five years	618,557	288,106
After five years	30,986	42,000
	866,375	419,639

14. Accommodation in management

Social housing properties owned

- General needs housing

	2021	2020
	51	33

15. Called up share capital

Members of the Registered Provider guarantee to contribute a maximum of £1 should there be a call on their guarantee.

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

16. Reserves note

	B/fwd £	Income £	Expenditure £	Pension £	C/fwd £
Restricted funds					
- SMITF Welcome Fund	1,667	-	-	-	1,667
- BLF Hull EU Revenue	8,517	-	-	-	8,517
- SYCF CSE	70	-	-	-	70
- SYF Sprinklers	-	1,955	(1,955)	-	-
- BLF Capital Match	-	1,489	(1,489)	-	-
- Children in Need	3,998	-	-	-	3,998
- Clothworkers	-	1,000	(1,000)	-	-
- Efficiency North	-	1,000	(1,000)	-	-
- Kiln Match	-	375	(375)	-	-
- SMITF	6,072	214	(6,286)	-	-
- RMBC Adult care	-	45,833	(45,833)	-	-
- Lottery grant training	-	9,325	(9,325)	-	-
- IPC grant	-	8,378	(8,378)	-	-
- Small individual grants	-	5,498	(5,498)	-	-
Unrestricted funds	<u>2,025,923</u>	<u>10,047,910</u>	<u>(9,320,210)</u>	-	<u>2,753,623</u>
	<u>2,046,247</u>	<u>10,122,977</u>	<u>(9,401,349)</u>	-	<u>2,767,875</u>

17. Reconciliation of operating surplus to cash flows from operating activities

	2021 £	2020 £
Surplus for the year	721,628	750,639
Interest payable	61,113	71,239
Interest receivable	(56)	(226)
Depreciation	249,257	220,407
Loss/(Profit) on disposal	(6,018)	2,965
Decrease/(Increase) in debtors	28,953	(271,224)
(Decrease)/Increase in creditors	392,319	(159,292)
	<u>1,447,196</u>	<u>614,508</u>
Net cash flow from operating activities	<u>1,447,196</u>	<u>614,508</u>

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

18. Defined benefit pension scheme

The Registered Provider participates in the Social Housing Pension Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The present value of the defined benefit obligation, fair value of assets and the defined benefit liability as a result is as follows:

	2021	2020
	£000s	£000s
Fair value of scheme asset	1,681	1,385
Present value of defined benefit obligation	2,104	1,576
Defined benefit pension scheme deficit	(423)	(191)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021
	£000s
Obligation at the start of the year	1,576
Service cost	30
Interest expense	38
Actuarial gains and losses	468
Benefits paid	(36)
Other	28
Obligation at the end of the year	2,104

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £000s
Fair value at start of the year	1,385
Interest income	34
Return on plan assets, excluding amounts included in net interest	198
Contribution by scheme participants	100
Deficit contributions	(36)
Fair value at the end of the year	1,681

Reconciliation of deficit funding to defined benefit position

	2021 £000s
Deficit funding liability at 1 April 2020	191
Actuarial movements during the year	270
Current service cost during the year	38
Deficit contributions paid during the year	(76)
Defined benefit liability at 31 March 2021	423

Principle actuarial assumptions

The principle actuarial assumptions used are as follows:

	2021 % per annum	2020 % per annum
Discount rate	2.17	2.38
Inflation (RPI)	3.28	2.63
Inflation (CPI)	2.86	1.63
Salary Growth	3.86	2.63
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**Target Housing Limited
(Limited by Guarantee)**

Notes to the financial statements (continued)

For the year ended 31 March 2021

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

19. Controlling party

The Board considers that there is no overall controlling party.