Elim Housing

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2020

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ENTITY INFORMATION

Board of management	A Lunt (Chair) R Fisher ACA, MCT M Williams BSc ACMA MCT A Allender BA J Darbyshire BSc MRICS D Heyes MCIM D Stollard CEng, MBA, MAPM M Barber S Furzland K Pennington (elected September 2019) S Palmer (co-opted December 2019) S Mason (co-opted December 2019) S Blake MCIOB (retired September 2019) P Dark FCIOB, PVM (retired September 2019)
Chief Executive	A Allender BA
Company Secretary	A Allender BA
Registration Numbers	Co-operative and Community Benefit Society 16402R Regulator of Social Housing LH0977
Registered Office	Units 3 & 4 Pinkers Court Briarlands Office Park Gloucester Road Rudgeway Bristol BS35 3QH
Solicitor	Clarke Willmott LLP 1 Georges Square Bath Street Bristol BS1 6BA
Internal auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
External auditor	Mazars LLP 45 Church Street Birmingham B3 2RT

CHAIRMAN'S STATEMENT

2019/2020 has been a successful year for the Elim Group, both financially and in terms of progress made against our strategic objectives. Delivering a strong, sustainable financial performance is key in underpinning the Group's plans, enabling us to invest in our existing portfolio of homes and the support services we provide for our customers, as well as being able to selectively invest in the development of future homes so that we can extend our reach and support a wider resident group. The entire Elim team and I are justifiably proud of the diverse range of homes and services we provide, including general needs, supported housing and gypsy and traveller sites, as well as offering shared-ownership schemes and building homes for market sale via our subsidiary company, Lime Property Ventures (LPV). Our operating model is undeniably complex and probably unique, but it enables us to occupy a niche market position and to provide targeted, meaningful support to a wide range of customers. My sincere thanks to every member of the Elim team who has worked diligently over the past year to make this a reality.

Elim is a community and values-driven business, and the diversity of the homes we provide enables us to facilitate genuine change through the provision of integrated housing and support services in all tenures. Our delivery model, *Your Best Move*, reflects our aim for an Elim home to genuinely represent the best housing option for each of our customers, providing a home and a foundation for people to realise skills and access networks around them to manage their homes, achieve their aspirations and live successful, independent lives – as such I am pleased to say that 15 residents were able to move from our supported housing schemes into our general rented accommodation within our housing stock, with the in-house resources provided by the *Your Best Move* scheme facilitating this transition.

Building on our work with *Your Best Move*, our new business plan places our customers firmly at the heart of our business, and we will strive to ensure that our homes remain safe and that we have genuine and meaningful engagement with our customers, underpinned by the launch of our comprehensive customer service and involvement strategy and our new company values, *Elim CARES.* Launched last year, Elim CARES values were created in partnership with our customers, staff, Board and other stakeholders, and they represent our commitment to how we support our customers, deliver our services and work together successfully as a team.

Reflecting our commitment to a growth and development strategy which will result in the Association increasing its portfolio through the development and acquisition of homes for shared ownership and social or affordable rent, during 2019/2020 Elim Housing Association acquired 24 new units of accommodation in our core operating areas. We also increased our social and financial returns by winning two new commissioned support service contracts in Gloucestershire, which will positively help some of the most disadvantaged in society.

I am pleased to report that Lime Property Ventures (LPV), created to generate profit for reinvestment in the work of the Group, has had a successful year. LPV continues to manage 22 units of student accommodation in the centre of Bristol, and during the last twelve months, has sold two residential properties, and entered into its first joint venture with micro-builder CHI Homes, to buy land, and commence development on family homes for market sale, due for completion in early 2021.

Significant progress has been made in strengthening our governance and decision-making framework over the past twelve months. Effectively embedding our revised financial forecasting model introduced last year, will ensure increased financial reliance during these uncertain economic times, while a revamped Board and committee structure and new health and safety framework will contribute to strengthening leadership across the organisation.

2020 was always expected to be a challenging year – originally as a result of a looming Brexit, with all its associated economic and political uncertainty, but this has latterly been massively compounded by the world COVID-19 pandemic, posing significant immediate operational challenges and as yet unknown medium-term commercial risks. Whilst this unprecedented outbreak has placed a heavy burden on the whole nation, on behalf of the Board I would like to thank the entire team for their commitment and fantastic response to the challenges posed by maintaining services during such a disruptive personal and professional period – everybody has been living our values and "going the extra mile" daily to ensure that customers remain supported and safe during this time. Keep up the good work.

As the market is aware, Alistair Allender, Elim Group CEO has decided to retire and will leave in September following the AGM – the search for a replacement CEO has commenced and will conclude in the Autumn.

There has been significant change in the Board over the past year, with the retirement of Peter Dark and Steve Blake, former Chair, and the appointment of Kathryn Pennington and the co-opting of Sally Mason and Stuart Palmer. I would like to welcome Kathryn, Sally and Stuart and sincerely thank Peter and Steve for the contribution to the organisation during their tenure, and all my Board colleagues for their support, counsel and commitment – in keeping with all Housing Associations, the Elim Group faces challenging times ahead and we will only be successful with strong Executive and Board leadership and direction.

Andrew Lunt
Chairman

STRATEGIC REPORT

The Board of Elim Housing is pleased to present its report together with the audited financial statements of Elim Housing Association Limited (the Association) and Elim Housing Group (the group) for the year ended 31 March 2020.

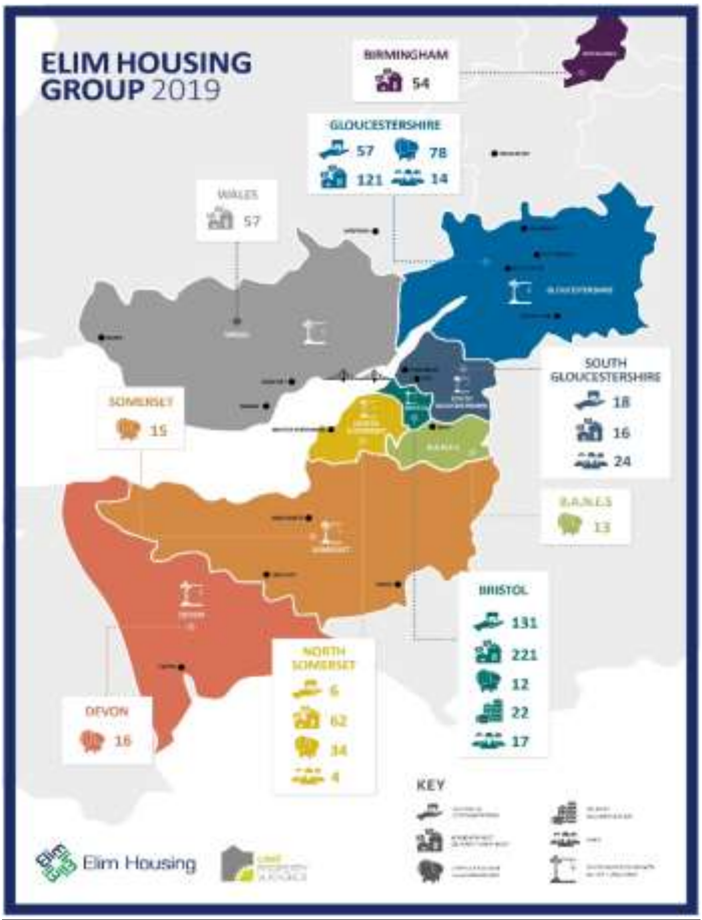
Principal activities

Our business comprises Elim Housing, a well-recognised and respected provider of housing and support services in the West of England and Gloucestershire, and Lime Property Ventures, our commercial subsidiary which generates profit for reinvestment in the work of the Group and the achievement of our vision.

Our vision is to meet housing need and deliver homes that change people's lives

The group's main activities are the management and development of affordable housing and the stock profile and the areas that Elim work in are shown below:

	March 2020	March 2019
Affordable housing	484	473
Supported housing	235	227
Gypsies & Travellers (G&T)	88	88
Managed properties	88	88
TOTAL	**895**	**876**



Our values

Launched in 2019, Elim staff developed a new set of values in partnership with our customers, Board and other stakeholders, and they represent how we deliver our services and the culture and behaviour we expect all staff to live when carrying out their roles and to achieve results. These are known as Elim CARES:

Business plan

Our new Group business plan, covering the period 2020 – 2025, identifies five strategic objectives which set out what we will do towards the achievement of our vision.

Customers First

Our 2019 Customer Satisfaction Survey provided us with an overall customer satisfaction rating of 79%. Whilst this figure compared favourably with comparable housing associations, we were determined to improve. In 2020 we will launch our Customer Service and Involvement Strategy 2020-2023, developed through extensive consultation with our customers and the staff that have the most extensive contact with them.

We know that customer satisfaction will improve as the services they offer develop according to our customers' needs and we understand that getting the basics right is what matters most to our customers. The strategy provides detail of how we ensure our accountability to them in delivering excellence in all our service provision.

This process has already stared. During 2019/2020 Elim's Senior Management conducted in-depth telephone conversations with over 40 residents, finding out what they wanted from their landlord, what was working and what was not. We have redeveloped our procedures for gathering customer feedback, including complaints. Customers have been given the option to provide feedback on every new Policy or Strategy that directly affects them. Our customers emphasised to us the importance of familiarity with their Housing Officer, so we have embarked on a series of 'keeping in touch' calls and provided postcards introducing our Housing Team. In the past twelve months we have contacted every one of our residents individually. We will continue to maintain and nurture these relationships over the year to come.

Quality Homes

The 2020-2025 business plan states Quality Homes as one of its five objectives. To achieve this objective Elim is to have an uncompromising health and safety position and an 'Elim Standard' that guarantees good quality, decent homes for every resident. We want every resident to feel safe, and happy to come home to their Elim property.

The review of health and safety policy in 2019/2020 identified the need to review the associations health and safety policy and the associated procedures including six statutory compliance procedures. These six procedures have been implemented in conjunction with the compliance workbook and will be formally approved and implemented in 2020/2021 and a training matrix produced to identify health and safety training needs for the associations staff. The association has set up a new Health and Safety Compliance Group to ensure that there is a culture of health and safety throughout the association. This group meets regularly and is represented by a cross section of operational managers who cascade information to and from the group to their teams.

The continuing implementation and management of the compliance policy and procedures and associated compliance workbook which commenced in 2019/2020. This ensures that all our statutory compliance is carried out in a timely manner and that the safety of our residents is maintained.

The association will produce an asset management strategy (AMS), its purpose is to ensure that intelligent investment in our properties is undertaken and that we maintain and improve properties to the Elim Standard that are attractive to our customers and in the areas that they want to live in. The AMS is based on carrying out a stock condition survey of the association's properties and the creation of an asset register, to provide costings for planned maintenance of these properties for the next 25 years.

A key part of the development of our AMS will be to conduct a stock evaluation assessment and budget. This will provide a costed and stress tested five year performance assessment and return on assets for each building and will identify buildings that do not perform. This assessment will include an options appraisal of our Birmingham portfolio.

The creation of the Elim Standard will set the standard that we want all of our properties to be and to exceed the government's Decent Homes Standard.

Work will commence in 2020/2021 on the associations Environmental Strategy which will set out how the association will reduce its environmental impact.

Sustainable Growth

Reflecting our commitment to a growth and development strategy which will result in the Association increasing its portfolio through the development and acquisition of homes for shared ownership and for social or affordable rent, during 2019/2020 Elim Housing Association acquired 24 new units of accommodation in our core operating areas. This includes:

- An off the shelf purchase of 8 new units of accommodation in Gloucester, which will be used to deliver a support service to Young Parents
- Six new build homes, for rent and shared ownership in South Gloucestershire
- The acquisition and refurbishment of 10 properties, on ten year lease terms, within the City of Bristol. The properties will predominantly be used to provide move-on accommodation for residents leaving supported housing.

During the year, we also entered into a development contract to deliver six new shared ownership homes in Bristol, due to complete in summer 2020. In addition to the delivery or acquisition of new housing, we continue to increase the social and financial return of the Association through growth across the whole of our business. Over the last twelve months we are pleased to report growth across our commissioned support services, resulting in the extension of Time to Heal which is our Gloucestershire-wide hospital discharge service, and the introduction of two new contracts, including a Young Parents contract in Gloucester and the provision of accommodation to support a Rough Sleepers Initiative in South Gloucestershire.

We continue to foster excellent relationships with a number of Local Authorities for whom we deliver Gypsy and Traveller services. Discussions are currently underway with two new Local Authorities who are interested in developing two new contracts with Elim during the 2020/2021 financial year.

Lime Property Ventures: Growth though Non-Social Activity

The year ending March 2020 reflects Lime Property ventures third whole year of trading. Lime Property Ventures (LPV) is the wholly owned subsidiary of the Elim Group. Its purpose is to generate profit for reinvestment in the work of the Group, and it has the capacity to maximise the value of trading opportunities on behalf of the Group, and the flexibility to explore new ideas and operate as an investment partner, developer or private landlord.

LPV has developed and now manages 22 units of student accommodation in the centre of Bristol, and this has generated a rental income of £213,000 in the year. During the twelve months, the company purchased and sold two residential properties, and entered into its first joint venture with micro-builder CHI Homes, to buy land, and commence development on family homes for market sale, due for completion early 2021.

Lime Property Ventures profit for the year is £119,000. In total, surplus generated by property trading across Lime Property Ventures and Elim Housing in 2019/2020 was £326,000 and proceeds from sales made up 14% of our total turnover.

Future Ready Organisational Design

The year ending March 2020 marked the first full year of our Organisational Development Strategy 2019-2022. Delivery in this area over the twelve months has focussed on the successful development of our organisational values, effective communication and the improvement of our internal systems.

Reported levels of staff satisfaction have remained high throughout the year, and the provision of internal training and development opportunities have increased, complementing an external investment of £26,000 in staff training over the 2019/2020 financial year. Reflecting broader trends in the sector, Elim continued to experience a period of high staff turnover through 2019/2020, albeit reduced from the previous year. The further reduction of our turnover figures remains a focus for the year ahead.

Over the year, we have significantly improved our IT and business systems with demonstrable benefits in cost, efficiency and internal customer satisfaction. This has been driven by a new Digital Strategy which was approved by the Organisational Development Committee in November 2019. Notable milestones in our digital progress include the introduction of a new super-fast broadband service which has benefitted all of Elim’s offices, and provision for customers in some schemes. A new Digital postholder has been brought into the organisation, and the efficiency and expertise achieved through this decision continues to stand the business in good stead, and has facilitated the very smooth transfer of business to home working during the coronavirus restrictions.

Looking forward, we have now signed a contract to deliver a Customer Portal, which will facilitate self-service across a number of key housing management functions by December 2020. Progress is also well underway on the Elim jobs portal, due for delivery in June 2020. This has been designed to attract and recruit new staff, with savings in terms of cost and resources throughout the recruitment and selection process.

Strong and sustainable business

During 2019, we challenged and tested the finance and risk management processes that we have in place to ensure that our decision making in this area is robust, information based and effective. This process has involved the embedding of a new risk management and compliance framework and established measures to provide assurance of these frameworks through a new level of audit scrutiny.

The overall surplus before tax and the adjustment for the pension liability was £892,000 (2019 - £796,000)

LPV has made a significant contribution to the Group's finances during the year and delivered profits of £119,000.

The Group generated £851,000 from operating activities net of interest which was used to fund the purchase of housing properties. Cash flow is monitored monthly and surplus funds are held in interest bearing accounts.

The finance, risk and audit committee provide direction and scrutiny of risk within the group and our approach to this area of work continues to develop with a new risk management framework. It is understood by the Board that the nature of our business involves taking managed risk and the committee focuses on operational, financial and performance risks. Strategic risks are considered by the Board.

Coronavirus

Over the last month of 2019/2020 financial year and the duration of the preparation of these financial statements, the housing sector alongside the rest of the UK has been responding to the impact of the coronavirus and the associated COVID-19 pandemic.

Throughout March 2020, much of Elim's operational focus shifted to the maintenance of essential operations in the face of the impact of the virus, concentrating on the provision of revised support and housing management, maintenance and compliance procedures that ensured the safety of all our staff and customers. The organisation's IT systems were prepared for the transfer to a fully remote-working environment, and with the exception of an essential staff presence across Elim's homelessness related support schemes, all staff were moved out of Elim's offices by March 23rd.

Although the effect of the coronavirus did not materially impact the financial result for 2019/2020, the ongoing operational, strategic and financial impact of coronavirus will significantly change how Elim operates and manages short and medium term risk over the year ahead.

We continue to review and rebase our proposed strategic activity over the year to consider the time lost over the first quarter, and likely constraints from the impact of coronavirus over the remainder of the year. For example, headline projects such as the portfolio-wide stock condition survey will be inevitably delayed through issues relating to access to households and the late mobilisation of key contractors. We are stress testing our budgets and five year forecast on a quarterly basis to take into consideration emerging scenarios, including exceptionally high levels of arrears and bad debts, and the potential impact on development sales as a result of downturn in the market. We are in close contact with our lenders, who are kept abreast of any revisions to our budget, and our Board and leadership teams remain attentive to direction from our Regulator and other key stakeholders.

Value for Money (VfM)

At Elim we are committed to delivering and demonstrating Value for Money (VfM) in everything that we do for our customers. This commitment is led by the Board but is shared across the whole organisation and is embedded in our five-year strategy. Our approach is delivered by our people through strong leadership, training, and rigorous financial management.

Performance reporting 2019 / 2020

In April 2018 the new VfM standard issued by the Regulator of Social Housing came into effect. The standard requires Elim to publish performance against the seven metrics defined by the Regulator (numbers 1 – 7), our own metrics and targets (numbers 8 – 13) and to provide a comparison against our peers where relevant.

Value for Money Metric	Elim 2019/20	Elim 2018/19	SPBM Lower quartile	SPBM Median quartile	SPBM Upper quartile
1. Reinvestment (%)	**7.6**	4.9	1.3	4.1	7.8
2. New supply delivered (%) A. Social Housing Units B. Non-Social Housing Units	 **1.4** **0.0**	 0.0 0.0	 0.0 0.0	 0.0 0.0	 3.4 0.0
3. Gearing (%)	**33.8**	34.3	3.7	20.9	29.2
4. EBITDA MRI Interest cover (%)	**255**	208	154	307	674
5. Headline social housing cost per unit (£)	**5,143**	4,892	5,678	4,190	3,024
6. Operating margin (%) A. Social Housing Lettings only B. Overall	 **17.6** **17.7**	 19.7 21.5	 12.9 11.4	 25.6 21.3	 33.6 31.7
7. Return on Capital Employed (ROCE) (%)	**3.0**	3.0	1.9	3.4	4.9
8. Management cost per unit	**2,745**	2,648	1,145	812	740
9. Maintenance cost per unit	**981**	833	614	464	446
10. Customer satisfaction (%)	**81.0**	79.0	83.0	92.0	95.0
11. Satisfaction with repairs (%)	**83.0**	68.0	77.0	86.0	91.0
12. Positive move-ons (%)	**88.0**	79.0	n/a	n/a	n/a
13. Your Best Move (no of households)	**15**	10	n/a	n/a	n/a

We recognise that there are specific characteristics of the Elim Group which contribute towards some of the variances of our reporting position, benchmarked against the SPBM data. This includes:

- the dispersed nature of our current housing portfolio. Although we are a small provider, Elim owns and manages a mixed tenure property portfolio in 11 Local Authorities, including housing for rent or affordable ownership and specialist accommodation including supported housing schemes and Gypsy and Traveller accommodation. This has an impact on our headline social housing cost per unit and the management cost per unit and we are looking at ways to create operating efficiencies through new ways of working with our customers,
- over the life of the current business plan we anticipate that the Elim Group will grow and this is reflected in the increased life of reinvestment in the delivery of new homes and a strong appetite to maximise the

level of borrowing against the unsecured properties in our portfolio in order to achieve our strategic growth objectives.

Performance indicators

The Elim Group Board monitored thirteen key performance indicators during the year with greater detail provided to the committees and the management team via additional performance indicators relevant to individual parts of the business. Performance positively exceeded target across nine of the thirteen KPIs at the end of March 2020 and plans are in place to ensure that the remaining four KPIs will achieve the 2020/21 target.

In additional to operational performance measures related to voids, arrears and maintenance spend, the indicators include:

- number of new build homes started on site in the year,
- number of new build properties achieving practical completion in the year,
- Group net sales profit compared with budget,
- properties unsold six months following completion,
- Lime Property Ventures operating profit compared with budget,
- staff turnover.

We continue to benchmark our performance through membership of a Small Providers benchmarking club with other similar sized housing organisations.

Governance

The Group Board, which is responsible for managing the affairs of the Group, comprises up to 11 non-executive directors and the chief executive who has been co-opted. The Board meets formally at least four times a year for regular business and members also attend the Board away days and the AGM.

2019/20 was another year of significant change in the housing sector and the Board responded proactively to ensure that the Group's governance arrangements and strategic plans remain up to date and relevant.

The role of the Board continues to evolve, and four significant governance initiatives were completed during the year.

A broad governance improvement plan introduced new arrangements for reporting to the Board and committees with a renewed Balanced Scorecard approach. The plan also focussed on board member induction, a new schedule of delegated authority and a new board appraisal system to be applied in 2020/21. The committee roles and responsibilities were also reviewed and regular reports from the committees to the Board were introduced.

Alongside this, the Board completed its review of risk management. New internal auditors started their programme of work and a new risk register and management framework were introduced.

The Group's approach to health and safety management has been improved with the introduction of a new health and safety framework, backed up by new systems for recording and reporting on compliance with regulatory requirements.

A new customer service and involvement strategy was approved. This raises the profile of customer service and one of the committees now has explicit responsibility for oversight of this important area of our business.

The new CARES values were also adopted in the year. Lime Property Ventures has completed its third year of trading and has a board comprising three Group directors and two independent directors.

The Board and committees

Stephen Blake completed his third full year as Group chair. Stephen stepped down from the Board, having completed nine years of service as a director. Our new chair, Andy Lunt, was elected in September 2019 and he has established himself in the position.

The Board continued its recruitment programme during the year, leading to the co-option of two new board members, Stuart Palmer and Sally Mason. Kathryn Pennington was elected to the Board in September 2019. The Group chief executive is a co-opted member of the Board and one executive manager is a member of each committee.

The present board members and those who served during the year are set out on page two. The Board is drawn from a wide background bringing together professional, commercial and other relevant experience. Our sincere thanks to Peter Dark who stepped down from the Board after nine years' service.

Our plans for 2020/21 include the recruitment of one new board member to replace Rachael Fisher who will be standing down in September 2020 after nine years on the Board and as a member of the finance, risk and audit committee, which Rachael chaired for many years.

The finance, risk and audit committee comprises five members, three of whom are Group board members. The committee meets four times per year and covers three main areas of work:

- monitoring and scrutiny of financial performance, KPIs, and relevant policies,
- approving the risk management strategy including the risk activity, the health and safety management plan and internal controls,
- internal and external audit work.

Data quality and insurance are also covered by this committee.

The organisational development committee has a proactive role in directing and scrutinising the organisation's culture and people. The committee is responsible for overseeing the organisational development strategy, the customer strategy and the digital strategy. It also influences how Elim's people, both staff and the Board, contribute to the organisation. The committee meets four times a year with a membership of five.

The role of the development and assets committee was firmly embedded during the year. The committee has a membership of five, including three Group directors. The work of the committee is a valuable part of the new governance arrangements and its main purpose is to oversee the development and asset management strategy and operational plans, and to ensure regulatory compliance in these areas.

The strategic leadership team comprising the chief executive, director of operations and finance director attend all the committee meetings.

The Board receives regular reports from each of the committees summarising activity and any new emergent risks.

The executive officers hold no interest in the association's shares and have no legal status as directors, although they act as executives within the delegated authority of the Board.

The Group has insurance policies which indemnify its board members and executive officers against liability when acting for the group.

Internal controls

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to minimise, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the group in ongoing, and has been in place throughout the period commencing 1 April 2019 up to the date of approval of the annual report and financial statements. The finance, risk and audit committee receives and considers reports from management on these risk management and control arrangements at each meeting during the year.

Key elements of the control framework include:

- board approved terms of reference and delegated authorities for finance, risk and audit committee, organisational development committee and development, finance and growth committee,
- clearly defined management responsibilities for the identification, evaluation and control of significant risks,
- robust strategic and business planning processes,
- annual review of the association's risk register by the risk and audit committee,
- detailed financial budgets and forecasts for the current year,
- formal recruitment, retention, training and development policies for staff and the Board,
- established authorisation and appraisal procedures for all significant new initiatives and commitments,
- a considered approach to treasury management that is subject to review on an annual basis,
- regular reporting to senior management and the appropriate committee of key business objectives, targets and outcomes,
- board approved whistle-blowing policy, and
- detailed policies and procedures in each area of the association's work.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the risk and audit committee to review the system of internal control. The Board receives quarterly reports from the finance, risk and audit committee.

The means by which the finance, risk and audit committee reviews the effectiveness of the system of internal control include considering risk reports, internal audit reports, management assurances, the external audit management letter and specialist reviews.

Compliance with the Regulator of Social Housing governance and financial viability standard

The Board confirms that the group complies with the requirements of the revised governance and financial viability standard applicable for the year.

Provision of information to auditor

The Board confirms that:

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

Statement of Board's responsibilities

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Society legislation, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Association and Group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether UK Accounting Standards and the Statement of Recommended Practice (SORP) for Registered Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the registered social housing provider will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and the group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014. It is also responsible for safeguarding the assets of the association and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to appoint Mazars LLP will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 1 July 2020 and signed on its behalf by:

Alistair Allender

Alistair Allender
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELIM HOUSING ASSOCIATION GROUP

Opinion

We have audited the financial statements of Elim Housing Association Limited (the 'parent association') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the Group and the parent association's Statements of Comprehensive Income, the Group and the parent association's Statements of Financial Position, the Group and the parent association's Statements of Changes in Reserves, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and FRS 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 group's and of the parent association's affairs as at 31 March 2020 and of the group's and the parent association's surplus 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 Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

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 association 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.

Emphasis of matter – Going concern and the impact of the COVID-19 outbreak on the financial statements

In forming our opinion on the Group and Elim Housing Association financial statements, which is not modified, we draw your attention to the Board's view on the impact of the COVID-19 as disclosed on page 9, and the consideration in the going concern basis of preparation on page 24.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COViD-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 is still evolving and, based on the information available at this point in time, the Board have assessed the impact of COVID-19 on the business and reflected the Board's conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's us of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Board is 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the parent association has not kept proper books of account, or
- a satisfactory system of control over transactions has not been maintained, or
- the financial statements are not in agreement with the books of account, or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 14, the Board is 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 determines 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 group's and the parent association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or the parent association 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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the association's members of a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other then the association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 11 August 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	3	6,998	6,517
Operating costs	3	(5,681)	(5,070)
Surplus on disposal of property, plant and equipment	8	275	128
Operating surplus	7	1,592	1,575
Interest receivable	9	2	2
Interest and financing costs	10	(702)	(781)
Surplus for the year before taxation		892	796
Taxation	11	(27)	(34)
Surplus for the year after taxation		865	762
Initial recognition of multi-employer defined benefit scheme		-	(350)
Actuarial Gains/(Losses) in respect of pension schemes	5	582	(253)
Total comprehensive income for the year		1,447	159

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	3	6,343	5,954
Operating costs	3	(5,220)	(4,735)
Surplus on disposal of property, plant and equipment	8	275	128
Operating surplus	7	1,398	1,347
Interest receivable	9	12	12
Interest and financing costs	10	(665)	(745)
Surplus for the year		745	614
Initial recognition of multi-employer defined benefit scheme		-	(350)
Actuarial Gains/(Losses) in respect of pension schemes	5	582	(253)
Total comprehensive income for the year		1,327	11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Housing properties at cost	12	52,917	50,273
Less: Depreciation	12	(7,109)	(6,632)
	12	45,808	43,641
Other property, plant and equipment	13	65	89
		45,873	43,730
Current assets			
Inventories	15	1,174	1,051
Debtors	16	1,039	726
Cash and cash equivalents		1,547	905
		3,760	2,682
Creditors amounts falling due within one year	17	(1,809)	(1,492)
Net current assets		1,951	1,190
Total assets less current liabilities		47,824	44,923
Creditors: Amounts falling due after one year	18	(39,519)	(37,409)
Provision for liabilities and charges	19	-	-
Pension – defined benefit liability	5	(356)	(1,009)
Net assets		7,949	6,502
Capital and Reserves			
Non equity share capital	24	-	-
Revenue reserves		7,949	6,502
		7,949	6,502

Approved by the Board and signed on its behalf by:

A Lunt
Chair

A Allender Alista Allender
Company Secretary/Chief Executive

The accompanying notes form part of these financial statements.

3 August 2020

ASSOCIATION STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Housing properties at cost	12	51,899	49,259
Less: Depreciation	12	(6,855)	(6,399)
	12	45,044	42,860
Other property, plant and equipment	13	65	89
		45,109	42,949
Current assets			
Inventories	15	650	1,036
Debtors	16	1,420	1,121
Cash and cash equivalents		1,394	396
		3,464	2,553
Creditors: amounts falling due within one year	17	(1,656)	(1,380)
Net current assets		1,808	1,173
Total assets less current liabilities		46,917	44,122
Creditors: amounts falling due after one year	18	(38,552)	(36,432)
Pension – defined benefit liability	5	(356)	(1,009)
Net assets		8,008	6,681
Capital and reserves			
Non-equity share capital	24	-	-
Revenue reserves		8,008	6,681
		8,008	6,681

Approved by the Board and signed on its behalf by:

A Lunt
Chair

Alistair Allender
A Allender
Company Secretary/Chief Executive

The accompanying notes form part of these financial statements.

3 August 2020

CONSOLIDATED STATEMENT OF CHANGES TO RESERVES

For the year ended 31 March 2020

	Group		Association	
	2020	2019	2020	2019
Revenue reserves	£'000	£'000	£'000	£'000
At beginning of the year	6,502	6,343	6,681	6,670
Total comprehensive income for the year	1,447	159	1,327	11
At end of the year	7,949	6,502	8,008	6,681

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Net cash generated from operating activities	A	851	1,015
Cash flows from investing activities			
Acquisition and construction of properties		(3,288)	(2,167)
Purchase of other plant and equipment		(53)	(36)
Disposal of housing properties		771	195
Social housing grant (paid) / received		628	282
Interest received		2	2
Net cash flows from investing activities		(1,940)	(1,724)
Cash flows from financing activities			
New loans		1,750	168
Repayment of borrowings		(19)	(13)
Net cash flows from financing activities		1,731	155
Net increase/ (decrease) in cash and cash equivalents		642	(554)
Cash and cash equivalents at beginning of year		905	1,459
Cash and cash equivalents at end of year		1,547	905

Note A Cash flows from operating activities		2020 £'000	2019 £'000
Surplus for the year		1,477	175
Adjustment for non-cash items:			
Depreciation of property, plant and equipment		612	659
Corporation tax due		-	18
Decrease/ (increase) in debtors		(313)	(338)
Increase / (decrease) in creditors		289	362
Decrease/ (increase) in inventories		(505)	(295)
Increase/ (decrease) in provisions		(653)	-
Adjustments for investing or financing activities:			
Proceeds from the sale of property, plant & equipment		(496)	(128)
Social housing grants utilised in the year		(260)	(217)
Interest payable		702	781
Interest received		(2)	(2)
Net cash generated from operating activities	¤	851	1,015

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Legal status

Elim Housing Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is a registered provider of social housing. The group comprises Elim Housing Association as the parent and Lime Property Ventures, an unregistered commercial subsidiary.

2. Accounting Policies

The principal accounting policies of the group are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2014 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015. Elim Housing Association is a Public benefit entity, as defined in FRS102 and appliers the relevant paragraph prefixed 'PBE' in FRS 102.

Basis of consolidation

The group financial statements consolidate the financial statements of the association and its subsidiary undertakings drawn up to 31 March each year. Business combinations which are considered to be acquisitions are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The group's business activities and its current financial position is set out in the strategic report. The group has a five-year business plan which shows that it can service its long-term debt facilities while continuing to comply with lenders' covenants. In light of the COVID-19 pandemic, the group's forecasts and projections have been subject to robust stress testing and taking into account the predicted financial implications of COVID-19, show that the group should be able to operate within the level of its current facilities. For this reason, the Board has a reasonable expectation that the group will continue in operation for the foreseeable future, being at least twelve months after the date on which the financial statements are signed and it continues to adopt the going concern basis in the financial statements.

Property, plant and equipment - housing properties

Housing properties are stated at cost less depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

2. Accounting Policies - continued

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	90 years
Roofs	70 years
Kitchens	10-20 years
Bathrooms	15-25 years
Windows and doors	30 years
Boilers	20 years
Lifts	25 years
Fire Alarm systems	15 years

Freehold land is not depreciated.

Properties held on long leases are depreciated over their estimated useful economic lives or the lease duration if shorter.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the group are recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset’s remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

2. **Accounting Policies** - continued

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Non-housing property, plant and equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Furniture, fixtures & fittings	4 years
Computer equipment	4 years

Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

2. Accounting Policies - continued

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Service charge sinking funds and service costs

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position. The amount included in liabilities in respect of service charge sinking funds includes interest credited to the fund. Where there has been an under-recovery of leaseholders' or tenants' variable service charges and recovery of the outstanding balance is virtually certain, the balance is recognised in the Statement of Financial Position as a trade receivable. Debit and credit balances on individual schemes are not aggregated as there is no right of set-off.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership staircasing sales, when full staircasing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not recognised as a provision. On subsequent staircasing sales, the requirement to recycle the grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

2. Accounting Policies – continued

this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as the Homes England, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected life of the component.

Grants received from non-government sources are recognised as revenue using the performance model.

Turnover

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) and disposal proceeds of current assets such as properties developed for outright sale or shared ownership first tranche sales at completion together with revenue grants from local authorities and the Homes England and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Shared ownership property sales

Shared ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or noncurrent assets.

Proceeds from first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income of the period in which the disposal occurred and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals of fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

2. Accounting Policies – continued

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period

Pensions

The group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

For financial years ending on or before 28 February 2019, it was not possible for the group to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The group also participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and is carried forward to future periods.

Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

2. Accounting Policies – continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The group have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

Capitalisation of property development costs

The group capitalises development expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

Estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provisions

Provision is made to recognise certain liabilities and for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Group considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

3. Consolidated turnover, operating costs and operating surplus

	2020			2019		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	4,568	3,788	780	4,479	3,580	899
Other social housing activities						
Supporting people	750	694	56	758	706	52
Management services	172	171	1	173	128	45
First tranche shared ownership sales	519	322	197	177	151	26
Other	301	245	56	271	169	102
	6,310	5,220	1,090	5,858	4,734	1,124
Activities other than social housing						
Properties developed for outright sale	475	346	129	453	228	224
Student letting	213	115	98	206	108	99
	688	461	227	659	336	323
	6,998	5,681	1,317	6,517	5,070	1,447

3. Association turnover, operating costs and operating surplus

	2020			2019		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	4,568	3,788	780	4,479	3,580	899
Other social housing activities						
Supporting people	750	694	56	758	706	52
Management services	172	171	1	173	128	45
First tranche shared ownership sales	519	322	197	177	151	26
Other	334	245	89	367	170	197
	6,343	5,220	1,123	5,954	4,735	1,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

4. Particulars of income and expenditure from social housing lettings (Group & Association)

	2020 General Needs Housing £'000	2020 Supported housing & housing for older people £'000	2020 Total £'000	2019 General Needs Housing £'000	2019 Supported housing & housing for older people £'000	2019 Total £'000
Income						
Rent receivable net of identifiable service charges	2,427	816	3,243	2,408	796	3,204
Service charges receivable	307	758	1,065	298	760	1,058
Amortised social housing grant	228	32	260	187	30	217
	2,962	1,606	4,568	2,893	1,586	4,479
Turnover from social housing lettings						
Expenditure						
Management	919	536	1,455	858	472	1,330
Service charge costs	267	484	751	277	533	810
Routine maintenance	338	151	489	255	153	408
Planned maintenance	163	67	230	122	53	175
Major repairs expenditure	53	18	71	31	2	33
Bad debts	50	42	92	96	46	142
Property lease charges	-	118	118	-	115	115
Depreciation of housing properties and loss on disposal of property components	457	125	582	461	106	567
Operating costs	2,247	1,541	3,788	2,100	1,480	3,580
Operating surplus on social housing lettings	715	65	780	793	106	899
Void losses	65	75	140	38	97	135

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

5. Employees

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Employee costs:				
Wages and salaries	1,478	1,478	1,460	1,460
Social security costs	128	128	122	122
Pension costs	49	49	44	44
	1,655	1,655	1,626	1,626

	Number	Number	Number	Number
The average number of employees, including part-time employees expressed as full-time equivalents:	52	52	53	53

The number of full time equivalents in each salary band:

£10,001 - £20,000	14
£20,001 - £30,000	25
£30,001 - £40,000	7
£40,001 - £50,000	3
£50,001 - £60,000	1
£60,001 +	2

The basis of calculation of the full-time equivalents was based on a 37.5 hr week.

Social housing pension scheme

The group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The scheme is classified as a 'last-man standing arrangement'. Therefore the group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

6. Employees – continued

Social housing pension scheme – continued

scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the group to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the group has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the group to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2020 (£000s)	31 March 2019 (£000s)
Fair value of plan assets	3,312	3,145
Present value of defined benefit obligation	3,669	4,154
Surplus (deficit) in plan	(357)	(1,009)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(357)	(1,009)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

5. Employees – continued

Social housing pension scheme - continued

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2020 (£000s)
Defined benefit obligation at start of period	4,154
Current service cost	-
Expenses	5
Interest expense	95
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	9
Actuarial losses (gains) due to changes in demographic assumptions	(34)
Actuarial losses (gains) due to changes in financial assumptions	(494)
Benefits paid and expenses	(66)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	3,669

Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2020 (£000s)
Fair value of plan assets at start of period	3,145
Interest income	73
Experience on plan assets (excluding amounts included in interest income – gain (loss)	63
Contributions by the employer	97
Contributions by plan participants	-
Benefits paid and expenses	(66)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	3,312

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	Period 31 March 2019 to 31 March 2020 (£000s)
Current service cost	-
Expenses	5
Net interest expense	22
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SOCI)	27

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

5. Employees – continued

Social housing pension scheme - continued

Defined benefit costs recognised in other comprehensive income

	Period from 31 March 2019 to 31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	63
Experience gains and losses arising on the plan liabilities – gain (loss)	(9)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	34
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	494
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	582
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	582

Assets

	31 March 2020 (£000s)	31 March 2019 (£000s)
Global equity	484	529
Absolute return	173	272
Distressed opportunities	64	57
Credit relative value	91	58
Alternative risk premia	232	181
Fund of hedge funds	2	14
Emerging market debts	100	109
Risk sharing	112	95
Insurance-linked securities	102	90
Property	73	71
Infrastructure	246	165
Private debt	67	42
Opportunistic illiquid credit	80	-
Corporate bond fund	189	147
Liquid credit	1	-
Long lease property	57	46
Secured income	126	113
Over 15-year gilts	-	-
Index linked all stock gilts	-	-
Liability driven investment	1,099	1,150
Net current assets	14	6
Total assets	3,312	3,145

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

5. Employees – continued

Social housing pension scheme - continued

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Social housing pension scheme - continued
Key assumptions

	31 March 2020 % per annum	31 March 2019 % per annum
Discount rate	2.38	2.30
Inflation (RPI)	2.62	3.30
Inflation (CPI)	1.62	2.30
Salary growth	2.62	3.30
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2019	21.5
Female retiring in 2019	23.3
Male retiring in 2039	22.9
Female retiring in 2039	24.5

6. Board members and executive directors

	2020	2019
Average weekly number of executive directors (full time equivalents):	3	2.5
	£'000	£'000
Emoluments of the above executive directors including the chief executive but excluding pension contributions	226	186
Pension contributions on behalf of the above executive directors	16	12

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £95,000 (2019: £96,000).

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The group does not make any further contribution to an individual pension arrangement for the Chief Executive.

No emoluments were paid to members of the Board during the year.

Re-imbursement of expenses during the year to members of the Board amounted to £1,514 (2019: £834).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

7. Operating surplus

This is stated after charging/(crediting):	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
External auditors' remuneration				
- for the audit of the accounts	23	18	17	12
Depreciation of housing properties	613	592	588	567
Depreciation of other property, plant and equipment	77	77	71	71
Amortisation of social housing grant	(260)	(260)	(217)	(217)
Operating lease rentals				
- land and buildings	138	138	139	139
- office and other equipment	18	18	18	18

8. Surplus on disposal of property, plant and equipment

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Proceeds from sale of property, plant and equipment	771	771	195	195
Carrying value of property, plant and equipment	(496)	(496)	(67)	(67)
	275	275	128	128

9. Interest receivable

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Bank interest receivable	2	12	2	12

10. Interest and financing costs

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Bank loan, interest and finance costs	702	665	781	745

Interest costs of £6,128 have been capitalised during the year using an average rate of 3% (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

11. Taxation

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
United Kingdom corporation tax at 19%	30	-	34	-

Factors affecting tax charge for the year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Profit on ordinary activities before tax	892	614	796	614
Profit on ordinary activities before tax multiplied by standard rate of Corporation tax in the UK of 19% (2019: 19%)	169	117	151	117
Effects of:				
Income not taxable in determining taxable surplus	(139)	(117)	(117)	(117)
Short term timing differences	(3)	-	(3)	-
Current tax charge for the year	27	-	31	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

12. Tangible fixed assets – housing properties (Group)

	Social housing properties held for letting £'000	Social housing properties under construction £'000	Low cost home ownership £'000	Shared Ownership housing under construction £'000	Developed for sale £'000	Student housing £'000	Total £'000
Cost							
At 1 April 2019	47,035	-	2,165	-	59	1,014	50,273
Purchases	1,580	-	700	446	-	-	2,726
Works to existing properties	482	-	-	-	-	5	487
Disposals	(310)	-	(280)	-	(59)	-	(649)
Transfer to work in progress	-	-	-	80	-	-	80
Schemes completed	-	-	-	-	-	-	-
At 31 March 2020	48,787	-	2,585	526	-	1,019	52,917
Depreciation and impairment							
At 1 April 2019	6,399	-	-	-	-	233	6,632
Depreciation charged in year	591	-	-	-	-	21	612
Released on disposal	(135)	-	-	-	-	-	(135)
At 31 March 2020	6,855	-	-	-	-	254	7,109
Net book value							
At 31 March 2020	41,932	-	2,585	-	-	765	45,808
At 31 March 2019	40,636	-	2,165	-	59	781	43,641

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

12.Tangible fixed assets – housing properties (Group) - continued

There were £62,789 of direct development labour costs capitalised in this year (2019: £49,787).

	2020 £'000	2019 £'000
Expenditure on works to existing properties		
Improvement works and components capitalised	508	382
Amounts charged to the statement of comprehensive income	48	49
	556	431

Housing properties book value, net of depreciation comprises:

	2020 £'000	2019 £'000
Freehold land and buildings	37,879	35,801
Long leasehold land and buildings	7,789	7,695
Short leasehold land and buildings	145	145
	45,813	43,641

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

12. Tangible fixed assets – housing properties (Association)

	Social housing properties held for letting	Social housing properties under construction	Low cost home ownership	Shared Ownership housing under construction	Developed for sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2019	47,035	-	2,165	-	59	49,259
Purchases	1,580	-	700	447	-	2,727
Works to existing properties	482	-	-	-	-	482
Disposals	(310)	-	(280)	-	(59)	(649)
Transfer to work in progress	-	-	-	80	-	80
Schemes completed	-	-	-	-	-	-
At 31 March 2020	48,808	-	2,585	526	-	51,899
Depreciation and impairment						
At 1 April 2019	6,399	-	-	-	-	6,399
Depreciation charged in year	591	-	-	-	-	591
Released on disposal	(135)	-	-	-	-	(135)
At 31 March 2020	6,855	-	-	-	-	6,855
Net book value						
At 31 March 2020	41,953	-	2,585	526	-	45,044
At 31 March 2019	40,636	-	2,165	-	59	42,860

There were £62,789 of direct development labour costs capitalised in this year (2019: £49,787).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

12.Tangible fixed assets – housing properties (Association) - continued

Expenditure on works to existing properties	2020 £'000	2019 £'000
Improvement works and components capitalised	503	382
Amounts charged to the statement of comprehensive income	48	48
	551	430

Housing properties book value, net of depreciation comprises:

	2020 £'000	2019 £'000
Freehold land and buildings	37,130	35,020
Long leasehold land and buildings	7,789	7,695
Short leasehold land and buildings	145	145
	45,064	42,860

13. Property, plant and equipment – Other

Office equipment, furniture and fittings

	Group £'000	Association £'000
Cost		
At 1 April 2019	553	553
Additions	53	-
At 31 March 2020	606	553
Depreciation		
At 1 April 2019	464	464
Charged in the year	77	-
At 31 March 2020	541	464
Net book value		
At 31 March 2020	65	89
At 31 March 2019	89	89

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

14. Investment in subsidiaries

As required by statute, the financial statements consolidate the results of Lime Property Ventures Limited which was a subsidiary of the association throughout the year.

Elim Housing Association Limited is the ultimate parent undertaking.

15. Inventories

	Group 2020	Association 2020	Group & Association 2019
	£'000	£'000	£'000
Completed properties for sale	1,174	650	1,051

16. Debtors

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Rent and service charges receivable	780	778	645	681
Less: provision for bad and doubtful debts	(469)	(469)	(395)	(395)
	311	309	250	286
Trade debtors	304	304	20	19
Other debtors	59	42	132	101
Other taxation and social security	-	-	63	63
Prepayments and accrued income	365	349	261	240
Amounts due from subsidiary undertaking	-	416	-	412
	1,039	1,420	726	1,121

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

17. Creditors: amounts falling due within one year

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Loans (note 22)	19	6	18	5
Trade creditors	421	417	252	251
Other taxation and social security	46	42	27	27
Corporation tax	30	-	34	-
Other creditors	260	244	29	11
Accruals and deferred income	425	379	540	530
Support services grant received in advance	-	-	-	-
Social housing grants (note 20)	260	260	221	221
SHPS pension agreement plan (note 5)	-	-	-	-
Sinking funds	76	76	76	76
Rent received in advance	272	232	295	259
	1,809	1,656	1,492	1,380

18. Creditors: amounts falling due after one year

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Social housing grants (note 20)	19,737	19,737	19,408	19,408
Recycled capital grant fund (note 21)	284	284	284	284
Loans (note 22)	19,495	18,531	17,717	16,740
SHPS defined benefit liability (note 5)	356	356	1,009	1,009
	39,872	38,908	38,418	37,441

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

19. Provision for liabilities and charges

Deferred tax – Fixed asset timing differences

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
At the start of the year	4	-	7	-
Charge for the year	(3)	-	(3)	-
	1	-	4	-

20. Social housing grants

	Group & Association 2020 £'000	Group & Association 2019 £'000
At beginning of year	19,629	19,564
Grant receivable	628	282
Released to income in the year	(260)	(217)
Relating to disposals	-	-
At end of year	19,997	19,629
Due to be released in less than one year	260	221
Due to be released after more than one year	19,737	19,408

Total accumulated amount of social housing grant received or receivable at the year-end is £23,390,117 (2019- £22,762,617).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

21. Recycled capital grant fund

	Group & Association 2020 £'000	Group & Association 2019 £'000
At beginning of year	284	284
Inputs – Grants recycled	-	-
Recycling – New build	-	-
At end of year	284	284

22. Loan analysis

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Due within one year				
Orchardbrook Limited	6	6	5	5
Lloyds Banking Group	13	-	13	-
Due after more than one year				
Orchardbrook Limited	538	538	553	553
Lloyds Banking Group	11,891	10,927	11,880	10,903
Triodos	7,066	7,066	5,284	5,284
	19,495	18,531	17,717	16,740

Loans are repayable as follows:

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Due within one year	19	5	18	5
Between one and two years	26	6	20	6
Between two and five years	11,971	11,028	12,010	11,034
After five years	7,705	7,705	5,918	5,918
Less: loan issue costs	(207)	(207)	(231)	(218)
	19,514	18,537	17,735	16,745

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

22. Loan analysis - continued

The loans are secured by fixed charges on individual properties.

The loan from Orchardbrook Limited is repayable in six monthly instalments until the loan matures in 2043. Interest is charged at a fixed rate of 10.9%.

The Lloyds Banking Group loans are used to finance the development of housing properties. The loan facilities were refinanced during 2017/2018. The current facilities total £11,000,000 and are provided on an interest only basis until September 2022 when they are repayable in full. Borrowings from the Lloyds Banking Group are on fixed or variable arrangements with interest rates ranging from 2.3% to 5.6%

The Triodos loan of £5.4 million is repayable in monthly instalments until the loan matures in 2042. Interest is charged at a fixed rate of 2.99% until 5/10/2026. The loan is an interest only loan until June 2022.
At 31 March 2020 the group had undrawn loan facilities of £4,850,000 (2019: £6,600,000).

23. Capital and other financial commitments

The group and association had the following capital expenditure commitments.

	Group & Association 2020 £'000	Group & Association 2019 £'000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	695	-
Expenditure authorised but not contracted for	-	2,381

The above commitments will be financed through the use of own funds held and our loan facilities.

As at 31 March 2020, the group and association had future minimum lease payments under non–cancellable operating leases as follows:

	Group & Association 2020 £'000	Group & Association 2019 £'000
Payments due:-		
Less than one year	156	157
Two to five years	459	532
After five years	166	249
	781	938

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

24. Share capital

The issued share capital entitles the holder to voting rights at the Annual General Meeting. It does not convey any rights to a dividend, any provision for redemption or for a distribution upon winding up.

	2020	2019
	£	£
Allotted, called up and fully paid		
At beginning of year	26	26
Issued during the year	2	-
Cancelled during the year	-	-
At end of year	28	26

25. Housing stock

	2020	2019
	Number	Number
General needs	423	414
Gypsy & Traveller	88	88
Shared ownership	39	37
Supported housing	235	227
Student lets	22	22
Managed properties	88	88
Number of units in management	895	876

Number of units in development at 31 March 2020: 6 (2019: nil)

26. Related parties

Elim received management fees of £56,000 and received interest of £10,396 from Lime Property Ventures Limited.

At 31 March 2020 the company was owed £411,558 by Lime Property Ventures Limited.

27. Post balance sheet event

In June 2020, a £2m extension to the existing loan facility with Triodos Bank was agreed in principle increasing the total loan facility to £14m.