CHARTFORD HOUSING LIMITED

England & Wales · Charity number 1162562

Details

Status	Registered
Legal form	Charitable company
Company number	08662400
Registered	2015-07-07
Register	View on the Charity Commission register

Contact

Address	Horton Housing Association Chartford House 54 Little Horton Lane Bradford BD5 0BS
Phone	01274370689

Activities

Objects: THE COMPANY'S OBJECTS SHALL BE TO CARRY ON FOR THE BENEFIT OF THE COMMUNITY, THE BUSINESS OF PROVIDING HOUSING, INCLUDING THE PROVISION OF SOCIAL HOUSING, AND ANY ASSOCIATED AMENITIES FOR PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS.

Activities: The provision of housing for those in need

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Accommodation/housing
- **Who:** The General Public/mankind

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Geography

- Bradford City
- Calderdale
- Kirklees
- North Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,389,518	£2,862,980	£7,832,111	0
2024-03-31	£3,059,564	£2,739,298	£6,590,172	0
2023-03-31	£3,518,130	£3,183,805	£5,940,457	0
2022-03-31	£2,624,627	£2,029,164	£5,485,839	0
2021-03-31	£3,694,835	£1,440,754	£4,595,726	0

Trustees

Name	Role	Appointed
Carlene Goodearl		2025-09-24
Catherine Alice Kelly		2021-12-15
Claire Webster		2025-09-24
Danny Nicklen		2024-06-26
Mark Wilby		2024-06-26
Nabeel Alhassan		2024-06-26
Nicholas Warden		2019-09-25
Rosemary Keczkes		2024-06-26
Shruti Vasudev		2024-06-26
Thomas Andrew Donnelly		2023-09-12

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CHARTFORD HOUSING LIMITED

England & Wales - Charity number 1162562

Accounts

Registered company number: 8662400

Registered charity number: 1162562

Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2025

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/Management Board	Nicholas Warden (Chair)	Catherine Kelly (Deputy Chair)	Thomas Donnelly
	Nabeel Alhassan	Danny Nicklen	Mark Wilby
	Shruti Vasudev	Rosemary Keczkes	Susan Missin (to July 2025)
	James Hogarth (to July 2025)		

Senior Management Team:	The executive comprise the senior management team of the sole member, Horton Housing Association.
Registered Office:	Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS
Company Registration no:	8662400
Charity Registration no:	1162562
Registered Provider no:	4821
Solicitors:	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Auditors:	Crowe U.K. LLP 3rd Floor, St George's House 56 Peter Street Manchester M2 3NQ
Bankers:	Barclays Bank plc 10 Market Street Bradford BD1 1NR
Development consortium:	Unity Housing Development Consortium 113-117 Chapeltown Road Leeds LS7 3HY

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2025.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2025 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted the NHF 2020 Code of Governance. It has undertaken an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm compliance as at March 2025. The Management Board's assessment is that it complies with the Code, with two exceptions. These are:

3.3 Board composition - (4) There is a dedicated senior board member (normally a vice-chair or senior independent director) with duties that include appraisal of the chair and assisting the chair to ensure the effectiveness of the board. – Where we have appointed an external consultant to undertake this on the Board's behalf

3.10 Member appraisal - (1) The appraisal of the board's chair is led by a senior board member, informed by the views of all board members. – Where appraisal of the Boards' chair is led by an independent consultant. It is informed by the views of all Board Members

REPORT OF THE DIRECTORS (CONTINUED)

The Management Board comprises all the current directors of the company and must comprise of no less than five and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Nicholas Warden (Chair)
Susan Missin (resigned 17/7/25)
Thomas Donnelly
Shruti Vasudev (appointed 26/6/24)
Mark Wilby (appointed 26/6/24)
John Bell (resigned 14/5/24)
Mark Dowson (resigned 14/5/24)
Catherine Kelly
James Hogarth (resigned 14/7/25)
Rosemary Keczkes (appointed 26/6/24)
Danny Nicklen (appointed 26/6/24)
Nabeel Alhassan (appointed 26/6/24)
Daniel Boardman (resigned 6/9/24)
Alan Goodrum (resigned 14/5/24)

The Board formally met five times during the 2024/25 year, as well as holding an Awayday and a Joint Awayday with the parent company (Horton Housing Association) Board members, to consider strategic matters. The Awaydays were face to face meetings. All other meetings were hybrid with a mixture of attendees in person and via video link.

All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 234 operational units of supported accommodation in West and North Yorkshire, with 1 further unfinished unit undergoing refurbishment. During the year the company purchased 17 further units for refurbishment. With one unfinished unit carried forward at 31 March 2025, 17 additional units were let as supported accommodation by 31 March 2025 bringing the total to 251 owned and in management.

The company also leased 324 units of supported accommodation as at the 31 March 2025, an increase of 57 during the year, following a programme of acquisition of leased properties by the parent company, Horton Housing Association, which have subsequently been leased to the company to act as landlord for the properties.

The rents from all the properties are guaranteed under management agreements with managing agents. The rent received for owned properties amounted to £1,299k in the year to 31 March 2025 (2024: £1,288k). The fees earned in respect of the lease arrangements with Chartford acting as landlord amounted to £251k (2024: £236k)

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2018.

The overall surplus for the year amounted to £527k (2024: £320k) and reserves of £7,832k are carried forward at 31 March 2025. The value of residential property held by the company as at 31 March 2025 was £21.1 million (2024: £18.6 million).

REPORT OF THE DIRECTORS (CONTINUED)

FUTURE DEVELOPMENTS

The company continues to work with Unity Housing (as members of the Unity Housing Development Consortium) and Horton Housing Association to identify new opportunities to develop new supported housing schemes. The company is also registered with Homes England in its own right as a Development Partner. Current and future developments are being progressed via these routes.

The company is continuing its development programme, although at 31 March 2025 had only one remaining property under development. No further developments have been approved, or obtained funding from Homes England, although a number of proposals are being pursued. The company continues to actively seek further opportunities to develop during 2025/26 and beyond under the Continuous Market Engagement part of the Homes England Affordable Homes Programme and hopes to deliver further additional accommodation through other government initiatives.

The company carefully assesses each development opportunity prior to commitment.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The company aims to steadily build up its reserves and as at 31 March 2025 the company's unrestricted general reserve stood at £5,924k and the revaluation reserve at £1,908k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

There is an over-arching Group Organisational Risk Register (ORR) which applies to all the group entities and which identifies key risks and the controls required to manage those risks. New risks can

REPORT OF THE DIRECTORS (CONTINUED)

be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate Risk Register for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the Business Plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited were considered to be those of: compliance with contractual and regulatory requirements (including Health & Safety and Energy improvement obligations); the changing and challenging economic environment; the recruitment, retention and capacity of staff; the good governance of the organisation given the retirement of a number of longstanding members and replacement with new members; and changing Government Policy and priorities. These have been reviewed and updated by the Board for 2025/26. In some areas the risks are believed to have lessened, such that the economic environment appears more stable; recruitment and retention of staff has improved; and new members have been added to the Board. However, the Board has added to its principal risks: the viability of new capital projects; failure to comply with Homes England's requirements when undertaking new developments or acquisitions; and insufficient investment in planned maintenance of its stock. Other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit & Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a two-year cycle of reviews to consider every risk on the ORR and Chartford Housing Limited's Risk Register and assess the effectiveness and adequacy of the controls to limit those risks. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on key areas such as:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification
- Tenant satisfaction with repairs and other services
- Complaints, anti-social behaviour, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The company's Value for Money (VFM) Strategy sets out that the Board's role is to have:

- An assessment of its assets and resources
- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular reports and reviews in relation to current arrangements for delivering the company's activities

- Confidence that its skills and reporting systems are sufficient to be able to challenge executives

An updated VFM Strategy was approved by the Board in June 2024 which has simplified monitoring and reporting processes within it. During 2024/25 we reintroduced the formal monitoring and reporting of VFM to Board, which is now being undertaken at 6-monthly intervals.

Value for Money measurements and reporting

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the Acuity SPBM (Small Providers Benchmarking) Outcomes for 2024 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 31.2% (2024: 26.4%) SPBM benchmark 2024: 15.52%**

The company continues to report healthy operating margins. However, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and impairment charges. In the current year the company has benefitted from a significant write back of impairment previously recognised, which is distorting this figure dramatically.

***Operating margin (social housing lettings) 31.2% (2024: 26.4%) SPBM benchmark 2024: 18.52%**

This figure is the same as Operating margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 93.1 % (2024: 143.4%) SPBM benchmark 2024: 200%**

This figure shows interest cover, although adjusted downwards for any capitalised major repairs costs. It is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated after including major repairs, compared to interest payable. The overall level is reflective of being a relatively new and strongly developing association, taking on a debt burden, and so is lower than most other small associations. It has dropped below 100% for the first time this year – reflecting the fact that the company has incurred a significant amount of capitalised major repairs primarily due to its programme to improve energy efficiency, but also through some component replacement as its older properties

are starting to get to an age when component replacement is necessary. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social)**	**17**	**(2024: 16)**	**SPBM benchmark 2024: 0**
Units developed as a % of owned (social)	**3.0%**	**(2024: 3.2%)**	**SPBM benchmark 2024: 0**
***New supply (non-social)**	**We have no non-social housing so this metric does not apply to us.**		

As a relatively small provider these statistics are disproportionately affected by small differences in the number of completions in each year. The company continues to develop at a sustainable pace. Most small providers in the SPBM benchmarking group are not developing at all, rendering sector comparators fairly meaningless.

***Gearing**	**61.7%**	**(2024: 64.5%)**	**SPBM benchmark 2024: 17.30%**

As a provider that was set up primarily to develop new property, the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting the company's development plans. Gearing has dropped in the year, due to a significant proportion of the properties having been revalued upwards during the year.

Cumulative Homes England Social Housing Grant ("SHG") invested £10,252,298 (2024: £9,062,298)

This reflects the amount of development activity that has occurred since the company started developing. It has been increasing significantly as the company has been actively developing utilising a number of SHG funding streams.

Outcomes delivered

Customer satisfaction	**95.0%**	**(2024: 95.0%)**	**SPBM benchmark 2024: 83.2%**

Our survey to monitor this data is now only carried out bi-annually (as required by the Regulator) and thus the 2025 figure is unchanged from 2024. We alternate this formally defined survey with our own survey of all our clients in intermediate years and this measures different metrics.

The figures relate to the tenants of properties where Chartford Housing is the landlord. The properties are owned or leased by the company for use by people that Horton Housing Association or Horton Housing Support Limited are working with. It was carried out towards the end of the 2023 calendar year and there were 120 respondents. Only tenants were surveyed. The methodology and questions asked were amended to reflect the newly introduced Tenant Satisfaction Measures.

***Reinvestment**	**12.1%**	**(2024: 5.2%)**	**SPBM benchmark 2024: 2.70%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, the company is actively developing and also investing in its properties through component replacement. Reinvestment spend was abnormally low in 2023/24.

Lettable days available from owned property **86,438 (2024: 77,260)**

REPORT OF THE DIRECTORS (CONTINUED)

Actual number of days let as a % of lettable days 92.6% (2024: 96.0%)

These two internal measures show the effects of the company's activity on the supply and availability of social housing and ensures that the company's housing that it is delivering is in demand. These demonstrate that the company is meeting its Business Plan objectives and delivering them effectively and efficiently. The slight deterioration in the days let reflects some extended void periods as void repairs have been undertaken prior to reassigning property, plus some delays in initial lettings of the new properties that have been taken into the portfolio during the year.

Effective Asset Management

***Return on capital employed 5.1% (2024: 4.3%) SPBM benchmark 2024: 2.53%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. This year has also been significantly affected positively by the write back of previous impairments as properties have been revalued upwards

Operating efficiencies

***Headline social housing cost per unit £2,978 (2024: £2,871) SPBM benchmark 2024: £6,447**

Underlying cost per unit has historically been relatively low, mainly because all the developments and refurbishments are new since operations began and there has therefore been relatively little maintenance cost. In the current year we have continued to invest in energy efficiency improvements which has increased costs as expected, even though we have received some grant funding to partly offset this. The management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Thus the metric remains relatively low.

Management fees paid per unit of stock (owned and leased) £409 pa (2024: £449 pa)

Whilst the underlying total fee has increased by 4.4%, the number of stock owned and leased by the company increased significantly during the year (particularly with a number of new leased properties being taken on in the last month of the year to fulfil the requirements of the new Homeless contract from CBMDC to Chartford's sister company, Horton Housing Support Limited). Thus the cost per unit has fallen significantly.

Total cost of delivery of each lettable day £24.59 (2024: £25.50)

These two internal measures demonstrate firstly the economies of scale benefits as the company increases its stock, and secondly that it's overall cost of delivery of every lettable day is being controlled. The company is able to take advantage of being a part of the Horton Housing Group. There has been a small decrease in cost of delivery as the level of expenditure on energy efficiency improvements has been compensated by the increase in lettable days.

The company benefits from the resources of the Group as shown in the low costs noted above, and in particular, it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.

REPORT OF THE DIRECTORS (CONTINUED)

- An annually fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.

- Management agreements with managing agents that are members of the Group that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.

- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

VFM Improvement Plans

Every year targets are set within the company's Business Plan and also as specific actions within the VFM Strategy and its attached Action Plan. We seek to identify and improve in areas that we think can be improved. Particular targets in the most recently revised VFM Action Plan include:

- Completing the current programme of acquisition and refurbishment of properties;
- Assessing and developing plans for assets that are currently underutilised or awaiting decisions;
- Assess arrangements around the new Homeless contract which Horton Housing Support was awarded, to identify opportunities for better VFM going forward re procurement and sourcing of support services;
- Creating a costed plan to work towards achieving Net Zero by 2050;
- Some specific actions in respect of assessing VFM of specific activities and the procurement of certain services;
- Review and refresh the internal recording of efficiency gains in the VFM Register.

Evidence of Efficiency Gains in 2024/25

VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We continued to increase the fuel efficiency of our new developments, through use of enhanced insulation, LED lighting, and solar panels.

- We successfully bid for grant support from the Social Housing Decarbonisation Fund Wave 3, which will start in 2025/26. During 2024/25 we received grant support from Wave 2 to improve the energy efficiency rating of our properties through improved insulation, solar panels and other measures. This grant support has amounted to some £86k in the year, on total spend of £321k, and improved the energy efficiency of some 21 properties. This work, and related grant funding, will continue in 2025/26.

- We have outsourced our main ICT systems and servers, which are now mostly hosted by third parties. This has improved operational efficiency, reliability and security whilst also making ongoing cost savings.

REPORT OF THE DIRECTORS (CONTINUED)

- We are renewing our phone and internet services at many of our sites, with increased use of internet services and consequently decreased operating costs. This programme of renewal will continue to be rolled out over the coming years.

- We have re-provided our printers and photocopiers across the company, leading to improved operational stability and more security. (Was implemented in late 2023/24 – savings shown in this year).

- We have renewed our mobile phone provision, which has led to significant cost savings. (Was implemented in late 2023/24 – savings shown in this year).

- We sourced additional support for our Asset Management team to deliver refurbishment work and energy improvement work from our partner organisation, Unity Housing. This led to more flexibility in support available, and cost savings compared with external recruitment.

- We appointed two recruitment agencies as preferred suppliers, with preferential rates. This has led to cost savings and improved service for both temporary and permanent staff recruitment.

- We replaced our recruitment system in the year. This did not lead to any financial savings, but improved service delivery.

- We reviewed and restructured several of our front-line delivery teams in the year, leading to some financial savings and improved efficiencies in working practice.

- We have recruited both apprentices and volunteers to support delivery in a cost-effective manner, whilst supporting such individuals to gain valuable work experience and/or training

- We retendered most of our electric supplies (over 100 sites) in October 2024 following the expiry of a long-term fixed rate contract. This led to a nearly 50% increase in those costs, but was a saving on the current open market rates at that time. We also retendered nine other electric and gas contracts for renewal in October 2024, following the short-term renewal in October 2023 for just 12 months. This led to an approximate 20% saving in cost on those contracts.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. An updated 2024/25 management self-assessment was completed in early 2025. This identified some minor controls that had slipped during the 2024/25 year due to internal staff resource issues, but a short action plan was agreed with the Board and all core controls were assessed as satisfactorily in place and retrospectively addressed by the date of this report. Board is therefore satisfied that it meets all the requirements of the Standard at the date of this report.

In 2025/26 it is planned that compliance will be reviewed by the internal Quality Assurance Team.

REPORT OF THE DIRECTORS (CONTINUED)

COMPLIANCE WITH OTHER RSH STANDARDS

The company also completes a full review of its compliance with RSH Standards every year using the same process as for the Governance and Financial Viability Standard.

The Board is satisfied that it continues to meet all the requirements of the other RSH Standards at the date of this report.

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

REPORT OF THE DIRECTORS (CONTINUED)

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

The Report of the Directors was approved on 2 September 2025 and signed on its behalf by:

Nick Warden

Nick Warden (Sep 19, 2025 14:06:39 GMT+1)

Nicholas Warden
Chair

Independent Auditor's Report to the Members of Chartford Housing Limited

Opinion

We have audited the financial statements of Chartford Housing Limited (the "charitable company") for the year ended 31 March 2025 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Board's report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Board's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Board

As explained more fully in the Board's responsibilities statement set out on page 11, the Board (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 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 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 Board 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Housing Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to the charity for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social housing, health and safety, taxation and employment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Vicky Szulist

Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Manchester

19 September 2025

Chartford Housing Limited

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2025

	Note	2025 £	2024 £
Turnover	3	3,389,518	3,059,564
Operating expenditure		(2,332,232)	(2,251,144)
Operating surplus	5	**1,057,286**	**808,420**
Interest and financing costs	6	(530,748)	(488,154)
Surplus for the year	13	**526,538**	**320,266**
Unrealised gain on housing properties at revaluation	13	715,401	317,974
Total comprehensive income for the year		**1,241,939**	**638,240**

The notes on pages **21 to 32** form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2025

	Note	2025 £	2024 £
Tangible fixed assets			
Housing properties	8	21,067,718	18,566,446
		21,067,718	18,566,446
Current assets			
Debtors	9	1,754,223	1,245,065
Cash and cash equivalents		229,837	124,986
		1,984,060	1,370,051
Creditors: amounts falling due within one year	10	(2,219,667)	(1,346,325)
Net current (liabilities)/assets		(235,607)	23,726
Total assets less current liabilities		20,832,111	18,590,172
Creditors: amounts falling due after more than one year	11	(13,000,000)	(12,000,000)
Total net assets		**7,832,111**	**6,590,172**
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	5,923,654	5,378,338
Revaluation reserve	13	1,908,457	1,211,834
Total reserves		**7,832,111**	**6,590,172**

The notes on pages **21 to 32** form part of these financial statements.

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

The financial statements were approved by the Board of Directors and authorised for issue on 2 September 2025 and are signed on its behalf by:

Nick Warden
Nick Warden (Sep 19, 2025 14:06:39 GMT+1)

Nicholas Warden
Director

Catherine Kelly
Director

Chartford Housing Limited

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2025

	Share capital	Unrestricted fund	Total
	£	£	£
Balance at 31 March 2023	-	**5,951,932**	**5,951,932**
Year ended 31 March 2024			
Surplus from statement of comprehensive income		638,240	638,240
Balance at 31 March 2024	-	**6,590,172**	**6,590,172**
Year ended 31 March 2025			
Surplus from statement of comprehensive income		1,241,939	1,241,939
Balance at 31 March 2025	-	**7,832,111**	**7,832,111**

The notes on pages **21 to 32** form part of these financial statements.

Chartford Housing Limited

STATEMENT OF CASH FLOWS
for the year ended 31 March 2025

	Note	2025 £	2024 £
Net cash inflow from operating activities	16	2,187,098	1,247,201
Cash flow from investing activities			
Purchase and construction of housing fixed assets	8	(2,551,499)	(973,678)
Cash flow from financing activities			
New loans		1,000,000	300,000
Interest paid	6	(530,748)	(488,154)
		469,252	(188,154)
Net change in cash and cash equivalents in the period		104,851	85,369
Cash and cash equivalents at the beginning of the period		**124,986**	**39,617**
Cash and cash equivalents at the end of the period		**229,837**	**124,986**

MOVEMENTS IN NET DEBT

	1 April 2024 £	Cashflows £	31 March 2025 £
Loans due after more than one year	12,000,000	1,000,000	13,000,000
Cash	(124,986)	(104,851)	(229,837)
Net Debt	11,875,014	895,149	12,770,163

The notes on pages **21 to 32** form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider, a registered Charity and registered under the Companies Act 2006.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 ("Housing SORP"), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 section 1A Small Entities) and comply with the Accounting Direction for Social Housing in England - 2022. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated). The financial statements are presented in sterling.

Going concern
The financial statements have been prepared on a going concern basis. The Company has significant reserves and a satisfactory level of future income. The Company is financed by a loan from its parent entity, Horton Housing Association, and there is sufficient further headroom in this loan facility, and no requirement for security to be provided, such that financing is effectively immediately available for drawdown from the parent should it be needed.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

2 ACCOUNTING POLICIES (continued)

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties

Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Land	Not Depreciated
Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating radiators	30 years
Roof	40 years
Structure	40 years

Revaluation

Valuations are carried out by an independent valuer on completion of developments and at regular intervals thereafter. Properties are valued on the basis of existing use value in accordance with the RICS Appraisal and Valuation Manual.

If the valuation is less than the carrying value of the property, an impairment charge will result. The impairment is charged to operating surplus for the year, unless it is reversing a previous upward revaluation of the property. In that case the impairment will be charged to revaluation reserve (to the extent of previous upward revaluations) with any balance being charged to operating surplus.

Upward valuations are credited to revaluation reserve, unless they are reversing a previously recognised impairment when any reversal of the prior impairment is credited to operating surplus.

All valuation movements are only reflected in the land and structure elements of the relevant property.

2 ACCOUNTING POLICIES (continued)

Impairment
All housing properties will be reviewed for impairment by the Board at each year end, to consider 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England and are utilised to fund an element of the capital costs of housing properties.

SHG is recognised using the performance model under the Housing SORP 2018 and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Government grants released on sale of a property may be repayable (to the extent that they are not subject to abatement) but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)
Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

2 ACCOUNTING POLICIES (continued)

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions
Creditors and provisions are recognised where the company 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.

Key Judgements and Estimates
The company's key accounting judgements and estimates relate to the valuation of the property portfolio and the depreciation rates applied to tangible fixed assets as explained earlier in the note.

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2025			2024		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,389,518	2,332,232	1,057,286	3,059,564	2,251,144	808,420

	Supported Housing £	Total 2025 £	Total 2024 £
Income			
Rent receivable	1,298,829	1,298,829	1,287,815
Management charges	251,274	251,274	236,453
Government Grants taken to income	1,839,090	1,839,090	1,533,955
Other income	325	325	1,341
Turnover from social housing lettings	3,389,518	3,389,518	3,059,564
Operating expenditure			
Management costs	1,229,192	1,229,192	1,135,218
Planned maintenance & efficiency works	337,412	337,412	303,035
Depreciation of housing properties & other fixed assets	624,456	624,456	604,593
Derecognition of components	59,470	59,470	-
Write back of prior impairment	(340,461)	(340,461)	(212,714)
Impairment of housing properties	422,163	422,163	421,012
Operating expenditure on social housing lettings	2,332,232	2,332,232	2,251,144
Operating surplus on social housing lettings	1,057,286	1,057,286	808,420
Void losses	21,460	21,460	24,140

4 ACCOMMODATION

	2025 No.	2024 No.
Managed by Agents (supported housing accommodation):	251	234

The supported housing accommodation also includes 4 flats (2024: 4) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 304 (2024: 247) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2024: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There was 1 unit (2024: 1) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2025 No.	2024 No.
Supported housing accommodation:		
Self-contained flats	147	147
Houses	90	73
Traveller Pitches	14	14
	251	234

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2025 £	2024 £
Depreciation / impairment of housing properties	1,046,619	1,025,605
Derecognition of components	59,470	-
Write back of prior impairment	(340,461)	(212,714)
Auditor's remuneration for audit services	8,321	7,928

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £	2024 £
Interest on group loans	530,748	488,154

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration, or key management personnel remuneration is included within these financial statements.

All staff resources utilised by the company are employed by the parent company, Horton Housing Association (HHA), and the costs of these staff are included in the charges from HHA as disclosed in Note 20 to these accounts.

8 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting	Housing properties under construction	Total
	£	£	£
Cost / Valuation			
At 1 April 2024	20,448,530	134,761	20,583,291
Additions	189,570	2,361,929	2,551,499
Properties completed	2,363,047	(2,363,047)	-
Derecognition of components	(74,877)	-	(74,877)
Impairment	(422,163)	-	(422,163)
Write back of prior impairment	340,461	-	340,461
Revaluation	481,962	-	481,962
At 31 March 2025	**23,326,530**	**133,643**	**23,460,173**
Depreciation			
At 1 April 2024	2,016,845	-	2,016,845
Charged in year	624,456	-	624,456
Released on derecognition	(15,407)	-	(15,407)
Revaluation	(233,439)	-	(233,439)
At 31 March 2025	**2,392,455**	**-**	**2,392,455**
Depreciated cost			
At 31 March 2025	**20,934,075**	**133,643**	**21,067,718**
At 31 March 2024	**18,431,685**	**134,761**	**18,566,446**

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2025 and the latest valuations on those properties carried out in September 2022, November 2023 and January 2025. Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £22,395,194 (2024 - £22,302,025).

9 DEBTORS

	2025	2024
	£	£
Government grants receivable	229,345	248,459
Other debtors	-	683
Prepayments and accrued income	24,270	3,900
Amounts due from Group companies	1,500,608	992,023
	1,754,223	1,245,065

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	345,259	165,200
Accruals and deferred income	142,198	95,787
Amounts due to Group companies	1,732,210	1,085,338
	2,219,667	1,346,325

Included above is deferred income of £0 relating to government grants (2024: £0)

	£
Balance at 31 March 2024	-
Amount received in the year	1,190,000
Amount released to income in the year	(1,190,000)
Balance at 31 March 2025	-

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Debt (note 12)	13,000,000	12,000,000

12 DEBT ANALYSIS

	2025 £	2024 £
Due within one year	-	-
Due after more than one year	13,000,000	12,000,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	13,000,000	12,000,000
After five years	-	-
	13,000,000	12,000,000

The inter-company loan is from the parent company, Horton Housing Association. The loan is repayable on 30 June 2027. £10m of the loan is charged at a fixed interest rate of 3.54% per annum, with amounts in excess of £10m at an interest rate of BoE base rate plus a margin of 2.2%, subject to a minimum of 2.3%. The loan is unsecured.

13 RESERVES

	2025 £
General Reserve	
Opening funds at 1 April 2024	5,378,338
Surplus for the financial year	526,538
Transfer from Revaluation Reserve	18,778
Closing funds at 31 March 2025	**5,923,654**
Revaluation Reserve	
Opening balance at 1 April 2024	1,211,834
Revaluation	715,401
Transfer to Revaluation Reserve	(18,778)
Closing balance at 31 March 2025	**1,908,457**

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

14 FINANCIAL INSTRUMENTS

	2025	2024
	£	£
Carrying amount of financial assets measured at amortised cost	1,754,133	1,241,165
Carrying amount of financial liabilities measured at amortised cost	15,219,667	13,346,325

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2025	2024
	£	£
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	-

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Cash flow from operating activities		
Operating surplus	1,057,286	808,420
Depreciation and impairment of housing fixed assets	1,046,619	1,025,605
Write back of prior impairment	(340,461)	(212,714)
Derecognition of components	59,470	-
(Increase) in debtors	(509,158)	(641,794)
Increase in creditors	873,342	267,684
Net cash inflow from operating activities	2,187,098	1,247,201

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2025 (2024: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £606 (2024 - £118) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA) and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing also receives revenue grant funding for housing support services, which it contracts HHA to deliver on its behalf. HHA receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2025 £	2024 £
Fees charged to HHA		
- For acting as landlord for properties	20,080	18,216
- For use of flats as offices	33,318	31,054
Fees charged to HHS		
- For acting as landlord for properties	159,870	138,278
- For use of properties as offices	45,050	42,500
Total related party fee income	258,318	230,048
Fees from HHA for management and housing support services	762,380	506,539
Fees from HHA for support services	235,000	225,000
Interest charged on loan received from HHA	530,748	488,154
Fees from HHS for management services	76,460	89,049
Total related party charges	1,604,588	1,308,742

20 RELATED PARTIES (continued)

As at 31 March 2025, the following balances were due from/(to) the other Group companies:

	2025 £	2024 £
Trading Accounts:		
Horton Housing Association	(1,732,210)	(1,085,338)
Horton Housing Support Ltd	1,500,608	992,023
Loans from Horton Housing Association	(13,000,000)	(12,000,000)

CHARTFORD HOUSING LIMITED

England & Wales - Charity number 1162562

Accounts

Registered company number: 8662400
Registered charity number: 1162562
Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2024

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/Management Board	Nicholas Warden (Chair) Catherine Kelly Susan Missin James Hogarth Thomas Donnelly Nabeel Alhassan Shruti Vasudev Rosemary Keczkes Mark Wilby Danny Nicklen
Senior Management Team:	The executive comprise the senior management team of the sole member, Horton Housing Association.
Registered Office:	Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS
Company Registration no:	8662400
Charity Registration no:	1162562
Registered Provider no:	4821
Solicitors:	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Auditors:	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT
Bankers:	Barclays Bank plc 10 Market Street Bradford BD1 1NR
Development consortium:	Unity Housing Development Consortium 113-117 Chapeltown Road Leeds LS7 3HY
Development partner:	Greenoak Development Consultancy High Austby House Ilkley LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2024.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2024 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted the NHF 2020 Code of Governance. It has undertaken an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm compliance as at March 2024. The Management Board's assessment is that it complies with the Code, with two exceptions. These are:

3.3 Board composition - (4) There is a dedicated senior board member (normally a vice-chair or senior independent director) with duties that include appraisal of the chair and assisting the chair to ensure the effectiveness of the board. – Where we have appointed an external consultant to undertake this on the Board's behalf

3.10 Member appraisal - (1) The appraisal of the board's chair is led by a senior board member, informed by the views of all board members. – Where appraisal of the Boards' chair is led by an independent consultant. It is informed by the views of all Board Members

REPORT OF THE DIRECTORS (CONTINUED)

The Management Board comprises all the current directors of the company and must comprise of no less than five and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Nicholas Warden (Chair)
Susan Missin
James Hogarth
Shruti Vasudev (appointed 26/6/24)
Mark Wilby (appointed 26/6/24)
Nabeel Alhassan (appointed 26/6/24)
Mark Dowson (resigned 12/5/24)
Alan Goodrum (resigned 12/5/24)
Phillip Charlton (resigned 30/1/24)
Catherine Kelly
Daniel Boardman (resigned 6/9/24)
Thomas Donnelly (appointed 12/9/23)
Rosemary Keczkes (appointed 26/6/24)
Danny Nicklen (appointed 26/6/24)
Mark Bell (resigned 9/5/23)
John Bell (resigned 12/5/24)
Laura Varley (resigned 31/1/24)
Jamie Bradley (resigned 25/1/24)

The Board formally met five times during the 2023/24 year, as well as holding an Awayday to consider strategic matters. The Awayday was a face to face meeting. All other meetings were hybrid with a mixture of attendees in person and via video link.

All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 218 operational units of supported accommodation in West and North Yorkshire, with 11 further unfinished units under development or refurbishment. During the year the company purchased 6 further units for refurbishment. With one unfinished unit carried forward at 31 March 2024, 16 additional units were let as supported accommodation by 31 March 2024 bringing the total to 234 owned and in management.

The company also leased 267 units of supported accommodation as at the 31 March 2024, an increase of 10 during the year, following a programme of acquisition of properties by the parent company, Horton Housing Association, which have subsequently been leased to the company to act as landlord for the properties.

The rents from all the properties are guaranteed under management agreements with managing agents. The rent received for owned properties amounted to £1,288k in the year to 31 March 2024 (2023: £968k). The fees earned in respect of the lease arrangements with Chartford acting as landlord amounted to £236k (2023: £225k)

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2018.

The overall surplus for the year amounted to £320k (2023: £342k) and reserves of £6,590k are carried forward at 31 March 2024. The value of residential property held by the company as at 31 March 2024 was £18.6 million (2023: £18.1 million).

REPORT OF THE DIRECTORS (CONTINUED)

Within the year the accounting treatment of land and buildings was revised and restated in accordance with the Financial Reporting Standard (FRS102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 ("Housing SORP"). The total net impact on the reserves at 31 March 2023 is an increase of £11,475. This relates to land that had been incorrectly depreciated, for further details see note 21 to the Accounts.

FUTURE DEVELOPMENTS

The company continues to work with Unity Housing (as members of the Unity Housing Development Consortium) and Horton Housing Association to identify new opportunities to develop new supported housing schemes. The company is also registered with Homes England in its own right as a Development Partner. Current and future developments are being progressed via these routes.

The company is continuing its development programme and at 31 March 2024 had one property under development, as well as agreed funding for the acquisition and refurbishment of a further 17 properties under the Single Homeless Accommodation Programme. The company is actively seeking further opportunities to develop during 2024/25 under the Continuous Market Engagement part of the Homes England Affordable Homes Programme and hopes to deliver further additional accommodation through other government initiatives.

Whilst costs of developments have increased markedly in recent years, this appears to have moderated more recently. The company carefully assesses each development opportunity prior to commitment. However the company plans to continue developing.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The company aims to steadily build up its reserves and as at 31 March 2024 the company's unrestricted general reserve stood at £5,378k and the revaluation reserve at £1,212k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and

REPORT OF THE DIRECTORS (CONTINUED)

operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

There is an over-arching Group Organisational Risk Register (ORR) which applies to all the group entities and which identifies key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate Risk Register for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the Business Plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of: compliance with contractual and regulatory requirements (including Health & Safety and Energy improvement obligations); the changing and challenging economic environment; the recruitment, retention and capacity of staff; the good governance of the organisation given the retirement of a number of longstanding members and replacement with new members; and changing Government Policy and priorities. Other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit & Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a two-year cycle of reviews to consider every risk on the ORR and Chartford Housing Limited's Risk Register and assess the effectiveness and adequacy of the controls to limit those risks. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on key areas such as:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification
- Tenant satisfaction with repairs and other services
- Complaints, anti-social behaviour, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The company's Value for Money (VFM) Strategy sets out that the Board's role is to have:

- An assessment of its assets and resources
- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM

REPORT OF THE DIRECTORS (CONTINUED)

- Regular reports and reviews in relation to current arrangements for delivering the company's activities
- Confidence that its skills and reporting systems are sufficient to be able to challenge executives

The company had adopted a Value for Money Strategy in June 2022. Whilst the Strategy itself was sufficient, the approach that was included in it for measuring and monitoring VFM was found to duplicate other reporting, to be overly complex and not easily understood. In 2023, the Board requested that the Strategy be reviewed again, with particular focus on these areas.

A revised VFM Strategy was approved by the Board in June 2024 which has simplified monitoring and reporting processes within it. During 2024/25 we will be reintroducing the monitoring and reporting of VFM to Board, which will commence in the second half of 2024/25.

Value for Money measurements and reporting

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the Acuity SPBM (Small Providers Benchmarking) Outcomes for 2023 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 26.4% (2023: 21.9%) SPBM benchmark 2023: 13.22%**

The company continues to report healthy operating margins. However, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects, so it does vary significantly between years.

***Operating margin (social housing lettings) 26.4% (2023: 21.9%) SPBM benchmark 2023: 13.50%**

This figure is the same as Operating margin (overall) as all of the company's income is from social housing lettings.

REPORT OF THE DIRECTORS (CONTINUED)

***EBITDA MRI** **143.4 % (2023: 192.1%)** **SPBM benchmark 2023: 177%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and strongly developing association, taking on a debt burden. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social)** **16** **(2023: 32)** **SPBM benchmark 2023: 0**

Units developed as a % of owned (social) **3.2%** **(2023: 6.7%)** **SPBM benchmark 2023: 0**

***New supply (non-social)** **We have no non-social housing so this metric does not apply to us.**

As a relatively small provider these statistics are disproportionately affected by small differences in the number of completions in each year. The company continues to develop at a sustainable pace. Most small providers in the SPBM benchmarking group are not developing at all, rendering sector comparators fairly meaningless.

***Gearing** **64.5%** **(2023: 64.9%)** **SPBM benchmark 2023: 14.19%**

As a provider that was set up primarily to develop new property, the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting the company's development plans.

Cumulative Homes England SHG invested **£9,062,298** **(2023: £8,347,598)**

This reflects the amount of development activity that has occurred since the company started developing. It has been increasing significantly as the company has been actively developing utilising a number of SHG funding streams.

Outcomes delivered

Customer satisfaction **95.0%** **(2023: 97.0%)** **SPBM benchmark 2023: 89.0%**

These figures relate to the tenants of properties where Chartford Housing is the landlord. The properties are owned or leased by the company for use by people that Horton Housing Association or Horton Housing Support Limited are working with. Our satisfaction survey is carried out towards the end of each calendar year and there were 120 respondents this year (2023: 169) and only tenants were surveyed. The methodology and questions asked this year were extended and amended to reflect the newly introduced Tenant Satisfaction Measures. However the overall level of satisfaction measure is comparable to prior year's data where the question asked in a survey to all tenants and people supported by Horton was about satisfaction with the performance "as a landlord".

REPORT OF THE DIRECTORS (CONTINUED)

***Reinvestment** **5.2% (2023: 17.0%)** **SPBM benchmark 2023: 3.80%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, the company is actively developing, although actual spend in 2023/24 has been much lower than prior years, with slightly less activity than prior years.

Lettable days available from owned property **77,260 (2023: 70,754)**

Actual number of days let as a % of lettable days **96.0% (2023: 95.2%)**

These two internal measures show the effects of the company's activity on the supply and availability of social housing, and also ensures that the company's housing that it is delivering is in demand. These demonstrate that the company is meeting its Business Plan objectives, and delivering them effectively and efficiently.

Effective Asset Management

***Return on capital employed** **4.3%** **(2023: 4.4%)** **SPBM benchmark 2023: 2.00%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year.

Operating efficiencies

***Headline social housing cost per unit** **£2,871** **(2023: £1,757)** **SPBM benchmark 2023: £5,495**

Underlying cost per unit has historically been relatively low, mainly because all the developments and refurbishments are new since operations began and there has therefore been relatively little maintenance cost. In the current year we have been investing in energy efficiency improvements which has significantly increased costs as expected, even though we have received some grant funding to partly offset this. The management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Thus the metric still remains relatively low.

Management fees paid per unit of stock (owned and leased) **£449 pa (2023: £274 pa)**

This fee has increased significantly following a re-evaluation of the 2023 charge between Horton Housing Association and Chartford Housing Limited, and a subsequent 73% increase in 2024.

Total cost of delivery of each lettable day **£25.50 (2023: £19.66)**

These two internal measures demonstrate firstly the economies of scale benefits as the company increases its stock, and secondly that it's overall cost of delivery of every lettable day is being controlled. The company is able to take advantage of being a part of the Horton Housing Group. The cost of delivery has increased significantly in the year due to the reassessment of management fees from within the Group, the inclusion of management charges on the new Traveller Site near York, and a significant spend on energy improvement works in the year, but are still relatively low.

REPORT OF THE DIRECTORS (CONTINUED)

The company benefits from the resources of the Group as shown in the low costs noted above, and in particular, it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.

- An annually fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.

- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

VFM Improvement Plans

Every year targets are set within the company's Business Plan and also as specific actions within the VFM Strategy and its attached Action Plan. We seek to identify and improve in areas that we think can be improved. Particular targets in the most recently revised VFM Action Plan include:

- Continuing our programme of acquisition and refurbishment of properties;
- Assessing and developing plans for assets that are currently underutilised or awaiting decisions;
- Developing the use and reporting of Tenant Satisfaction Measures;
- Developing detailed plans for bringing all our properties up to EPC C minimum by 2030 and to achieve Zero Carbon by 2050;
- Some specific actions in respect of assessing VFM of certain activities and the procurement of certain services.

Evidence of Efficiency Gains in 2023/24

VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We continue to increase the fuel efficiency of our new developments, through use of enhanced insulation, LED lighting, solar panels and considering the use of heat pumps where appropriate.

- We successfully bid for grant support from the Social Housing Decarbonisation Fund Wave 1 and Wave 2, as well as the West Yorkshire Mayor's fund, to improve the energy efficiency rating of our properties through improved insulation, solar panels and other measures. This grant support has amounted to in excess of £250k in the year and improved the energy efficiency of some 27 properties. This work, and related grant funding, will continue in 2024/25.

REPORT OF THE DIRECTORS (CONTINUED)

- We have outsourced our main ICT systems and servers, which are now mostly hosted by third parties. This has improved operational efficiency, reliability and security whilst also making ongoing cost savings.

- We are renewing our phone and internet services at many of our sites, with increased use of internet services and consequently decreased operating costs. This programme of renewal will continue to be rolled out over the coming years.

- We have re-provided our printers and photocopiers across the company, leading to improved operational stability and more security.

- We have renewed our mobile phone provision, which has led to significant cost savings.

- We have sourced additional support for our Asset Management team to deliver refurbishment work and energy improvement work from our partner organisation, Unity Housing. This has led to more flexibility in support available, and cost savings compared with external recruitment.

- We retendered 9 electric and gas contracts for renewal in October 2023. This led to an approximate doubling of cost compared with the current contract which had been in place since before the Ukraine war. However this was a considerable saving on open market variable rates at the time.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. An updated 2023/24 management self-assessment was completed in early 2024. This identified some controls that had slipped during the 2023/24 year due to internal staff resource issues, but an action plan was agreed with the Board and all core controls were assessed as satisfactorily in place and retrospectively addressed by the date of this report. Board is therefore satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company also completes a full review of its compliance with RSH Standards every year using the same process as for the Governance and Financial Viability Standard.

The Board is satisfied that it continues to meet all the requirements of the other RSH Standards at the date of this report, other than some aspects of the VFM Standard as noted earlier in this report.

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

REPORT OF THE DIRECTORS (CONTINUED)

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 13 September 2024 and signed on its behalf by:

N. Warden

Nicholas Warden
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited (the "charitable company") for the year ended 31 March 2024 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of the incoming resources and application of resources 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 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 group 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Board are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Board's report, which includes the report of the directors prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors included within the Board's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors included within the Board's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Board

As explained more fully in the Board's responsibilities statement set out on pages 10 - 11, the Board (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 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 are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

concern and using the going concern basis of accounting unless the Board 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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Vicky Szulist

Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Manchester

16th September 2024

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2024

	Note	2024 £	2023 £ Restated
Turnover	3	3,059,564	3,518,130
Operating expenditure		(2,251,144)	(2,786,785)
Operating surplus	5	808,420	731,345
Interest and financing costs	6	(488,154)	(388,829)
Surplus for the year	13	320,266	342,516
Revaluation surplus	13	317,974	96,632
Total comprehensive income for the year		638,240	439,148

The notes on pages 20 to 32 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

STATEMENT OF FINANCIAL POSITION
at 31 March 2024

	Note	2024	2023
		£	£ Restated
Tangible fixed assets			
Housing properties	8	18,566,446	18,087,685
		18,566,446	18,087,685
Current assets			
Debtors	9	1,245,065	603,271
Cash and cash equivalents		124,986	39,617
		1,370,051	642,888
Creditors: amounts falling due within one year	10	(1,346,325)	(1,078,641)
Net current assets/(liabilities)		23,726	(435,753)
Total assets less current liabilities		18,590,172	17,651,932
Creditors: amounts falling due after more than one year	11	(12,000,000)	(11,700,000)
Total net assets		6,590,172	5,951,932
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	5,378,338	5,037,163
Revaluation reserve	13	1,211,834	914,769
Total reserves		6,590,172	5,951,932

The notes on pages 20 to 32 form part of these financial statements.

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

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

Nicholas Warden
Director

James Hogarth
Director

Chartford Housing Limited

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2024

	Note	Share capital £	Unrestricted fund £	Total £
			Restated	Restated
Balance at 31 March 2022		-	5,512,784	5,512,784
Year ended 31 March 2023				
Surplus from statement of comprehensive income		-	439,148	439,148
Balance at 31 March 2023		-	5,951,932	5,951,932
Year ended 31 March 2024				
Surplus from statement of comprehensive income		-	638,240	638,240
Balance at 31 March 2024		-	6,590,172	6,590,172

The notes on pages 20 to 32 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash inflow from operating activities	16	1,247,201	2,304,224
Cash flow from investing activities			
Purchase and construction of housing fixed assets	8	(973,678)	(3,082,158)
Cash flow from financing activities			
New Loans		300,000	1,000,000
Loan Repayments		-	-
Interest paid	6	(488,154)	(388,829)
		(188,154)	611,171
Net change in cash and cash equivalents in the period		85,369	(166,763)
Cash and cash equivalents at the beginning of the period		39,617	206,380
Cash and cash equivalents at the end of the period		124,986	39,617

MOVEMENTS IN NET DEBT

	1 April 2023 £	Cashflows £	31 March 2024 £
Loans due after more than one year	11,700,000	300,000	12,000,000
Cash	(39,617)	(85,369)	(124,986)
Net Debt	11,660,383	214,631	11,875,014

The notes on pages 20 to 32 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider, a registered Charity and registered under the Companies Act 2006.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 ("Housing SORP"), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 section 1A Small Entities) and comply with the Accounting Direction for Social Housing in England - 2022. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated). The financial statements are presented in sterling.

Going concern
The financial statements have been prepared on a going concern basis. The Company has significant reserves and a satisfactory level of future income. The Company is financed by a loan from its parent entity, Horton Housing Association, and there is sufficient further headroom in this loan facility, and no requirement for security to be provided, such that financing is effectively immediately available for drawdown from the parent should it be needed.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

2 ACCOUNTING POLICIES (continued)

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties

Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Land	Not Depreciated
Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating radiators	30 years
Roof	40 years
Structure	40 years

Revaluation

Valuations are carried out by an independent valuer on completion of developments and at regular intervals thereafter. Properties are valued on the basis of existing use value in accordance with the RICS Appraisal and Valuation Manual.

If the valuation is less than the carrying value of the property, an impairment charge will result. The impairment is charged to operating surplus for the year, unless it is reversing a previous upward revaluation of the property. In that case the impairment will be charged to revaluation reserve (to the extent of previous upward revaluations) with any balance being charged to operating surplus.

Upward valuations are credited to revaluation reserve, unless they are reversing a previously recognised impairment when any reversal of the prior impairment is credited to operating surplus.

All valuation movements are only reflected in the land and structure elements of the relevant property.

2 ACCOUNTING POLICIES (continued)

Impairment
All housing properties will be reviewed for impairment by the Board at each year end, to consider 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Government grants released on sale of a property may be repayable (to the extent that they are not subject to abatement) but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)
Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

2 ACCOUNTING POLICIES (continued)

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions
Creditors and provisions are recognised where the company 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.

Key Judgements and Estimates
The company's key accounting judgements and estimates relate to the valuation of the property portfolio and the depreciation rates applied to tangible fixed assets as explained earlier in the note.

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2024			2023		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £ Restated	Operating surplus £ Restated
Social housing lettings and management charges	3,059,564	2,251,144	808,420	3,518,130	2,786,785	731,345

	Supported Housing £	Total 2024 £	Total 2023 £ Restated
Rent receivable net of identifiable service charges	1,287,815	1,287,815	967,585
Management charges	236,453	236,453	224,814
Government Grants taken to income	1,533,955	1,533,955	2,289,481
Other Income	1,341	1,341	36,250
Turnover from social housing lettings	3,059,564	3,059,564	3,518,130
Expenditure on social housing lettings			
Management costs	1,135,218	1,135,218	834,526
Planned maintenance and energy efficiency works	303,035	303,035	-
Depreciation of housing properties & other assets	604,593	604,593	516,573
Write back of prior impairment	(212,714)	(212,714)	-
Impairment of housing properties	421,012	421,012	1,435,686
Operating expenditure on social housing lettings	2,251,144	2,251,144	2,786,785
Operating surplus on social housing lettings	808,420	808,420	731,345
Void losses	24,140	24,140	1,400

4 ACCOMMODATION

	2024 No.	2023 No.
Managed by Agents (supported housing accommodation):	234	218

The supported housing accommodation also includes 4 flats (2023: 4) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 247 (2023: 237) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2023: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There was 1 unit (2023: 11) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2024 No.	2023 No.
Supported housing accommodation:		
Self-contained flats	147	147
Houses	73	57
Traveller Pitches	14	14
	234	218

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2024 £	2023 £ Restated
Depreciation / impairment of housing properties	1,025,605	1,952,259
Write back of prior impairment	(212,714)	-
Auditors' remuneration for audit services	7,928	7,550

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £	2023 £
Interest on group loans	488,154	388,829

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

All staff resources utilised by the company are employed by the parent company, Horton Housing Association (HHA), and the costs of these staff are included in the charges from HHA as disclosed in Note 20 to these accounts.

8 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost/Valuation			
At 1 April 2023	17,905,551	1,222,885	19,128,436
Prior Year Adjustment	466,343	-	466,343
At 1 April 2023 Restated	18,371,894	1,222,885	19,594,779
Additions	39,728	933,950	973,678
Transfers	2,022,074	(2,022,074)	-
Impairment	(421,012)	-	(421,012)
Write back of prior impairment	212,714	-	212,714
Revaluation	223,132	-	223,132
At 31 March 2024	20,448,530	134,761	20,583,291
Depreciation			
At 1 April 2023	1,052,226	-	1,052,226
Prior Year Adjustment	454,868		454,868
At 1 April 2023 Restated	1,507,094	-	1,507,094
Charged in year	604,593	-	604,593
Revaluation	(94,842)		(94,842)
At 31 March 2024	2,016,845	-	2,016,845
Depreciated cost			
At 31 March 2024	18,431,685	134,761	18,566,446
At 31 March 2023	16,864,800	1,222,885	18,087,685

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2024 and the latest valuations on those properties carried out in September 2021, September 2022 and November 2023. Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties. The historic cost of properties held for letting is £22,302,025 (2023 - £20,240,521).

9 DEBTORS

	2024 £	2023 £
Government grants receivable	248,459	127,103
Other debtors	683	449
Prepayments and accrued income	3,900	-
Amounts due from Group companies	992,023	475,719
	1,245,065	603,271

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	165,200	92,232
Accruals and deferred income	95,787	401,225
Amounts due to Group companies	1,085,338	585,184
	1,346,325	1,078,641

Included above is deferred income of £0 relating to government grants (2023: £323,000)

	£
Balance at 31 March 2023	323,000
Amount received in the year	527,000
Amount released to income in the year	(850,000)
Balance at 31 March 2024	0

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £	2023 £
Debt (note 14)	12,000,000	11,700,000

12 DEBT ANALYSIS

	2024 £	2023 £
Due within one year	-	-
Due after more than one year	12,000,000	11,700,000

Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	12,000,000	11,700,000
After five years	-	-
	12,000,000	11,700,000

The inter-company loan is from the parent company, Horton Housing Association. The loan is repayable on 30 June 2027. £10m of the loan is charged at a fixed interest rate of 3.54% per annum, with amounts in excess of £10m at an interest rate of BoE base rate plus a margin of 2.2%, subject to a minimum of 2.3%. The loan is unsecured.

13 RESERVES

General Reserve	2023 £
Opening funds at 1 April 2023	5,027,413
Prior Year Adjustment	9,750
At 1 April 2023 Restated	5,037,163
Surplus for the financial year	320,266
Transfer from Revaluation Reserve	20,909
Closing funds at 31 March 2024	5,378,338

Revaluation Reserve	
Opening balance at 1 April 2023	913,044
Prior Year Adjustment	1,725
At 1 April 2023 Restated	914,769
Revaluation	317,974
Transfer to General Reserve	(20,909)
Closing balance at 31 March 2024	1,211,834

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve.

14 FINANCIAL INSTRUMENTS

	2024 £	2023 £
Carrying amount of financial assets measured at amortised cost	1,241,165	602,822
Carrying amount of financial liabilities measured at amortised cost	13,346,325	12,455,641

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2024 £	2023 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	145,807

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2024 £	2023 £ Restated
Cash flow from operating activities		
Operating surplus	808,420	731,345
Depreciation and impairment of housing fixed assets	1,025,605	1,952,259
Write back of prior impairment	(212,714)	-
Decrease/(increase) in debtors	(641,794)	(22,820)
Increase/(decrease) in creditors	267,684	(356,560)
Net cash inflow from operating activities	1,247.201	2,304,224

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2024 (2023: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £118 (2023 - £54) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA),

and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing also receives revenue grant funding for housing support services, which it contracts HHA to deliver on its behalf. HHA receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2024 £	2023 £
Fees charged to HHA		
- For acting as landlord for properties	18,216	49,652
- For use of flats as offices	31,054	14,819
Fees charged to HHS		
- For acting as landlord for properties	138,278	131,682
- For use of properties as offices	42,500	28,660
Total related party fee income	230,048	224,813
Fees from HHA for management and housing support services	506,539	411,581
Fees from HHA for support services	225,000	130,000
Interest charged on loan received from HHA	488,154	388,828
Fees from HHS for management services	89,049	83,584
Total related party charges	1,308,742	1,013,993

As at 31 March 2024, the following balances were due from/(to) the other Group companies:

	2024 £	2023 £
Trading Accounts:		
Horton Housing Association	(1,085,338)	(585,184)
Horton Housing Support Ltd	992,023	475,719
Loans from Horton Housing Association	(12,000,000)	(11,700,000)

21 PRIOR PERIOD ADJUSTMENT

In 2023/24 Chartford Housing Limited revised the accounting treatment of land and buildings and commenced accounting for land and properties in accordance with FRS102 and the Housing SORP. The prior year comparatives and opening balances have been restated.

Land and buildings held by Chartford Housing Limited had from acquisition been componentised over their respective estimated life in accordance with the Accounting Policy. However land was included in structure and hence was depreciated.

FRS102 (17.4 – 17.8) states that land and buildings should be recognised as separate assets even if they are acquired together. FRS102 (17.16) states that land has an unlimited useful life and therefore is not usually depreciated

All properties have now been restated from their acquisition which has affected the depreciation charge, impairments and revaluations in prior periods. Properties were first acquired in Chartford Housing Limited in 2015/16.

The effects of these amendments on the primary financial statements of Chartford Housing Limited are:

Statement of Financial Position

	Balance sheet Reported in March 2023	Restatement at March 2023	Restated Balance Sheet at March 2023
	£	£	£
Housing Properties	18,076,210	11,475	18,087,685
Current Assets	642,888		642,888
Creditors falling due within one year	(1,078,641)		(1,078,641)
Creditors falling due after more than one year	(11,700,000)		(11,700,000)
Net Assets	5,940,457	11,475	5,951,932
Revenue reserves	5,027,413	9,750	5,037,163
Revaluation reserves	913,044	1,725	914,769
Total Reserves	5,940,457	11,475	5,951,932

Housing properties are now stated in line with FRS102 and the Housing SORP. This has resulted in a net effect on valuation and depreciation of £11,475.

The cumulative impact of stating land without depreciation is an increase in the revaluation reserve of £1,750.

The cumulative impact of restating the land without depreciation is an increase in revenue reserves of £9,750.

Statement of Comprehensive Income and Note 3 to the Accounts

	Reported 2023	Restatement 2023	Total 2023
	£	£	£
Turnover From Social Housing	3,518,130		3,518,130
Expenditure on social housing lettings			
Management costs	834,526		834,526
Planned maintenance and energy efficiency works	-		-
Depreciation of housing properties & other assets	520,207	(3,634)	516,573
Write back of prior impairment	-		-
Impairment of housing properties	1,440,243	(4,557)	1,435,686
Operating expenditure on social housing lettings	2,794,976	(8,191)	2,786,785
Operating surplus on social housing lettings	723,154	8,191	731,345
Interest and financing costs	(388,829)		(388,829)
Surplus for year	334,325	8,191	342,516
Revaluation surplus	120,293	(23,661)	96,632
Total comprehensive income for year	454,618	(15,470)	439,148

Depreciation is now accounted for excluding land. As impairment is deemed to take place 31st March and an asset coming into use will attract depreciation up to 31st March, the impairment charge is also affected by this change.

CHARTFORD HOUSING LIMITED

England & Wales - Charity number 1162562

Accounts

Registered company number: 8662400
Registered charity number: 1162562
Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2023

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/Management Board	Mark Dowson (Chair)	Phillip Charlton	John Bell
	Nicholas Warden	Catherine Kelly	Alan Goodrum
	Sue Missin	Laura Varley	Danny Boardman
	James Hogarth	Jamie Bradley	

Senior Management Team:	The executive comprise the senior management team of the sole member, Horton Housing Association.
Registered Office:	Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS
Company Registration no:	8662400
Charity Registration no:	1162562
Registered Provider no:	4821
Solicitors:	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Auditors:	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT
Bankers:	Barclays Bank plc 10 Market Street Bradford BD1 1NR
Development consortium:	Unity Housing Development Consortium 113-117 Chapeltown Road Leeds LS7 3HY
Development partner:	Greenoak Development Consultancy High Austby House Ilkley LS29 0BJ

REPORT OF THE DIRECTORS

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

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2023 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board adopted the NHF 2020 Code of Governance with effect from 1 April 2022, and worked through a short workplan in the 2022/23 year to achieve full compliance by March 2023. It has undertaken an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm compliance as at March 2023. The Management Board's assessment is that it complies with the Code, with two exceptions. These are:

3.3 Board composition - (4) There is a dedicated senior board member (normally a vice-chair or senior independent director) with duties that include appraisal of the chair and assisting the chair to ensure the effectiveness of the board. – Where we have appointed an external consultant to undertake this on the Board's behalf

REPORT OF THE DIRECTORS (CONTINUED)

3.10 Member appraisal - (1) The appraisal of the board's chair is led by a senior board member, informed by the views of all board members. – Where appraisal of the Boards' chair is led by an independent consultant. It is informed by the views of all Board Members

The Management Board comprises all the current directors of the company and must comprise of no less than five and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	Phillip Charlton	John Bell	Alan Goodrum
Nicholas Warden	Catherine Kelly	Sue Missin	Mark Bell (resigned 9/5/23)
Clive Greenwood (resigned 13/9/22)		Kim Smart (resigned 12/9/22)	
Zuzka Downing (resigned 9/9/22)		Laura Varley (appointed 28/9/22)	
Danny Boardman (appointed 14/12/22)		James Hogarth (appointed 15/3/23)	
Jamie Bradley (appointed 15/3/23)			

The Board formally met five times during the 2022/23 year, as well as holding an Awayday to consider strategic matters, and one other meeting called at short notice for consideration of an urgent item. The Awayday was a face to face meeting. All other meetings were hybrid with a mixture of attendees in person and via video link.

All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 186 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 282 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 33 further units for refurbishment. Together with 24 unfinished units carried forward from the prior year, but 11 unfinished units carried forward at 31 March 2023, 32 new units were ready to let as supported accommodation by 31 March 2023. 14 of the units are new Traveller Site pitches which came into management during the year. The company leased or managed 257 units of supported accommodation as at the 31 March 2023, a reduction of 25 during the year following the return of some leased properties to landlords.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2018.

The rent received for owned properties and properties on short-term lease agreements amounted to £1,192k in the year to 31 March 2023 (2022: £1,075k).

The overall surplus for the year amounted to £334k (2022: £595k) and reserves of £5,940k are carried forward at 31 March 2023. The value of residential property held by the company as at 31 March 2023 was £18.1 million (2022: £16.8 million).

REPORT OF THE DIRECTORS (CONTINUED)

FUTURE DEVELOPMENTS

The company continues to work with Unity Housing (as the two members of the Unity Housing Development Consortium) and Horton Housing Association to identify new opportunities to develop new supported housing schemes. The company is also registered with Homes England in its own right as a Development Partner, and current and future developments are being progressed via these routes.

The company is continuing its development programme and at 31 March 2023 had a pipeline of a further 11 properties under development at 31 March 2023. The company is actively seeking further opportunities to develop during 2023/24 under the Continuous Market Engagement part of the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Single Homeless Accommodation Programme.

COVID19, BREXIT withdrawal and other factors such as the general increase in costs, has slowed the progress of some developments and has increased the price and affected the availability of some building materials. The company is therefore carefully assessing each development opportunity prior to commitment. However the company continues to plan to continue developing.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The company aims to steadily build up its reserves and as at 31 March 2023 the company's unrestricted general reserve stood at £5,027k and the revaluation reserve at £913k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

REPORT OF THE DIRECTORS (CONTINUED)

There is an over-arching Group Operational Risk Register (ORR) which applies to all the group entities and which identifies key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the Business Plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations, of changing Government Policy and priorities, the current changing economic environment and the ability to meet the requirements of the "Net Zero Carbon" agenda, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit & Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on key areas such as:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification
- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The company reviewed and adopted its revised Value for Money (VFM) Strategy following a detailed review by its internal auditors of the company's compliance with the Regulator's VFM Standard (2018). This identified a number of areas for improvement. In particular, it recommended changes to the structure of the Value for Money Strategy, and its links to the Business Plan objectives. It also recommended improvements in how we define and measure success in our performance. The revised Strategy was agreed and formally adopted by the Board in June 2022, with reporting against the initial measures commencing for Board. Following a review of these at the Board Awaydays in January 2023, the Management Team has been tasked with reviewing the approach to monitoring and measuring VFM to simplify it and remove duplication with other reporting. Work will continue on improving our measuring and monitoring, in 2023/24.

The company's Value for Money Strategy sets out that the Board's role is to have:

- An assessment of its assets and resources
- A robust approach to decision making
- A good overview of VFM across the whole business

REPORT OF THE DIRECTORS (CONTINUED)

- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular reports and reviews in relation to current arrangements for delivering the company's activities
- Confidence that its skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

Value for Money measurements and reporting

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2022 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 21.9% (2022: 34.5%) SPBM benchmark 2022: 16.5%**

The company continues to report healthy operating margins. However, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects, so it does vary significantly between years.

***Operating margin (social housing lettings) 21.9% (2022: 34.5%) SPBM benchmark 2022: 17.0%**

This figure is the same as Operating margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 192.1% (2022: 196.5%) SPBM benchmark 2022: 248.0%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and strongly developing association, taking on a debt burden. Most small providers in the SPBM benchmark group are not developing to the same extent.

REPORT OF THE DIRECTORS (CONTINUED)

Development

***New supply (social)**	**32**	**(2022: 40)**	**SPBM benchmark 2022: 0**
Units developed as a % of owned (social)	**6.7%**	**(2022: 8.5%)**	**SPBM benchmark 2022: 0**

***New supply (non-social)** **We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. The company continues to develop at a sustainable pace. Most small providers in the SPBM benchmarking group are not developing at all, rendering sector comparators fairly meaningless.

***Gearing**	**64.9%**	**(2022: 61.8%)**	**SPBM benchmark 2022: 16.53%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting the company's development plans.

Cumulative Homes England SHG invested **£8,347,598 (2022: £6,527,098)**

This reflects the amount of development activity that has occurred since the company started developing. It has been increasing significantly as the company has been actively developing utilising a number of SHG funding streams.

Outcomes delivered

Customer satisfaction	**97.0%**	**(2022: 89.3%)**	**SPBM benchmark 2022: 90.0%**

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by the company for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with the company. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 169 respondents this year (2022: 186). The level of satisfaction has shown a significant recovery in 2022 following a year of poorer figures during the COVID pandemic, where we suspect a good element of the reduction was due to the effects of COVID restrictions on our ability to interact with clients and be promptly undertaking non-urgent repairs.

***Reinvestment**	**17.0%**	**(2022: 20.8%)**	**SPBM benchmark 2022: 2.8%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, the company is actively developing.

Lettable days available from owned property **70,754 (2022: 62,326)**

Actual number of days let as a % of lettable days **95.2% (2022: 94.0%)**

These two internal measures show the effects of the company's activity on the supply and availability of social housing, and also ensures that the company's housing that it is delivering is in

REPORT OF THE DIRECTORS (CONTINUED)

demand. These demonstrate that the company is meeting its Business Plan objectives, and delivering them effectively and efficiently.

Effective Asset Management

***Return on capital employed 4.4% (2022: 5.5%) SPBM benchmark 2022: 2.41%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year.

Operating efficiencies

***Headline social housing cost per unit £1,757 (2022: £2,026) SPBM benchmark 2022: £4,774**

Underlying cost per unit is relatively low and this is mainly because all the developments and refurbishments are new since operations began and there has therefore been relatively little maintenance cost. In the prior year the company absorbed a significant amount of abortive development costs, but such costs have been insignificant in the current year. The company has started to bear some planned maintenance costs. The management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Thus the metric has decreased from prior year levels, but not down to the levels of earlier years.

Over time we expect our social housing costs per unit to increase as more planned maintenance as well as improvements to EPC ratings of our properties are undertaken.

Management fees paid per unit of stock (owned and leased) £274 pa (2022: £277 pa)

Total cost of delivery of each lettable day £19.66 (2022: £20.62)

These two internal measures demonstrate firstly the economies of scale benefits as the company increases its stock, and secondly that its overall cost of delivery of every lettable day is being controlled. The company is able to take advantage of being a part of the Horton Housing Group. The company benefits from the resources of the Group as shown in the low costs noted above, and in particular, it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annually fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

REPORT OF THE DIRECTORS (CONTINUED)

VFM Improvement Plans

Every year targets are set within the company's Business Plan and also as specific actions within the VFM Strategy. We seek to identify and improve in areas that we think can be improved. Most of the targets and actions are related to reviewing and amending the measures which we introduced in 2022/23, and the way these are reported to Board. This is as well as some specific actions in respect of assessing VFM of certain activities and the procurement of certain services.

Evidence of Efficiency Gains in 2022/23

VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We continue to increase the fuel efficiency of our new developments, through use of enhanced insulation, LED lighting, solar panels and considering the use of heat pumps where appropriate.

- We have successfully bid for grant support from the Social Housing Decarbonisation Fund Wave 1 to improve the energy efficiency rating of 10 of our properties through improved insulation. This grant support has amounted to in excess of £90k.

- We have followed this up with a successful bid for further funding for similar improvements to a further 30 properties under Wave 2, as well as a successful bid to the West Yorkshire Mayors Fund for funding for a wider range of energy efficiency improvements to, we estimate, between 15 and 20 of our properties. These works are still being scoped out at the time of writing.

- We started operating our "Owt for Nowt" Shop for our clients and tenants in the centre of Bradford. This provides free items of clothing and furniture that the Horton Group obtains from donations, refurbishment and other sources. It is staffed by volunteers, and we do not pay rent and is now used extensively by clients and tenants.

- We introduced the use of Post Office cards for support staff depositing cash into our bank accounts. This has made significant time savings for staff due to the locality of these venues for staff to use and the avoidance of lengthy and extensive queues in banks.

- We are renewing our phone and internet services at many of our sites, with increased use of internet services and consequently decreased operating costs. This programme of renewal will continue to be rolled out over the coming years.

- We have reviewed the software solution used by support staff (Aspire) to remove some areas that were causing frustration and misunderstandings and taken advantage of a number of technical improvements as well. This has made its use more efficient and effective.

- We have an ongoing programme of ICT improvements which has made our internal systems more reliable, secure and robust and improved operational efficiency.

REPORT OF THE DIRECTORS (CONTINUED)

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2022/23 management self-assessment was completed in early 2023. This identified some controls that had slipped during the 2022/23 year due to internal staff resource issues, but an action plan was agreed with the Board and all core controls were assessed as satisfactorily in place and retrospectively addressed by the date of this report. Board is therefore satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company also completes a full review of its compliance with RSH Standards every year using the same process as for the Governance and Financial Viability Standard.

The Board is satisfied that it continues to meet all the requirements of the other RSH Standards at the date of this report.

It should be highlighted however, that, following the Board Awayday's consideration of this area in early 2023 the management team has been tasked with re-addressing the measuring and monitoring of VFM to simplify and remove duplication with other areas of reporting. This work continues in 2023/24.

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

REPORT OF THE DIRECTORS (CONTINUED)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st

March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 5 September 2023 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited (the "charitable company") for the year ended 31 March 2023 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the incoming resources and application of resources 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 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 group 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' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Board are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Board's report, which includes the report of the directors prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors included within the Board's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors included within the Board's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Board

As explained more fully in the Board's responsibilities statement set out on pages 10 - 11, the Board (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 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 are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

concern and using the going concern basis of accounting unless the Board 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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, health and safety, taxation and employment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Vicky Szulist

Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Manchester

19th September 2023

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	3	3,518,130	2,624,627
Operating expenditure		(2,794,976)	(1,720,281)
Operating surplus	5	723,154	904,346
Loss on disposal of fixed assets	6	-	(17,612)
Interest and financing costs	7	(388,829)	(291,271)
Surplus for the year	15	334,325	595,463
Revaluation surplus	15	120,293	294,650
Total comprehensive income for the year		454,618	890,113

The notes on pages 20 to 30 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

STATEMENT OF FINANCIAL POSITION
at 31 March 2023

	Note	2023	2022
		£	£
Tangible fixed assets			
Housing properties	9	18,076,210	16,834,209
		18,076,210	16,834,209
Current assets			
Debtors	10	603,271	580,451
Cash and cash equivalents		39,617	206,380
		642,888	786,831
Creditors: amounts falling due within one year	11	(1,078,641)	(1,435,201)
Net current (liabilities)/ assets		(435,753)	(648,370)
Total assets less current liabilities		17,640,457	16,185,839
Creditors: amounts falling due after more than one year	12	(11,700,000)	(10,700,000)
Total net assets		5,940,457	5,485,839
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	15	5,027,413	4,639,123
Revaluation reserve	15	913,044	846,716
Total reserves		5,940,457	5,485,839

The notes on pages 20 to 30 form part of these financial statements.

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

The financial statements were approved by the Board of Directors and authorised for issue on 5 September 2023 and are signed on its behalf by:

Mark Dowson
Director

Nicholas Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2023

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 31 March 2021		-	4,595,726	4,595,726
Year ended 31 March 2022				
Surplus from statement of comprehensive income		-	890,113	890,113
Balance at 31 March 2022		-	5,485,839	5,485,839
Year ended 31 March 2023				
Surplus from statement of comprehensive income		-	454,618	454,618
Balance at 31 March 2023		-	5,940,457	5,940,457

The notes on pages 20 to 30 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash inflow from operating activities	18	2,304,224	3,397,971
Cash flow from investing activities			
Purchase and construction of housing fixed assets	9	(3,082,158)	(3,508,461)
Sale of housing fixed assets		-	166,699
Recycled grant		-	(25,000)
		(3,082,158)	(3,366,762)
Cash flow from financing activities			
New Loans		1,000,000	300,000
Loan Repayments		-	-
Interest paid	7	(388,829)	(291,271)
		611,171	8,729
Net change in cash and cash equivalents in the period		(166,763)	39,938
Cash and cash equivalents at the beginning of the period		206,380	166,442
Cash and cash equivalents at the end of the period		39,617	206,380

MOVEMENTS IN NET DEBT

	1 April 2022 £	Cashflows £	31 March 2023 £
Loans due after more than one year	10,700,000	1 ,000,000	11,700,000
Cash	(206,380)	166,763	(39,617)
Net Debt	10,493,620	1,166,763	11,660,383

The notes on pages 20 to 30 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider and is registered under the Companies Act 2006.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England - 2022. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated). The financial statements are presented in sterling.

Going concern
The company's year end balance sheet reflects net current liabilities of £436k. This is due to £323k of deferred income from social housing grant covering capital work ongoing at the year end (and thus this is a non-cash liability, as well as a net trading balance arising from the intercompany transactions with the parent entity of £585k noted in Note 22. Thus, nothwithstanding the net current liabilities, the financial statements have been prepared on a going concern basis. The Company has significant reserves and a satisfactory level of future income. The Company is financed by a loan from its parent entity, Horton Housing Association, and there is sufficient further headroom in this loan facility, and no requirement for security to be provided, such that financing is effectively immediately available for drawdown from the parent should it be needed.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

2 ACCOUNTING POLICIES (continued)

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

2 ACCOUNTING POLICIES (continued)

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Government grants released on sale of a property may be repayable (to the extent that they are not subject to abatement) but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)
Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions
Creditors and provisions are recognised where the company 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

2 ACCOUNTING POLICIES (continued)

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.

Key Judgements and Estimates
The company's key accounting judgements and estimates relate to the valuation of the property portfolio and the depreciation rates applied to tangible fixed assets.

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2023			2022		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,518,130	2,794,976	723,154	2,624,627	1,720,281	904,346

	Supported Housing £	Total 2023 £	Total 2022 £
Rent receivable net of identifiable service charges	967,585	967,585	858,536
Management charges	224,814	224,814	216,729
Government Grants taken to income	2,289,481	2,289,481	1,508,169
Other Income	36,250	36,250	41,193
Turnover from social housing lettings	3,518,130	3,518,130	2,624,627
Expenditure on social housing lettings			
Management costs	834,526	834,526	930,420
Depreciation of housing properties & other assets	520,207	520,207	457,532
Impairment of housing properties	1,440,243	1,440,243	332,329
Operating expenditure on social housing lettings	2,794,976	2,794,976	1,720,281
Operating surplus on social housing lettings	723,154	723,154	904,346
Void losses	1,400	1,400	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

4 ACCOMMODATION

	2023 No.	2022 No.
Managed by Agents (supported housing accommodation):	218	186

The supported housing accommodation includes four flats (2022: 4) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 237 (2022: 262) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2022: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 11 units (2022: 24 including 14 Traveller Site pitches) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2023 No.	2022 No.
Supported housing accommodation:		
Self-contained flats	161	133
Houses	57	53
	218	186

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2023 £	2022 £
Depreciation / impairment of housing properties	1,960,540	789,862
(Loss) on disposal of housing fixed assets	-	(17,612)
Auditors' remuneration for audit services	7,550	7,400

6 LOSS ON DISPOSAL OF HOUSING FIXED ASSETS

	2023 £	2022 £
Disposal proceeds	-	166,699
Carrying value of housing fixed assets	-	(159,311)
	-	7,388
Capital grant recycled (Note 13)	-	(25,000)
Total loss on disposal of housing fixed assets	-	(17,612)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2023	2022
	£	£
Interest on group loans	388,829	291,271

8 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

All staff resources utilised by the company are employed by the parent company, Horton Housing Association (HHA), and the costs of these staff are included in the charges from HHA as disclosed in Note 22 to these accounts.

9 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting	Housing properties under construction	Total
	£	£	£
Cost/Valuation			
At 1 April 2022	15,562,819	1,876,030	17,438,849
Additions	121,333	2,960,825	3,082,158
Disposals	-	-	-
Transfers	3,613,970	(3,613,970)	-
Impairment	(1,440,243)	-	(1,440,243)
Revaluation	47,672	-	47,672
At 31 March 2023	17,905,551	1,222,885	19,128,436
Depreciation			
At 1 April 2022	604,640	-	604,640
Charged in year	520,207	-	520,207
Disposals	-	-	-
Revaluation	(72,621)	-	(72,621)
At 31 March 2023	1,052,226	-	1,052,226
Depreciated cost			
At 31 March 2023	16,853,325	1,222,885	18,076,210
At 31 March 2022	14,958,179	1,876,030	16,834,209

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2023 and the latest valuations on those properties carried out in October 2020, September 2021 and September 2022.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £20,240,521 (2022 - £16,570,070).

10 DEBTORS

	2023 £	2022 £
Government grants receivable	127,103	351,769
Other debtors	449	6,391
Prepayments and accrued income	-	-
Inter-company account	475,719	222,291
	603,271	580,451

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	92,232	149,043
Accruals and deferred income	401,225	1,155,438
Inter-company account	585,184	130,720
	1,078,641	1,435,201

Included above is deferred income of £323,000 relating to government grants (2022: £1,036,350)

	£
Balance at 31 March 2022	1,036,350
Amount received in the year	638,000
Amount released to income in the year	(1,351,350)
Balance at 31 March 2023	323,000

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Debt (note 14)	11,700,000	10,700,000

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

13 RECYCLED CAPITAL GRANT FUND

	2023 £	2022 £
Opening funds at 1 April 2022	-	-
Grants recycled	-	25,000
Recycling of grant: new property	-	(25,000)
Closing funds at 31 March 2023	-	-

14 DEBT ANALYSIS

	2023 £	2022 £
Due within one year	-	-
Due after more than one year	11,700,000	10,700,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	10,700,000
Between two and five years	11,700,000	-
After five years	-	-
	11,700,000	10,700,000

The full amount of the debt above is unsecured.

15 RESERVES

General Reserve	2023 £
Opening funds at 1 April 2022	4,639,123
Surplus for the financial year	334,325
Transfer from Revaluation Reserve	53,965
Closing funds at 31 March 2023	5,027,413

Revaluation Reserve	
Opening balance at 1 April 2022	846,716
Revaluation	120,293
Transfer to General Reserve	(53,965)
Closing balance at 31 March 2023	913,044

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

16 FINANCIAL INSTRUMENTS

	2023 £	2022 £
Carrying amount of financial assets measured at amortised cost	602,822	574,060
Carrying amount of financial liabilities measured at amortised cost	12,455,641	11,098,850

17 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2023 £	2022 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	145,807	1,319,078

18 CASH GENERATED FROM OPERATING ACTIVITIES

	2023 £	2022 £
Cash flow from operating activities		
Operating surplus	723,154	904,346
Capitalised costs written off	-	47,584
Depreciation and impairment of housing fixed assets	1,960,450	789,862
Decrease/(increase) in debtors	(22,820)	683,373
Increase/(decrease) in creditors	(356,560)	972,806
Net cash inflow from operating activities	2,304,224	3,397,971

19 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2023 (2022: £nil).

20 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

21 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

22 RELATED PARTIES

During the year expenses of £54.42 (2022 - £nil) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing also receives revenue grant funding for housing support services, which it contracts HHA to deliver on its behalf. HHA receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2023 £	2022 £
Fees charged to HHA		
- For acting as landlord for properties	49,652	57,503
- For use of flats as offices	14,819	9,965
Fees charged to HHS		
- For acting as landlord for properties	131,682	121,134
- For use of properties as offices	28,660	28,127
Total related party fee income	224,813	216,729
Fees from HHA for management and housing support services	411,581	514,949
Fees from HHA for support services	130,000	130,000
Interest charged on loan received from HHA	388,828	291,271
Fees from HHS for management services	83,584	74,422
Total related party charges	1,013,993	1,010,642

As at 31 March 2023, the following balances were due from/(to) the other Group companies:

	2023	2022
	£	£
Trading Accounts:		
Horton Housing Association	(585,184)	(130,720)
Horton Housing Support Ltd	475,719	222,291
Loans from Horton Housing Association	(11,700,000)	(10,700,000)

CHARTFORD HOUSING LIMITED

England & Wales - Charity number 1162562

Accounts

Registered company number: 8662400
Registered charity number: 1162562
Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2022

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/Management Board	Mark Dowson (Chair)	Phillip Charlton	Kim Smart
	John Bell	Mark Bell	Zuzka Downing
	Nicholas Warden	Clive Greenwood	Catherine Kelly
	Alan Goodrum	Sue Missin	

Senior Management Team: The executive comprise the senior management team of the sole member, Horton Housing Association.

Registered Office: Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS

Company Registration no: 8662400

Charity Registration no: 1162562

Registered Provider no: 4821

Solicitors:
Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Auditors:
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers:
Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Development consortium:
Unity Housing Development Consortium
113-117 Chapeltown Road
Leeds
LS7 3HY

Development partner:
Greenoak Development Consultancy
High Austby House
Ilkley
LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2022.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2022 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted and complies with the NHF 2015 Code of Governance. The Board undertakes an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm this. The NHF Code of Governance was updated and reissued in November 2020. During 2021/22 the Management Board has undertaken an assessment of compliance with the new Code. This has identified a small number of areas that need some action to achieve full compliance. The Board agreed to formally adopt the 2020 Code from 1 April 2022, and is working through a plan to achieve full compliance before 31 March 2023 or to explain why it won't comply at that date.

The Management Board comprises all the current directors of the company and must comprise of no less than five and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	Mark Bell
John Bell	Clive Greenwood

REPORT OF THE DIRECTORS (CONTINUED)

Nicholas Warden	Dawn Bennett (resigned 18/06/2021)
Alan Goodrum	Umar Qayoum (removed 20/07/2021)
Phillip Charlton	Wayne Noteman (resigned 08/10/2021)
Sarah Benjamin (resigned 08/11/2021)	Catherine Kelly (appointed 15/12/2021)
Sue Missin (appointed 15/12/2021)	Zuzka Downing (appointed 15/12/2021)
Kim Smart (appointed 15/12/2021)	Charlotte Churchouse (appointed 15/12/2021; resigned 28/3/2022)

The Board formally met five times during the 2021/22 year, as well as holding an Awayday to consider strategic matters, and two other meetings called at short notice for consideration of urgent items. As a consequence of the COVID-19 pandemic all meetings took place virtually, except for the Awayday.

All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 147 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 280 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 34 further units for refurbishment. Together with unfinished units carried forward from the prior year, 40 new units were ready to let as supported accommodation by 31 March 2022. In addition 1 property was disposed of during the financial year. 14 of the units are new Traveller Site pitches and are currently in development. The company leased or managed 282 units of supported accommodation as at the 31 March 2022.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2018.

The rent received for owned properties and properties on short-term lease agreements amounted to £1,075k in the year to 31 March 2022 (2021: £825k).

The overall surplus for the year amounted to £595k (2021: £2,254k) and reserves of £5,486k are carried forward at 31 March 2022. The value of residential property held by the company as at 31 March 2022 was £16.8 million (2021: £14.0 million).

FUTURE DEVELOPMENTS

The company has previously worked with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes. The Accent Group Development Consortium ceased its new development work from 1 April 2022. The company subsequently has formed the Unity Housing Development Consortium with Unity Housing Association, and is also registered with Homes England in its own right as a Development Partner, and current and future developments are being progressed via these routes. The company expects to continue its development programme and complete at least 30 (including 14 Traveller pitches) further

REPORT OF THE DIRECTORS (CONTINUED)

supported housing units under the Homes England Affordable Homes Programme in 2022/23. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Rough Sleepers Accommodation Programme. COVID19, BREXIT withdrawal and other factors such as the general increase in costs, has slowed the progress of some developments and has increased the price and affected the availability of some building materials. The company is therefore carefully assessing each development opportunity prior to commitment. However the company continues to plan to continue developing.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The company aims to steadily build up its reserves and as at 31 March 2022 the company's unrestricted general reserve stood at £4,639k and the revaluation reserve at £847k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

There is an over-arching Group Operational Risk Register (ORR) which applies to all the group entities and which identifies key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the Business Plan, and quarterly by senior management. There has historically also been a Group Strategic Risk Register maintained, but after a review this was discontinued in January 2022 as it was not required.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations, of changing Government Policy and priorities, the current changing

REPORT OF THE DIRECTORS (CONTINUED)

economic environment and the ability to meet the requirements of the "Net Zero Carbon" agenda, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit & Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on key areas such as:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification
- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The company has reviewed and redrafted its Value for Money (VFM) Strategy following a detailed review by its internal auditors of the company's compliance with the Regulator's VFM Standard (2018). This identified a number of areas for improvement. In particular, it recommended changes to the structure of the Value for Money Strategy, and its links to the Business Plan objectives. It also recommended improvements in how we define and measure success in our performance. The revised Strategy was agreed and formally adopted by the Board in June 2022. Whilst there is still some work to do to put in place some of the identified measures and monitoring, much is currently in place. Work will continue in embedding the Strategy, and improving our measuring and monitoring, in 2022/23.

The company's Value for Money Strategy sets out that the Board's role is to have:

- An assessment of its assets and resources
- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular reports and reviews in relation to current arrangements for delivering the company's activities
- Confidence that its skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

REPORT OF THE DIRECTORS (CONTINUED)

- Performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- Measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

Value for Money measurements and reporting

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2021 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 34.5% (2021: 66.3%) SPBM benchmark 2021: 20.00%**

The company continues to report healthy operating margins. However, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects, so it does vary significantly between years.

***Operating margin (social housing lettings) 34.5% (2021: 66.3%) SPBM benchmark 2021: 20.60%**

This figure is the same as Operating margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 196.5% (2021: 242%) SPBM benchmark 2021: 356.0%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and strongly developing association, taking on a debt burden. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social) 40 (2021: 44) SPBM benchmark 2021: 0**

Units developed as a % of owned (social) 8.5% (2021: 10.4%) SPBM benchmark 2021: 0

***New supply (non-social) We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. The company continues to develop at a sustainable pace. Most small providers in the SPBM benchmarking group are not developing at all, rendering sector comparators fairly meaningless.

REPORT OF THE DIRECTORS (CONTINUED)

***Gearing** **61.8%** **(2021: 71.6%)** **SPBM benchmark 2021: 11.80%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting the company's development plans.

Cumulative Homes England SHG invested **£6,527,098 (2021: £5,405,428)**

This reflects the amount of development activity that has occurred since the company started developing. It has been increasing significantly as the company has been actively developing utilising a number of SHG funding streams.

Outcomes delivered

Customer satisfaction **89.3%** **(2021: 94.5%)** **SPBM benchmark 2021: 89.0%**

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by the company for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with the company. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 186 respondents this year (2021: 235). Whilst the level of satisfaction has shown a significant drop in the 21-22 year, we suspect a good element of this is due to the effects of COVID restrictions on our ability to interact with clients and be promptly undertaking non-urgent repairs. It will be interesting to see if the sector benchmarks for 2022 (when published) reflect a similar drop.

***Reinvestment** **20.8%** **(2021: 42.3%)** **SPBM benchmark 2021: 2.20%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, the company is actively developing, although the level of activity has dropped since 2020/21 when activity was abnormally high.

Lettable days available from owned property **62,326** **(2021: 43,987)**

Actual number of days let as a % of lettable days **94.0%** **(2021: 93.0%)**

These two internal measures show the effects of the company's activity on the supply and availability of social housing, and also ensures that the company's housing that it is delivering is in demand. These demonstrate that the company is meeting its Business Plan objectives, and delivering them effectively and efficiently.

Effective Asset Management

***Return on capital employed** **5.5%** **(2021: 16.3%)** **SPBM benchmark 2021: 2.70%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. 2020-21 was significantly affected by the amount of grant received in the year in the same way as the Operating Margin metric is affected. 2021-22 has returned to more normal levels.

REPORT OF THE DIRECTORS (CONTINUED)

Operating efficiencies

***Headline social housing cost per unit £2,026 (2021: £988) SPBM benchmark 2021: £4,847**

Underlying cost per unit is currently low and this is mainly because all the developments are new since operations began and there has therefore been relatively little maintenance cost. In the current year the company has absorbed a number of abortive development costs which has impacted on this metric and so it shows a significant increase from prior years. In addition, the management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent.

Over time we expect our social housing costs per unit to increase.

Management fees paid per unit of stock (owned and leased) £277 pa (2021: £303 pa)

Total cost of delivery of each lettable day £20.62 (2021: £20.30)

These two internal measures demonstrate firstly the economies of scale benefits as the company increases its stock, and secondly that its overall cost of delivery of every lettable day is being controlled. The company is able to take advantage of being a part of the Horton Housing Group. The company benefits from the resources of the Group as shown in the low costs noted above, and in particular, it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annually fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

VFM Improvement Plans

Every year targets are set within the company's Business Plan and also as specific actions within the VFM Strategy. We seek to identify and improve in areas that we think can be improved. In this current year most of the targets and actions are related to putting in place some of the measurements which we have identified are currently not being measured and also formalising our recording of VFM gains. This is as well as some specific actions in respect of assessing VFM of certain activities and the procurement of certain services.

There are no specific targets or actions for improvement related to the measures noted above, but we will be considering this for future years.

REPORT OF THE DIRECTORS (CONTINUED)

Evidence of Efficiency Gains in 2021/22

VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We commissioned external consultants to review, recommend and assist us to implement improvements in our processes and efficiency of our in-house maintenance team and of our management of external contractors from that team. This work reported in 2021/22, and improvement actions are being taken. Initial actions that have been completed include better planning of jobs, elimination of wasted time before jobs with jobs being allocated the night before, and reviewed and improved contractor lists and liaison. More actions will follow.

- We have worked with upholsterers and other professionals to improve our ability to recycle and reuse furniture in our properties, and have trained some volunteers to enable them to undertake basic refurbishment, thus reducing waste and the skipping of reusable furniture.

- We have improved our donations systems for furnishings and household items to support our clients in their own homes and/or when moving on from Chartford Housing's accommodation.

- With the COVID 19 restrictions being eased, we now have the option to return to office working. However we have adopted a new Smarter Working Policy from December 2021 which formalises the options that staff have to enable them to work in the most efficient way that works for them, whilst meeting the demands of their service and reducing travel and office running costs. This policy seeks to retain most of the best practice learning from the COVID epidemic. It is also planned after 12 months or so of this policy being in place, to undertake a review of our current office accommodation to assess whether it is all still required.

- We have increased the fuel efficiency of our new developments, through use of enhanced insulation, LED lighting, solar panels and considering the use of heat pumps where appropriate.

- We re-procured many of our gas and electric contracts in 2020-21 so that all supplies are on long-term agreements for a minimum of a further 2 years. This did not deliver any cost saving initially, but secured the price at similar levels to 2020-21. Given the rises in prices suffered in the last 12 months, this has proved to be immensely beneficial.

- We undertook a procurement exercise for further funding, and appointed our existing lender, Triodos to provide an extended facility, but at significantly reduced margins to those of the previous arrangement. In addition we then immediately took the opportunity to fix £10m of our debt at fixed rates for either 5 or 10 years. Again, with the recent increases in interest rates, this has proved to be beneficial.

- We re-procured our insurance services via a competitive tendering exercise. Whilst we have suffered a c. 5% increase in the insurance costs we pay as a Group, this is significantly less

REPORT OF THE DIRECTORS (CONTINUED)

than anecdotal evidence we have from similar companies which we believe is as a result of this exercise.

- We appointed an extra in-house trainer for our staff, allowing us to make savings on external training provision as well as allowing our training to be more specific and relevant to the work we undertake.

- We have an ongoing programme of ICT improvements which has made our internal systems more reliable, secure and robust and improved operational efficiency.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2021/22 management self-assessment was completed in early 2022. The Board is satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company also completes a full review of its compliance with RSH Standards every year using the same process as for the Governance and Financial Viability Standard.

Compliance with the Value for Money Standard has been incorporated in the previous commentary, where an internal review identified some improvements necessary. There is an action plan in place and the key recommendations relating to an updated Strategy, links to the Business Plan, and how we monitor our progress have been completed. The plan incorporates actions to complete outstanding areas, primarily related to monitoring and reporting, during the current year.

The Board is satisfied that it continues to meet all the requirements of the other RSH Standards at the date of this report.

In previous years, the Board has reported one area of non-compliance relating specifically to a failure against the Homes Standard (Decent Homes guidance in relation to the types of heating systems used in certain properties). The Board is pleased to report that its action plan to address this area of non-compliance was met in May 2021, with all relevant properties either upgraded or in some cases handed back to the head landlord.

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

REPORT OF THE DIRECTORS (CONTINUED)

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 19th July 2022 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet and the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 March 2022 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 Companies Act 2006.

Basis for opinion

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also 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 to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales, and UK tax legislation.

Further the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be Building and fire safety regulations, including the Housing Act 2004 (Housing Health and Safety Rating System) and the Regulatory Reform (Fire Safety) Order 2005.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Regulator of Social Housing and the Charity Commission, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Saffery Champness LLP

Alison Robinson (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 23 August 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	2,624,627	3,694,835
Operating expenditure		(1,720,281)	(1,243,907)
Operating surplus	5	904,346	2,450,928
Loss on disposal of fixed assets	6	(17,612)	-
Interest and financing costs	7	(291,271)	(196,847)
Surplus for the year	15	595,463	2,254,081
Revaluation surplus	15	294,650	466,978
Total comprehensive income for the year		890,113	2,721,059

The notes on pages 20 to 29 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

STATEMENT OF FINANCIAL POSITION
at 31 March 2022

Registered Company number: 8662400

	Note	2022 £	2021 £
Tangible fixed assets			
Housing properties	9	16,834,209	14,027,854
		16,834,209	14,027,854
Current assets			
Debtors	10	580,451	1,263,824
Cash and cash equivalents		206,380	166,442
		786,831	1,430,266
Creditors: amounts falling due within one year	11	(1,435,201)	(462,394)
Net current (liabilities)/ assets		(648,370)	967,872
Total assets less current liabilities		16,185,839	14,995,726
Creditors: amounts falling due after more than one year	12	(10,700,000)	(10,400,000)
Total net assets		5,485,839	4,595,726
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	15	4,639,123	3,865,790
Revaluation reserve	15	846,716	729,936
Total reserves		5,485,839	4,595,726

The notes on pages 20 to 29 form part of these financial statements.

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

The financial statements were approved by the Board of Directors on 19th July 2022 and signed on its behalf by:

M. Dowson

Mark Dowson
Director

N. Warden

Nicholas Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2022

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 31 March 2020		-	1,874,667	1,874,667
Year ended 31 March 2021				
Surplus from statement of comprehensive income		-	2,721,059	2,721,059
Balance at 31 March 2021		-	4,595,726	4,595,726
Year ended 31 March 2022				
Surplus from statement of comprehensive income		-	890,113	890,113
Balance at 31 March 2022		-	5,485,839	5,485,839

The notes on pages 20 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	18	3,397,971	2,226,627
Cash flow from investing activities			
Purchase and construction of housing fixed assets	9	(3,508,461)	(5,928,540)
Sale of housing fixed assets		166,699	-
Recycled grant		(25,000)	-
		(3,366,762)	(5,928,540)
Cash flow from financing activities			
New Loans		300,000	3,700,000
Loan repayments		-	-
Interest paid	7	(291,271)	(196,847)
		8,729	3,503,153
Net change in cash and cash equivalents in the period		39,938	(198,760)
Cash and cash equivalents at the beginning of the period		166,442	365,202
Cash and cash equivalents at the end of the period		206,380	166,442

MOVEMENTS IN NET DEBT

	1 April 2020 £	Cashflows £	31 March 2022 £
Loans due after more than one year	10,400,000	300,000	10,700,000
Cash	(166,442)	(39,938)	(206,380)
Net Debt	10,233,558	260,062	10,493,620

The notes on pages 20 to 29 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider and is registered under the Companies Act 2006.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England from April 2015. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated). The financial statements are presented in sterling.

Going concern
The company's year end balance sheet reflects net current liabilities of £648k due to the inclusion within creditors of a social housing grant covering capital work ongoing at the year end. Nothwithstanding the net current liabilities the financial statements have been prepared on a going concern basis. The Company has adequate reserves and a satisfactory level of contracted future income. The Company is financed by loans from its parent entity, Horton Housing Association.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

2 ACCOUNTING POLICIES (continued)

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

2 ACCOUNTING POLICIES (continued)

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Government grants released on sale of a property may be repayable (to the extent that they are not subject to abatement) but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)
Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions
Creditors and provisions are recognised where the company 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.

Key Judgements and Estimates
The company's key accounting judgements and estimates relate to the valuation of the property portfolio and the depreciation rates applied to tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2022			2021		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	2,624,627	1,720,281	904,346	3,694,835	1,243,907	2,450,928

	Supported Housing £	Total 2022 £	Total 2021 £
Rent receivable net of identifiable service charges	858,536	858,536	615,085
Management charges	216,729	216,729	209,475
Government Grants taken to income	1,508,169	1,508,169	2,870,275
Other Income	41,193	41,193	-
Turnover from social housing lettings	2,624,627	2,624,627	3,694,835
Expenditure on social housing lettings			
Management costs	930,420	930,420	419,868
Depreciation of housing properties & other assets	457,532	457,532	276,357
Impairment of housing properties	332,329	332,329	547,682
Operating expenditure on social housing lettings	1,720,281	1,720,281	1,243,907
Operating surplus on social housing lettings	904,346	904,346	2,450,928
Void losses	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

4 ACCOMMODATION

	2022 No.	2021 No.
Managed by Agents (supported housing accommodation):	186	147

The supported housing accommodation includes four flats (2021: 4) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 262 (2021: 260) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2021: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 24 units (2021: 32) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2022 No.	2021 No.
Supported housing accommodation:		
Self-contained flats	133	114
Houses	53	33
	186	147

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2022 £	2021 £
Depreciation / impairment of housing properties	789,862	824,039
(Loss) on disposal of housing fixed assets	(17,612)	-
Auditors' remuneration for audit services	7,400	4,920

6 LOSS ON DISPOSAL OF HOUSING FIXED ASSETS

	2022 £	2021 £
Disposal proceeds	166,699	-
Carrying value of housing fixed assets	(159,311)	-
	7,388	-
Capital grant recycled (Note 13)	(25,000)	-
Total loss on disposal of housing fixed assets	(17,612)	-

The carrying value of £159,311 is different to Note 9 by an amount of £47,584, being the amount written off in respect of costs which were incorrectly capitalised.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
Interest on group loans	291,271	196,847

8 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

9 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting	Housing properties under construction	Total
	£	£	£
Cost/Valuation			
At 1 April 2021	13,762,381	609,366	14,371,747
Additions	-	3,508,461	3,508,461
Disposals	(165,983)	(47,584)	(213,567)
Transfers	2,194,213	(2,194,213)	-
Impairment	(332,330)	-	(332,330)
Revaluation	104,538	-	104,538
At 31 March 2022	15,562,819	1,876,030	17,438,849
Depreciation			
At 1 April 2021	343,893	-	343,893
Charged in year	457,532	-	457,532
Disposals	(6,672)	-	(6,672)
Revaluation	(190,113)	-	(190,113)
At 31 March 2022	604,640	-	604,640
Depreciated cost			
At 31 March 2022	14,958,179	1,876,030	16,834,209
At 31 March 2021	13,418,488	609,366	14,027,854

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2022 and the latest valuations on those properties carried out in October 2020 and September 2021.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £16,570,070 (2021 - £14,815,207).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

10 DEBTORS

	2022 £	2021 £
Government grants receivable	351,769	1,066,275
Other debtors	6,391	-
Prepayments and accrued income	-	1,035
Inter-company account	222,291	196,514
	580,451	1,263,824

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	149,043	183,782
Accruals and deferred income	1,155,438	275,755
Inter-company account	130,720	2,857
	1,435,201	462,394

Included above is deferred income of £1,036,350 relating to government grants (2021: £168,750).

	£
Balance at 31 March 2021	168,750
Amount billed in the year	2,375,769
Amount released to income in the year	(1,508,169)
Balance at 31 March 2022	1,036,350

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Debt (note 14)	10,700,000	10,400,000

13 RECYCLED CAPITAL GRANT FUND

	2022 £	2021 £
Opening funds at 1 April 2021	-	-
Grants recycled	25,000	-
Recycling of grant: new property	(25,000)	-
Closing funds at 31 March 2022	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

14 DEBT ANALYSIS

	2022 £	2021 £
Due within one year	-	-
Due after more than one year	10,700,000	10,400,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	10,700,000	-
Between two and five years	-	10,400,000
After five years	-	-
	10,700,000	10,400,000

The full amount of the debt above is unsecured.

15 RESERVES

General Reserve	2022 £
Opening funds at 1 April 2021	3,865,790
Surplus for the financial year	595,463
Transfer from Revaluation Reserve	177,870
Closing funds at 31 March 2022	4,639,123

Revaluation Reserve	
Opening balance at 1 April 2021	729,936
Revaluation	294,650
Transfer to General Reserve	(177,870)
Closing balance at 31 March 2022	846,716

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

16 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Carrying amount of financial assets measured at amortised cost	574,060	1,262,789
Carrying amount of financial liabilities measured at amortised cost	11,098,850	10,760,229

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

17 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2022	2021
	£	£
Capital expenditure		
Expenditure contracted for but not provided in the accounts	1,319,078	326,535

18 CASH GENERATED FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Cash flow from operating activities		
Operating surplus	904,346	2,450,928
Capitalised costs written off	47,584	-
Depreciation and impairment of housing fixed assets	789,862	824,039
Decrease/(increase) in debtors	683,373	(1,041,410)
Increase/(decrease) in creditors	972,806	(6,930)
Net cash inflow from operating activities	3,397,971	2,226,627

19 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2022 (2021: £nil).

20 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

21 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

22 RELATED PARTIES

During the year expenses of £nil (2021 - £nil) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing also receives revenue grant funding for housing support services, which it contracts HHA to deliver on its behalf. HHA receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2022 £	2021 £
Fees charged to HHA		
- For acting as landlord for properties	57,503	53,783
- For use of flats as offices	9,965	4,897
Fees charged to HHS		
- For acting as landlord for properties	121,134	126,795
- For use of properties as offices	28,127	24,000
Total related party fee income	216,729	209,475
Fees from HHA for management and housing support services	514,949	130,015
Fees from HHA for support services	130,000	128,125
Interest charged on loan received from HHA	291,271	196,847
Fees from HHS for management services	74,422	57,755
Total related party charges	1,010,642	512,742

As at 31 March 2022, the following balances were due from/(to) the other Group companies:

	2022 £	2021 £
Trading Accounts:		
Horton Housing Association	(130,720)	(2,857)
Horton Housing Support Ltd	222,291	196,514
Loans from Horton Housing Association	(10,700,000)	(10,400,000)

CHARTFORD HOUSING LIMITED

England & Wales - Charity number 1162562

Accounts

Registered company number: 8662400
Registered charity number: 1162562
Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2021

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/ Management Board	Mark Dowson (Chair)	John Bell	Nicholas Warden
	Sarah Benjamin	Alan Goodrum	Umar Qayoum
	Phillip Charlton	Mark Bell	
	Wayne Noteman	Clive Greenwood	

Senior Management Team: The executive comprise the senior management team of the sole member, Horton Housing Association.

Registered Office: Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS

Company Registration no: 8662400

Charity Registration no: 1162562

Registered Provider no: 4821

Solicitors:
Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Auditors:
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers:
Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Development consortium:
Accent Group Development Consortium
Charlestown House
Acorn Park Industrial Estate
Shipley
BD17 7SW

Development partner:
Greenoak Development Consultancy
High Austby House
Ilkley
LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2021.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2021 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted and complies with the NHF 2015 Code of Governance. The Board undertakes an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm this. The NHF Code of Governance has been updated and reissued in November 2020. The Management Board is currently assessing compliance against the new Code with the intention to assess whether to adopt the new Code in full before 31 March 2022.

The Management Board comprises all the current directors of the company and must comprise of no less than 5 and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	John Bell	Clive Greenwood
Sarah Benjamin	Nicholas Warden	Dawn Bennett (resigned 18/6/21)
Phillip Charlton	Wayne Noteman	Umar Qayoum
Alan Goodrum	Mark Bell	

REPORT OF THE DIRECTORS (CONTINUED)

The Board met every two months during the 2020/21 year. As a consequence of the COVID-19 pandemic all meetings took place virtually. All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 103 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 286 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 78 further units for refurbishment of which 44 were ready to let as supported accommodation by 31 March 2021. The company leased or managed 280 units of supported accommodation as at the 31 March 2021.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2014.

The rent received for owned properties and properties on short-term lease agreements amounted to £825k in the year to 31 March 2021 (2020: £688k).

The overall surplus for the year amounted to £2,254k (2020: £322k) and reserves of £4,596k are carried forward at 31 March 2021. The value of residential property held by the company as at 31 March 2021 was £14.0 million (2020: £8.5 million).

FUTURE DEVELOPMENTS

The company has worked with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes. In 2021-22 the company expects to continue its development programme (either through the current Accent Group consortium or another consortium which is being considered for the new Affordable Homes Programme bids) and complete at least 45 further supported housing units under the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Next Steps Accommodation Programme. COVID19 has slowed the progress of some developments and, together with the effects of the BREXIT withdrawal, has increased the price and affected the availability of some building materials, but is not expected to have any significant impact on our development plans or the financial stability of the company.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

REPORT OF THE DIRECTORS (CONTINUED)

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

The company aims to steadily build up its reserves and as at 31 March 2021 the company's unrestricted general reserve stood at £3,866k and the revaluation reserve at £730k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

There are over-arching Group Strategic and Operational Risk Registers (ORR) which apply to all the group entities and which identify key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the business plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations and of changing Government Policy and priorities, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit &Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. Risks relating specifically to Chartford Housing Limited were incorporated into this cycle from 1st April 2017. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification

REPORT OF THE DIRECTORS (CONTINUED)

- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The Company's current Value for Money Strategy sets out that the Board's role is to have:

- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular and appropriate consideration of VFM gains
- Regular reports and reviews in relation to current structural arrangements for delivering the company's activities
- Confidence that board skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

In 2020/21 the Company has undertaken a detailed review by its internal auditors of its compliance with the VFM Standard. This has identified a number of areas for improvement – particularly relating to the structure of the Value for Money Strategy, its links to the Business Plan and the monitoring of achievements of our VFM Goals. We will be addressing these areas for improvement during 2021/22.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2020 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 66.3% (2020: 48.5%) SPBM benchmark 2020: 17.52%**

The company has had healthy operating margins however, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects. Operating margin could potentially vary considerably depending on when new developments are completed as SHG is not taken to income until completion.

REPORT OF THE DIRECTORS (CONTINUED)

***Operating margin (social housing lettings) 66.3% (2020: 48.5%) SPBM benchmark 2020: 18.10%**

This figure is the same as Operating Margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 242% (2020: 205%) SPBM benchmark 2020: 251%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and developing association. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social) 44 (2020: 10) SPBM benchmark 2020: 0**

Units developed as a % of owned (social) 10.4% (2020: 2.6%) SPBM benchmark 2020: 0

***New supply (non-social) We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. A further 28 units completed shortly after the year end. The company continues to develop at a sustainable pace.

***Gearing 71.6% (2020: 74.8%) SPBM benchmark 2020: 16.67%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting Chartford Housing's development plans.

Cumulative Homes England SHG invested £5,405,428 (2020: £2,606,028)

This reflects the amount of development activity that has occurred since Chartford Housing Limited started developing and that has increased more recently.

Outcomes delivered

Customer satisfaction 94.5% (2020: 94.3%) SPBM benchmark 2020: 90.0%

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by Chartford Housing for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with Chartford Housing. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 235 respondents this year (2020: 299).

***Reinvestment 42.3% (2020: 22.8%) SPBM benchmark 2020: 3.62%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, Chartford Housing Limited is actively developing.

REPORT OF THE DIRECTORS (CONTINUED)

Lettable days available from owned property **43,987 (2020: 34,767)**

Actual number of days let as a % of lettable days **93.0% (2020: 95.4%)**

Effective Asset Management

***Return on capital employed** **15.8% (2020: 5.6%)** **SPBM benchmark 2020: 2.81%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. 2020-21 has been significantly affected by the amount of grant received in the year in the same way as the Operating Margin metric is affected.

Operating efficiencies

***Headline social housing cost per unit** **£988 (2020: £778)** **SPBM benchmark 2020: £4,577**

Underlying cost per unit is currently very low and this is mainly because all the developments are new since operations began and there has therefore been relatively little maintenance cost. In addition, the management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Over time we expect our social housing costs per unit to increase.

Management fees paid per unit of stock (owned and leased) **£303 pa (2020: £321 pa)**

Total cost of delivery of each lettable day **£20.30 (2020: £20.04)**

The company is able to take advantage of being a part of the Horton Housing Group. Chartford Housing benefits from the resources of the Group and in particular it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annual fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group, that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

Evidence of efficiency gains

Every year targets are set within the company's Business Plan that include actions relating to improving Value for Money. We seek to identify and improve in areas that we think can be improved. VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company

REPORT OF THE DIRECTORS (CONTINUED)

charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We have commissioned external consultants to review, recommend and assist us to implement improvements in our processes and efficiency of our inhouse maintenance team and of our management of external contractors. This work commenced in 2020/21 and will continue into 2021/22.

- We have worked with upholsterers and other professionals to improve our ability to recycle and reuse furniture in our properties.

- We have set up donations systems for furnishings and household items to support our clients in their own homes and/or when moving on from Chartford Housing's accommodation.

- We have increased working from home/agile working to reduce travel and office running costs. Some was planned, but this was greatly accelerated with the effects of the COVIS 19 pandemic.

- We have increased the fuel efficiency of our new developments, through use of enhanced insulation, solar panels and heat pumps where appropriate.

- We re-procured many of our gas and electric contracts so that all supplied are now on long-term agreements for a minimum of a further 2 years. This did not deliver any cost saving but secured the price at similar levels to current and protected us against future rises.

- We undertook a procurement exercise for further funding with a number of lenders. The Heads of Terms for our increased funding have been agreed at improved rates to currently being enjoyed and we expect them to be formally in place shortly.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2016/17 an external consultant also reviewed compliance with the Standard through an advisory audit. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2020/21 management self-assessment was completed in early 2021. The Board is satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company completed a full review of its compliance with RSH Standards in 2016/17 using management self-assessment and an advisory audit by an external consultant. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews each year. For 2020/21 this exercise was completed again and reviewed by the Board in early 2021 The Board is satisfied that it continues to meet all the requirements of the RSH Standards at the date of this report, with one exception.

REPORT OF THE DIRECTORS (CONTINUED)

The exception relates to the Home Standard, specifically "criterion d, 5.23" in section 5 of the Decent Homes Guidance, which relates to the type of heating systems that should be used in a Decent Home.

The company has identified that the electrical heating systems in some properties that are leased from private landlords cannot be classed as "electric storage heaters" and therefore, as set out at section 5.25, fail the Decent Homes standard. The Board has satisfied itself that, in all other respects, these properties meet the thermal comfort requirements of the Standard and do not create a Category 1 hazard in terms of excess cold.

The company set out a target for all properties to meet the Decent Homes Standard and worked with those private landlords to ensure, as a minimum, that heating systems are modernised or, if this cannot be agreed, the properties are handed back at the end of their leases. We set out below the progress made over the last 4 years and are pleased to be able to confirm that we declared full compliance with the Decent Homes Standard from May 2021 when the tenants in the final 11-bed property which did not meet the Decent Homes Standard were decanted and notice given to the landlord to hand back the property formally in July 2021.

Actual March 2018	Actual March 2019	Actual March 2020	Actual March 2021
94	55	33	11

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

REPORT OF THE DIRECTORS (CONTINUED)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable company's auditors are unaware; and

- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 20th July 2021 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet and the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also 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 to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales, and UK tax legislation.

Further the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be Building and fire safety regulations, including the Housing Act 2004 (Housing Health and Safety Rating System) and the Regulatory Reform (Fire Safety) Order 2005.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Regulator of Social Housing and the Charity Commission, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included

ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Alison Robinson (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 5 August 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	3,694,835	1,053,270
Operating expenditure		(1,243,907)	(542,295)
Operating surplus	5	2,450,928	510,975
Interest receivable		-	-
Interest and financing costs	6	(196,847)	(188,758)
Surplus for the year	13	2,254,081	322,217
Revaluation surplus	13	466,978	283,588
Total comprehensive income for the year		2,721,059	605,805

The notes on pages 18 to 27 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2021

Registered Company number: 8662400

	Note	2021 £	2020 £
Tangible fixed assets			
Housing properties	8	14,027,854	8,456,375
		14,027,854	8,456,375
Current assets			
Debtors	9	1,263,824	222,414
Cash and cash equivalents		166,442	365,202
		1,430,266	587,616
Creditors: amounts falling due within one year	10	(462,394)	(469,324)
Net current assets		967,872	118,292
Total assets less current liabilities		14,995,726	8,574,667
Creditors: amounts falling due after more than one year	11	(10,400,000)	(6,700,000)
Total net assets		4,595,726	1,874,667
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	3,865,790	1,519,782
Revaluation reserve	13	729,936	354,885
Total reserves		4,595,726	1,874,667

The notes on pages 19 to 28 form part of these financial statements.

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

The financial statements were approved by the Board of Directors on 20th July 2021 and signed on its behalf by:

Mark Dowson
Director

Nick Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2021

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 1 April 2019		-	1,268,862	1,268,862
Year ended 31 March 2020				
Surplus from statement of comprehensive income		-	605,805	605,805
Balance at 31 March 2020		-	1,874,667	1,874,667
Year ended 31 March 2021				
Surplus from statement of comprehensive income		-	2,721,059	2,721,059
Balance at 31 March 2021		-	4,595,726	4,595,726

The notes on pages 19 to 28 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	16	2,226,627	1,008,159
Cash flow from investing activities			
Purchase and construction of housing properties	8	(5,928,540)	(1,928,039)
		(5,928,540)	(1,928,039)
Cash flow from financing activities			
New Loans		3,700,000	1,200,000
Loan repayments		-	-
Interest paid	6	(196,847)	(188,758)
		3,503,153	1,011,242
Net change in cash and cash equivalents in the period		(198,760)	91,362
Cash and cash equivalents at the beginning of the period		365,202	273,840
Cash and cash equivalents at the end of the period		166,442	365,202

MOVEMENTS IN NET DEBT

	1 April 2020 £	Cashflows £	31 March 2021 £
Loans due after more than one year	6,700,000	3,700,000	10,400,000
Cash	(365,202)	198,760	(166,442)
Net Debt	**6,334,798**	**3,501,240**	**10,233,558**

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England from April 2015. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated).

Going concern
The financial statements have been prepared on a going concern basis. The Company has adequate reserves and a satisfactory level of contracted future income. The Company is financed by loans from its parent entity, Horton Housing Association.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

2 ACCOUNTING POLICIES (continued)

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

2 ACCOUNTING POLICIES (continued)

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)

Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions

Creditors and provisions are recognised where the company 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 31 March 2021

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021			2020		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,694,835	1,243,907	2,450,928	1,053,270	542,295	510,975

	Supported Housing £	Total 2021 £	Total 2020 £
Rent receivable net of identifiable service charges	615,085	615,085	488,690
Service charges receivable			-
Management charges	209,475	209,475	198,880
Government Grants taken to income	2,870,275	2,870,275	365,000
Other Income			700
Turnover from social housing lettings	3,694,835	3,694,835	1,053,270
Expenditure on social housing lettings			
Management costs	419,868	419,868	301,055
Routine maintenance	-	-	199
Depreciation of housing properties & other assets	276,357	276,357	206,771
Impairment of housing properties	547,682	547,682	34,270
Operating expenditure on social housing lettings	1,243,907	1,243,907	542,295
Operating surplus on social housing lettings	2,450,928	2,450,928	510,975
Void losses	-	-	-

4 ACCOMMODATION

	2021 No.	2020 No.
Managed by Agents (supported housing accommodation):	147	103
	147	103

The supported housing accommodation includes four flats (2020: two) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 260 (2020: 266) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2020: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 32 units (2020: 19) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2021 No.	2020 No.
Supported housing accommodation:		
Self-contained flats	114	87
Houses	33	16
	147	103

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2021 £	2020 £
Depreciation / impairment of housing properties	824,039	241,041
Auditors' remuneration for audit services	4,920	4,750

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Interest on group loans	196,847	188,758

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

8 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost/Valuation			
At 1 April 2020	7,564,671	1,320,811	8,885,482
Additions	1,837,229	4,091,311	5,928,540
Transfers	4,802,756	(4,802,756)	-
Impairment	(547,682)	-	(547,682)
Revaluation	105,407	-	105,407
At 31 March 2021	13,762,381	609,366	14,371,747
Depreciation			
At 1 April 2020	429,107	-	429,107
Charged in year	276,357	-	276,357
Revaluation	(361,571)	-	(361,571)
At 31 March 2021	343,893	-	343,893
Depreciated cost			
At 31 March 2021	13,418,488	609,366	14,027,854
At 31 March 2020	7,135,564	1,320,811	8,456,375

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2021 and the latest valuations on those properties.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £14,815,207 (2020 - £8,234,180).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

9 DEBTORS

	2021 £	2020 £
Government grants receivable	1,066,275	87,500
Prepayments and accrued income	1,035	675
Inter-company account	196,514	134,239
	1,263,824	222,414

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Debt (note 12)	-	-
Trade creditors	183,782	34,222
Accruals and deferred income	275,755	311,653
Inter-company account	2,857	123,449
	462,394	469,324

Included above is deferred income of £168,750 relating to government grants (2020: £282,000).

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Debt (note 12)	10,400,000	6,700,000

12 DEBT ANALYSIS

	2021 £	2020 £
Due within one year	-	-
	-	-
Due after more than one year	10,400,000	6,700,000
	10,400,000	6,700,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	10,400,000	6,700,000
After five years	-	-
	10,400,000	6,700,000

The full amount of the debt above is unsecured.

13 RESERVES

General Reserve	2021 £
Opening funds at 1 April 2020	1,519,782
Surplus for the financial year	2,254,081
Transfer from Revaluation Reserve	91,927
Closing funds at 31 March 2021	3,865,790
Revaluation Reserve	
Opening balance at 1 April 2020	354,885
Revaluation	466,978
Transfer to General Reserve	(91,927)
Closing balance at 31 March 2021	729,936

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

14 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Carrying amount of financial assets measured at amortised cost	1,262,789	221,739
Carrying amount of financial liabilities measured at amortised cost	10,760,229	6,887,324

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2021 £	2020 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	326,535	317,227

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2021 £	2020 £
Cash flow from operating activities		
Operating surplus	2,450,928	510,975
Depreciation and impairment of tangible fixed assets	824,039	241,041
Decrease/(increase) in debtors	(1,041,410)	2,959
Increase/(decrease) in creditors	(6,930)	253,184
Net cash inflow from operating activities	2,226,627	1,008,159

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2021 (2020: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £nil (2020 - £16) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, some purchased from HHA, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing has also started to receive revenue grant funding for housing support services in the year, which it contracts HHA to deliver on its behalf. HHA or HHS receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2021 £	2020 £
Fees charged to HHA		
- For acting as landlord for properties	53,783	53,518
- For use of one flat as an office	4,897	4,769
Fees charged to HHS		
- For acting as landlord for properties	126,795	116,593
- For use of property as an office	24,000	24,000
Total related party fee income	209,475	198,880
Fees from HHA for management and housing support services	130,015	55,199
Fees from HHA for support services	128,125	125,000
Interest charged on loan received from HHA	196,847	188,758
Fees from HHS for management services	57,755	52,079
Total related party charges	512,742	421,036

As at 31 March 2021, the following balances were due from/(to) the other Group companies:

	2021 £	2020 £
Trading Accounts:		
Horton Housing Association	(2,857)	(123,449)
Horton Housing Support Ltd	196,514	134,239
Bradford BASE Social Enterprise Company Ltd	-	-
Loans from Horton Housing Association	(10,400,000)	(6,700,000)

Registered company number: 8662400
Registered charity number: 1162562
Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2021

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/ Management Board	Mark Dowson (Chair)	John Bell	Nicholas Warden
	Sarah Benjamin	Alan Goodrum	Umar Qayoum
	Phillip Charlton	Mark Bell	
	Wayne Noteman	Clive Greenwood	

Senior Management Team: The executive comprise the senior management team of the sole member, Horton Housing Association.

Registered Office: Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS

Company Registration no: 8662400

Charity Registration no: 1162562

Registered Provider no: 4821

Solicitors:
Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Auditors:
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers:
Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Development consortium:
Accent Group Development Consortium
Charlestown House
Acorn Park Industrial Estate
Shipley
BD17 7SW

Development partner:
Greenoak Development Consultancy
High Austby House
Ilkley
LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2021.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2021 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted and complies with the NHF 2015 Code of Governance. The Board undertakes an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm this. The NHF Code of Governance has been updated and reissued in November 2020. The Management Board is currently assessing compliance against the new Code with the intention to assess whether to adopt the new Code in full before 31 March 2022.

The Management Board comprises all the current directors of the company and must comprise of no less than 5 and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	John Bell	Clive Greenwood
Sarah Benjamin	Nicholas Warden	Dawn Bennett (resigned 18/6/21)
Phillip Charlton	Wayne Noteman	Umar Qayoum
Alan Goodrum	Mark Bell	

REPORT OF THE DIRECTORS (CONTINUED)

The Board met every two months during the 2020/21 year. As a consequence of the COVID-19 pandemic all meetings took place virtually. All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 103 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 286 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 78 further units for refurbishment of which 44 were ready to let as supported accommodation by 31 March 2021. The company leased or managed 280 units of supported accommodation as at the 31 March 2021.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2014.

The rent received for owned properties and properties on short-term lease agreements amounted to £825k in the year to 31 March 2021 (2020: £688k).

The overall surplus for the year amounted to £2,254k (2020: £322k) and reserves of £4,596k are carried forward at 31 March 2021. The value of residential property held by the company as at 31 March 2021 was £14.0 million (2020: £8.5 million).

FUTURE DEVELOPMENTS

The company has worked with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes. In 2021-22 the company expects to continue its development programme (either through the current Accent Group consortium or another consortium which is being considered for the new Affordable Homes Programme bids) and complete at least 45 further supported housing units under the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Next Steps Accommodation Programme. COVID19 has slowed the progress of some developments and, together with the effects of the BREXIT withdrawal, has increased the price and affected the availability of some building materials, but is not expected to have any significant impact on our development plans or the financial stability of the company.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

REPORT OF THE DIRECTORS (CONTINUED)

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

The company aims to steadily build up its reserves and as at 31 March 2021 the company's unrestricted general reserve stood at £3,866k and the revaluation reserve at £730k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

There are over-arching Group Strategic and Operational Risk Registers (ORR) which apply to all the group entities and which identify key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the business plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations and of changing Government Policy and priorities, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit &Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. Risks relating specifically to Chartford Housing Limited were incorporated into this cycle from 1st April 2017. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification

REPORT OF THE DIRECTORS (CONTINUED)

- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The Company's current Value for Money Strategy sets out that the Board's role is to have:

- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular and appropriate consideration of VFM gains
- Regular reports and reviews in relation to current structural arrangements for delivering the company's activities
- Confidence that board skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

In 2020/21 the Company has undertaken a detailed review by its internal auditors of its compliance with the VFM Standard. This has identified a number of areas for improvement – particularly relating to the structure of the Value for Money Strategy, its links to the Business Plan and the monitoring of achievements of our VFM Goals. We will be addressing these areas for improvement during 2021/22.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2020 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 66.3% (2020: 48.5%) SPBM benchmark 2020: 17.52%**

The company has had healthy operating margins however, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects. Operating margin could potentially vary considerably depending on when new developments are completed as SHG is not taken to income until completion.

REPORT OF THE DIRECTORS (CONTINUED)

***Operating margin (social housing lettings) 66.3% (2020: 48.5%) SPBM benchmark 2020: 18.10%**

This figure is the same as Operating Margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 242% (2020: 205%) SPBM benchmark 2020: 251%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and developing association. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social) 44 (2020: 10) SPBM benchmark 2020: 0**

Units developed as a % of owned (social) 10.4% (2020: 2.6%) SPBM benchmark 2020: 0

***New supply (non-social) We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. A further 28 units completed shortly after the year end. The company continues to develop at a sustainable pace.

***Gearing 71.6% (2020: 74.8%) SPBM benchmark 2020: 16.67%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting Chartford Housing's development plans.

Cumulative Homes England SHG invested £5,405,428 (2020: £2,606,028)

This reflects the amount of development activity that has occurred since Chartford Housing Limited started developing and that has increased more recently.

Outcomes delivered

Customer satisfaction 94.5% (2020: 94.3%) SPBM benchmark 2020: 90.0%

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by Chartford Housing for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with Chartford Housing. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 235 respondents this year (2020: 299).

***Reinvestment 42.3% (2020: 22.8%) SPBM benchmark 2020: 3.62%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, Chartford Housing Limited is actively developing.

REPORT OF THE DIRECTORS (CONTINUED)

Lettable days available from owned property **43,987 (2020: 34,767)**

Actual number of days let as a % of lettable days **93.0% (2020: 95.4%)**

Effective Asset Management

***Return on capital employed** **15.8% (2020: 5.6%)** **SPBM benchmark 2020: 2.81%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. 2020-21 has been significantly affected by the amount of grant received in the year in the same way as the Operating Margin metric is affected.

Operating efficiencies

***Headline social housing cost per unit** **£988 (2020: £778)** **SPBM benchmark 2020: £4,577**

Underlying cost per unit is currently very low and this is mainly because all the developments are new since operations began and there has therefore been relatively little maintenance cost. In addition, the management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Over time we expect our social housing costs per unit to increase.

Management fees paid per unit of stock (owned and leased) **£303 pa (2020: £321 pa)**

Total cost of delivery of each lettable day **£20.30 (2020: £20.04)**

The company is able to take advantage of being a part of the Horton Housing Group. Chartford Housing benefits from the resources of the Group and in particular it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annual fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group, that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

Evidence of efficiency gains

Every year targets are set within the company's Business Plan that include actions relating to improving Value for Money. We seek to identify and improve in areas that we think can be improved. VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company

REPORT OF THE DIRECTORS (CONTINUED)

charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We have commissioned external consultants to review, recommend and assist us to implement improvements in our processes and efficiency of our inhouse maintenance team and of our management of external contractors. This work commenced in 2020/21 and will continue into 2021/22.

- We have worked with upholsterers and other professionals to improve our ability to recycle and reuse furniture in our properties.

- We have set up donations systems for furnishings and household items to support our clients in their own homes and/or when moving on from Chartford Housing's accommodation.

- We have increased working from home/agile working to reduce travel and office running costs. Some was planned, but this was greatly accelerated with the effects of the COVIS 19 pandemic.

- We have increased the fuel efficiency of our new developments, through use of enhanced insulation, solar panels and heat pumps where appropriate.

- We re-procured many of our gas and electric contracts so that all supplied are now on long-term agreements for a minimum of a further 2 years. This did not deliver any cost saving but secured the price at similar levels to current and protected us against future rises.

- We undertook a procurement exercise for further funding with a number of lenders. The Heads of Terms for our increased funding have been agreed at improved rates to currently being enjoyed and we expect them to be formally in place shortly.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2016/17 an external consultant also reviewed compliance with the Standard through an advisory audit. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2020/21 management self-assessment was completed in early 2021. The Board is satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company completed a full review of its compliance with RSH Standards in 2016/17 using management self-assessment and an advisory audit by an external consultant. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews each year. For 2020/21 this exercise was completed again and reviewed by the Board in early 2021 The Board is satisfied that it continues to meet all the requirements of the RSH Standards at the date of this report, with one exception.

REPORT OF THE DIRECTORS (CONTINUED)

The exception relates to the Home Standard, specifically "criterion d, 5.23" in section 5 of the Decent Homes Guidance, which relates to the type of heating systems that should be used in a Decent Home.

The company has identified that the electrical heating systems in some properties that are leased from private landlords cannot be classed as "electric storage heaters" and therefore, as set out at section 5.25, fail the Decent Homes standard. The Board has satisfied itself that, in all other respects, these properties meet the thermal comfort requirements of the Standard and do not create a Category 1 hazard in terms of excess cold.

The company set out a target for all properties to meet the Decent Homes Standard and worked with those private landlords to ensure, as a minimum, that heating systems are modernised or, if this cannot be agreed, the properties are handed back at the end of their leases. We set out below the progress made over the last 4 years and are pleased to be able to confirm that we declared full compliance with the Decent Homes Standard from May 2021 when the tenants in the final 11-bed property which did not meet the Decent Homes Standard were decanted and notice given to the landlord to hand back the property formally in July 2021.

Actual March 2018	Actual March 2019	Actual March 2020	Actual March 2021
94	55	33	11

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

REPORT OF THE DIRECTORS (CONTINUED)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable company's auditors are unaware; and

- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 20th July 2021 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet and the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also 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 to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales, and UK tax legislation.

Further the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be Building and fire safety regulations, including the Housing Act 2004 (Housing Health and Safety Rating System) and the Regulatory Reform (Fire Safety) Order 2005.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Regulator of Social Housing and the Charity Commission, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included

ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Saffery Champness LLP

Alison Robinson (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 5 August 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	3,694,835	1,053,270
Operating expenditure		(1,243,907)	(542,295)
Operating surplus	5	2,450,928	510,975
Interest receivable		-	-
Interest and financing costs	6	(196,847)	(188,758)
Surplus for the year	13	2,254,081	322,217
Revaluation surplus	13	466,978	283,588
Total comprehensive income for the year		2,721,059	605,805

The notes on pages 18 to 27 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2021

Registered Company number: 8662400

	Note	2021 £	2020 £
Tangible fixed assets			
Housing properties	8	14,027,854	8,456,375
		14,027,854	8,456,375
Current assets			
Debtors	9	1,263,824	222,414
Cash and cash equivalents		166,442	365,202
		1,430,266	587,616
Creditors: amounts falling due within one year	10	(462,394)	(469,324)
Net current assets		967,872	118,292
Total assets less current liabilities		14,995,726	8,574,667
Creditors: amounts falling due after more than one year	11	(10,400,000)	(6,700,000)
Total net assets		4,595,726	1,874,667
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	3,865,790	1,519,782
Revaluation reserve	13	729,936	354,885
Total reserves		4,595,726	1,874,667

The notes on pages 19 to 28 form part of these financial statements.

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

The financial statements were approved by the Board of Directors on 20th July 2021 and signed on its behalf by:

Mark Dowson
Director

Nick Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2021

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 1 April 2019		-	1,268,862	1,268,862
Year ended 31 March 2020				
Surplus from statement of comprehensive income		-	605,805	605,805
Balance at 31 March 2020		-	1,874,667	1,874,667
Year ended 31 March 2021				
Surplus from statement of comprehensive income		-	2,721,059	2,721,059
Balance at 31 March 2021		-	4,595,726	4,595,726

The notes on pages 19 to 28 form part of these financial statements.

Chartford Housing Limited

STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	16	2,226,627	1,008,159
Cash flow from investing activities			
Purchase and construction of housing properties	8	(5,928,540)	(1,928,039)
		(5,928,540)	(1,928,039)
Cash flow from financing activities			
New Loans		3,700,000	1,200,000
Loan repayments		-	-
Interest paid	6	(196,847)	(188,758)
		3,503,153	1,011,242
Net change in cash and cash equivalents in the period		(198,760)	91,362
Cash and cash equivalents at the beginning of the period		365,202	273,840
Cash and cash equivalents at the end of the period		166,442	365,202

MOVEMENTS IN NET DEBT

	1 April 2020 £	Cashflows £	31 March 2021 £
Loans due after more than one year	6,700,000	3,700,000	10,400,000
Cash	(365,202)	198,760	(166,442)
Net Debt	**6,334,798**	**3,501,240**	**10,233,558**

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England from April 2015. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated).

Going concern
The financial statements have been prepared on a going concern basis. The Company has adequate reserves and a satisfactory level of contracted future income. The Company is financed by loans from its parent entity, Horton Housing Association.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

2 ACCOUNTING POLICIES (continued)

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

2 ACCOUNTING POLICIES (continued)

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)
Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions
Creditors and provisions are recognised where the company 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 31 March 2021

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021			2020		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,694,835	1,243,907	2,450,928	1,053,270	542,295	510,975

	Supported Housing £	Total 2021 £	Total 2020 £
Rent receivable net of identifiable service charges	615,085	615,085	488,690
Service charges receivable			-
Management charges	209,475	209,475	198,880
Government Grants taken to income	2,870,275	2,870,275	365,000
Other Income			700
Turnover from social housing lettings	3,694,835	3,694,835	1,053,270
Expenditure on social housing lettings			
Management costs	419,868	419,868	301,055
Routine maintenance	-	-	199
Depreciation of housing properties & other assets	276,357	276,357	206,771
Impairment of housing properties	547,682	547,682	34,270
Operating expenditure on social housing lettings	1,243,907	1,243,907	542,295
Operating surplus on social housing lettings	2,450,928	2,450,928	510,975
Void losses	-	-	-

4 ACCOMMODATION

	2021 No.	2020 No.
Managed by Agents (supported housing accommodation):	147	103
	147	103

The supported housing accommodation includes four flats (2020: two) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 260 (2020: 266) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2020: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 32 units (2020: 19) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2021 No.	2020 No.
Supported housing accommodation:		
Self-contained flats	114	87
Houses	33	16
	147	103

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2021 £	2020 £
Depreciation / impairment of housing properties	824,039	241,041
Auditors' remuneration for audit services	4,920	4,750

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Interest on group loans	196,847	188,758

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

8 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost/Valuation			
At 1 April 2020	7,564,671	1,320,811	8,885,482
Additions	1,837,229	4,091,311	5,928,540
Transfers	4,802,756	(4,802,756)	-
Impairment	(547,682)	-	(547,682)
Revaluation	105,407	-	105,407
At 31 March 2021	13,762,381	609,366	14,371,747
Depreciation			
At 1 April 2020	429,107	-	429,107
Charged in year	276,357	-	276,357
Revaluation	(361,571)	-	(361,571)
At 31 March 2021	343,893	-	343,893
Depreciated cost			
At 31 March 2021	13,418,488	609,366	14,027,854
At 31 March 2020	7,135,564	1,320,811	8,456,375

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2021 and the latest valuations on those properties.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £14,815,207 (2020 - £8,234,180).

9 DEBTORS

	2021 £	2020 £
Government grants receivable	1,066,275	87,500
Prepayments and accrued income	1,035	675
Inter-company account	196,514	134,239
	1,263,824	222,414

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Debt (note 12)	-	-
Trade creditors	183,782	34,222
Accruals and deferred income	275,755	311,653
Inter-company account	2,857	123,449
	462,394	469,324

Included above is deferred income of £168,750 relating to government grants (2020: £282,000).

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Debt (note 12)	10,400,000	6,700,000

12 DEBT ANALYSIS

	2021 £	2020 £
Due within one year	-	-
	-	-
Due after more than one year	10,400,000	6,700,000
	10,400,000	6,700,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	10,400,000	6,700,000
After five years	-	-
	10,400,000	6,700,000

The full amount of the debt above is unsecured.

13 RESERVES

General Reserve	2021 £
Opening funds at 1 April 2020	1,519,782
Surplus for the financial year	2,254,081
Transfer from Revaluation Reserve	91,927
Closing funds at 31 March 2021	3,865,790
Revaluation Reserve	
Opening balance at 1 April 2020	354,885
Revaluation	466,978
Transfer to General Reserve	(91,927)
Closing balance at 31 March 2021	729,936

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

14 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Carrying amount of financial assets measured at amortised cost	1,262,789	221,739
Carrying amount of financial liabilities measured at amortised cost	10,760,229	6,887,324

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2021 £	2020 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	326,535	317,227

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2021 £	2020 £
Cash flow from operating activities		
Operating surplus	2,450,928	510,975
Depreciation and impairment of tangible fixed assets	824,039	241,041
Decrease/(increase) in debtors	(1,041,410)	2,959
Increase/(decrease) in creditors	(6,930)	253,184
Net cash inflow from operating activities	2,226,627	1,008,159

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2021 (2020: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £nil (2020 - £16) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, some purchased from HHA, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing has also started to receive revenue grant funding for housing support services in the year, which it contracts HHA to deliver on its behalf. HHA or HHS receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2021 £	2020 £
Fees charged to HHA		
- For acting as landlord for properties	53,783	53,518
- For use of one flat as an office	4,897	4,769
Fees charged to HHS		
- For acting as landlord for properties	126,795	116,593
- For use of property as an office	24,000	24,000
Total related party fee income	209,475	198,880
Fees from HHA for management and housing support services	130,015	55,199
Fees from HHA for support services	128,125	125,000
Interest charged on loan received from HHA	196,847	188,758
Fees from HHS for management services	57,755	52,079
Total related party charges	512,742	421,036

As at 31 March 2021, the following balances were due from/(to) the other Group companies:

	2021 £	2020 £
Trading Accounts:		
Horton Housing Association	(2,857)	(123,449)
Horton Housing Support Ltd	196,514	134,239
Bradford BASE Social Enterprise Company Ltd	-	-
Loans from Horton Housing Association	(10,400,000)	(6,700,000)

Registered company number: 8662400
Registered charity number: 1162562
Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2021

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/ Management Board	Mark Dowson (Chair)	John Bell	Nicholas Warden
	Sarah Benjamin	Alan Goodrum	Umar Qayoum
	Phillip Charlton	Mark Bell	
	Wayne Noteman	Clive Greenwood	

Senior Management Team:	The executive comprise the senior management team of the sole member, Horton Housing Association.
Registered Office:	Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS
Company Registration no:	8662400
Charity Registration no:	1162562
Registered Provider no:	4821
Solicitors:	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Auditors:	Saffery Champness LLP Mitre House North Park Road Harrogate HG1 5RX
Bankers:	Barclays Bank plc 10 Market Street Bradford BD1 1NR
Development consortium:	Accent Group Development Consortium Charlestown House Acorn Park Industrial Estate Shipley BD17 7SW
Development partner:	Greenoak Development Consultancy High Austby House Ilkley LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2021.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2021 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted and complies with the NHF 2015 Code of Governance. The Board undertakes an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm this. The NHF Code of Governance has been updated and reissued in November 2020. The Management Board is currently assessing compliance against the new Code with the intention to assess whether to adopt the new Code in full before 31 March 2022.

The Management Board comprises all the current directors of the company and must comprise of no less than 5 and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	John Bell	Clive Greenwood
Sarah Benjamin	Nicholas Warden	Dawn Bennett (resigned 18/6/21)
Phillip Charlton	Wayne Noteman	Umar Qayoum
Alan Goodrum	Mark Bell	

REPORT OF THE DIRECTORS (CONTINUED)

The Board met every two months during the 2020/21 year. As a consequence of the COVID-19 pandemic all meetings took place virtually. All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 103 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 286 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 78 further units for refurbishment of which 44 were ready to let as supported accommodation by 31 March 2021. The company leased or managed 280 units of supported accommodation as at the 31 March 2021.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2014.

The rent received for owned properties and properties on short-term lease agreements amounted to £825k in the year to 31 March 2021 (2020: £688k).

The overall surplus for the year amounted to £2,254k (2020: £322k) and reserves of £4,596k are carried forward at 31 March 2021. The value of residential property held by the company as at 31 March 2021 was £14.0 million (2020: £8.5 million).

FUTURE DEVELOPMENTS

The company has worked with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes. In 2021-22 the company expects to continue its development programme (either through the current Accent Group consortium or another consortium which is being considered for the new Affordable Homes Programme bids) and complete at least 45 further supported housing units under the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Next Steps Accommodation Programme. COVID19 has slowed the progress of some developments and, together with the effects of the BREXIT withdrawal, has increased the price and affected the availability of some building materials, but is not expected to have any significant impact on our development plans or the financial stability of the company.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

REPORT OF THE DIRECTORS (CONTINUED)

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

The company aims to steadily build up its reserves and as at 31 March 2021 the company's unrestricted general reserve stood at £3,866k and the revaluation reserve at £730k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

There are over-arching Group Strategic and Operational Risk Registers (ORR) which apply to all the group entities and which identify key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the business plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations and of changing Government Policy and priorities, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit &Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. Risks relating specifically to Chartford Housing Limited were incorporated into this cycle from 1st April 2017. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification

REPORT OF THE DIRECTORS (CONTINUED)

- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The Company's current Value for Money Strategy sets out that the Board's role is to have:

- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular and appropriate consideration of VFM gains
- Regular reports and reviews in relation to current structural arrangements for delivering the company's activities
- Confidence that board skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

In 2020/21 the Company has undertaken a detailed review by its internal auditors of its compliance with the VFM Standard. This has identified a number of areas for improvement – particularly relating to the structure of the Value for Money Strategy, its links to the Business Plan and the monitoring of achievements of our VFM Goals. We will be addressing these areas for improvement during 2021/22.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2020 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 66.3% (2020: 48.5%) SPBM benchmark 2020: 17.52%**

The company has had healthy operating margins however, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects. Operating margin could potentially vary considerably depending on when new developments are completed as SHG is not taken to income until completion.

REPORT OF THE DIRECTORS (CONTINUED)

***Operating margin (social housing lettings) 66.3% (2020: 48.5%) SPBM benchmark 2020: 18.10%**

This figure is the same as Operating Margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 242% (2020: 205%) SPBM benchmark 2020: 251%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and developing association. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social) 44 (2020: 10) SPBM benchmark 2020: 0**

Units developed as a % of owned (social) 10.4% (2020: 2.6%) SPBM benchmark 2020: 0

***New supply (non-social) We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. A further 28 units completed shortly after the year end. The company continues to develop at a sustainable pace.

***Gearing 71.6% (2020: 74.8%) SPBM benchmark 2020: 16.67%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting Chartford Housing's development plans.

Cumulative Homes England SHG invested £5,405,428 (2020: £2,606,028)

This reflects the amount of development activity that has occurred since Chartford Housing Limited started developing and that has increased more recently.

Outcomes delivered

Customer satisfaction 94.5% (2020: 94.3%) SPBM benchmark 2020: 90.0%

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by Chartford Housing for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with Chartford Housing. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 235 respondents this year (2020: 299).

***Reinvestment 42.3% (2020: 22.8%) SPBM benchmark 2020: 3.62%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, Chartford Housing Limited is actively developing.

REPORT OF THE DIRECTORS (CONTINUED)

Lettable days available from owned property **43,987 (2020: 34,767)**

Actual number of days let as a % of lettable days **93.0% (2020: 95.4%)**

Effective Asset Management

***Return on capital employed** **15.8% (2020: 5.6%)** **SPBM benchmark 2020: 2.81%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. 2020-21 has been significantly affected by the amount of grant received in the year in the same way as the Operating Margin metric is affected.

Operating efficiencies

***Headline social housing cost per unit** **£988 (2020: £778)** **SPBM benchmark 2020: £4,577**

Underlying cost per unit is currently very low and this is mainly because all the developments are new since operations began and there has therefore been relatively little maintenance cost. In addition, the management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Over time we expect our social housing costs per unit to increase.

Management fees paid per unit of stock (owned and leased) **£303 pa (2020: £321 pa)**

Total cost of delivery of each lettable day **£20.30 (2020: £20.04)**

The company is able to take advantage of being a part of the Horton Housing Group. Chartford Housing benefits from the resources of the Group and in particular it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annual fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group, that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

Evidence of efficiency gains

Every year targets are set within the company's Business Plan that include actions relating to improving Value for Money. We seek to identify and improve in areas that we think can be improved. VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company

REPORT OF THE DIRECTORS (CONTINUED)

charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We have commissioned external consultants to review, recommend and assist us to implement improvements in our processes and efficiency of our inhouse maintenance team and of our management of external contractors. This work commenced in 2020/21 and will continue into 2021/22.

- We have worked with upholsterers and other professionals to improve our ability to recycle and reuse furniture in our properties.

- We have set up donations systems for furnishings and household items to support our clients in their own homes and/or when moving on from Chartford Housing's accommodation.

- We have increased working from home/agile working to reduce travel and office running costs. Some was planned, but this was greatly accelerated with the effects of the COVIS 19 pandemic.

- We have increased the fuel efficiency of our new developments, through use of enhanced insulation, solar panels and heat pumps where appropriate.

- We re-procured many of our gas and electric contracts so that all supplied are now on long-term agreements for a minimum of a further 2 years. This did not deliver any cost saving but secured the price at similar levels to current and protected us against future rises.

- We undertook a procurement exercise for further funding with a number of lenders. The Heads of Terms for our increased funding have been agreed at improved rates to currently being enjoyed and we expect them to be formally in place shortly.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2016/17 an external consultant also reviewed compliance with the Standard through an advisory audit. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2020/21 management self-assessment was completed in early 2021. The Board is satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company completed a full review of its compliance with RSH Standards in 2016/17 using management self-assessment and an advisory audit by an external consultant. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews each year. For 2020/21 this exercise was completed again and reviewed by the Board in early 2021 The Board is satisfied that it continues to meet all the requirements of the RSH Standards at the date of this report, with one exception.

REPORT OF THE DIRECTORS (CONTINUED)

The exception relates to the Home Standard, specifically "criterion d, 5.23" in section 5 of the Decent Homes Guidance, which relates to the type of heating systems that should be used in a Decent Home.

The company has identified that the electrical heating systems in some properties that are leased from private landlords cannot be classed as "electric storage heaters" and therefore, as set out at section 5.25, fail the Decent Homes standard. The Board has satisfied itself that, in all other respects, these properties meet the thermal comfort requirements of the Standard and do not create a Category 1 hazard in terms of excess cold.

The company set out a target for all properties to meet the Decent Homes Standard and worked with those private landlords to ensure, as a minimum, that heating systems are modernised or, if this cannot be agreed, the properties are handed back at the end of their leases. We set out below the progress made over the last 4 years and are pleased to be able to confirm that we declared full compliance with the Decent Homes Standard from May 2021 when the tenants in the final 11-bed property which did not meet the Decent Homes Standard were decanted and notice given to the landlord to hand back the property formally in July 2021.

Actual March 2018	Actual March 2019	Actual March 2020	Actual March 2021
94	55	33	11

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

REPORT OF THE DIRECTORS (CONTINUED)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable company's auditors are unaware; and

- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 20th July 2021 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet and the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also 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 to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales, and UK tax legislation.

Further the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be Building and fire safety regulations, including the Housing Act 2004 (Housing Health and Safety Rating System) and the Regulatory Reform (Fire Safety) Order 2005.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Regulator of Social Housing and the Charity Commission, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included

ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Saffery Champness LLP

Alison Robinson (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 5 August 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	3,694,835	1,053,270
Operating expenditure		(1,243,907)	(542,295)
Operating surplus	5	2,450,928	510,975
Interest receivable		-	-
Interest and financing costs	6	(196,847)	(188,758)
Surplus for the year	13	2,254,081	322,217
Revaluation surplus	13	466,978	283,588
Total comprehensive income for the year		2,721,059	605,805

The notes on pages 18 to 27 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2021

Registered Company number: 8662400

	Note	2021 £	2020 £
Tangible fixed assets			
Housing properties	8	14,027,854	8,456,375
		14,027,854	8,456,375
Current assets			
Debtors	9	1,263,824	222,414
Cash and cash equivalents		166,442	365,202
		1,430,266	587,616
Creditors: amounts falling due within one year	10	(462,394)	(469,324)
Net current assets		967,872	118,292
Total assets less current liabilities		14,995,726	8,574,667
Creditors: amounts falling due after more than one year	11	(10,400,000)	(6,700,000)
Total net assets		4,595,726	1,874,667
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	3,865,790	1,519,782
Revaluation reserve	13	729,936	354,885
Total reserves		4,595,726	1,874,667

The notes on pages 19 to 28 form part of these financial statements.

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

The financial statements were approved by the Board of Directors on 20th July 2021 and signed on its behalf by:

Mark Dowson
Director

Nick Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2021

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 1 April 2019		-	1,268,862	1,268,862
Year ended 31 March 2020				
Surplus from statement of comprehensive income		-	605,805	605,805
Balance at 31 March 2020		-	1,874,667	1,874,667
Year ended 31 March 2021				
Surplus from statement of comprehensive income		-	2,721,059	2,721,059
Balance at 31 March 2021		-	4,595,726	4,595,726

The notes on pages 19 to 28 form part of these financial statements.

Chartford Housing Limited

STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	16	2,226,627	1,008,159
Cash flow from investing activities			
Purchase and construction of housing properties	8	(5,928,540)	(1,928,039)
		(5,928,540)	(1,928,039)
Cash flow from financing activities			
New Loans		3,700,000	1,200,000
Loan repayments		-	-
Interest paid	6	(196,847)	(188,758)
		3,503,153	1,011,242
Net change in cash and cash equivalents in the period		(198,760)	91,362
Cash and cash equivalents at the beginning of the period		365,202	273,840
Cash and cash equivalents at the end of the period		166,442	365,202

MOVEMENTS IN NET DEBT

	1 April 2020 £	Cashflows £	31 March 2021 £
Loans due after more than one year	6,700,000	3,700,000	10,400,000
Cash	(365,202)	198,760	(166,442)
Net Debt	**6,334,798**	**3,501,240**	**10,233,558**

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England from April 2015. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated).

Going concern
The financial statements have been prepared on a going concern basis. The Company has adequate reserves and a satisfactory level of contracted future income. The Company is financed by loans from its parent entity, Horton Housing Association.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

2 ACCOUNTING POLICIES (continued)

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

2 ACCOUNTING POLICIES (continued)

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Other grants
Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)
Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions
Creditors and provisions are recognised where the company 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.

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021			2020		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,694,835	1,243,907	2,450,928	1,053,270	542,295	510,975

	Supported Housing £	Total 2021 £	Total 2020 £
Rent receivable net of identifiable service charges	615,085	615,085	488,690
Service charges receivable			-
Management charges	209,475	209,475	198,880
Government Grants taken to income	2,870,275	2,870,275	365,000
Other Income			700
Turnover from social housing lettings	3,694,835	3,694,835	1,053,270
Expenditure on social housing lettings			
Management costs	419,868	419,868	301,055
Routine maintenance	-	-	199
Depreciation of housing properties & other assets	276,357	276,357	206,771
Impairment of housing properties	547,682	547,682	34,270
Operating expenditure on social housing lettings	1,243,907	1,243,907	542,295
Operating surplus on social housing lettings	2,450,928	2,450,928	510,975
Void losses	-	-	-

4 ACCOMMODATION

	2021 No.	2020 No.
Managed by Agents (supported housing accommodation):	147	103
	147	103

The supported housing accommodation includes four flats (2020: two) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 260 (2020: 266) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2020: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 32 units (2020: 19) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2021 No.	2020 No.
Supported housing accommodation:		
Self-contained flats	114	87
Houses	33	16
	147	103

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2021 £	2020 £
Depreciation / impairment of housing properties	824,039	241,041
Auditors' remuneration for audit services	4,920	4,750

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Interest on group loans	196,847	188,758

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

8 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost/Valuation			
At 1 April 2020	7,564,671	1,320,811	8,885,482
Additions	1,837,229	4,091,311	5,928,540
Transfers	4,802,756	(4,802,756)	-
Impairment	(547,682)	-	(547,682)
Revaluation	105,407	-	105,407
At 31 March 2021	13,762,381	609,366	14,371,747
Depreciation			
At 1 April 2020	429,107	-	429,107
Charged in year	276,357	-	276,357
Revaluation	(361,571)	-	(361,571)
At 31 March 2021	343,893	-	343,893
Depreciated cost			
At 31 March 2021	13,418,488	609,366	14,027,854
At 31 March 2020	7,135,564	1,320,811	8,456,375

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2021 and the latest valuations on those properties.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £14,815,207 (2020 - £8,234,180).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

9 DEBTORS

	2021 £	2020 £
Government grants receivable	1,066,275	87,500
Prepayments and accrued income	1,035	675
Inter-company account	196,514	134,239
	1,263,824	222,414

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Debt (note 12)	-	-
Trade creditors	183,782	34,222
Accruals and deferred income	275,755	311,653
Inter-company account	2,857	123,449
	462,394	469,324

Included above is deferred income of £168,750 relating to government grants (2020: £282,000).

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Debt (note 12)	10,400,000	6,700,000

12 DEBT ANALYSIS

	2021 £	2020 £
Due within one year	-	-
	-	-
Due after more than one year	10,400,000	6,700,000
	10,400,000	6,700,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	10,400,000	6,700,000
After five years	-	-
	10,400,000	6,700,000

The full amount of the debt above is unsecured.

13 RESERVES

General Reserve	2021 £
Opening funds at 1 April 2020	1,519,782
Surplus for the financial year	2,254,081
Transfer from Revaluation Reserve	91,927
Closing funds at 31 March 2021	3,865,790
Revaluation Reserve	
Opening balance at 1 April 2020	354,885
Revaluation	466,978
Transfer to General Reserve	(91,927)
Closing balance at 31 March 2021	729,936

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

14 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Carrying amount of financial assets measured at amortised cost	1,262,789	221,739
Carrying amount of financial liabilities measured at amortised cost	10,760,229	6,887,324

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2021 £	2020 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	326,535	317,227

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2021 £	2020 £
Cash flow from operating activities		
Operating surplus	2,450,928	510,975
Depreciation and impairment of tangible fixed assets	824,039	241,041
Decrease/(increase) in debtors	(1,041,410)	2,959
Increase/(decrease) in creditors	(6,930)	253,184
Net cash inflow from operating activities	2,226,627	1,008,159

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2021 (2020: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £nil (2020 - £16) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, some purchased from HHA, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing has also started to receive revenue grant funding for housing support services in the year, which it contracts HHA to deliver on its behalf. HHA or HHS receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2021 £	2020 £
Fees charged to HHA		
- For acting as landlord for properties	53,783	53,518
- For use of one flat as an office	4,897	4,769
Fees charged to HHS		
- For acting as landlord for properties	126,795	116,593
- For use of property as an office	24,000	24,000
Total related party fee income	209,475	198,880
Fees from HHA for management and housing support services	130,015	55,199
Fees from HHA for support services	128,125	125,000
Interest charged on loan received from HHA	196,847	188,758
Fees from HHS for management services	57,755	52,079
Total related party charges	512,742	421,036

As at 31 March 2021, the following balances were due from/(to) the other Group companies:

	2021 £	2020 £
Trading Accounts:		
Horton Housing Association	(2,857)	(123,449)
Horton Housing Support Ltd	196,514	134,239
Bradford BASE Social Enterprise Company Ltd	-	-
Loans from Horton Housing Association	(10,400,000)	(6,700,000)

Registered company number: 8662400

Registered charity number: 1162562

Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2021

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/ Management Board	Mark Dowson (Chair)	John Bell	Nicholas Warden
	Sarah Benjamin	Alan Goodrum	Umar Qayoum
	Phillip Charlton	Mark Bell	
	Wayne Noteman	Clive Greenwood	

Senior Management Team: The executive comprise the senior management team of the sole member, Horton Housing Association.

Registered Office: Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS

Company Registration no: 8662400

Charity Registration no: 1162562

Registered Provider no: 4821

Solicitors:
Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Auditors:
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers:
Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Development consortium:
Accent Group Development Consortium
Charlestown House
Acorn Park Industrial Estate
Shipley
BD17 7SW

Development partner:
Greenoak Development Consultancy
High Austby House
Ilkley
LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2021.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2021 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted and complies with the NHF 2015 Code of Governance. The Board undertakes an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm this. The NHF Code of Governance has been updated and reissued in November 2020. The Management Board is currently assessing compliance against the new Code with the intention to assess whether to adopt the new Code in full before 31 March 2022.

The Management Board comprises all the current directors of the company and must comprise of no less than 5 and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	John Bell	Clive Greenwood
Sarah Benjamin	Nicholas Warden	Dawn Bennett (resigned 18/6/21)
Phillip Charlton	Wayne Noteman	Umar Qayoum
Alan Goodrum	Mark Bell	

REPORT OF THE DIRECTORS (CONTINUED)

The Board met every two months during the 2020/21 year. As a consequence of the COVID-19 pandemic all meetings took place virtually. All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 103 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 286 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 78 further units for refurbishment of which 44 were ready to let as supported accommodation by 31 March 2021. The company leased or managed 280 units of supported accommodation as at the 31 March 2021.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2014.

The rent received for owned properties and properties on short-term lease agreements amounted to £825k in the year to 31 March 2021 (2020: £688k).

The overall surplus for the year amounted to £2,254k (2020: £322k) and reserves of £4,596k are carried forward at 31 March 2021. The value of residential property held by the company as at 31 March 2021 was £14.0 million (2020: £8.5 million).

FUTURE DEVELOPMENTS

The company has worked with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes. In 2021-22 the company expects to continue its development programme (either through the current Accent Group consortium or another consortium which is being considered for the new Affordable Homes Programme bids) and complete at least 45 further supported housing units under the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Next Steps Accommodation Programme. COVID19 has slowed the progress of some developments and, together with the effects of the BREXIT withdrawal, has increased the price and affected the availability of some building materials, but is not expected to have any significant impact on our development plans or the financial stability of the company.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

REPORT OF THE DIRECTORS (CONTINUED)

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

The company aims to steadily build up its reserves and as at 31 March 2021 the company's unrestricted general reserve stood at £3,866k and the revaluation reserve at £730k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

There are over-arching Group Strategic and Operational Risk Registers (ORR) which apply to all the group entities and which identify key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the business plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations and of changing Government Policy and priorities, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit &Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. Risks relating specifically to Chartford Housing Limited were incorporated into this cycle from 1st April 2017. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification

REPORT OF THE DIRECTORS (CONTINUED)

- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The Company's current Value for Money Strategy sets out that the Board's role is to have:

- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular and appropriate consideration of VFM gains
- Regular reports and reviews in relation to current structural arrangements for delivering the company's activities
- Confidence that board skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

In 2020/21 the Company has undertaken a detailed review by its internal auditors of its compliance with the VFM Standard. This has identified a number of areas for improvement – particularly relating to the structure of the Value for Money Strategy, its links to the Business Plan and the monitoring of achievements of our VFM Goals. We will be addressing these areas for improvement during 2021/22.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2020 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 66.3% (2020: 48.5%) SPBM benchmark 2020: 17.52%**

The company has had healthy operating margins however, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects. Operating margin could potentially vary considerably depending on when new developments are completed as SHG is not taken to income until completion.

REPORT OF THE DIRECTORS (CONTINUED)

***Operating margin (social housing lettings) 66.3% (2020: 48.5%) SPBM benchmark 2020: 18.10%**

This figure is the same as Operating Margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 242% (2020: 205%) SPBM benchmark 2020: 251%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and developing association. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social) 44 (2020: 10) SPBM benchmark 2020: 0**

Units developed as a % of owned (social) 10.4% (2020: 2.6%) SPBM benchmark 2020: 0

***New supply (non-social) We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. A further 28 units completed shortly after the year end. The company continues to develop at a sustainable pace.

***Gearing 71.6% (2020: 74.8%) SPBM benchmark 2020: 16.67%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting Chartford Housing's development plans.

Cumulative Homes England SHG invested £5,405,428 (2020: £2,606,028)

This reflects the amount of development activity that has occurred since Chartford Housing Limited started developing and that has increased more recently.

Outcomes delivered

Customer satisfaction 94.5% (2020: 94.3%) SPBM benchmark 2020: 90.0%

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by Chartford Housing for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with Chartford Housing. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 235 respondents this year (2020: 299).

***Reinvestment 42.3% (2020: 22.8%) SPBM benchmark 2020: 3.62%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, Chartford Housing Limited is actively developing.

REPORT OF THE DIRECTORS (CONTINUED)

Lettable days available from owned property **43,987 (2020: 34,767)**

Actual number of days let as a % of lettable days **93.0% (2020: 95.4%)**

Effective Asset Management

***Return on capital employed** **15.8% (2020: 5.6%)** **SPBM benchmark 2020: 2.81%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. 2020-21 has been significantly affected by the amount of grant received in the year in the same way as the Operating Margin metric is affected.

Operating efficiencies

***Headline social housing cost per unit** **£988 (2020: £778)** **SPBM benchmark 2020: £4,577**

Underlying cost per unit is currently very low and this is mainly because all the developments are new since operations began and there has therefore been relatively little maintenance cost. In addition, the management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Over time we expect our social housing costs per unit to increase.

Management fees paid per unit of stock (owned and leased) **£303 pa (2020: £321 pa)**

Total cost of delivery of each lettable day **£20.30 (2020: £20.04)**

The company is able to take advantage of being a part of the Horton Housing Group. Chartford Housing benefits from the resources of the Group and in particular it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annual fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group, that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

Evidence of efficiency gains

Every year targets are set within the company's Business Plan that include actions relating to improving Value for Money. We seek to identify and improve in areas that we think can be improved. VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company

REPORT OF THE DIRECTORS (CONTINUED)

charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We have commissioned external consultants to review, recommend and assist us to implement improvements in our processes and efficiency of our inhouse maintenance team and of our management of external contractors. This work commenced in 2020/21 and will continue into 2021/22.

- We have worked with upholsterers and other professionals to improve our ability to recycle and reuse furniture in our properties.

- We have set up donations systems for furnishings and household items to support our clients in their own homes and/or when moving on from Chartford Housing's accommodation.

- We have increased working from home/agile working to reduce travel and office running costs. Some was planned, but this was greatly accelerated with the effects of the COVIS 19 pandemic.

- We have increased the fuel efficiency of our new developments, through use of enhanced insulation, solar panels and heat pumps where appropriate.

- We re-procured many of our gas and electric contracts so that all supplied are now on long-term agreements for a minimum of a further 2 years. This did not deliver any cost saving but secured the price at similar levels to current and protected us against future rises.

- We undertook a procurement exercise for further funding with a number of lenders. The Heads of Terms for our increased funding have been agreed at improved rates to currently being enjoyed and we expect them to be formally in place shortly.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2016/17 an external consultant also reviewed compliance with the Standard through an advisory audit. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2020/21 management self-assessment was completed in early 2021. The Board is satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company completed a full review of its compliance with RSH Standards in 2016/17 using management self-assessment and an advisory audit by an external consultant. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews each year. For 2020/21 this exercise was completed again and reviewed by the Board in early 2021 The Board is satisfied that it continues to meet all the requirements of the RSH Standards at the date of this report, with one exception.

REPORT OF THE DIRECTORS (CONTINUED)

The exception relates to the Home Standard, specifically "criterion d, 5.23" in section 5 of the Decent Homes Guidance, which relates to the type of heating systems that should be used in a Decent Home.

The company has identified that the electrical heating systems in some properties that are leased from private landlords cannot be classed as "electric storage heaters" and therefore, as set out at section 5.25, fail the Decent Homes standard. The Board has satisfied itself that, in all other respects, these properties meet the thermal comfort requirements of the Standard and do not create a Category 1 hazard in terms of excess cold.

The company set out a target for all properties to meet the Decent Homes Standard and worked with those private landlords to ensure, as a minimum, that heating systems are modernised or, if this cannot be agreed, the properties are handed back at the end of their leases. We set out below the progress made over the last 4 years and are pleased to be able to confirm that we declared full compliance with the Decent Homes Standard from May 2021 when the tenants in the final 11-bed property which did not meet the Decent Homes Standard were decanted and notice given to the landlord to hand back the property formally in July 2021.

Actual March 2018	Actual March 2019	Actual March 2020	Actual March 2021
94	55	33	11

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

REPORT OF THE DIRECTORS (CONTINUED)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable company's auditors are unaware; and

- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 20th July 2021 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet and the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also 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 to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales, and UK tax legislation.

Further the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be Building and fire safety regulations, including the Housing Act 2004 (Housing Health and Safety Rating System) and the Regulatory Reform (Fire Safety) Order 2005.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Regulator of Social Housing and the Charity Commission, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included

ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Saffery Champness LLP

Alison Robinson (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 5 August 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	3,694,835	1,053,270
Operating expenditure		(1,243,907)	(542,295)
Operating surplus	5	2,450,928	510,975
Interest receivable		-	-
Interest and financing costs	6	(196,847)	(188,758)
Surplus for the year	13	2,254,081	322,217
Revaluation surplus	13	466,978	283,588
Total comprehensive income for the year		2,721,059	605,805

The notes on pages 18 to 27 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2021

Registered Company number: 8662400

	Note	2021 £	2020 £
Tangible fixed assets			
Housing properties	8	14,027,854	8,456,375
		14,027,854	8,456,375
Current assets			
Debtors	9	1,263,824	222,414
Cash and cash equivalents		166,442	365,202
		1,430,266	587,616
Creditors: amounts falling due within one year	10	(462,394)	(469,324)
Net current assets		967,872	118,292
Total assets less current liabilities		14,995,726	8,574,667
Creditors: amounts falling due after more than one year	11	(10,400,000)	(6,700,000)
Total net assets		4,595,726	1,874,667
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	3,865,790	1,519,782
Revaluation reserve	13	729,936	354,885
Total reserves		4,595,726	1,874,667

The notes on pages 19 to 28 form part of these financial statements.

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

The financial statements were approved by the Board of Directors on 20th July 2021 and signed on its behalf by:

Mark Dowson
Director

Nick Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2021

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 1 April 2019		-	1,268,862	1,268,862
Year ended 31 March 2020				
Surplus from statement of comprehensive income		-	605,805	605,805
Balance at 31 March 2020		-	1,874,667	1,874,667
Year ended 31 March 2021				
Surplus from statement of comprehensive income		-	2,721,059	2,721,059
Balance at 31 March 2021		-	4,595,726	4,595,726

The notes on pages 19 to 28 form part of these financial statements.

Chartford Housing Limited

STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	16	2,226,627	1,008,159
Cash flow from investing activities			
Purchase and construction of housing properties	8	(5,928,540)	(1,928,039)
		(5,928,540)	(1,928,039)
Cash flow from financing activities			
New Loans		3,700,000	1,200,000
Loan repayments		-	-
Interest paid	6	(196,847)	(188,758)
		3,503,153	1,011,242
Net change in cash and cash equivalents in the period		(198,760)	91,362
Cash and cash equivalents at the beginning of the period		365,202	273,840
Cash and cash equivalents at the end of the period		166,442	365,202

MOVEMENTS IN NET DEBT

	1 April 2020 £	Cashflows £	31 March 2021 £
Loans due after more than one year	6,700,000	3,700,000	10,400,000
Cash	(365,202)	198,760	(166,442)
Net Debt	**6,334,798**	**3,501,240**	**10,233,558**

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England from April 2015. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated).

Going concern
The financial statements have been prepared on a going concern basis. The Company has adequate reserves and a satisfactory level of contracted future income. The Company is financed by loans from its parent entity, Horton Housing Association.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

2 ACCOUNTING POLICIES (continued)

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

2 ACCOUNTING POLICIES (continued)

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)

Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions

Creditors and provisions are recognised where the company 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 31 March 2021

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021			2020		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,694,835	1,243,907	2,450,928	1,053,270	542,295	510,975

	Supported Housing £	Total 2021 £	Total 2020 £
Rent receivable net of identifiable service charges	615,085	615,085	488,690
Service charges receivable			-
Management charges	209,475	209,475	198,880
Government Grants taken to income	2,870,275	2,870,275	365,000
Other Income			700
Turnover from social housing lettings	3,694,835	3,694,835	1,053,270
Expenditure on social housing lettings			
Management costs	419,868	419,868	301,055
Routine maintenance	-	-	199
Depreciation of housing properties & other assets	276,357	276,357	206,771
Impairment of housing properties	547,682	547,682	34,270
Operating expenditure on social housing lettings	1,243,907	1,243,907	542,295
Operating surplus on social housing lettings	2,450,928	2,450,928	510,975
Void losses	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

4 ACCOMMODATION

	2021 No.	2020 No.
Managed by Agents (supported housing accommodation):	147	103
	147	103

The supported housing accommodation includes four flats (2020: two) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 260 (2020: 266) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2020: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 32 units (2020: 19) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2021 No.	2020 No.
Supported housing accommodation:		
Self-contained flats	114	87
Houses	33	16
	147	103

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2021 £	2020 £
Depreciation / impairment of housing properties	824,039	241,041
Auditors' remuneration for audit services	4,920	4,750

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Interest on group loans	196,847	188,758

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

8 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost/Valuation			
At 1 April 2020	7,564,671	1,320,811	8,885,482
Additions	1,837,229	4,091,311	5,928,540
Transfers	4,802,756	(4,802,756)	-
Impairment	(547,682)	-	(547,682)
Revaluation	105,407	-	105,407
At 31 March 2021	13,762,381	609,366	14,371,747
Depreciation			
At 1 April 2020	429,107	-	429,107
Charged in year	276,357	-	276,357
Revaluation	(361,571)	-	(361,571)
At 31 March 2021	343,893	-	343,893
Depreciated cost			
At 31 March 2021	13,418,488	609,366	14,027,854
At 31 March 2020	7,135,564	1,320,811	8,456,375

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2021 and the latest valuations on those properties.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £14,815,207 (2020 - £8,234,180).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

9 DEBTORS

	2021 £	2020 £
Government grants receivable	1,066,275	87,500
Prepayments and accrued income	1,035	675
Inter-company account	196,514	134,239
	1,263,824	222,414

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Debt (note 12)	-	-
Trade creditors	183,782	34,222
Accruals and deferred income	275,755	311,653
Inter-company account	2,857	123,449
	462,394	469,324

Included above is deferred income of £168,750 relating to government grants (2020: £282,000).

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Debt (note 12)	10,400,000	6,700,000

12 DEBT ANALYSIS

	2021 £	2020 £
Due within one year	-	-
	-	-
Due after more than one year	10,400,000	6,700,000
	10,400,000	6,700,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	10,400,000	6,700,000
After five years	-	-
	10,400,000	6,700,000

The full amount of the debt above is unsecured.

13 RESERVES

General Reserve	2021 £
Opening funds at 1 April 2020	1,519,782
Surplus for the financial year	2,254,081
Transfer from Revaluation Reserve	91,927
Closing funds at 31 March 2021	3,865,790
Revaluation Reserve	
Opening balance at 1 April 2020	354,885
Revaluation	466,978
Transfer to General Reserve	(91,927)
Closing balance at 31 March 2021	729,936

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

14 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Carrying amount of financial assets measured at amortised cost	1,262,789	221,739
Carrying amount of financial liabilities measured at amortised cost	10,760,229	6,887,324

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2021 £	2020 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	326,535	317,227

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2021 £	2020 £
Cash flow from operating activities		
Operating surplus	2,450,928	510,975
Depreciation and impairment of tangible fixed assets	824,039	241,041
Decrease/(increase) in debtors	(1,041,410)	2,959
Increase/(decrease) in creditors	(6,930)	253,184
Net cash inflow from operating activities	2,226,627	1,008,159

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2021 (2020: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £nil (2020 - £16) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, some purchased from HHA, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing has also started to receive revenue grant funding for housing support services in the year, which it contracts HHA to deliver on its behalf. HHA or HHS receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2021 £	2020 £
Fees charged to HHA		
- For acting as landlord for properties	53,783	53,518
- For use of one flat as an office	4,897	4,769
Fees charged to HHS		
- For acting as landlord for properties	126,795	116,593
- For use of property as an office	24,000	24,000
Total related party fee income	209,475	198,880
Fees from HHA for management and housing support services	130,015	55,199
Fees from HHA for support services	128,125	125,000
Interest charged on loan received from HHA	196,847	188,758
Fees from HHS for management services	57,755	52,079
Total related party charges	512,742	421,036

As at 31 March 2021, the following balances were due from/(to) the other Group companies:

	2021 £	2020 £
Trading Accounts:		
Horton Housing Association	(2,857)	(123,449)
Horton Housing Support Ltd	196,514	134,239
Bradford BASE Social Enterprise Company Ltd	-	-
Loans from Horton Housing Association	(10,400,000)	(6,700,000)

Registered company number: 8662400

Registered charity number: 1162562

Registered provider number: 4821

Chartford Housing Limited

Report and Financial Statements

Year ended 31 March 2021

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Chartford Housing Limited

BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS

Directors/ Management Board	Mark Dowson (Chair)	John Bell	Nicholas Warden
	Sarah Benjamin	Alan Goodrum	Umar Qayoum
	Phillip Charlton	Mark Bell	
	Wayne Noteman	Clive Greenwood	

Senior Management Team: The executive comprise the senior management team of the sole member, Horton Housing Association.

Registered Office: Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS

Company Registration no: 8662400

Charity Registration no: 1162562

Registered Provider no: 4821

Solicitors:
Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Auditors:
Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers:
Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Development consortium:
Accent Group Development Consortium
Charlestown House
Acorn Park Industrial Estate
Shipley
BD17 7SW

Development partner:
Greenoak Development Consultancy
High Austby House
Ilkley
LS29 0BJ

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2021.

CONSTITUTION

Chartford Housing Limited was incorporated (in the United Kingdom) on 23 August 2013 and is constituted as a company limited by guarantee and not having a share capital. As at 31 March 2021 the sole member, Horton Housing Association, had guaranteed £1 in the event of a winding up of the company. The current Articles of Association are as amended by special resolutions dated 24 June 2015.

The company registered with the Charity Commission as a charity on 7 July 2015. The company registered with the Homes and Communities Agency (now known as the Regulator of Social Housing) as a registered provider on 1 October 2015 and started operations on that date.

PRINCIPAL ACTIVITIES

The charitable objects of the company are to carry on for the benefit of the community the business of providing housing, including the provision of social housing, and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

In the year covered by these accounts the principal activities of the company were:

1) Acting as a landlord for supported housing providers who are not registered providers

2) Developing residential supported housing properties with the assistance of Homes England grants

The company does not undertake any fundraising activities.

As a member of the Horton Housing Group the company works closely with the other group members: Horton Housing Association, Horton Housing Support Limited and Bradford Base Social Enterprise Company Limited. The company has paid due regard to the Charity Commission guidance on public benefit.

GOVERNANCE, BOARD MEMBERS AND EXECUTIVE OFFICERS

The Management Board has adopted and complies with the NHF 2015 Code of Governance. The Board undertakes an annual assessment of compliance using the NHF's recommended checklist as a basis for this assessment to confirm this. The NHF Code of Governance has been updated and reissued in November 2020. The Management Board is currently assessing compliance against the new Code with the intention to assess whether to adopt the new Code in full before 31 March 2022.

The Management Board comprises all the current directors of the company and must comprise of no less than 5 and no more than 12 members. The following are directors of the company that have held office during the year and until the date this report was approved:

Mark Dowson (Chair)	John Bell	Clive Greenwood
Sarah Benjamin	Nicholas Warden	Dawn Bennett (resigned 18/6/21)
Phillip Charlton	Wayne Noteman	Umar Qayoum
Alan Goodrum	Mark Bell	

REPORT OF THE DIRECTORS (CONTINUED)

The Board met every two months during the 2020/21 year. As a consequence of the COVID-19 pandemic all meetings took place virtually. All staff resources and other resources, including the skills of the senior management team, are provided under a Support Services Agreement with the parent undertaking, Horton Housing Association, and agreed costs charged to Chartford Housing Limited through an inter-company management charge.

BUSINESS REVIEW AND FINANCIAL RESULTS

At the beginning of the financial year the company owned 103 operational units of supported accommodation in West and North Yorkshire and also leased or managed a further 286 units for let as supported accommodation. The rents from all the properties are guaranteed under management agreements with managing agents. During the year the company purchased 78 further units for refurbishment of which 44 were ready to let as supported accommodation by 31 March 2021. The company leased or managed 280 units of supported accommodation as at the 31 March 2021.

All property purchases and developments to date have been funded with the assistance of Homes England Social Housing Grant and loans from Horton Housing Association. Social Housing Grants are recognised in the accounts when grant conditions are met, which for Homes England is on completion of the development, in accordance with the Housing SORP 2014.

The rent received for owned properties and properties on short-term lease agreements amounted to £825k in the year to 31 March 2021 (2020: £688k).

The overall surplus for the year amounted to £2,254k (2020: £322k) and reserves of £4,596k are carried forward at 31 March 2021. The value of residential property held by the company as at 31 March 2021 was £14.0 million (2020: £8.5 million).

FUTURE DEVELOPMENTS

The company has worked with the Accent Group Development Consortium and Horton Housing Association to identify new opportunities to develop new supported housing schemes. In 2021-22 the company expects to continue its development programme (either through the current Accent Group consortium or another consortium which is being considered for the new Affordable Homes Programme bids) and complete at least 45 further supported housing units under the Homes England Affordable Homes Programme. The company also hopes to deliver additional accommodation through other government initiatives, for example, the Next Steps Accommodation Programme. COVID19 has slowed the progress of some developments and, together with the effects of the BREXIT withdrawal, has increased the price and affected the availability of some building materials, but is not expected to have any significant impact on our development plans or the financial stability of the company.

POLICY, PROCEDURE AND INTERNAL CONTROL

The company has adopted all of the policies, procedures and internal controls of its parent, Horton Housing Association, which are also adopted by other members of Horton Housing Group. Some of those policies, procedures and internal controls have been modified to take into account the particular activities of the company. The company has also developed some of its own specific policies and procedures where it has been felt necessary. The Group has its own Quality Assurance Team (QAT) that provides an internal audit function for all members. The QAT develop an annual Group Risk-Based Internal Audit Plan that is then implemented over the course of the financial year.

REPORT OF THE DIRECTORS (CONTINUED)

RESERVES POLICY

The company has adopted the Reserves Policy of the Horton Housing Group and does not operate a separate policy. The policy sets out that sufficient reserves should be maintained "in order to provide reliable services over the longer term and have the capacity to absorb setbacks and to take advantage of change and opportunity".

The Horton Housing Group operates comprehensive risk management procedures in order to minimise the risk of sudden financial loss or the inability to continue operating. One of the Group's key strategic objectives is to grow the business, particularly its property assets, and Chartford Housing Limited is a primary deliverer of that objective. The company benefits from loan financing and operational support from the Group parent company, Horton Housing Association. These arrangements are set out in an Intragroup Agreement and Support Services Agreement. Good risk management enables the company to use its available funds as fully as possible to achieve its charitable objectives and reduces the need for large reserves to be held as cash.

The company aims to steadily build up its reserves and as at 31 March 2021 the company's unrestricted general reserve stood at £3,866k and the revaluation reserve at £730k. The level of reserves is regularly monitored as part of its financial reporting and budgeting processes.

IDENTIFYING AND EVALUATING KEY RISKS

There are over-arching Group Strategic and Operational Risk Registers (ORR) which apply to all the group entities and which identify key risks and the controls required to manage those risks. New risks can be added to the ORR at any time, it is reviewed quarterly, and there is an annual review as part of the business planning process. A separate ORR for Chartford Housing Limited covers risks specifically related to the company. This is reviewed six-monthly by the Board, with the business plan, and quarterly by senior management.

The principal identified risks for Chartford Housing Limited are considered to be those of compliance with Health & Safety obligations and of changing Government Policy and priorities, although many other risk areas are also identified. Controls are in place to minimise the likelihood of risks crystallising and/or minimise the effects of them if they do.

A Group Audit &Risk Committee, to which a member of the Chartford Housing Limited Board is appointed, carries out a three-year cycle of reviews to consider every risk on the ORR and assess the effectiveness and adequacy of the controls to limit those risks. Risks relating specifically to Chartford Housing Limited were incorporated into this cycle from 1st April 2017. The reviews assess whether any actions are required to ensure each risk is adequately controlled.

INFORMATION AND PERFORMANCE REPORTING SYSTEMS

The Board has identified Key Performance Indicators and performance against these indicators is reviewed by the Board at its regular meetings. Many of the indicators used are those used by Housemark and/or Acuity Smaller Providers Benchmarking (SPBM) so that the company can benchmark against others in the sector. The indicators provide data on:

- Rent collected, rent arrears, rent lost through voids, rent lost through bad debts
- Average re-let times, unoccupied days
- Emergency repairs, urgent repairs & routine repairs performance
- Gas Safety Certification

REPORT OF THE DIRECTORS (CONTINUED)

- Client satisfaction with repairs and other services
- Complaints, incidents and accidents
- VFM Standard (April 2018) metrics

EFFICIENCY AND VALUE FOR MONEY

The Company's current Value for Money Strategy sets out that the Board's role is to have:

- A robust approach to decision making
- A good overview of VFM across the whole business
- Rigorous appraisal of options to improve VFM
- Targets to improve performance relating to VFM
- Regular and appropriate consideration of VFM gains
- Regular reports and reviews in relation to current structural arrangements for delivering the company's activities
- Confidence that board skills and reporting systems are sufficient to be able to challenge executives

The company is required to demonstrate that it meets the Regulator of Social Housing's VFM Standard (April 2018). The Standard requires Registered Providers to annually publish evidence in the statutory accounts to enable stakeholders to understand the provider's:

- performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers

- measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.

In 2020/21 the Company has undertaken a detailed review by its internal auditors of its compliance with the VFM Standard. This has identified a number of areas for improvement – particularly relating to the structure of the Value for Money Strategy, its links to the Business Plan and the monitoring of achievements of our VFM Goals. We will be addressing these areas for improvement during 2021/22.

The Regulator published a set of nine metrics, under five headings, that must be reported upon and we set these out below, identified with an asterisk, and with a brief commentary on each. We also show some of our own internal metrics that we think add to an understanding of the company's performance. Where available we have used the SPBM (Small Providers Benchmarking) Outcomes for 2020 as a benchmark comparison figure and comment upon variances from the benchmark.

Business health

***Operating margin (overall) 66.3% (2020: 48.5%) SPBM benchmark 2020: 17.52%**

The company has had healthy operating margins however, as we are relatively small, both the denominator (income) and the numerator (surplus) in this calculation can be disproportionately affected by the amount of social housing grant we receive in a year and any associated impairment recognised on completed projects. Operating margin could potentially vary considerably depending on when new developments are completed as SHG is not taken to income until completion.

REPORT OF THE DIRECTORS (CONTINUED)

***Operating margin (social housing lettings) 66.3% (2020: 48.5%) SPBM benchmark 2020: 18.10%**

This figure is the same as Operating Margin (overall) as all of the company's income is from social housing lettings.

***EBITDA MRI 242% (2020: 205%) SPBM benchmark 2020: 251%**

This figure shows interest cover and is a key indicator for liquidity and investment capacity. The figures exclude the effects of capital grant recognition and any impairment. It measures the level of surplus generated compared to interest payable. The overall level is reflective of being a relatively new and developing association. Most small providers in the SPBM benchmark group are not developing to the same extent.

Development

***New supply (social) 44 (2020: 10) SPBM benchmark 2020: 0**

Units developed as a % of owned (social) 10.4% (2020: 2.6%) SPBM benchmark 2020: 0

***New supply (non-social) We have no non-social housing so this metric does not apply to us.**

As a relatively new and small provider these statistics are disproportionately affected by small differences in the number of completions in each year. A further 28 units completed shortly after the year end. The company continues to develop at a sustainable pace.

***Gearing 71.6% (2020: 74.8%) SPBM benchmark 2020: 16.67%**

As a new provider that was set up primarily to develop new property the gearing is high compared to the sector benchmark. Loan finance is provided by the parent of the Group, Horton Housing Association, which is committed to supporting Chartford Housing's development plans.

Cumulative Homes England SHG invested £5,405,428 (2020: £2,606,028)

This reflects the amount of development activity that has occurred since Chartford Housing Limited started developing and that has increased more recently.

Outcomes delivered

Customer satisfaction 94.5% (2020: 94.3%) SPBM benchmark 2020: 90.0%

These figures relate to the Horton Housing Group as a whole. Most of the properties of the group are owned or leased by Chartford Housing for use by clients of Horton Housing Association or Horton Housing Support Limited so these figures present a fair reflection of customer satisfaction with Chartford Housing. Our annual client satisfaction survey is carried out towards the end of each calendar year and there were 235 respondents this year (2020: 299).

***Reinvestment 42.3% (2020: 22.8%) SPBM benchmark 2020: 3.62%**

This metric looks at the investment in property as a percentage of the value of total properties held. Unlike most small providers, Chartford Housing Limited is actively developing.

REPORT OF THE DIRECTORS (CONTINUED)

Lettable days available from owned property **43,987 (2020: 34,767)**

Actual number of days let as a % of lettable days **93.0% (2020: 95.4%)**

Effective Asset Management

***Return on capital employed** **15.8% (2020: 5.6%)** **SPBM benchmark 2020: 2.81%**

This metric compares the operating surplus to total assets less current liabilities. Because the company is small and takes Social Housing Grant to income when performance related conditions are met there are likely to be large variations dependent on how many developments are completed in a particular financial year. 2020-21 has been significantly affected by the amount of grant received in the year in the same way as the Operating Margin metric is affected.

Operating efficiencies

***Headline social housing cost per unit** **£988 (2020: £778)** **SPBM benchmark 2020: £4,577**

Underlying cost per unit is currently very low and this is mainly because all the developments are new since operations began and there has therefore been relatively little maintenance cost. In addition, the management agreements with managing agents mean that day-to-day maintenance and service charge costs are the responsibility of the agent. Over time we expect our social housing costs per unit to increase.

Management fees paid per unit of stock (owned and leased) **£303 pa (2020: £321 pa)**

Total cost of delivery of each lettable day **£20.30 (2020: £20.04)**

The company is able to take advantage of being a part of the Horton Housing Group. Chartford Housing benefits from the resources of the Group and in particular it has benefitted from:

- Low borrowing costs which have been passed on in the inter-company loan agreements to Chartford Housing Limited.
- An annual fixed inter-company management charge with the Group which provides all the administrative resources required to operate the company.
- Management agreements with managing agents that are members of the Group, that pass the responsibility for day-to-day repairs and most housing management functions to the managing agents.
- Management agreements with managing agents that are members of the Group, that passes the risk of rent voids and bad debt losses to the managing agents.

Evidence of efficiency gains

Every year targets are set within the company's Business Plan that include actions relating to improving Value for Money. We seek to identify and improve in areas that we think can be improved. VFM gains may be financial or qualitative and we enter data on our VFM Register to tabulate and quantify the gains made. The VFM Register relates to the Horton Housing Group as a whole. If the Group as a whole makes gains then this assists in keeping down the inter-company

REPORT OF THE DIRECTORS (CONTINUED)

charges made to Chartford Housing Limited. We have selected examples of some of the efficiencies that have been made including those that have particular relevance to Chartford Housing Limited:-

- We have commissioned external consultants to review, recommend and assist us to implement improvements in our processes and efficiency of our inhouse maintenance team and of our management of external contractors. This work commenced in 2020/21 and will continue into 2021/22.

- We have worked with upholsterers and other professionals to improve our ability to recycle and reuse furniture in our properties.

- We have set up donations systems for furnishings and household items to support our clients in their own homes and/or when moving on from Chartford Housing's accommodation.

- We have increased working from home/agile working to reduce travel and office running costs. Some was planned, but this was greatly accelerated with the effects of the COVIS 19 pandemic.

- We have increased the fuel efficiency of our new developments, through use of enhanced insulation, solar panels and heat pumps where appropriate.

- We re-procured many of our gas and electric contracts so that all supplied are now on long-term agreements for a minimum of a further 2 years. This did not deliver any cost saving but secured the price at similar levels to current and protected us against future rises.

- We undertook a procurement exercise for further funding with a number of lenders. The Heads of Terms for our increased funding have been agreed at improved rates to currently being enjoyed and we expect them to be formally in place shortly.

COMPLIANCE WITH THE GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In order to register as a Registered Provider on 1 October 2015 the company had to demonstrate to the then HCA that it met the Governance and Financial Viability Standard. The Board assess their compliance with the Standard at least once a year and more often if there are any significant events that might affect compliance. The Board seek assurance that they continue to comply with the Standard via management self-assessment. In 2016/17 an external consultant also reviewed compliance with the Standard through an advisory audit. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews annually. This was subject to formal audit in 2018/19 and continues to provide the Board with re-assurance. An updated 2020/21 management self-assessment was completed in early 2021. The Board is satisfied that it meets all the requirements of the Standard at the date of this report.

COMPLIANCE WITH OTHER RSH STANDARDS

The company completed a full review of its compliance with RSH Standards in 2016/17 using management self-assessment and an advisory audit by an external consultant. In 2017/18 the management self-assessment was formalised into a template form, which the Board reviews each year. For 2020/21 this exercise was completed again and reviewed by the Board in early 2021 The Board is satisfied that it continues to meet all the requirements of the RSH Standards at the date of this report, with one exception.

REPORT OF THE DIRECTORS (CONTINUED)

The exception relates to the Home Standard, specifically "criterion d, 5.23" in section 5 of the Decent Homes Guidance, which relates to the type of heating systems that should be used in a Decent Home.

The company has identified that the electrical heating systems in some properties that are leased from private landlords cannot be classed as "electric storage heaters" and therefore, as set out at section 5.25, fail the Decent Homes standard. The Board has satisfied itself that, in all other respects, these properties meet the thermal comfort requirements of the Standard and do not create a Category 1 hazard in terms of excess cold.

The company set out a target for all properties to meet the Decent Homes Standard and worked with those private landlords to ensure, as a minimum, that heating systems are modernised or, if this cannot be agreed, the properties are handed back at the end of their leases. We set out below the progress made over the last 4 years and are pleased to be able to confirm that we declared full compliance with the Decent Homes Standard from May 2021 when the tenants in the final 11-bed property which did not meet the Decent Homes Standard were decanted and notice given to the landlord to hand back the property formally in July 2021.

Actual March 2018	Actual March 2019	Actual March 2020	Actual March 2021
94	55	33	11

STATEMENT OF THE RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors (who are also the Trustees of the Charitable Company) are responsible for preparing the Directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that 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 company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business

REPORT OF THE DIRECTORS (CONTINUED)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable it to ensure that the financial statements comply with paragraph 16 of Schedule 1 to the Housing Act 1996 (to 31st March 2011) and The Housing and Regeneration Act 2008, (from 1st April 2011) and the Accounting Direction for Social Housing in England from April 2015 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of making this report each of the company's Directors, as set out on page 2, confirm the following:

- So far as each Director is aware, there is no relevant audit information of which the Charitable company's auditors are unaware; and

- Each Director has taken all the steps that he ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Directors was approved on 20th July 2021 and signed on its behalf by:

Mark Dowson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED

Opinion

We have audited the financial statements of Chartford Housing Limited for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet and the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also 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 to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales, and UK tax legislation.

Further the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be Building and fire safety regulations, including the Housing Act 2004 (Housing Health and Safety Rating System) and the Regulatory Reform (Fire Safety) Order 2005.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the Regulator of Social Housing and the Charity Commission, to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTFORD HOUSING LIMITED (CONTINUED)

or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included

ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Saffery Champness LLP

Alison Robinson (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date: 5 August 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	3,694,835	1,053,270
Operating expenditure		(1,243,907)	(542,295)
Operating surplus	5	2,450,928	510,975
Interest receivable		-	-
Interest and financing costs	6	(196,847)	(188,758)
Surplus for the year	13	2,254,081	322,217
Revaluation surplus	13	466,978	283,588
Total comprehensive income for the year		2,721,059	605,805

The notes on pages 18 to 27 form part of these financial statements.

All of the activities of the company are classed as continuing.

All recognised gains and losses are included in the statement of comprehensive income.

Chartford Housing Limited

STATEMENT OF FINANCIAL POSITION
at 31 March 2021

Registered Company number: 8662400

	Note	2021 £	2020 £
Tangible fixed assets			
Housing properties	8	14,027,854	8,456,375
		14,027,854	8,456,375
Current assets			
Debtors	9	1,263,824	222,414
Cash and cash equivalents		166,442	365,202
		1,430,266	587,616
Creditors: amounts falling due within one year	10	(462,394)	(469,324)
Net current assets		967,872	118,292
Total assets less current liabilities		14,995,726	8,574,667
Creditors: amounts falling due after more than one year	11	(10,400,000)	(6,700,000)
Total net assets		4,595,726	1,874,667
Capital and reserves			
Non-equity share capital		-	-
Revenue reserves	13	3,865,790	1,519,782
Revaluation reserve	13	729,936	354,885
Total reserves		4,595,726	1,874,667

The notes on pages 19 to 28 form part of these financial statements.

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

The financial statements were approved by the Board of Directors on 20th July 2021 and signed on its behalf by:

Mark Dowson
Director

Nick Warden
Director

STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2021

	Note	Share capital £	Unrestricted fund £	Total £
Balance at 1 April 2019		-	1,268,862	1,268,862
Year ended 31 March 2020				
Surplus from statement of comprehensive income		-	605,805	605,805
Balance at 31 March 2020		-	1,874,667	1,874,667
Year ended 31 March 2021				
Surplus from statement of comprehensive income		-	2,721,059	2,721,059
Balance at 31 March 2021		-	4,595,726	4,595,726

The notes on pages 19 to 28 form part of these financial statements.

Chartford Housing Limited

STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	16	2,226,627	1,008,159
Cash flow from investing activities			
Purchase and construction of housing properties	8	(5,928,540)	(1,928,039)
		(5,928,540)	(1,928,039)
Cash flow from financing activities			
New Loans		3,700,000	1,200,000
Loan repayments		-	-
Interest paid	6	(196,847)	(188,758)
		3,503,153	1,011,242
Net change in cash and cash equivalents in the period		(198,760)	91,362
Cash and cash equivalents at the beginning of the period		365,202	273,840
Cash and cash equivalents at the end of the period		166,442	365,202

MOVEMENTS IN NET DEBT

	1 April 2020 £	Cashflows £	31 March 2021 £
Loans due after more than one year	6,700,000	3,700,000	10,400,000
Cash	(365,202)	198,760	(166,442)
Net Debt	**6,334,798**	**3,501,240**	**10,233,558**

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 LEGAL STATUS

The company is registered with the Regulator of Social Housing (RSH) as a housing provider.

2 ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and comply with the Accounting Direction for Social Housing in England from April 2015. Chartford Housing Limited meets the definition of a public benefit entity under FRS 102.

Accounting Convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of land and buildings. The accounting policies have been applied consistently (except as otherwise stated).

Going concern
The financial statements have been prepared on a going concern basis. The Company has adequate reserves and a satisfactory level of contracted future income. The Company is financed by loans from its parent entity, Horton Housing Association.

Turnover and revenue recognition
Turnover comprises rental income receivable in the year, management charges for services supplied in the year and grants and donations received in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting.

Interest payable
Interest is allocated at a constant rate on the carrying amount over the period of the borrowing. Interest payable is charged to the income and expenditure account in the year.

Tax status
The company has charitable status, and is therefore not subject to taxation on surpluses arising from its charitable activities.

Housing properties
Housing properties are principally properties available for rent and are stated at valuation. The initial cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over

2 ACCOUNTING POLICIES (continued)

the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Housing properties under construction are transferred to housing properties held for letting on the date of practical completion.

Depreciation of housing properties
Freehold land is not depreciated.

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. Major components are treated as separable assets and depreciated over the shorter of their expected useful economic lives or the lives of the structure to which they relate, over the following periods:

Kitchen	15 years
Bathroom	15 years
Boiler	15 years
Internal doors	20 years
Windows	30 years
External doors	30 years
Electrical	30 years
Central heating rads and pipework	30 years
Roof	40 years
Structure	40 years

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 revaluation 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.

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

Social Housing Grant
Social Housing Grants (SHG) are receivable from Homes England, and are utilised to fund an element of the capital costs of housing properties.

2 ACCOUNTING POLICIES (continued)

SHG is recognised using the performance model under the Housing SORP 2018, and recognised as revenue when performance–related conditions are met. Any grants that do not have specific performance-related conditions imposed are recognised as revenue when the grant proceeds are received or receivable.

SHG due from Homes England or received in advance is included as a current asset or liability.

Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is sub-ordinated in respect of loans by agreement with Homes England.

Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are recognised as revenue when any performance-related conditions are met, in accordance with the requirements of the performance model under the Housing SORP 2018. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Planned repairs (major repairs / cyclical maintenance)

Major repairs and cyclical maintenance are charged in the Income and Expenditure Account, except to the extent that major repairs result in an increase in net rental income, reduced future maintenance costs or a significant extension to the life of the property in which case the cost is capitalised.

Provision for the cost of major repairs and cyclical maintenance is only made where a legally binding obligation to carry out the work exists at the balance sheet date and the work has actually started or a liability incurred in respect thereof before that date.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and Provisions

Creditors and provisions are recognised where the company 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 31 March 2021

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021			2020		
	Turnover £	Operating costs £	Operating surplus £	Turnover £	Operating costs £	Operating surplus £
Social housing lettings and management charges	3,694,835	1,243,907	2,450,928	1,053,270	542,295	510,975

	Supported Housing £	Total 2021 £	Total 2020 £
Rent receivable net of identifiable service charges	615,085	615,085	488,690
Service charges receivable			-
Management charges	209,475	209,475	198,880
Government Grants taken to income	2,870,275	2,870,275	365,000
Other Income			700
Turnover from social housing lettings	3,694,835	3,694,835	1,053,270
Expenditure on social housing lettings			
Management costs	419,868	419,868	301,055
Routine maintenance	-	-	199
Depreciation of housing properties & other assets	276,357	276,357	206,771
Impairment of housing properties	547,682	547,682	34,270
Operating expenditure on social housing lettings	1,243,907	1,243,907	542,295
Operating surplus on social housing lettings	2,450,928	2,450,928	510,975
Void losses	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

4 ACCOMMODATION

	2021 No.	2020 No.
Managed by Agents (supported housing accommodation):	147	103
	147	103

The supported housing accommodation includes four flats (2020: two) for use by agents in furtherance of the performance of their duties.

In addition to the above, the company acted as landlord for 260 (2020: 266) units of supported housing accommodation under short-term leases from Horton Housing Association, and 20 (2020: 20) units of supported housing accommodation under a short-term lease from another Registered Provider.

Units under development

There were 32 units (2020: 19) purchased, where construction or refurbishment was not yet complete, at the year-end.

At the end of the year, the classes of accommodation are analysed as follows:

	2021 No.	2020 No.
Supported housing accommodation:		
Self-contained flats	114	87
Houses	33	16
	147	103

5 OPERATING SURPLUS

The operating surplus is arrived at after charging:

	2021 £	2020 £
Depreciation / impairment of housing properties	824,039	241,041
Auditors' remuneration for audit services	4,920	4,750

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Interest on group loans	196,847	188,758

7 EMPLOYEES

The company does not directly employ any staff and no Directors' remuneration or key management personnel remuneration is included within these financial statements.

8 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for letting £	Housing properties under construction £	Total £
Cost/Valuation			
At 1 April 2020	7,564,671	1,320,811	8,885,482
Additions	1,837,229	4,091,311	5,928,540
Transfers	4,802,756	(4,802,756)	-
Impairment	(547,682)	-	(547,682)
Revaluation	105,407	-	105,407
At 31 March 2021	13,762,381	609,366	14,371,747
Depreciation			
At 1 April 2020	429,107	-	429,107
Charged in year	276,357	-	276,357
Revaluation	(361,571)	-	(361,571)
At 31 March 2021	343,893	-	343,893
Depreciated cost			
At 31 March 2021	13,418,488	609,366	14,027,854
At 31 March 2020	7,135,564	1,320,811	8,456,375

The properties held for letting are subject to regular valuations at Existing Use Value by Carter Towler LLP. In the opinion of the Directors there is no material difference between the value of land and buildings at 31 March 2021 and the latest valuations on those properties.

Certain properties within the Company's Balance Sheet are used as security for the parent company, Horton Housing Association's, lending from Triodos bank. There is therefore a legal charge on these properties.

The historic cost of properties held for letting is £14,815,207 (2020 - £8,234,180).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

9 DEBTORS

	2021 £	2020 £
Government grants receivable	1,066,275	87,500
Prepayments and accrued income	1,035	675
Inter-company account	196,514	134,239
	1,263,824	222,414

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Debt (note 12)	-	-
Trade creditors	183,782	34,222
Accruals and deferred income	275,755	311,653
Inter-company account	2,857	123,449
	462,394	469,324

Included above is deferred income of £168,750 relating to government grants (2020: £282,000).

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Debt (note 12)	10,400,000	6,700,000

12 DEBT ANALYSIS

	2021 £	2020 £
Due within one year	-	-
	-	-
Due after more than one year	10,400,000	6,700,000
	10,400,000	6,700,000
Debt is repayable as follows:		
Debt within one year	-	-
Between one and two years	-	-
Between two and five years	10,400,000	6,700,000
After five years	-	-
	10,400,000	6,700,000

The full amount of the debt above is unsecured.

13 RESERVES

General Reserve	2021 £
Opening funds at 1 April 2020	1,519,782
Surplus for the financial year	2,254,081
Transfer from Revaluation Reserve	91,927
Closing funds at 31 March 2021	3,865,790
Revaluation Reserve	
Opening balance at 1 April 2020	354,885
Revaluation	466,978
Transfer to General Reserve	(91,927)
Closing balance at 31 March 2021	729,936

The transfer from revaluation reserve to general reserve represents the depreciation charge associated with revaluations previously recognised in the revaluation reserve, and the transfer of the elements of the revaluation reserve to the extent properties had been previously impaired in accordance with FRS102.

14 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Carrying amount of financial assets measured at amortised cost	1,262,789	221,739
Carrying amount of financial liabilities measured at amortised cost	10,760,229	6,887,324

15 FINANCIAL COMMITMENTS

Expenditure commitments are as follows:

	2021 £	2020 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	326,535	317,227

16 CASH GENERATED FROM OPERATING ACTIVITIES

	2021 £	2020 £
Cash flow from operating activities		
Operating surplus	2,450,928	510,975
Depreciation and impairment of tangible fixed assets	824,039	241,041
Decrease/(increase) in debtors	(1,041,410)	2,959
Increase/(decrease) in creditors	(6,930)	253,184
Net cash inflow from operating activities	2,226,627	1,008,159

17 CONTINGENT ASSETS/LIABILITIES

The company had no contingent assets or contingent liabilities at 31 March 2021 (2020: £nil).

18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company is limited by guarantee and is controlled by its sole member, Horton Housing Association. The company is consolidated into the financial statements of Horton Housing Association. The consolidated financial statements can be obtained from Chartford House, 54 Little Horton Lane, Bradford, BD5 0BS.

Horton Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 (25057R) and provides supported housing and related support to vulnerable people who are in need of such assistance.

19 POST BALANCE SHEET EVENTS

There were no post balance sheet events to report.

20 RELATED PARTIES

During the year expenses of £nil (2020 - £16) were paid to Directors

The company works closely with the other Horton Housing Group companies. It acts as landlord, by way of short-term leases, for properties owned or leased by Horton Housing Association (HHA), and then appoints HHA or Horton Housing Support Ltd (HHS) to manage them on a day-to-day basis. Leases and management agreements are in place to regulate these transactions and the company charges HHA and HHS a net fee per week for this service.

HHA supplies the staff and support services to the company and receives a management fee for those services.

Chartford Housing also owns and leases property directly, some purchased from HHA, and it contracts the day-to-day housing management of these properties to HHA or HHS as appropriate. Chartford Housing has also started to receive revenue grant funding for housing support services in the year, which it contracts HHA to deliver on its behalf. HHA or HHS receives a fee for these services.

HHA also provides loan funding to Chartford Housing to enable it to develop and own properties. Interest is charged on these loans.

The following is a summary of the amounts recognised and received from the other group companies:

	2021 £	2020 £
Fees charged to HHA		
- For acting as landlord for properties	53,783	53,518
- For use of one flat as an office	4,897	4,769
Fees charged to HHS		
- For acting as landlord for properties	126,795	116,593
- For use of property as an office	24,000	24,000
Total related party fee income	209,475	198,880
Fees from HHA for management and housing support services	130,015	55,199
Fees from HHA for support services	128,125	125,000
Interest charged on loan received from HHA	196,847	188,758
Fees from HHS for management services	57,755	52,079
Total related party charges	512,742	421,036

As at 31 March 2021, the following balances were due from/(to) the other Group companies:

	2021 £	2020 £
Trading Accounts:		
Horton Housing Association	(2,857)	(123,449)
Horton Housing Support Ltd	196,514	134,239
Bradford BASE Social Enterprise Company Ltd	-	-
Loans from Horton Housing Association	(10,400,000)	(6,700,000)