

BLUE PITS HOUSING ACTION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

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



ICAEW
CHARTERED
ACCOUNTANTS

Wyatt Morris
Golland Ltd

CHARTERED ACCOUNTANTS

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ROCHDALE OL16 1PJ

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BLUE PITS HOUSING ACTION

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Report of the trustees for the year ended 31st October 2023

The trustees present their annual directors' report and financial statements of the charity for the year ended 31st October 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

Objectives and activities

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

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

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

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

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

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

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

The legislative provisions under which the Private Registered Provider is established

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

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

The aims of Blue Pits Housing Action are:

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

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

A review of our achievements and performance

The continuing focus for the organisation over the last year has been on improving quality and reviewing all policies and procedures to ensure continuing compliance with the Care Quality Commission's (CQC) fundamental standards.



This year we have focused on evidencing how our services meet, and procedures incorporate, the quality statements under CQC's new regulatory approach, the Single Assessment Framework.

This work has been and continues to be supported in collaboration with Newbarn Ltd under the direction and support of an experienced new Deputy Service Lead.

Twelve-year Anniversary since incorporation (27.10.2011)

In October 2023, Blue Pits celebrated its 12th anniversary. We marked the occasion by holding a party for tenants at The Landings Wellbeing Hub.

Mental Health Discharge Scheme

BPHA continues to support people whose transfer from hospital to home would otherwise be delayed due to a lack of appropriate support on discharge.

RHS Britain in Bloom - (Rochdale in Bloom)

This year, our community garden at Dunsterville House was nominated for these awards and achieved "It's Your Neighbourhood Level 4 - Thriving", the certificate being presented at the Britain in Bloom North West Awards Ceremony in October 2023.

Tackling Minds Fishing Group

In a joint venture with Tackling Minds, we continue to offer opportunities for several of our tenants to participate in angling and engagement with nature and the local environment.

Landings Wellbeing Hub

We have enjoyed a successful year of activity at the Wellbeing Hub. Our Creative Lead successfully bid for several small grants that have supported our tenants' engagement in a range of social, leisure and learning activities. One such activity was a collaboration with our own service users, those from another provider service and Rochdale Borough Council, to create a colourful, vibrant painted mural under the railway bridge on The Landings, Oldham Road, Rochdale, close to our Wellbeing Hub.

Initiatives and Activities for our tenants and service users.

Our supported housing tenants have enjoyed a wide range of leisure and social events throughout the year including a community celebration of the King's Coronation, visits to museums, zoos and theatres and there will be a group holiday to Tenerife in November 2023.

Initiatives to promote the five ways to wellbeing have included:

- Feel Good Thursdays – walking, exercise and outdoor picnics.
- Hawaiian Summer Party

- Farm visits
- Talent competitions

We have supported some of our tenants to attend College, complete qualifications in Maths and English, gain paid employment and undertake voluntary work.

Staff and Tenant training

We are committed to the continuing professional development of our staff team and three of our colleagues who successfully completed End of Life training at Springhill Hospice were awarded certificates by the Mayor of Rochdale.

Two staff completed Level 3 in Health and Social Care and one staff member was nominated for Apprentice of the Year by Rochdale Training.

Tenants have received training in Cuckooing.

Fundraising Initiatives

Our most successful fundraising initiative has been with the aim of purchasing three defibrillators (AEDs) for our offices and supported living projects. In July 2023 we had raised enough money to buy our first AED which has been mounted on the external wall of our office building on Drake Street.

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

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

However, BPHA now owns two individual single storey properties. The company bought its first property, a two-bed bungalow, in July 2020 and a further two-bed bungalow in June 2023.

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

Our Projects

Dunsterville House

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

Thornbush Way

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

Supported tenancies

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

Our Framework contracts:

- GM Learning Disability and Autism Ethical Purchasing System
- Mental Health Approved Provider List - Rochdale
- Care At Home (Adults) - Flexible Purchasing System – Rochdale
- Provision of Residential and Nursing Care and Accommodation for Older People and People with Mental Health and Physical/Sensory Disabilities.
- Contract for the Provision of Learning Disability and Autism Services

Financial review

The accounts up to October 2023 showed a surplus of £17,484 compared with October 2022 when the accounts showed a surplus of £16,307.

Principal Funding Sources

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

Investment powers and policy

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

Reserves policy and going concern

The balance held in unrestricted reserves at 31st October 2023 was £303,154 of which £148,544 are free reserves after allowing for funds tied up in tangible fixed assets. The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider

that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered.

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

Risk management

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

Safeguarding and wellbeing policy

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

Plans for Future Periods

As a Registered Provider of Social Housing, Blue Pits Housing Action has adopted a lease model for acquiring properties.

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

To support our strategic and business planning we will be looking to engage support from the Cranfield Trust, a provider of pro bono consultancy and management support for UK charities. The Trustees recognise that specialist advice and guidance is necessary to support growth in future years.

Trustees will be looking to adopt the National Housing Federation's Code of Governance and will begin assessing the Charity's activities against this code.

BPHA continues to provide placement opportunities for intermediate and final year social work students for both Uclan and Salford Universities. In addition, during 2023 we were pleased to be able to offer HEE/NHS nursing placements for students looking for careers within learning disability and autism services.

Our focus will continue to be on improving quality and reviewing all policies and procedures to ensure compliance with and adherence to the Care Quality Commission's fundamental standards.

Added Value projects

Community Garden

We are currently without a dedicated role for this project, but support to upkeep garden is supported by the maintenance team.

The Landings Wellbeing Hub

This creative space at Unit 8, The Landings, 157 Oldham Rd, Rochdale has flourished under the support of our Newbarn-appointed Creative Lead. However, as this person left the organisation at the end of August 2023, the post has been advertised.

The space continues to be used to promote the physical health and mental well-being of the beneficiaries and offers functional skills, arts, crafts, relaxation, therapies, staff meetings, donation of space for other groups in exchange for their specialist services.

Structure, governance and management

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

Appointment of trustees

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



At the October 2022 Annual General Meeting, Mr. Philip Traynor was re-elected for a fifth year as Chair.

Trustee induction and training

All Trustees have electronic access to the organisation's policies and procedures and undertake Safeguarding Adults Training where this is not offered elsewhere.

An enhanced DBS is sought for all new Trustees.

All Trustees have access to training delivered by Action Together 'How to be An Effective Trustee' and are invited to sign up to Action Together's annual Training Calendar.

Trustees meet key lead staff for Blue Pits via arranged introductions and are invited to attend celebration events.

Organisation

The board of trustees administers the charity and has ultimate responsibility for setting the strategy of Blue Pits Housing Action and achieving its overall mission.

The board normally meet four times a year and the AGM is held annually in October.

The Process of setting key management personnel salaries involve looking at benchmarking of similar charities/third sector organisations, and also work undertaken, qualifications and experience of key management personnel, in line with income of the charity. The salaries are ratified by the Trustees.

The CEO reports to the Trustees and both the CEO and Deputy Service Lead are responsible for delivering on the charity's strategic aims via operational plans.

Related parties and co-operation with other organisations

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

Reference and administrative information

Charity Name: Blue Pits Housing Action

Charity Number: 1154280

Company Registration Number: 07825886

RSL No: RP4717

Directors and trustees

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

Key management personnel: Trustees and Directors

Peter Ruddy	Treasurer	
Kathleen Ince	Secretary	
Philip Traynor	Chair	(resigned February 2024)
Sarah-Jayne Anderson	Acting Chair	
Christina Ince		(appointed November 2022)

Senior Lead Officers

Dorothy Lynn Collins	Service Lead
Clare Clark	Deputy Service lead
Vicky Chanter	Registered Manager

Registered Office

69 Drake Street
Tochdale
L11 1EF

Independent Examiners

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

**Auditors**

Wyatt Morris Golland Limited

Chartered Accountants

Park House

200 Drake Street

Rochdale

OL16 1PJ

Bankers

Co-operative Bank

1 Balloon Street

Manchester

Barclays Bank plc

Leicester

LE87 2BB

Trustees' responsibilities in relation to the financial statements

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

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

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

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

so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



AUDITORS

The auditors, Wyatt Morris Golland Ltd, will be proposed for reappointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board of trustees on 29th July 2024

A handwritten signature in blue ink, appearing to read "S Anderson".

Sarah-Jayne Anderson
Acting Chair

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

Opinion

We have audited the financial statements of Blue Pits Housing Action (the 'charitable company') for the year ended 31 October 2023 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 October 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion: the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or the charitable company has not kept adequate accounting records; or the financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Performed analytical procedures to identify any unusual or unexpected relationships;

Inspected journal entries to identify unusual transactions;

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

Investigated the rationale behind significant or unusual transactions.

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

Inspecting financial statement disclosures to underlying supporting documentation;

Enquiring of management as to actual and potential litigation and claims; and

Inspecting correspondence with HMRC.

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

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

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

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Watt Morris Golland Ltd

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

16 Park House

10 Drake Street

Cheshire

Warrington

WA1 1PJ

Date: 29th July 2024



STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2023

		Year Ended 31 October 2023	Year Ended 31 October 2022
	Note	£	£
Turnover	1	1,165,219	1,026,093
Operating Costs	1	(1,147,742)	(1,009,788)
Operating Surplus		17,477	16,305
Interest Receivable		7	2
Interest Payable		-	-
Surplus for the year		17,484	16,307
Total comprehensive income for the year		17,484	16,307

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

The notes on pages 20 to 26 form part of these accounts.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 OCTOBER 2023

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	Income and Expenditure Reserve	Restricted Reserve £	Total £
At 1st November 2021	271,350	2,312	273,662
Surplus from Statement of Comprehensive Income	18,601	(2,294)	16,307
At 31st October 2022 and 01 November 2022	289,951	18	289,969
Surplus from Statement of Comprehensive Income	13,203	4,281	17,484
At 31st October 2023	303,154	4,299	307,453

The notes on pages 20 to 26 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2023

Company Registration Number: 07825886

	Note	2023 £	2022 £
Fixed assets:			
Tangible assets - Housing Properties	8	150,334	70,453
Tangible assets - Other Fixed Assets	8	4,276	6,436
Total fixed assets		154,610	76,889
Current assets:			
Trade and Other Debtors	9	66,294	78,717
Cash at Bank & in Hand		117,752	168,671
Total current assets		184,046	247,388
Liabilities:			
Creditors: Amounts falling due within one year	10	31,203	34,308
Net current assets or liabilities		152,843	213,080
Total assets less current liabilities		307,453	289,969
Total net assets		307,453	289,969
Reserves			
Restricted reserves	11	4,299	18
Income and Expenditure		303,154	289,951
Total Reserves		307,453	289,969

The accompanying notes form part of these Financial Statements.

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st October 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2002 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) Ensuring that the charitable company keeps accounting records that comply with Section 386 and 387 of the Companies Act 2006, and
- (b) Preparing the financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as is applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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

The Financial Statements on pages 16 to 26 were approved and authorised for issue by the Board of Directors on 29th July 2024 and are signed on its behalf by:

Sarah-Jayne Anderson
Acting Chair

Peter Ruddy
Treasurer

The notes on pages 20 to 26 form part of these accounts.

Statement of Cash Flows for the year ending 31 October 2023

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	Year Ended 31 October 2023 £	Year Ended 31 October 2022 £
Reconciliation of net movement in funds to net cash flow from operating activities		
Surplus for the year	17,484	16,307
Investment Income	(7)	(2)
Add back depreciation	6,710	5,165
Loss on disposal of other fixed assets	-	296
(Increase) in debtors	12,423	(31,686)
Increase in creditors	(3,105)	11,858
Net cash used in operating activities	33,505	1,938
Cash flows from other activities:		
Interest	7	2
Purchase of other fixed assets	(84,431)	(7,523)
Proceeds of disposal of other fixed assets	-	111
Net cash provided by other activities	(84,424)	(7,410)
Decrease/(Increase) in cash and cash equivalents during the year	(50,919)	(5,472)
Cash and cash equivalents brought forward	168,671	174,143
Cash and cash equivalents carried forward	117,752	168,671

Legal Status

Blue Pits Housing Association is a private company limited by guarantee, registered under the Companies Act 2006, is registered as a charity with the Charity Commission, and is registered as a Social Housing Provider with the Regulator of Social Housing in England. The address of the registered office is given on page 9 of these financial statements. The principal activities of Blue Pits Housing Association are set out of page 1 of the financial statements. Blue Pits Housing Association is a public benefit entity as defined by FRS102.

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

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

The charity constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Turnover

Turnover represents rental and service charges income receivable, net of void losses in the year, and revenue grants receivable from local authorities. The rent and service charges are received through Housing Benefit revenues.

Government grants

Government grants include grants receivable from local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grants conditions will be met and the grants will be received. Government grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once reasonable assurance has been gained that Blue Pits Housing Association will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 4 below.

recoverable VAT

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

Taxation

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

Leases

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

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement at 31st October is recognised in the period in which the employee's services are received.

Notes to the financial statements for the year ended 31st October 2023

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Tangible fixed assets and depreciation**Housing property**

The housing property is for the provision of social housing and is available to rent and, as such it is treated as a social investment. The social investment is treated similar to plant and equipment. It is stated at cost less accumulated depreciation. The housing property is depreciated at the following rate:

Housing Property	2% on cost
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The housing property comprises two properties.

The first property was purchased 21st July 2020 and cost £74,950.

The second property was purchased 17th June 2023 and cost £83,041.

The properties will be repaired before each new tenancy commences and the costs of the repairs will be treated as repair costs.

Other fixed assets

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

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

Impairment

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

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

Significant Judgements and Estimates

In the process of applying the entity's accounting policies, management have not made any judgements that would have a significant effect on the amounts recognised in the financial statements. No estimations have been made that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Pensions

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

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

Debtors

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

Creditors and provisions

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

Notes to the financial statements for the year ended 31st October 2023

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

		Turnover	Operating costs	Operating surplus	Operating surplus
	Note	Year Ended 31 October 2023	Year Ended 31 October 2023	Year Ended 31 October 2023	Year Ended 31 October 2022
		£	£	£	£
Social housing lettings	2	1,141,342	(1,121,513)	19,829	4,484
Other social housing income and expenditure					
Trip Income		5,728	(7,864)	(2,136)	468
Student Placement Fees		2,000	-	2,000	(2,208)
Miscellaneous Income		-	-	-	670
House Clearance Income		-	-	-	640
Mental Health Discharge Income		-	-	-	1,339
Insurance Claim		-	-	-	939
Tenant Care Income		10,233	(5,013)	5,220	6,995
Blue Pits Project		1,861	(13,352)	(11,491)	1,118
Fundraising Income		1,498	-	1,498	-
Donations		2,557	-	2,557	1,860
		<u>1,165,219</u>	<u>(1,147,742)</u>	<u>17,477</u>	<u>16,305</u>

Previous reporting period

	Turnover	Operating costs	Operating surplus
	Year Ended 31 October 2022	Year Ended 31 October 2022	Year Ended 31 October 2022
	£	£	£
Social housing lettings	1,000,662	(996,178)	4,484
Other social housing income and expenditure			
Trip Income	468	-	468
Student Placement Fees	160	(2,368)	(2,208)
Miscellaneous Income	670	-	670
House Clearance Income	640	-	640
Mental Health Discharge Income	1,339	-	1,339
Insurance Claim	939	-	939
Tenant Care Income	8,238	(1,243)	6,995
Blue Pits Project	11,117	(9,999)	1,118
Donations	1,860	-	1,860
	<u>1,026,093</u>	<u>(1,009,788)</u>	<u>16,305</u>

Notes to the financial statements for the year ended 31st October 2023

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

	Total Funds 31 October 2023 £	Total Funds Year Ended 31 October 2022 £
Government housing related grants:		
Housing Benefit	514,467	507,931
Adult Care Grants	616,905	480,447
Other grants:		
Action Together - Creative Therapies	2,314	-
Action Together - Winter Warmer	500	-
Turning Point	1,000	-
Omicron	-	2,161
Groundwork	1,000	-
Soil Association	-	150
RMBC Arts on Bridges Grant	4,323	-
RMBC Planters Grant	833	-
RMBC Workforce Retention Grant	-	9,973
	<u>1,141,342</u>	<u>1,000,662</u>

3. Operating costs

	Year Ended 31 October 2023 £	Year Ended 31 October 2022 £
Services		
Motor Expenses	232	1,538
Loss on Disposal of Vehicle	-	296
Grants Paid	570	-
Property Rents	279,027	265,279
Subscriptions	36	366
Repairs and Maintenance	1,542	669
Quality Assurance	402	117
Delayed Transfer of Care Costs	-	1,135
Software and IT Costs	101	568
Minor Equipment	1,195	620
Telephone	13,005	12,119
Rent	30,430	37,030
Rates and Water	320	1,272
Bank Charges	36	36
Interest Paid	109	-
Cleaning	-	39
Insurance	17,475	209
Governance Costs	23,789	9,876
Post, Printing & Stationery	1,922	619
Depreciation	3,550	3,666
Sundry	-	89
	<u>373,741</u>	<u>335,543</u>
Management		
Employment Costs		
Recruitment	699,288	599,358
Advertising	2,506	1,555
Training	238	-
DBS Fees	4,973	4,879
Staff Well-being	429	218
Travel Expenses	1,088	792
	-	57
	<u>708,522</u>	<u>606,859</u>
Property Maintenance		
Housing Related Costs		
	<u>36,090</u>	<u>52,277</u>
Housing Property Depreciation		
	<u>3,160</u>	<u>1,499</u>
Total operating costs	<u>1,121,513</u>	<u>996,178</u>

Notes to the financial statements for the year ended 31st October 2023

4. Allocation of governance and support costs

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

	General Support	Governance	Total 2023
Accountancy Fees	-	2,320	2,320
Auditors Remuneration	-	6,600	6,600
Board Meeting Expenses	-	160	160
Payroll Bureau Fees	3,346	-	3,346
Professional Fees	11,363	-	11,363
	<u>14,709</u>	<u>9,080</u>	<u>23,789</u>

Previous reporting period

	General Support	Governance	Total 2022
Accountancy Fees	-	2,000	2,000
Auditors remuneration	-	4,200	4,200
Board Meeting Expenses	-	83	83
HR Costs	648	-	648
Payroll Bureau Fees	2,897	-	2,897
Professional Fees	48	-	48
	<u>3,593</u>	<u>6,283</u>	<u>9,876</u>

5. Employees

	Year Ended 31 October 2023	Year Ended 31 October 2022
	£	£
Wages and Salaries	638,540	546,920
Social Security Costs	49,524	42,847
Pension Costs	11,224	9,591
	<u>699,288</u>	<u>599,358</u>

The average number of employees during the year was 32, FTE 21.1 (previous year: 29, FTE 22.8). FTE is calculated based on the total number of hours worked divided by the number of staff.

The key management personnel comprises the trustees, service lead and registered manager. The total employment benefits, including employer pension contributions of the key management personnel were £92,972 (previous year: £90,743). No employee has benefits in excess of £60,000 (previous year: none).

6. Trustees Remuneration and benefits

None of the trustees were paid any remuneration, expenses or benefits in the year ended October 2023 (None - October 2022)

7. Operating surplus

The operating surplus is arrived at after charging:

	Year Ended 31 October 2023	Year Ended 31 October 2022
	£	£
Depreciation of housing properties	3,160	1,499
Property rents	279,027	265,279
Auditors remuneration	6,600	4,200
Independent examination fees	2,320	2,000
Other Accountancy services	<u>240</u>	<u>200</u>

Notes to the financial statements for the year ended 31st October 2023

8. Tangible Fixed Assets

	Equipment	Refurbishment of Leased Property	Computers	Housing Property	Total
	£	£	£		£
Cost					
At 1 November 2022	2,397	19,228	13,701	74,950	110,276
Additions	1,390	-	-	83,041	84,431
At 31 October 2023	3,787	19,228	13,701	157,991	194,707
Depreciation					
At 1 November 2022	1,608	17,428	9,854	4,497	33,387
Charge for Year	810	600	2,140	3,160	6,710
At 31 October 2023	2,418	18,028	11,994	7,657	40,097
NET BOOK VALUE					
At 31 October 2023	1,369	1,200	1,707	150,334	154,610
At 31 October 2022	789	1,800	3,847	70,453	76,889

9. Analysis of debtors

	2023	2022
	£	£
Debtors	53,389	64,179
Prepayments	12,905	14,538
	66,294	78,717

10. Creditors: amounts falling due within one year

	2023	2022
	£	£
Creditors	8,676	1,872
Other creditors and accruals	7,560	19,794
Deferred income	-	-
Taxation and social security costs	14,967	12,642
	31,203	34,308

Notes to the financial statements for the year ended 31st October 2023

11. Restricted Reserves

Analysis of movements in restricted funds

	01 November 2022	Incoming Resources	Resources Expended	Transfers	31 October 2023
	£	£	£	£	£
Soil Association	18	-	(18)	-	-
RMBC Planters Grant	-	833	-	-	833
RMBC Arts on Bridges Grant	-	4,323	(4,323)	-	-
Groundwork	-	1,000	-	-	1,000
Turning Point	-	1,000	(740)	-	260
Action Together - Creative Therapies	-	2,314	(108)	-	2,206
Action Together - Winter Warmer	-	500	(560)	60	-
	18	9,970	(5,749)	60	4,299

Previous reporting period

	01 November 2020	Incoming Resources	Resources Expended	Transfers	31 October 2021
	£	£	£	£	£
Soil Association	-	150	(132)	-	18
RMBC Workforce Grant	2,312	9,973	(12,285)	-	-
	2,312	10,123	(12,417)	-	18

Name of restricted fund:

Soil Association

RMBC Planters Grant

RMBC Arts on Bridges Grant

Groundwork

Turning Point

Action Together - Creative Therapies

Action Together - Winter Warmer

Description, nature and purpose of the fund

for the gardening project at Dunsterville House

to paint a mural on the end wall of a bridge on Oldham Road, Rochdale and to install planters

for creating an artwork mural on a bridge in Oldham Road, Rochdale

for gardening activities and garden furniture at Dunsterville House

for activity sessions, making fairy gardens and cookery, and the costs of a facilitator for sessions

for staff and tenant wellbeing sessions including hand massages, podiatry, facial treatments and hairdressing

for hats and gloves for tenants

12. Financial Instruments

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

13. Lease Commitments

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

Future lease payments within 1 year are calculated as £31,263 (2022: £38,999).

14. Related party transactions

Lynn Collins, senior manager, is a director of Newbarn Limited where some of the properties are leased from. Rental and insurance transactions are at a market value rate. Staff are also seconded out to Blue Pits Housing Association from Newbarn Limited. At 31st October 2023, Newbarn Limited owed Blue Pits Housing Action £5,830.