Eastlight
Community Homes

Statement of Accounts

For the year ended 31 March 2022

Co-operative and Community Benefit Society Registration No. 30124R
Registered Provider No. L4499
Regulated by the Regulator of Social Housing
A charity exempt from registration

Contents

Board Members, Executive Directors, Advisors and Bankers

Eastlight Board and Committees

The Board members who served from 1 April 2021 to the date of approval of the financial statements were as follows;

Chair
Hattie Llewelyn-Davies

Vice Chair
Dale Butcher

Senior Independent Director
David Russell

Other Board Members
Michelle Baker (Appointed 25.05.21)
Alison Inman (Retired 23.09.21)
Mike Johnson (Co-opted 27.10.21, Appointed 01.05.22)
Simon Jones
Malcolm O'Brien
Charanjit Patel
Gail Shadlock (appointed 01.05.22)
Kay Vowles

Committee Members

Governance and People Committee
Joanne Savage
Julia Thomas

Investment Committee
Andrew Hill (Resigned 28.02.22)
Mike Johnson (Co-opted to Board 27.10.21)
Chris Miller

Customer Influence Committee
Steve Bentall (Appointed 03.05.22)
Steve Blows (Appointed 01.04.21, Resigned 31.03.22)
Marlene Carter (Appointed 01.04.21)
Craig Clacket (Appointed 03.05.22)
Joanne Farmer (Appointed 01.04.21)
Michael Gooderham (Appointed 01.04.21, Resigned 31.03.22)
Paul Hocker (Appointed 01.04.21)
Penny Newby (Appointed 01.04.21, Resigned 30.11.21)
Cedric Salvadorai (Appointed 03.05.22)
Catherine Turner (Appointed 03.05.22)

Eastlight Executive Directors

The executive directors hold no interest in the Association's shares and act as executives within the authority delegated by the Board.

Chief Executive
Emma Palmer

Executive Director People & Support Services
Sharon Ault

Executive Director Customer Services
Jane Goodley (Appointed 01.11.21)

Executive Director Resources
David Hall

Executive Director Operations
Dan Jones

Secretary
David Hall

Registered Office

Eastlight House
Charter Way, Braintree, Essex CM77 8FG

External Auditor
Beever and Struthers
15 Bunhill Row, London EC1Y 8LP

Principal Solicitors
Towers & Hamlins LLP
Devonshires LLP

Principal Bankers
Lloyds Bank plc
Barclays Bank plc

Chairs Statement

Eastlight is now just two years old and as I look back over that period it is extraordinary to consider what a turbulent and challenging period this has been for us all, in our communities and across our sector. We have worked through the pandemic and lockdown together and we now find ourselves in a different challenge with uncertain economic prospects and the most significant cost of living crisis for a generation.

Through that time our colleagues have worked extremely hard to support our customers and to restore our key service commitments and standards that you expect of us. I am delighted that we have completed our business integration on schedule within the year and that we have also strengthened our team to deliver against the commitments that we have made. I also offer my sincere thanks to our residents who have worked with us as we address these challenges together.

Eastlight is well placed in a position of relative strength but we must be willing and able to respond quickly to support our business, customers and communities as we move forward. We must also ensure that we use our capacity to provide greater value for our customers and play our part in maintaining the strength of social housing.

Our purpose at Eastlight is working together with our communities, creating affordable homes and great neighbourhoods. Through 2021 we undertook a significant research exercise holding conversations with our customers, visiting our estates to understand their experience through lockdown and the pandemic, their concerns, their priorities and their aspirations for Eastlight and their communities. The feedback was invaluable and confirmed the strength of feeling towards safe, vibrant and cohesive communities and has informed the priorities for our community empowerment programme.

All In is a unique and genuinely trailblazing initiative and I am very excited for the potential this has to make a real and lasting difference to our communities and beyond. The engagement that we have already seen through our community conversations and the interest in joining our community incubator programme is very encouraging. Our teams of community entrepreneurs will work together over this year to turn these ideas into viable long term outcomes for all.

Eastlight Community Homes is a community led housing association, the largest in the country, and we remain absolutely committed to our communities. I am delighted to welcome new resident members to the Board and to our Customer Influence Committee. I am also excited about the launch of our Community Academy and the training and development opportunities that this will provide to enable further residents to get involved.

During the year the Regulator completed the first In Depth Assessment of Eastlight following the merger in 2020 and we were very pleased that it confirmed the G1 V1 judgement, demonstrating the solid foundations of the merged business and the excellent work of our board, employees and customer representatives. We must now ensure that we match that confidence and meet our commitments to our customers.

I offer my thanks to all of our colleagues who have worked so hard over this period, our involved residents, our volunteers, and our wider stakeholders who have all enabled us to make a difference for so many people.

Hattie Llewelyn-Davies

Strategic Report

Principal Activities

The Association is incorporated as a Registered Society under the Co-operative and Community Benefit Societies Act 2014, Registered No. 30124R and is also registered with the Regulator of Social Housing in England (RSH), in accordance with the Housing & Regeneration Act 2008 Registered No. L4499.

The Association has adopted charitable objects and is recognised as a charity by HM Revenue and Customs, reference EW79540. As a public benefit entity, Eastlight Community Homes Limited ("Eastlight") has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Eastlight was formed following the merger of Greenfields Community Housing Limited and Colne Housing Society via a transfer of engagements on 1 July 2020.

Iceni Homes Limited is a development service company providing new build programme management services to social housing providers. Iceni was established as a joint venture company owned by a group of registered providers including Eastlight. During the year Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society. Iceni Homes Limited became a wholly owned subsidiary of Eastlight on 1 August 2021.

Emerald New Homes Limited is a wholly owned subsidiary of Eastlight and is dormant and has never traded.

These financial statements include the consolidated Group financial results.

Corporate Strategy

The Eastlight Board has approved a Corporate Strategy which sets out how the Association will deliver on the commitments made to residents as part of the merger, the most significant ones being:

- To develop 3,800 new homes for social and affordable rent and for low cost home ownership
- To invest £130m in existing homes
- To invest £1.75m to empower residents and communities to improve lives and enable independent living
- To improve value for money, efficiency and release capacity, becoming stronger financially and more resilient.

Building on merger commitments, we have taken a fresh look at how we do things, and developed new and ambitious strategies that will enable us to deliver more homes, modern services and give our residents more opportunities to influence decision making.

Eastlight is established as a community gateway organisation and this model will continue to embed empowerment for residents including their ability to influence our decisions and clear mechanisms for residents to work with us and challenge us to improve the safety and quality of our homes and surrounding neighbourhoods.

The following Strategic Report focusses on the performance of Eastlight Community Homes Limited for the year ended 31 March 2022.

Operating Review

This financial year has been one of further significant challenge for many. For Eastlight it has also been a year of transition and consolidation as we have focussed on completing the integration of the business, building capacity to deliver on our commitments and priorities and support our customers and communities to emerge from the pandemic and to restore our core service offer.

We are now facing a period of significant economic challenge and uncertainty as inflation rises to the highest level in a generation driven particularly by rising energy and related costs - the government and the Bank of England are considering action needed to support the economy through this period. Activity to help improve energy performance has never been more important.

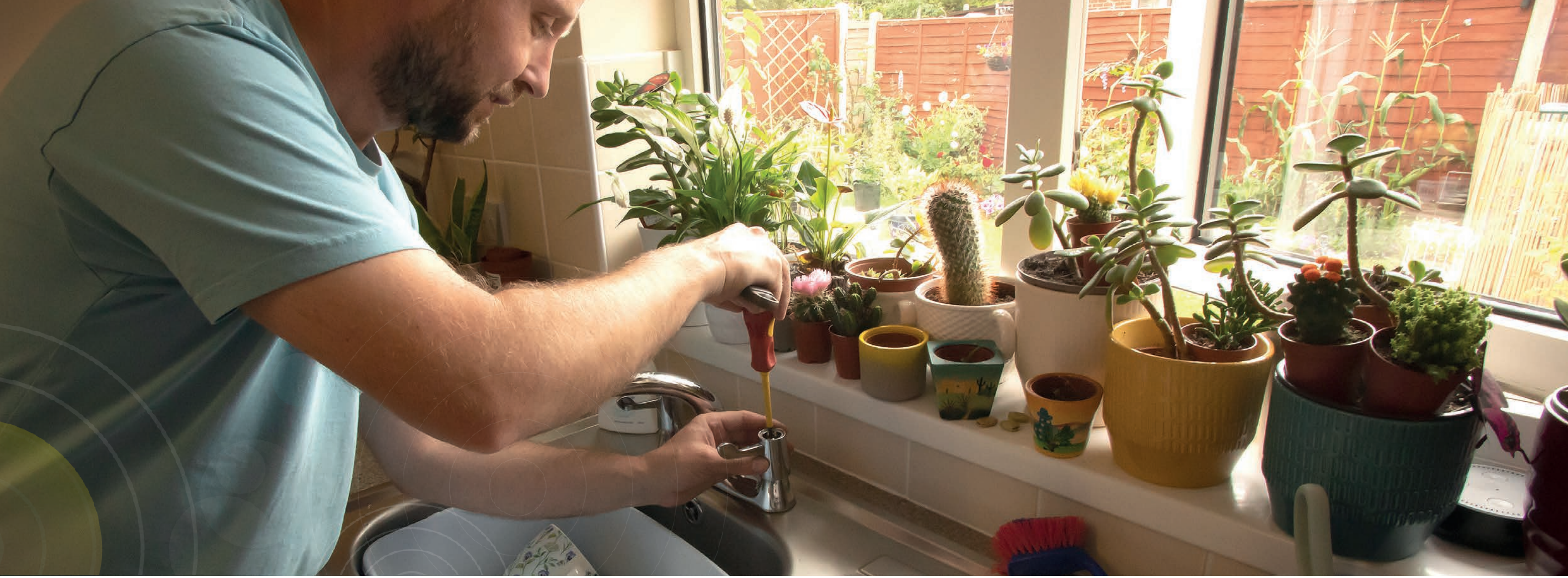
Eastlight remains committed to supporting our residents, and the wider community, working closely with government agencies and support networks to ensure the best possible outcomes for our residents. Recognising the importance of strong multi agency working we have opened a community hub within Eastlight House, providing a common space for over 10 of our key agency partners including police, adult social care, floating support and other community providers to meet and work together. Early feedback is that this provides a more joined up response and an ability to react more quickly to situations and find effective solutions.

Sadly increasing instances of domestic abuse became a feature of lockdown and tackling this and supporting victims is a key priority for Eastlight. We have provided comprehensive awareness and training across the business in developing a strong culture towards addressing and tackling this and this has seen satisfaction with the support we provide to victims rise to 94%. We were pleased that Eastlight received the Domestic Abuse Housing Alliance (DAHA) national accreditation for the services we deliver supporting both customers and staff who may experience Domestic Abuse in their lives.

At the end of the lockdown we were faced with a significant backlog of core maintenance work where we had been unable to provide the full reactive service while we safeguarded our customers and colleagues. We also experienced a significant rise in vacant homes and related work during the year as customers were again able and willing to consider moves. This led to our average number of vacant homes rising by 35% and the number of reactive maintenance jobs rising by 29%. We deployed a recovery plan, reprioritising activity for our Home Solutions Team and bringing in further resource from our partners to address these. By year end we have successfully moved both back to more consistent levels of activity – while we dealt with this performance dipped and our right first time measures were at 78% but post year end we have seen this return to over 85%.

Through the year we have successfully integrated our Home Solutions Team providing a single service offer across all customers and we have opened our new Stores facility in Marks Tey to support the team from a larger and more central base that brings together colleagues alongside the core trades functions.

Our rent collection performance has also been impacted during the year but remains good. The current economic climate is extremely difficult for our customers who in many cases are making payment choices. We continue to focus on early support and interventions for those experiencing difficulties with their tenancies and cross business working between the Neighbourhoods and Income teams, means that we can understand the challenges our residents face. Our arrears as a percentage of rent collected have increased to 1.47% at March 2022 from 0.92% at March 2021. By March 2022 4,200 (36%) of our households had made a claim for Universal Credit, but our pro-active approach in managing the service, both from our perspective and from that of our tenants, has helped more residents out of debt and kept them in their homes.



Our Homes

During the year to March 2022 we have completed 213 new homes for rent, of which 22 (10%) were for social rent. We completed a further 85 shared ownership properties, giving those who want to, an opportunity to get on the property ladder. At year end, we were in contract for 1,305 new homes and a pipeline of an additional 602. Of these, 30% are expected to be delivered via Eastlight-led projects, reflecting our ambition to rebalance our future programme so that reliance on developer-led delivery is reduced and Eastlight directly delivers new homes.

We have secured continued Investment Partner status with Homes England and have successfully bid for and secured grant funding through the Affordable Homes Programme 2021-26. During this year we completed the scheme at Manor Street Braintree yielding 12 social rent and 23 shared ownership homes and we started the Mount Hill Halstead scheme which will yield social rent, affordable rent and shared ownership homes. Grant from Homes England supported additionality on both schemes enabling us to make both schemes fully affordable housing.

Our New Homes Strategy sets out to deliver 3,800 homes and we are prioritising the delivery of safe and decent homes, that are affordable to run, energy efficient and are close to amenities. We will meet the Lifetime Homes standards and provide modifications where required, making sure our design brief provides homes for the future. The operating environment through and after the pandemic has been challenging for construction. As a result we have not completed as many homes to date as we planned for. We remain committed to delivering these much needed new homes and have maintained our strategy target but we recognise the supply challenges and we expect the programme to now take up to 3 years further in total to achieve our target. We are continuing to consider new development schemes, re-balancing our development portfolio between s.106 schemes and land led opportunities so that we have more influence over the projects and can take further advantage of government grant funding.

The shared ownership sales market has been strong during the year and we have completed 85 sales, with demand exceeding our budget forecast for the period. In the coming year we intend to promote a campaign for staircasing of existing shared ownership. Eastlight does not have a current open market development and sale programme.

During the year Eastlight agreed to acquire Iceni Homes Limited, a development service company managing build programmes for registered providers. Previously Iceni was jointly owned by a small group of registered providers which it supported and during the year Eastlight agreed to acquire the shares of the only remaining shareholder partner, Hundred Houses Society. The former staff of Iceni transferred to Eastlight under TUPE and provide support to Iceni activities under the terms of a service agreement.

This year Eastlight invested £16.1m in our existing stock through capital and planned works. We provided 183 bathrooms, 97 new kitchens, 473 new boiler systems and 22 other heating systems, 39 new roofs and 320 new doors and windows, and 597 internal fire doors helping improve the comfort, efficiency and safety of our homes for our residents.

MARCH 2022 WE HAVE COMPLETED

213
NEW HOMES FOR RENT

85
SHARED OWNERSHIP PROPERTIES

Building Safety is a priority for Eastlight; we are fortunate that there is very little external cladding and we have completed a full assessment of condition and of any rectification requirements. There is a single development scheme which has ACM cladding and we are pleased that the developer has agreed to replace the cladding for this recent development scheme. One further block requires removal of external cladding and Eastlight has agreed and made provision to remove this during the coming year.

A comprehensive programme of fire risk assessments is in place, with an improvement programme for any activity arising from the assessment. A programme of replacement of internal fire doors through all properties is in progress and is expected to complete during 2022.

We have conducted a stock survey validation exercise which has helped to inform planning and provide assurance on asset management data and planning. We have also commissioned Turner & Townsend to complete a carbon audit of the business to inform our net carbon zero programme planning and support development of a Sustainability Strategy during 2022. Early indications are that the thermal performance of Eastlight stock is on average slightly better condition than social housing stock nationally. Full evaluation of SAVA data is being undertaken during 2022 to inform the detailed asset planning. We are piloting new intelligent in-home monitoring technologies during the coming year– if successful they will help to inform effectiveness, maintain resident wellbeing and mitigate disrepair issues.

We have successfully achieved funding from the Social Housing Decarbonisation Fund Wave 1 to support initial work on this programme and we will be looking at securing funding for further works from Wave 2 of the Fund programme.

At the year-end, 63% of homes are already at EPC C level or higher. Our target is to bring all homes to EPC C by 2030. We have maintained 100% compliance with the Decent Homes Standard and all our homes have had a valid Landlord Gas Safety Record in place throughout the year.

We have introduced an asset appraisal model across all of our properties during the year that assesses home viability and enables us to make clear decisions on asset reinvestment or disposal considering both economic and social factors. This is already in use to support decisions on homes becoming vacant and in the coming year we will extend it across our portfolio to identify and proactively manage homes better.

Our residents and communities

As the country's largest community led association we have developed and launched a trail blazing approach to community empowerment, All In.

At the first stage we have held conversations with and listened to our customers and communities. Initially touring the region during summer 2021 with an ice cream van, we spoke with over 300 members of the community who shared their priorities, including creating community amenities, activities for young people, supporting open space and managing crime and anti social behaviour. We followed this up with door step conversations with our customers and a wider research programme in partnership with YouGov to refine our understanding of our community priorities.

Each of these has helped shaped priorities for our community incubator programme. In the Challenge stage teams of community entrepreneurs working in four centres across our region will develop options around the key themes of mental health, cost of living support, younger peoples' opportunities and tackling loneliness. The programme will support local people to create bold new solutions. The Impact stage will seek to unlock funding and tailored support to make viable community ideas a reality and to embed the learning and outcomes in communities.

Alongside this the Community Academy will provide learning and development to hundreds of people across Essex and equip participants with skills for life and work, particularly helping our residents progress to confident involvement in governance roles with Eastlight or other organisations.

Alongside the All In programme our people provide ongoing support to Eastlight's continued commitment to supporting its residents. We have supported over 500 residents to maintain their independence and 380 residents received advice regarding budgeting, employment, fuel poverty, referrals to Citizens Advice and to make Universal Credit applications.

We have continued to support our community in a number of different ways, including the provision of food bank vouchers, Christmas hampers, fuel vouchers and together, with Braintree District Council, we provided over £140,000 of grants to community groups to support activities and initiatives. Our hardship fund also awarded £38,575 to 85 families in need and we funded over £60,000 in resident led community improvements.

Our commitment to our residents and communities will remain at the heart of what we do.

Efficiency and financial strength

Following the merger, we have successfully completed a programme of business integration, overseen by a Change Board, migrating and consolidating business data and information systems and enabling alignment of our business processes. We have consolidated teams and reviewed operating structures, adding further capacity, skills and experience where needed to support delivery of our corporate strategic priorities. We are implementing throughout the new year a programme of manager and team development.

As part of our Equality and Inclusion Strategy we introduced Just Being You mentoring this year, empowering a number of our employees with protected characteristics to reverse mentor our leadership team improving our understanding of these characteristics and providing important development for our colleagues.

We have also continued our Succeed at Eastlight programme providing new apprenticeship opportunities as well as a number of kickstart programme opportunities.

Future Prospects

The economic landscape has changed significantly during the year and inflation has reached its highest levels for over 30 years, placing significant pressures on both businesses and households. The position has been driven substantially by costs of energy as a result of the Russia / Ukraine conflict and it is unclear how long the high inflationary position will persist.

Having taken steps to mitigate where possible the impact of these risks, and having extensively stress tested scenarios in the usual course of business planning, supported by short and medium term cashflow planning, the management has reasonable expectation that the business will remain financially viable.

The business has now moved to an agile working format for all staff and Eastlight will continue to offer this way of working for its staff going forward. We believe that offering the flexibility to work where and when staff do their best work, will further enhance performance and a culture of positivity.

Financial Performance

The Board is pleased to report an overall surplus of £8.1m (2021: £14.0m) for the year. The surplus was impacted by two key factors this financial year, the management and catch up of maintenance backlogs and rising costs has led to additional £2.0m spend across all areas of maintenance spend and the decision to use surplus to restructure interest rate arrangements added £3.9m to finance costs.

Financial Performance Summary

£m	2021/22	2020/21
Turnover	78.5	75.8
Income from lettings	68.5	65.7
Operating surplus	22.6	24.2
Surplus for the year	8.1	14.0
Housing properties at cost	762.2	716.9
Net current assets/liabilities	(4.9)	(4.2)
Indebtedness	353.0	302.7
Total reserves	275.4	259.1
Operating Margin	28.5%	32.4%
Interest Cover EBITDA basis	162.0%	244.3%
Gearing	47.8%	47.3%

Reserves

At 31 March 2022 the Association's total reserves stood at £275.4m (2021: £259.1m). This includes the Revaluation Reserve of £96.2m (2021: £96.9m) and the accumulated surplus on the Revenue Reserve of £179.2m (2021: £162.4m).

The Board has established a restricted reserve in respect of the Community Housing and Investment Partnership (CHIP) Fund as required under the transfer agreement with Braintree District Council. At 31 March 2022 the balance of this reserve was £0.4m (2021: £0.9m).

By agreement with Braintree District Council, proceeds of sale of certain properties within the District are included in a reserve designated for reinvestment in new housing in the District. In 2022, no properties were sold at auction that qualified transferring funds to this reserve.

Cashflow and Liquidity

The net cash in-flow from operating activities during the year was £35.3m (2021: £33.7m).

At the end of the year the Association held £36.3m (2021: £6.1m) in cash balances and deposits. The Association has a strategy to hold a buffer against expected operating expenditure for up to three months.

Capital structure and treasury policy

During the year we were pleased to agree a private placement investment of £120m to support the investment strategy of the Association and to welcome four North American based insurance and investment companies as investor partners. The issue was partially deferred with £60m closing in August 2021 and £60m closing in May 2022. The issue is structured into tranches with tenors from 15 to 35 years.

The issue takes total funding facilities at March 2022 to £516m. At 31 March 2022 the Association had total borrowings of £353m under the combined facilities. The balance of undrawn facilities was £163m.

The Board has approved a Treasury Management Strategy that determines the approach to be followed to provide funding needed to support the growth ambitions of the new strategic plan. Authority is delegated to the Funding Working Group to implement the funding strategy which includes a strategic restructuring of asset security arrangements. During the coming year the Board has agreed to form a Finance and Treasury Committee as a standing committee of the Board to implement and monitor financial and funding strategies.

As part of the treasury strategy the Board agreed to break existing embedded fixed rate loans and arrange new interest rate swaps in respect of these loans for equivalent amounts and period. The amount of breakage cost incurred was £3.9m and this breakage cost has been included within Interest payable in the Statement of Comprehensive Income.

Housing properties and other fixed assets

At the end of the year the housing properties and garages had a carrying value of £662.7m (2021: £626.6m) net of depreciation.

The total number of housing properties owned and managed by the Association at 31 March 2022 was 12,148, including 620 shared ownership properties. Under the Right to Buy provisions 19 properties were sold during the year.

Going concern

The Board has reviewed the Association's budget for the year to March 2023 and Business Plan for 2024 onwards, and have also considered the continuing impact of COVID19 on its operations and the principal risks identified, including the contraction of the housing market, increased rent arrears, the availability of cash resources and the impact of economic downturn. Having taken steps to mitigate where possible the impact of these risks, the Board have concluded that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

Risk and uncertainty

The Association maintains a strategic risk register to enable the Board to monitor and manage identified risks. The Board has identified the following key risks to the achievement of the Association's strategic objectives.

Risk	Potential impact	Key Controls and Mitigation
Net Zero Carbon	Need to assess, plan and deliver significant investment into homes to achieve Government targets, may adversely impact other priorities.	Comprehensive carbon audit completed which informs investment planning - various investment scenarios have been modelled and assessed. Board and executive leads for sustainability established.
Cyber Security	Failure to safeguard the information systems and data from attack, causing data loss and service interruption.	Robust policies, procedures and training in place for the wider business with regular awareness training and updates. Penetration testing and surveillance monitoring in place. Third-party assessment which informs improvement plan.
Safety	Ineffective management of corporate, regulatory and statutory compliance resulting in a serious issue or incident.	H&S Committee and Forum established with CEO and Director leadership and formal reporting to Board. Full programme of risk assessments, work systems and training, supported by external specialist advisor and subject to regular review. Mandatory training programme in place for staff, contractors and non-executive directors.
Financing	Insufficient funding available to meet business operating or investment requirements, due to funding market issues, local facility compliance or investment management.	Treasury management policy and procedures in place with regular monitoring of cashflows and covenants. Funding Working Group established to implement funding strategy and manage risks. Supported by specialist third-party advisors.
Cultural Development	Failure to create a consistent values based culture throughout Eastlight, causing disruption to service delivery and quality and inability to deliver the merger benefits and corporate strategy.	Adoption of NHF Code of Governance 2020. Roll out of strategic key messaging, vision and values. 'Eastlight Way' cultural development programme led by CEO. Specific development programme for leaders and managers.

Risk	Potential impact	Key Controls and Mitigation
Data Management	Poor data quality and management, undermining performance and strategic decision making and risking the safeguarding of the privacy rights of individuals.	Data integration programme completed consolidating legacy data, with enhanced resourcing to support data management, data quality and improve decision making.
Development	Inability to identify, secure and deliver to target opportunities to develop the volume, type and quality of new homes for the right cost. Failure to achieve planned growth in property stock.	New Homes Strategy approved, and development appraisal framework agreed. Oversight of pipeline delivery by Executive Management Team and Investment Committee.
Resident Engagement	Ineffective resident engagement and influence results in services that do not meet resident needs and expectations and our strategic goals as a community gateway are not fully delivered.	Customer Influence Committee established and recruited. Resident shareholding membership in place. All In community empowerment programme launching in 2022. Assessments of compliance against White Paper and NHF Code of Governance incorporated into new Service Delivery, Property and Community Empowerment Strategies.
Pensions	Unsustainable funding requirement for pension commitments.	Funding strategy in place for current scheme commitments; strategic review supported by independent actuarial advisors.
Financial Shock	Material financial loss or income underrecovery, impacts operational cashflow, VFM metrics and financial covenants.	Business Plan assumptions tested, and sensitivity and stress testing programme completed. Comprehensive insurance programme in place. Asset management and development plans linked to business plan. Proactive sales and rent collection programmes in place. Audit Committee and Board reviews.

Risk	Potential impact	Key Controls and Mitigation
Fraud and Financial irregularity	Failure of procedures or controls, leads to a financial loss through fraud, collusion, money laundering or similar activity.	Programme of awareness training across Board, management and employees. Programme of core financial controls and processes and risk assessments in place, included in risk focused internal audit programme. Audit Committee monitoring.
Government Policy Changes	Inability to respond and deal with Governmental Policy changes leading to business plans becoming unachievable or potential regulatory intervention and fines.	Pro-active engagement with sector bodies, policy review and stress testing of scenarios. Professional briefing and development programmes.
Recruit and Retain the Right People	Inability to manage and lead a workforce with skills, knowledge & experience to achieve strategy, and that reflects the diversity of the communities in which we operate.	People and EDI strategies implemented. Organisational reward strategy implemented to provide consistent reward and recognition and people support. Leadership development programmes in place. H&S Committee has oversight of employee/employer obligations relating to health, safety and well-being.

Internal control risks are regularly and routinely tested by management and internal audit. Any recommendations are presented to Audit and Risk Committee and action plans are developed and monitored to address these. Further explanation of our internal controls and assurance can be found in the statement of internal controls assurance. A programme of insurance is in place.

Code of Governance

Under the Regulatory Framework the Board is required to select and comply with a published Code of Governance. The Board has chosen to adopt the Code of Excellence in Governance published by the National Housing Federation in 2020 as its code of governance from 1 April 2021. The Board considers that this Code is the most appropriate for the Association taking into account its size, corporate structure, community gateway principles and the nature of its activities and has an action plan to ensure full compliance with the 2020 code. The Board has assessed itself against the Code and is compliant with this code in all material respects.

The Board has also chosen to adopt the NHF Code of Conduct 2012 and is equally compliant.

In October 2021, following an In Depth Assessment, the Regulator confirmed G1 (Governance) and V1 (Viability) ratings for Eastlight, the highest gradings.

The Board

The Board comprises the maximum 10 members including co-optees. Appointments to the Board are made on the basis of carefully assessed skills, knowledge and experience, to match the profile of our future business and commercial objectives. The Board has agreed to ensure that at least one Board position is held by an appropriately skilled resident.

The Board members are drawn from a wide background bringing together professional, commercial, local and other relevant experience. The Board undertakes an annual review of skills and experience and continually aims to strengthen and enrich this when seeking new Board members.

The Board also undertakes an annual review and self-assessment of its performance and that of its Committees. An individual annual appraisal is undertaken of all Board Members and the Chair.

An independent review of governance and Board effectiveness was undertaken during the year supported by Savills which has informed a plan to implement recommendations.

One third of the Board members retire by rotation each year and may be re-appointed by the Board subject to the skills, knowledge and experience required by the Association for a maximum term of office of nine years.

The Chair is appointed by the Members of the Board. The Chair is supported by a Senior Independent Director. The Senior Independent Director also acts as an independent point of support and guidance for board members if required.

The Board is the main decision-making body of the Association. It is responsible for the Association's continuing strategy and policy framework. The Board makes policy decisions and ensures that the Association's affairs are managed efficiently, effectively and economically and in accordance with appropriate legislation, rules and regulations. It delegates day to day management and implementation of that framework to the Chief Executive and the other Executive Directors.

The Board also has the power to establish Committees and to delegate powers and responsibilities to Committees, other working groups or employees of the Association.

The Board meets six times a year for formal business. Other specific or special meetings take place as necessary, as well as two strategic awaydays.

The ultimate responsibility for all decisions of the Association rests with the Board.

Members of the Association

As a community gateway association, residents are entitled to become shareholders.

Shareholders are entitled to attend and vote at general meetings of the Association. The Board is committed to promoting shareholding membership of the Association as a fundamental element of community gateway principles.

The Board has delegated authority for the approval of applications for membership of the Association to the Executive Directors. The detailed arrangements regarding shareholding membership are set out in the Rules of the Association.

Committees

Each of the committees act within the authority delegated by the Board (as recorded in their terms of reference) or will make recommendations to the Board where no delegated responsibility exists.

Audit and Risk Committee - considers the appointment of internal and external auditors, the scope of their work and receives reports from them and from management. It is responsible to the Board for the review of risk management practice and internal controls
and reports to the Board on the effectiveness of these arrangements.

Customer Influence Committee - Ensures that residents influence the highest level of decision making including the systematic use of insight and data ensuring views from a wide variety of residents is considered. They oversee and monitor the Community Empowerment Strategy, the Asset Management Strategy, the Service Delivery Strategy and key policies that impact residents.

Governance and People Committee - considers the recruitment and development of the Board, its committees and the effectiveness of its governance process. It has oversight of the implementation of the People and Equality, Diversity & Inclusion strategies. It also considers remuneration and terms of service for Executive Directors.

Investment Committee - considers the Association's strategy and plans for development and acquisition of new housing. The Committee also considers asset management activities and repairs and maintenance.

The Board has agreed to form a new Finance and Treasury Committee during the coming year and will delegate authority and responsibility for the monitoring of financial performance and funding activity to this Committee.

The terms of reference for each Committee are reviewed and agreed annually by Committee and Board.

Executive Directors

The Executive Directors of the Association who served during the year are listed on page 2. The Executive Directors are led by the Chief Executive and act within the authority delegated by the Board.

Remuneration of Board Members

Board remuneration has been in place since August 2018 to enable the Board to attract and retain the skilled individuals that it requires as board members.

The Board Members are entitled to claim reasonable reimbursement for travel, subsistence and similar expenses incurred in undertaking their duties as Board Members.

Remuneration of Executive Directors

The remuneration of Executive Directors (except the Chief Executive) is the responsibility of the Governance and People Committee. The Committee recommends the terms of remuneration of the Chief Executive for approval by the Board.

The Association's policy is to pay close attention to remuneration levels in the sector in determining the remuneration packages of the Executive Directors. Basic salaries are set having regard to each Executive Director's responsibilities and pay levels for comparable positions.

One of the Executive Directors of Eastlight is a member of the Essex County Council Pension Scheme, a defined benefit final salary scheme. They participate in the scheme on the same terms as all other eligible employees. The Association contributes to the scheme on behalf of its employees.

The Executive Directors are also entitled to the payment of a cash allowance in lieu of a car.

The Chief Executive and other Executive Directors are employed on specific service agreements and have six month notice periods.

Directors' Indemnity

The Association has arranged Directors' and Officers' indemnity insurance.

Value for money

As the country's biggest community led organisation, we are committed to empowering our customers and communities. We will make best use of our resources for this work by being fully transparent and by embedding value for money in all our strategies. This will ensure Eastlight is economical, efficient and effective and that responsibility for value for money is shared across the business, from board, to staff, to customers.

We are embedding a clear set of value for money metrics in each strategy and will report on these each year in Eastlight's annual Value for Money Statement. These will provide a full quantitative and qualitative picture of the impact of our work to our residents and communities, allowing them to hold us to account as a community gateway. This will also provide the basis by which the Board assesses Eastlight's compliance with the Value for Money Standards.

The Board publishes a separate annual report setting out our Value for Money progress and achievements, planned actions and performance for the year. The report is published on the Eastlight website www.EastlightHomes.co.uk

We track VfM performance by comparing our metrics using peer group comparisons.

In addition to benefits identified as part of the merger business case, our business change programme assesses qualitative and quantitative benefits for each project and tracks the benefits so that those that provide the most value to the business are prioritised. Progress of the programme is monitored by Change Board, the Executive Management Team and the Board.

Value for Money Metrics

The VfM Standard requires registered providers to report against a prescribed set of VfM metrics in order to support transparency and comparability across the sector. The metrics include comparisons to organisations in a similar position, with similar operating models, similar operating areas and of similar size.

We have selected a group of peer organisation that suit both our current position and Eastlight's future plans and in doing this, considered the following:

- The number of homes – this will ensure that any benefits arising from economies of scale are similar.
- Geographical area – ensuring that income and costs are comparable and not distorted by location, for example comparing London to more rural areas.
- Strategic aspirations including:
  - Community leadership, and significant community involvement
  - Eastlight's growth strategy – Associations with unit numbers that will be achieved during Eastlight's five year development strategy. This will focus on attaining metric targets that are comparable to organisations similar in size to Eastlight in the future.

The comparable data has been extracted from the Global Accounts and VFM metrics reports compiled by the Regulator of Social Housing for the year to March 2021. We recognise that the peer comparison year ended March 2021 was significantly affected by the pandemic and lockdown operating environment.

The peer group data shown in the table is the average and median of the peer group, including Eastlight. During the year we reviewed the peer group composition to ensure that it remains relevant – in doing so we have both added and removed organisations which we consider improve the overall comparability of the analysis.

Our performance against the sector median and average performance for the year to March 2021 is demonstrated in the table below:

Business Area	2022	Global Accounts		Eastlight			
		Sector Median 2020-21	Sector Average 2020-21	Actual 2020-21	Actual 2021-22	Target 2021-22	Budget 2022-23
Outcome Delivered	Reinvestment (Metric 1)	5.8%	5.7%	7.2%	7.5%	10.4%	13.1%
Development (Capacity and Supply)	New supply delivered absolute - Social	295	363	236	298	325	339
	New supply % - Social (Metric 2)	1.3%	1.4%	2.0%	2.3%	2.7%	2.7%
	Gearing (Metric 3)	43.9%	47.2%	47.3%	47.8%	49.7%	50.7%
	EBITDA MRI (as % of interest) (Metric 4)	183%	151%	244%	162%	200%	191%
Operating Efficiencies	Headline social housing cost per unit (Metric 5)	£3,730	£4,150	£3,375	£3,594	£3,697	£3,940
Business Health	Operating margin (Overall) (Metric 6)	23.9%	22.3%	32.4%	28.5%	30.4%	26.9%
	Operating margin (Social Housing Lettings) (Metric 6)	26.3%	28.3%	35.0%	31.1%	31.8%	31.9%
Effective Asset Mangement	Return on capital employed (ROCE) (Metric 7)	3.3%	3.1%	3.8%	3.4%	3.5%	3.3%

Note: Figures drawn from RSH Global Accounts and VFM metrics report for 2021

The data below demonstrates the comparisons to the peer group at a detailed level:

Registered Provider	Stock Numbers	Reinvestment	New Supply Delivered	Gearing	EBITDA MRI	Headline Cost per Unit	Operating Margin Overall	Operating Margin SHL	ROCE
		Metric 1	Metric 2	Metric 3	Metric 4	Metric 5	Metric 6		Metric 7
Eastlight 21-22	12,148	7.5%	2.3%	47.8%	162%	£3,594	28.5%	31.1%	3.4%
Eastlight 20-21	11,848	7.2%	1.9%	47.3%	244%	£3,374	32.4%	35.0%	3.8%
Peer Group 20-21 Median	11,872	6.7%	1.7%	53.4%	165%	£3,474	29.0%	35.7%	3.3%
Peer Group 20-21 Average	14,640	6.3%	1.6%	54.8%	177%	£3,720	29.5%	34.1%	3.7%
bpha Limited	16,835	4.5%	2.1%	64.5%	153%	£3,157	40.5%	42.5%	4.3%
Chelmer Housing	9,593	5.9%	1.7%	65.4%	139%	£3,509	27.8%	28.0%	2.9%
Cross Keys	11,872	8.7%	2.5%	53.4%	157%	£3,617	22.6%	23.4%	2.8%
Futures	9,864	9.0%	1.3%	81.7%	183%	£3,045	30.4%	36.7%	5.2%
Grand Union	11,785	6.8%	0.8%	46.4%	165%	£3,474	27.7%	28.0%	3.3%
Moat Homes	17,618	6.9%	2.2%	35.9%	230%	£3,255	31.9%	41.2%	3.3%
Paradigm Homes	14,155	4.0%	1.8%	49.0%	155%	£3,418	30.0%	41.6%	5.9%
Paragon Asra Housing	20,614	6.7%	1.3%	45.6%	137%	£4,757	23.3%	24.9%	2.2%
Settle	8,746	8.0%	2.0%	55.4%	211%	£3,922	29.0%	30.6%	5.0%
Swan Housing	9,108	3.4%	0.2%	59.1%	165%	£6,216	27.5%	42.7%	3.0%
Flagship Housing Group	30,849	5.2%	1.5%	46.4%	245%	£2,555	34.0%	35.7%	3.4%

Note: Figures drawn from RSH Global Accounts and VFM metrics report for 2021

The analysis shows a trend in Eastlight's metric performance that reflects the strategic development of the business:

- Reinvestment and new homes supply have both increased as the investment programmes continue to grow and as these activities have re-established after the pandemic; we expect both to continue to increase further as our development programme grows and as we increase our de-carbonisation plan;
- Gearing has been stable this year and we expect this to increase further as we borrow in line with our funding plan to support the planned investment in new and existing homes. Gearing is slightly below peers and demonstrates business capacity to grow;
- EBITDA interest cover is the biggest change between years and reflects the planned use of cashflow and covenant capacity to restructure fixed interest loans. This reduced interest cover in year but has provided covenant headroom capacity to provide further investment in future periods. We expect this to return to around 200% cover in the coming year.
- Cost per home has also increased year on year and was expected to do so, this reflects additional costs incurred in tackling the backlog of maintenance work post pandemic, increases in supply costs in some business areas and building capacity in teams across the business to deliver the strategic objectives. The cost for 21/22 is above the peer group median for 20/21 but below the peer group average – there is some wide deviation in costs shown between peer organisations. We recognise this comparison is against 20/21 reported data and in this area in particular expect to see movement in peer outcomes reflecting the cost environment. We expect this metric to continue to rise for Eastlight in the short term as we build further capacity and as our community programmes are fully launched;
- Operating margin reduced this year, principally as a result of managing post pandemic backlogs and supply costs. We expect this to stabilise next year and then to improve steadily in future periods as the sales programme grows;
- Return on capital has remained stable between periods and is in line with peers.

The comparison shows strong performance against both the average and median outcomes for the sector as a whole.

Eastlight continues to perform well against its selected peers. Reinvestment and new supply are both generally higher than peers but this would be expected given the pandemic impact on activity in the peer comparison period. It will be interesting to see how strongly these areas bounce back in peer reporting for the next year.

Financial performance metrics on costs, margins and covenants are comparable to peer organisations. Underlying EBITDA interest cover and gearing remain slightly stronger when adjusted for the interest management decisions made in the year.

Reinvestment of VFM Gains

The Board has set out its intention to focus investment of surplus funds into new and existing housing. The Board also agreed to secure new funding to enable the new Development Strategy, utilising and leveraging Eastlight's asset strength to support the growth ambition.

The corporate strategy set a target to build 3,800 new homes; we are progressing with this and completed 298 in the year, an increase from 236 in the prior year. We are building capacity to continue this delivery and we have established an annual target of 500 homes. At year end, we were in contract for 1,305 new homes and a pipeline of an additional 602. At present our social rent delivery is in the region of 8%, we would like to improve this towards 15% to meet this important affordability need.

Our focus is not only achieving numbers but ensuring that we achieve our targets on scheme viability, on sales performance and on defects and aftercare. We have restructured our delivery team along these priorities. During this year we achieved our project return targets, our sales budget and we maintained defects at below 1 per home on average.

During the year we prioritised our maintenance teams to tackle backlogs in responsive maintenance and similar property work – these have been cleared and our work in progress brought back down to pre pandemic levels. One of our key measures, first time fix rate, suffered during the year while we did this, reducing to around 73%, but on completion it has returned above 85% towards our target of 90%. We have introduced a specific first time fix hotline for our teams to help improve our ability to complete work at the first visit.

This year we invested £16.1m in capital and planned works, delivering 183 bathrooms, 97 new kitchens, 473 new boiler systems and 22 other heating systems, 39 new roofs and 320 new doors and windows, and 597 internal fire doors helping improve the comfort and efficiency of our homes for our residents. This is alongside maintaining 100% compliance on servicing and decent homes standards.

In the coming year we will agree our Sustainability Strategy and formalise our plans to EPC C 2030 and Net Carbon Zero 2050 and carry out pilot exercises of home performance monitoring technologies. We will also extend our Asset Performance Model and introduce our asset disposals policy.

Our All-In community investment programme continues into the community incubator and academy stages in the coming year. Over 3 years we are investing £4m into these community investment initiatives.

This has been a difficult year to achieve cashable savings as we all experience significant cost inflation and supply challenges. In many cases our strategy has been to defend existing contracts and avoid costs moving unreasonably. We have targeted three core areas of efficiency;

- We closed our Colchester area office, recognising savings of £80,000 in rent and running costs
- We have shut down some legacy information systems following data and process migration saving £210,000
- We have established our own recruitment function, reducing our reliance on agency provision, saving £156,000 against the prior year.

Social Value

In 2021, we formed the Customer Influence Committee to give our customers greater opportunity to input and hold us to account. We have now fully recruited and are rolling out comprehensive training for members. They work alongside our Board to make sure we deliver on our commitments to our communities and to ensure that residents' views influence key service decisions with the aim to improve overall resident satisfaction.

We continue to support and invest in our communities; the table below demonstrates the work we have done this year that has positively impacted the lives of our residents and the social investments we have made.

Eastlight Community Homes and Braintree District Council awarded £142,261 to support 11 different organisations for in year and multi year projects. We used the findings of the All In community discussions to agree a new strategic focus for the Fund with Braintree DC. This enabled us to focus on the themes of mental health support and young peoples activities. Total grant funding provided by this endowment fund has now exceeded £1m
We opened our Community Common Room within Eastlight House enabling us to work more closely with government agencies and support networks to ensure the best possible outcomes for our residents, providing a common space for over 10 of our key agency partners including police, adult social care, floating support and other community providers to meet and work together
We supported 107 customers who were experiencing or at risk of domestic abuse; and achieved accreditation during the year under the Domestic Abuse Housing Alliance (DAHA)
Our Hardship Fund awarded £38,875 to 85 applicants – we are increasing the Fund to £100,000 for 22/23
Eastlight funded over £60,000 in community improvements, on initiatives proposed and led by our community groups and representatives
Residents gained £1,050,734 following benefits advice
81 Fuel vouchers were issued as part of the HACT energy redress scheme
48 Christmas food hampers were delivered to households experiencing financial hardship so they could enjoy a full Christmas dinner
517 residents received support to help them retain their independence
380 residents were supported with advice regarding budgeting, employment, fuel poverty, referrals to Citizens Advice and to make a Universal Credit application
234 residents were supported to maintain tenancy
Our 12 Mental Health First Aiders supported 189 customers and 171 colleagues during the year

The launch of All-In, the Community Investment Programme, will further support the delivery of social value to our residents and communities, reaching out and engaging our residents in community initiatives that will make a difference to where and how they live.

Future strategy for Value for Money and Social Value

With over 12,000 homes, 400 employees and £75m turnover, Eastlight will do more, extending our reach, efficiency, effectiveness and impact. We will invest more in developing a broader, deeper service offer with our residents and communities while building many more genuinely affordable homes every day for those who need them.

VfM is embedded across the organisation, and getting the best mix of quality and price is factored into our decision making. Our strategies support this approach and we have identified the following future activities to further drive this:

- Continue to grow the new homes pipeline and build our programme towards the strategic target
- Agree our Sustainability Strategy and formalize our plans to EPC C 2030 and Net Carbon Zero 2050
- Extending the asset performance model to identify those properties where reinvestment is not the best option and consider more active management of these.

Eastlight is committed to making best use of our resources. We have developed clear metrics in each strategy and will report on these each year in our annual Value for Money Statement. These will allow us to give a full quantitative and qualitative picture of our work to our residents and communities, allowing them to hold us to account.

Statement on internal controls assurance

Responsibility

The Board, as the ultimate governing body, is responsible for the system of internal control, which is designed to provide reasonable assurance regarding:

- the safeguarding of assets against unauthorised use or disposal; and
- the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

Key procedures have been established and are designed to provide effective internal control. These key areas cover control, reporting information systems, monitoring and risk management

Review of internal controls

We have reviewed the effectiveness of the system of internal control, including the sources of assurance agreed by the Board, as being appropriate for that purpose. On the basis of the evidence provided, we are satisfied that there is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year. We are also satisfied that those systems were aligned to an ongoing process for the management of the significant risks facing the Association. No significant weaknesses were identified which the Board considers may have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

Control environment and key controls

The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority. These are set out in the Association's Terms of Reference, Governance Framework, Financial Regulations, Scheme of Delegated Authority and detailed operational procedures. These delegations and authority levels are reviewed regularly.

Key control processes, which are reviewed annually and revised where necessary, include strategic business planning, the recruitment of experienced executive directors and senior staff, regular performance monitoring, control over capital investment projects and the setting of standards and targets for health and safety, data protection, whistleblowing and confidential disclosure, fraud prevention and detection, and environmental performance.

Procedure manuals are maintained for the main functions and service areas.

The Board is satisfied that necessary action is taken to address any significant failings or weaknesses identified by the Association.

Information and reporting systems

The Association has developed a system of financial reporting. The Annual Budget and Business Plan are approved by the Board. Actual results are reported against budget quarterly to the Board with any significant variances being reported together with explanations. The current borrowing and cashflow forecast position and compliance with lending covenants is also reviewed quarterly by the Board.

In accordance with regulatory and funding requirements, periodic financial returns are submitted to the Regulator of Social Housing and to the Association's bankers and principal lenders. There are regular meetings of the Executive Management Team to review and monitor revenue and capital spending against budget assumptions. Cash balances are checked daily, coupled with revised forecast of borrowing requirements at regular intervals as necessary. There are a number of annual reports on other functions to either the Board or a designated Committee; these include insurance arrangements and treasury management.

Monitoring System

The control system is monitored by internal audit. This is out-sourced to a specialist service provider and is reviewed regularly. The internal auditors have produced an annual report on completion of the programme of work for the year to March 2022 that concluded that the Association has an adequate and effective framework for risk management, governance and internal control. Their work identified further enhancements to the framework of risk management, governance and internal control to ensure it remains effective.

A three year Audit Needs Assessment has been completed and an annual plan is agreed which is focused on the areas of greatest risk to the Association. Monitoring is also undertaken by the Executive Directors and senior managers.

Fraud

The Association has in place policies in respect of preventing, detecting and investigating fraud. We are aware of an increasing number of attempts to fraudulently obtain funds electronically. No material loss has been incurred by the Association in the year. The Board is satisfied that the controls in place effectively manage the risk of fraud.

Risk Management

The Board receives and considers information on key risks as a specific report to each Board meeting.

The Board has agreed a risk management framework which sets out the approach for identifying, monitoring and managing current and emerging risks to the business. The Board has determined its appetite for risk across the business and has adopted a range of financial golden rule measures to enable it to monitor risk exposure. The Board undertakes regular stress testing of the business plan to the key strategic risks.

The Executive Directors have immediate responsibility for identifying risks facing each of the areas in which they operate and for putting in place procedures to mitigate and monitor risk. The strategic risk assessment is reviewed and updated quarterly by the Executive Directors for consideration by the Board and Audit & Risk Committee. All projects and reports to the Board and Committees include an analysis of the relevant risks and of mitigating actions.

Statement of Compliance - Governance and Financial Viability Standard

As a Registered Provider, Eastlight is required to comply with the Regulatory Framework published by the Regulator of Social Housing.

The Regulator of Social Housing confirmed the Associations rating of G1 (governance) and V1 (financial viability), the highest compliant ratings.

The Board considers the Association to be compliant with the Governance and Financial Viability Standard in all material respects.

Statement of The Board's Responsibilities In Respect Of The Financial Statements

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of its income and expenditure 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 reasonably prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Disclosure of Information to The Auditors

We, the members of the Board who held office at the date of approval of these Financial Statements as set out above, confirm, so far as we are aware, that there is no relevant audit information of which the Association's auditors are unaware; and we have taken all the steps that we ought to have taken as Board members to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing the strategic report the Board has followed the principles set out in the Statement of Recommended Practice for Social Housing Providers (Housing SORP 2018).

The Strategic Report was approved by the Board on 27 July 2022 and signed on its behalf by:

H Llewelyn-Davies.

Hattie Llewelyn-Davies, Chair

Independent Auditor's Report

Opinion

We have audited the financial statements of Eastlight Community Homes Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2022 which comprise the Group and Association Statement of Comprehensive Income, Group and Association Statement of Financial Position, Group Statement of Changes in Equity (Reserves), Association Statement of Changes in Equity (Reserves), Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Association's affairs as at 31 March 2022 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. 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 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Group or Association has not kept adequate accounting records; or
- the Group's or Association's financial statements are not in agreement with 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 In Respect of The Financial Statements set out on page 34, 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 and 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 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 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.

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

Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Group's activities and the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Use of our report

This report is made solely to the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers	**15 Bunhill Row**
Chartered Accountants	**London**
Statutory Auditor	**EC1Y 8LP**

Date: 14 September 2022

Statement of Comprehensive Income

for the year ended 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Turnover	3	78,599	75,803	78,554	75,803
Cost of sales	3	(6,531)	(6,733)	(6,531)	(6,733)
Operating expenditure	3	(49,718)	(44,525)	(49,626)	(44,525)
Surplus / (deficit) on disposal of property, plant and equipment	4	218	(333)	218	(333)
Operating Surplus		**22,568**	**24,212**	**22,615**	**24,212**
Finance income	5	37	33	37	33
Interest and financing costs	6	(15,016)	(10,874)	(15,016)	(10,874)
Movement in fair value of financial instruments	21	594	630	594	630
Surplus before tax		**8,183**	**14,001**	**8,230**	**14,001**
Taxation on surplus on ordinary activities	10	-	-	-	-
Surplus after tax		**8,183**	**14,001**	**8,230**	**14,001**
Actuarial gain/(loss) relating to pension schemes	20	7,133	(4,676)	7,133	(4,676)
Change in fair value of hedged financial instruments	21	665	210	665	210
Total comprehensive income for the year		**15,981**	**9,535**	**16,028**	**9,535**

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 40 to 78 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 27 July 2022 and were signed on its behalf by:

Hattie Llewelyn-Davies
Chair

Charanjit Patel - Board Member
& Chair of Audit & Risk Committe

David Hall - Executive Director
Resources & Secretary

Statement of Financial Position

at 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Association 2022 £'000	Association 2021 £'000
Fixed assets					
Intangible assets	11	51	66	51	66
Housing properties	12	662,700	626,636	662,895	626,636
Other property, plant and equipment	13	6,673	7,321	6,668	7,321
Investments	14	1,922	1,965	1,922	1,965
		671,346	**635,988**	**671,536**	**635,988**
Current assets					
Inventories	15	8,274	6,998	8,274	6,998
Debtors due in less than one year	16	3,601	2,748	3,651	2,748
Cash		36,450	6,520	36,332	6,520
		48,325	**16,266**	**48,257**	**16,266**
Creditors: Amounts falling due within one year	17	(53,241)	(20,529)	(53,316)	(20,529)
Net current liabilities		**(4,916)**	(4,263)	**(5,059)**	(4,263)
Total assets less current liabilities		**666,430**	631,725	**666,477**	631,725
Creditors: Amounts falling due after more than one year	18	(384,838)	(358,437)	(384,838)	(358,437)
Derivative financial instruments	21	(2,079)	(3,337)	(2,079)	(3,337)
Defined benefit pension liability	20	(4,152)	(10,821)	(4,152)	(10,821)
Net assets		**275,361**	259,130	**275,408**	259,130
Capital and reserves					
Called up share capital	23	1	1	1	1
Revenue reserve		179,248	162,428	179,295	162,428
Revaluation reserve		96,175	96,900	96,175	96,900
Cashflow hedge reserve		(456)	(1,121)	(456)	(1,121)
Restricted reserve		393	922	393	922
Total reserves		**275,361**	**259,130**	**275,408**	**259,130**

The notes on pages 40 to 78 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 27 July 2022 and were signed on its behalf by:

Hattie Llewelyn-Davies
Chair

Charanjit Patel - Board Member
& Chair of Audit & Risk Committe

David Hall - Executive Director
Resources & Secretary

Statement of Changes to Reserves

for the year ended 31 March 2022

Group	Uncalled Share Capital	Restricted Reserve CHIP Fund	Restricted Reserve Social Housing Proceeds	Revaluation Reserve	Revenue Reserve	Cashflow Hedge Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2020	1	2,528	458	97,641	150,298	(1,331)	249,595
Surplus for the year	-	-	-	-	14,001	-	14,001
Grants made from fund	-	(1,639)	-	-	1,639	-	-
Social Housing Proceeds	-	-	(425)	-	425	-	-
Depreciation on Deemed Cost Uplift	-	-	-	(602)	602	-	-
Transfer between reserves	-	-	-	(139)	139	-	-
Actuarial loss on pension scheme	-	-	-	-	(4,676)	-	(4,676)
Change in fair value of hedged instruments	-	-	-	-	-	210	210
At 1 April 2021	1	889	33	96,900	162,428	(1,121)	259,130
Surplus for the year	-	-	-	-	8,183	-	8,183
Reserves at acquisition of Iceni	-	-	-	-	-	-	-
Grants made from fund	-	(600)	-	-	600	-	-
Prior year fixed assets adjustment	-	-	-	-	250	-	250
Social Housing Proceeds	-	104	(33)	-	(71)	-	-
Depreciation on Deemed Cost Uplift	-	-	-	(601)	601	-	-
Transfer between reserves	-	-	-	(124)	124	-	-
Actuarial gain on pension scheme	-	-	-	-	7,133	-	7,133
Change in fair value of hedged instruments	-	-	-	-	-	665	665
At 31 March 2022	1	393	-	96,175	179,248	(456)	275,361

Statement of Changes to Reserves

for the year ended 31 March 2022

Association	Uncalled Share Capital	Restricted Reserve CHIP Fund	Restricted Reserve Social Housing Proceeds	Revaluation Reserve	Revenue Reserve	Cashflow Hedge Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2020	1	2,528	458	97,641	150,298	(1,331)	249,595
Surplus for the year	-	-	-	-	14,001	-	14,001
Grants made from fund	-	(1,639)	-	-	1,639	-	-
Social Housing Proceeds	-	-	(425)	-	425	-	-
Depreciation on Deemed Cost Uplift	-	-	-	(602)	602	-	-
Transfer between reserves	-	-	-	(139)	139	-	-
Actuarial loss on pension scheme	-	-	-	-	(4,676)	-	(4,676)
Change in fair value of hedged instruments	-	-	-	-	-	210	210
At 1 April 2021	1	889	33	96,900	162,428	(1,121)	259,130
Surplus for the year	-	-	-	-	8,230	-	8,230
Grants made from fund	-	(600)	-	-	600	-	-
Prior year fixed assets adjustment	-	-	-	-	250	-	250
Social Housing Proceeds	-	104	(33)	-	(71)	-	-
Depreciation on Deemed Cost Uplift	-	-	-	(601)	601	-	-
Transfer between reserves	-	-	-	(124)	124	-	-
Actuarial gain on pension scheme	-	-	-	-	7,133	-	7,133
Change in fair value of hedged instruments	-	-	-	-	-	665	665
At 31 March 2022	1	393	-	96,175	179,295	(456)	275,480

Statement of Cash Flows

for the year ended 31 March 2022

	2022 £'000	2021 £'000
Net cash generated from operating activities (Note A)	35,164	33,749
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,464)	(45,637)
Purchase of investments	-	(495)
Proceeds from sale of property, plant and equipment	2,757	1,139
Grants received	4,343	-
Interest received	37	33
Net cash flows from investing activities	(43,327)	(44,960)
Cash flows from financing activities		
Interest paid	(12,102)	(11,123)
New loans	65,000	36,000
Loan repayments	(14,805)	(27,412)
Net cash flows from financing activities	38,093	(2,535)
Cash and cash equivalents at beginning of year	6,520	15,216
Cash	-	5,049
Current Asset Investments	6,520	20,265
Cash and cash equivalents at end of year	36,450	6,520
Current Asset Investments	-	-
Cash and cash equivalents at end of year	36,450	6,520

Statement of Cash Flows

for the year ended 31 March 2022

Note A	2022 £'000	2021 £'000
Surplus	**8,183**	14,001
Adjustments for non-cash items		
Depreciation	10,846	9,540
Amortisation of intangible assets	30	33
Amortisation of Government grant	(962)	(1,007)
Increase in inventories	(1,276)	(667)
(Increase) / decrease in debtors	(853)	4,590
Increase / (decrease) in creditors	4,575	(3,430)
Pension movements	453	145
Movement in fair value of financial instruments	(594)	(630)
Adjustments for investing or financing activities		
Surplus on disposal of property, plant and equipment	(218)	333
Surplus on disposal of property, plant and equipment	15,016	10,874
Pensions movements	(37)	(33)
Net cash inflow from operating activities	**35,164**	33,749

The notes on pages 40 to 78 form an integral part of the financial statements.

Notes to the Financial Statements

1 Legal Status

Eastlight Community Homes Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (registration number: 30124R) and is registered with the Regulator for Social Housing as a Private Registered Provider of Social Housing (registration number: L4499). The registered office is Eastlight House, Charter Way, Braintree, Essex, CM77 8FG.

As a public benefit entity, Eastlight Community Homes Limited has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

2 Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year. A summary of the more important accounting policies is set out below. The Board is satisfied that the current accounting policies are the most appropriate for the Association.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified where appropriate, 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 2018 (SORP), the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2019 and the requirements of the Co-operative and Community Benefit Societies Act 2014.

In preparing the separate financial statements of the Parent Entity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Entity.
- Disclosures in respect of the Parent Entity's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.

Group accounts have been prepared for 2021 which include Parent and Emerald which was a dormant subsidiary. 2022 group accounts include Parent, Emerald which is still dormant and Iceni which was fully acquired during the year.

Following the Transfer of Engagements of Colne Housing Society Limited to Greenfields Community Housing Limited in accordance with Section 110 of the Co-operative and Community Benefit Societies Act 2014 on 1 July 2020, the assets, liabilities, operations and future obligations of Colne Housing Society transferred to Greenfields Community Housing Limited. The activities of Colne Housing Society Limited and Greenfields Community Housing Limited has operated as Eastlight Community Homes Limited ("Eastlight") since 1 July 2020. The Board have made enquiries and considered the business plan of Eastlight in this respect.

The Board have also considered the impact of COVID19 on its operations, the principal risks identified and the steps taken to mitigate where possible the impact of these risks. They have concluded that there is a reasonable expectation that Eastlight has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. For this reason, Eastlight adopts the going concern basis in the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention or deemed cost for assets held at the date of transition to FRS 102 and on a going concern basis.

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 shared ownership first tranche sales at completion together with revenue grants from local authorities and other bodies and amortisation of government grants, and income from other services invoiced in the year (excluding VAT).

Turnover is recognised on an accruals basis. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

Interest payable and loan finance issue costs

Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue. Loan interest costs are calculated using the effective interest rate method of the difference between the loan amount at initial recognition and the amount at maturity of the related loan. Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development. Other interest payable is charged to the Statement of Comprehensive Income in the year.

Loan finance issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

Value added tax

The Association charged value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from HM Revenue & Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Corporation tax

The Association is registered as a charity with HM Revenue & Customs and is not subject to corporation tax on its income. Should the Association become liable for corporation tax it will be calculated at the rate applicable on any surplus it generates from non-charitable activities.

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income or expense recognised directly in reserves is also recognised directly in reserves.

Intangible Assets

Intangible assets are stated at historic cost less accumulated amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	-	5 years

Property, plant and equipment - housing properties

Housing properties are properties available for rent and properties subject to shared ownership leases.

Completed housing properties for rent or shared ownership are stated at cost or deemed cost for assets held at the date of transition to FRS 102, less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings (allocated on a pro-rata basis for mixed tenure developments), directly attributable development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to the bringing the property into their intended use.

Capitalisation of development costs ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Improvements are works which result in an increase in the net rental income, including a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only direct expenditure and direct overhead costs associated with new developments or improvements are capitalised. Other improvements and maintenance expenditure are expensed to the Statement of Comprehensive Income as incurred.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their useful economic lives. Freehold land is not depreciated. Where housing properties comprise two or more major components with substantially different useful economic lives, each component is accounted for separately for depreciation purposes and depreciated over its individual useful economic life.

The accounting policy was reviewed during the year, following merger, with asset lives from both legacy organisations being aligned and adjustments made to reflect the new lives.

Depreciation on freehold housing properties is charged as follows:

Structural Works	-	100 years	Estate Works	-	30 years
Roofing	-	60 years	Fire Systems	-	30 years
Insulation	-	50 years	Kitchens	-	20 years
Sheltered Remodeling	-	50 years	Renewable Energy	-	20 years
Windows	-	30 years	Lifts	-	20 years
Doors	-	30 years	Boilers	-	15 years
Bathrooms	-	30 years	Flat Roofing	-	15 years
Rewiring	-	30 years	Digital TV Installations	-	10 years
Central Heating	-	30 years	Closed Circuit Television	-	7 years

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Shared ownership property sales

Shared ownership properties, including those under construction, are split between fixed 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 fixed asset within property plant and equipment.

Proceeds from the first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income in the period in which the disposals occur 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.

Sale of housing properties

The sale of properties under the Right to Buy or Right to Acquire schemes are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising on a Right to Buy sale on stock transferred from Braintree District Council is shown net of the share due to Braintree District Council and after deducting the cost of the properties and related sale expenses. All sales of fixed asset properties are shown as a separate item within operating surplus in the Statement of Comprehensive Income.

Properties sold at auction

The sale of unsustainable properties at auction are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising is shown after deducting the cost of the properties and related sale expenses. All sales of fixed asset properties are shown as a separate item after the operating surplus in the Statement of Comprehensive Income. The net proceeds of sale at auction of unsustainable properties transferred from Braintree District Council, after deducting allowable expenses, are credited to the Social Housing Proceeds Reserve for re-investment in social housing properties with Braintree District Council's consent.

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 freehold land, at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis, over its expected useful life as follows:

Office equipment, fixtures & fittings	-	5 years	Computer equipment	-	3 years
Plant & machinery	-	5 years	Freehold offices	-	40 years

The useful economic lives of all tangible fixed assets are reviewed annually. A full month's depreciation charge is provided in the month of acquisition with no depreciation charge provided in the month of disposal of assets.

Impairment

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, the Association will determine the level at which impairment is to be assessed (i.e. the cash-generating unit), an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of each asset exceeds its recoverable amount, an impairment loss is recognised 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.

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

Investments

Iceni was established as a joint venture company owned by a group of registered providers including Eastlight. During the year Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society. Iceni Homes Limited became a wholly owned subsidiary of Eastlight on 1 August 2021. The acquisition of Iceni was accounted for using the purchase method in line with FRS 102. Iceni pays donations to its partner associations and donations are accounted for on an accruals basis.

Eastlight also owns 100% of shares in subsidiary Emerald New Homes Limited, which is currently dormant.

Shares held in bond aggregator MORHomes are held as investments. As part of the bond agreement, there is also a Contingent Convertible, which is held as an investment. The premium received on bond drawdown is included in Creditors greater than one year and amortised over the period of the bond.

Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less the cost to complete and sell. Cost is based on the cost of purchase on an average cost basis.

Cash & 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.

Current asset investments

Investments are stated at fair value. Current asset investments include cash and cash equivalents invested for periods of no more than three months. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Provision for bad debts
The provision for bad debts is based upon the age of arrears. Arrears in respect of former tenants and in respect of current tenants where the debt is over one year old are fully provided for. Arrears which are less than one year old are provided for at varying percentage rates.

Holiday pay
Short term employee benefits, including holiday pay, are charged to the Statement of Comprehensive Income in the period in which they accrue. Holiday entitlement due but not yet taken, is included in the Statement of Financial Position as an accrual within note 18.

This is measured at the undiscounted salary cost of the future holiday entitlement, so accrued at the date of the Statement of Financial Position.

Agreement to improve existing properties (VAT shelter)
As part of the transfer of properties from Braintree District Council the Association entered into a Development Agreement for the refurbishment of the transferred properties.

The full contract income was invoiced on inception of the contract. The full anticipated cost of the contract was incurred on inception of the contract through an increase in the cost of the transferred properties.

At the end of each year the contract is assessed, and an amount of expenditure is recognised in the Statement of Comprehensive Income which represents the value of work carried out during the year. An amount of contract income is recognised in the Statement of Comprehensive Income equivalent to the expenditure such that no surplus or deficit arises. The outstanding amounts of prepaid contract expenditure and deferred contract income are disclosed in notes 16 and 19.

Social Housing Grant and other Government grants
When grants are received from government agencies such as Homes England, local authorities or other agencies 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 as grants relating to revenue or grants relating to assets. Grants relating to revenue are recognised in income over the period in which the costs that the grant relates to are recognised. Grants relating to assets are recognised in income over the expected useful life of the asset. Grants received for housing properties are recognised over the life of the property structure whereas grants received specifically for components are recognised over the life of the component.

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income.

Recycling of grants
Where there is a requirement to 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 as a liability. Where the funding body gives approval to use the grant for a specific development, the amount previously recognised as a provision is reclassified as a creditor in the Statement of Financial Position.

Where there is no obligation to repay the grant on disposal of the asset, any unamortised grant in the Statement of Financial Position is de-recognised as a liability and recognised as revenue in the Statement of Comprehensive Income.

Pensions
The Association has employees in the Local Government Pension Scheme (LGPS) which is a multi-employer defined benefit pension scheme providing benefits based on final pensionable pay. The LGPS was closed to new employees in 2008 other than those with deferred rights. The fund is accounted for under FRS 102. The operating costs of providing retirement benefits to participating employees are recognised in the accounting period in which benefits are earned. The related finance costs expected return on assets and any change in the fair value of the assets and liabilities are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the Statement of Comprehensive Income with any changes in the fair value of assets and liabilities being recognised as Other Comprehensive Income.

Eastlight also participates in the Social Housing Pension Scheme (SHPS), an industry wide multi-employer defined benefit pension scheme and makes payments on behalf of its employees. The scheme is funded by contributions partly from the employees and partly from Eastlight, at rates determined by independent actuaries. The assets of the defined benefit scheme are invested separately from the assets of Eastlight in independently administered multi-employer funds.

Eastlight's net obligation in respect of defined benefits is calculated separately by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods, discounting that amount and deducting the fair value of any scheme assets. The calculation is performed annually by an independent qualified actuary.

Remeasurements of the net defined benefit liability or asset, which comprise actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in other comprehensive income.

The Association also participates in a Defined Contribution Scheme provided by Standard Life. This is the main pension fund and auto-enrolment vehicle for the Association.

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.

Financial instruments
Financial assets and financial liabilities are recognised when the Association 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, and trade and other receivables. Financial assets are initially recognised at transaction price plus directly attributable transaction costs. After initial recognition, they are classified as loans and receivables and 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.

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 transaction price 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.

Derivative Financial Instruments

Eastlight uses derivative financial instruments to reduce exposure to interest rate movements. Eastlight does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in surplus or deficit unless hedge accounting is applied and the hedge is a cash flow hedge.

To qualify for hedge accounting, Eastlight documents the hedged item, the hedging instrument and the hedging relationship between them, and the causes of hedge ineffectiveness (such as different maturities, nominal amounts or variable rates, and counterparty credit risk).

Eastlight elects to adopt hedge accounting for interest rate swaps where:

- the interest rate swap is a qualifying hedging instrument with an external party that hedges interest rate risk on a loan, part of the nominal amount of a loan, or a group of loans managed together that share the same risk and that qualify as a hedged item;
- the hedging relationship between the interest rate swap and the interest rate risk on the loan is consistent with the risk management objectives for undertaking hedges (i.e. to manage the risk that fixed interest rates become unfavourable in comparison to current market rates or the variability in cash flows arising from variable interest rates); and
- the change in the fair value of the interest rate swap is expected to move inversely to the change in the fair value of the interest rate risk on the loan.

Cashflow hedge – hedge of variable interest rate risk

Where an interest rate swap that converts variable rate debt into fixed rate debt qualifies for hedge accounting, it is accounted for as a cash flow hedge. The cumulative change in the fair value of the interest rate swap is recognised in other comprehensive income up to the amount of the cumulative fair value movement on the variable rate debt that is attributable to the variable interest rate risk. Any excess fair value gains or losses on the interest rate swap not recognised in the statement of comprehensive income is recognised as a surplus or deficit. The gain and loss recognised in other comprehensive income are recorded as a separate component of equity (the cash flow hedge reserve).

Net cash settlements on the interest rate swap are recognised as a surplus or deficit in the period(s) when the net cash settlements accrue. The cash flow hedge reserve is reclassified a surplus or deficit when the variable rate interest is recognised in Statement of Comprehensive Income.

Hedge accounting is discontinued when a floating to fixed interest rate swap expires, is sold, terminated or exercised, or when the conditions for hedge accounting are no longer met or Eastlight documents its election to discontinue hedge accounting. Any fair value gains or losses accumulated in the cash flow hedge reserve are reclassified to Statement of Comprehensive Income either when the variable interest rate expense is recognised as a surplus or deficit, or immediately on discontinuation of hedge accounting if future variable interest rate cash flows are no longer expected to occur.

Leased assets – operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Restricted reserves

The Association establishes restricted reserves for specific purposes where their use is subject to external restriction. The nature of the restriction is disclosed in the relevant note.

Community Development

The Association has established a Community Housing Investment Partnership (CHIP) Fund under a covenant included within the transfer agreement with Braintree District Council. The Fund is established as a restricted reserve as the use of the Fund is restricted under the transfer agreement. The full amount of grants approved from the Fund are charged to the Statement of Comprehensive Income on approval and shown as a current liability until drawn down by the applicant. Restrictions on the fund are for funding development of new social housing, development of facilities for community benefit, environmental improvements in Braintree, regeneration activities and projects identified in the Annual Strategy, where this is agreed by the Partnership Board.

Movements in reserves are shown in the Statement of Changes in Reserves.

Social Housing Proceeds Reserve

Eastlight and Braintree District Council have an agreement that proceeds for properties sold at auction or through open market sale can be re-invested in full for properties with social or affordable rent with Braintree District Council's consent. These funds are held as a restricted reserve until they are used for this purpose. Movements in reserves are shown in the Statement of Changes in Reserves.

Revaluation reserve

The difference between historical cost depreciation and depreciation charged on the deemed cost balance is transferred from the revaluation reserve to the revenue reserve annually. The revaluation reserve represents the difference on transition between the fair value of the social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.

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.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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. 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.

Valuation of housing properties

On the adoption of FRS102, housing assets were revalued to deemed cost as at 1 April 2014, replacing the previous historic cost valuation.

Impairment of social housing properties

Each year the Association makes an assessment as to whether an indicator of impairment exists. In making the judgement, management consider the detailed criteria set out in the SORP.

Fair value measurement
Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual proceeds that would be achievable in an arm's length transaction at the reporting date.

Bad Debt Provision
Provision is made for bad and doubtful debts based upon the age of the debt and using factors recognised in the sector for that purpose.

Other Provisions
Provision is made for dilapidations and redundancy costs. 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 Association 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.

3 Note A - Particulars of turnover, cost of sales, operating costs and surplus

2022

Group	Turnover	Cost of sales	Operating expenditure	Surplus / (deficit) on disposal of fixed assets	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note B)	68,483	-	(47,189)	-	21,294
Other social housing activities					
First tranche property sales	9,646	(6,531)	-	-	3,115
Charges for support services	-	-	(25)	-	(25)
Development administration	-	-	(411)	-	(411)
Other	-	-	(1,168)	-	(1,168)
Activities other than social housing activities					
Community Empowerment	-	-	(833)	-	(833)
Surplus on disposal of fixed assets	-	-	-	218	218
Other	470	-	(92)	-	378
Total	78,599	(6,531)	(49,718)	218	22,568

2021

Group	Turnover	Cost of sales	Operating expenditure	Surplus / (deficit) on disposal of fixed assets	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note B)	65,755	-	(42,753)	-	23,002
Other social housing activities					
First tranche property sales	9,877	(6,733)	-	-	3,144
Charges for support services	-	-	(15)	-	(15)
Development administration	-	-	(365)	-	(365)
Other	-	-	(1,098)	-	(1,098)
Activities other than social housing activities					
Community Empowerment	-	-	(294)	-	(294)
Surplus on disposal of fixed assets	-	-	-	(333)	(333)
Other	171	-	-	-	171
Total	75,803	(6,733)	(44,525)	(333)	24,212

3 Note A - Particulars of turnover, cost of sales, operating costs and surplus (continued)

2022

Association	Turnover	Cost of sales	Operating expenditure	Surplus / (deficit) on disposal of fixed assets	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (Note B)	68,483	-	(47,189)	-	21,294
Other social housing activities					
First tranche property sales	9,646	(6,531)	-	-	3,115
Charges for support services	-	-	(25)	-	(25)
Development administration	-	-	(411)	-	(411)
Other	-	-	(1,168)	-	(1,168)
Activities other than social housing activities					
Community Empowerment	-	-	(833)	-	(833)
Surplus on disposal of fixed assets	-	-	-	218	218
Other	425	-	-	-	425
Total	78,554	(6,531)	(49,626)	218	22,615

2021

Association	Turnover	Cost of sales	Operating expenditure	Surplus / (deficit) on disposal of fixed assets	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000
Social Housing Lettings	65,755	-	(42,753)	-	23,002
Other social housing activities					
First tranche property sales	9,877	(6,733)	-	-	3,144
Charges for support services	-	-	(15)	-	(15)
Development administration	-	-	(365)	-	(365)
Other	-	-	(1,098)	-	(1,098)
Activities other than social housing activities					
Community Empowerment	-	-	(294)	-	(294)
Deficit on disposal of fixed assets	-	-	-	(333)	(333)
Other	171	-	-	-	171
Total	75,803	(6,733)	(44,525)	(333)	24,212

3 Note B – Particulars of income and expenditure from social housing lettings

Group & Association	General Needs Housing	Supported Housing and Housing for Older People	Shared Ownership	Garages	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable net of identifiable service charges	58,308	3,241	2,061	1,184	64,794	62,189
Service charge income	1,790	848	89	-	2,727	2,632
Amortised government grants	962	-	-	-	962	934
Turnover from social housing lettings	61,060	4,089	2,150	1,184	68,483	65,755
Expenditure						
Management	12,897	1,051	742	240	14,930	14,716
Service charge costs	2,123	777	95	26	3,021	1,900
Routine maintenance	7,404	337	6	79	7,826	8,255
Planned maintenance	4,357	304	-	78	4,739	2,998
Major repairs expenditure	4,898	318	-	232	5,448	4,615
Bad debts	346	7	-	1	354	32
Depreciation of housing properties	9,437	659	17	-	10,113	9,627
Depreciation of other fixed assets	672	47	39	-	758	610
Operating costs	42,134	3,500	899	656	47,189	42,753
Operating surplus social housing lettings	18,926	589	1,251	528	21,294	23,002
Void losses	474	147	6	259	885	1,032

4 Deficit on disposal of property, plant and equipment

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Sale Proceeds				
Right to Buy (RTB)	435	166	435	166
Shared Ownership	1,945	601	1,945	601
Auction	-	326	-	326
Right to Acquire (RTA)	340	-	340	-
Repayment of discount	-	8	-	8
Other sales	37	38	37	38
Proceeds	**2,757**	1,139	**2,757**	1,139
Cost of sale				
Right to Buy (RTB)	584	279	584	279
Shared Ownership	1,156	301	1,156	301
Auction	82	82	82	82
Right to Acquire (RTA)	50	-	50	-
Housing component disposal	463	805	463	805
Other sales	204	5	204	5
Cost of sale	**2,539**	1,472	**2,539**	1,472
	218	(333)	**218**	(333)

5 Finance income

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank interest receivable	37	33	37	33
	37	33	**37**	33

6 Interest and financing costs

Group & Association	2022 £'000	2021 £'000
Bank loans and overdrafts	15,605	11,114
Net interest on defined benefit liability (see note 20)	213	128
Loan expenses amortised	376	394
Other interest payable	1	2
	16,195	**11,638**
Borrowing Costs Capitalised	(1,179)	(764)
	15,016	**10,874**

Borrowing costs on properties during construction have been capitalised based on the weighted average cost of capital of 3.20% (2021: 3.28%).

7 Operating surplus

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Operating surplus stated after charging/(crediting):				
Depreciation of property, plant and equipment	10,846	10,207	10,841	10,207
Amortisation of Computer Software	30	33	30	33
Materials Expensed in the year	1,662	1,250	1,662	1,250
Operating Lease Payments	601	968	601	968
Government grants	(962)	(934)	(962)	(934)
Gain / (loss) on disposal of fixed assets	218	(333)	218	(333)
Fees Paid to current auditors				
Statutory audit	45	40	42	40
Non audit services	4	5	4	5

8 Staff costs

	2022 £'000	2021 £'000
Group and Association		
Wages and salaries	13,670	11,319
Social security costs	1,364	1,138
Other pension costs	1,124	1,076
	16,158	13,533

The Full Time Equivalent number of staff who received emoluments, based on either a 35 hour or 37 hour week, depending on legacy organisation, including pension contributions, in excess of £60,000 were as shown below.

	2022 £'000	2021 £'000
Salary Band £		
60,000 - 69,999	8	6
70,000 - 79,999	6	4
80,000 - 89,999	4	3
90,000 - 99,999	1	4
100,000 - 109,999	4	3
110,000 - 119,999	1	-
120,000 - 129,999	-	1
130,000 - 139,999	-	1
140,000 - 149,999	1	-
150,000 - 159,999	1	-
160,000 - 169,999	1	-
170,000 - 179,999	-	1
180,000 - 189,999	-	1
200,000 - 209,999	1	-
210,000 - 219,999	-	1
	28	25

	2022 Number	2021 Number
Group and Association		
The average full time equivalent number of employees was:	370	321

The average full time equivalent (FTE) number of employees was calculated taking the average of FTEs in post at the end of each calendar month.

9 Directors' remuneration and transactions

	Group & Association	
	2022 £'000	2021 £'000
Directors who are executive staff members		
Wages and salaries	658	959
Social security costs	87	109
Other pension costs	67	61
Board members		
Fees and Expenses		
- Hattie Llewelyn-Davies	18	13
- David Russell	12	9
- Dale Butcher	11	10
- Charanjit Patel	10	7
- Malcolm O'Brien	9	7
- Michelle Baker	9	-
- Kay Vowles	8	5
- Simon Jones	7	5
- Alison Inman	4	6
- Charlotte Smith	-	5
- Neil Coughlan	-	3
- Suzanne Wicks	-	2
- Emma Keegan	-	2
- Chris Ellison	-	1
- Andrew Hill	-	1
- Joanne Savage	-	1
- Julia Thomas	-	1
- Alexander Shelock	-	1
- Keith Carter	-	1
- Phillip Purkiss	-	1
Committee Members - Fees and Expenses	49	16
	949	1,226

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team.

Remuneration of the highest paid director, excluding pension contributions:		
Emoluments	189	64
Consideration payable for loss of office	-	144
Board members	189	208

The Chief Executive is an ordinary member of the Association's defined contribution stakeholder type pension scheme. No enhanced or special terms apply.

10 Taxation

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
UK Corporation Tax on surplus for the year	-	-	-	-
Adjustments in respect of prior periods	-	-	-	-

A significant proportion of the Association's activities occurs in Group entities recognised by Her Majesty's Revenue and Customs as exempt charities for tax purposes and is therefore not liable to Corporation Tax on surpluses.

The tax assessed for the year is lower than the standard rate of Corporation Tax in the United Kingdom at 19% (2021: 19%). The differences are explained as follows:

	Group		Association	
Current tax reconciliation:	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Surplus on ordinary activities before tax	8,183	14,001	8,230	14,001
Surplus multiplied by 19% the standard rate of UK Corporation Tax	1,555	2,660	1,564	2,660
Theoretical tax at UK Corporation Tax rate of 19%				
Non-taxable charitable activities	(1,564)	(2,660)	(1,564)	(2,660)
Group relief claimed through planned gift aid	9	-	-	-
Total tax charge for the year	-	-	-	-

11 Intangible fixed assets

Group & Association	Computer software £'000
Cost	
At 1 April 2021	438
Additions	7
Transfers	52
As at 31 March 2022	497
Amortisation	
At 1 April 2021	372
Charge for the year	30
Transfer	44
As at 31 March 2022	446
Net book value	
As at 31 March 2022	51
As at 31 March 2021	66

Amortisation is recognised in operating expenditure in the Statement of Comprehensive Income.

12 Tangible fixed assets

Group	Completed rental properties	Rental properties under construction	Completed Shared Ownership	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2021	644,942	23,016	40,551	8,415	716,924
Additions	5,894	34,623	-	9,249	49,766
Disposals	(1,675)	-	(1,191)	-	(2,866)
Transfers - Completed Stock	37,839	(37,839)	9,529	(9,529)	-
Transfers to Other Categories	(2,011)	744	(875)	534	(1,608)
As at 31 March 2022	684,989	20,544	48,014	8,669	762,216
Depreciation					
At 1 April 2021	89,297	-	991	-	90,288
Charge for the year	9,769	-	343	-	10,112
Disposals	(497)	-	(37)	-	(534)
Prior year adjustment	(350)	-	-	-	(350)
As at 31 March 2022	98,219	-	1,297	-	99,516
Net book value					
As at 31 March 2022	586,770	20,544	46,717	8,669	662,700
As at 31 March 2021	555,645	23,016	39,560	8,415	626,636

The carrying value of assets with restricted title or held as security against liabilities at 31 March 2022 was £435.8 million (2021 £347.6 million). All properties are held on a freehold basis. £5.9 million was spent during the year on existing property components with a further £18.0 million charged to the Statement of Comprehensive Income.

12 Tangible fixed assets

Association	Completed rental properties	Rental properties under construction	Completed Shared Ownership	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2021	644,942	23,016	40,551	8,415	716,924
Additions	6,089	34,623	-	9,249	49,961
Disposals	(1,675)	-	(1,191)	-	(2,866)
Transfers - Completed Stock	37,839	(37,839)	9,529	(9,529)	-
Transfers to Other Categories	(2,011)	744	(875)	534	(1,608)
As at 31 March 2022	685,184	20,544	48,014	8,669	**762,411**
Depreciation					
At 1 April 2021	89,297	-	991	-	90,288
Charge for the year	9,769	-	343	-	10,112
Disposals	(497)	-	(37)	-	(534)
Prior year adjustment	(350)	-	-	-	(350)
As at 31 March 2022	98,219	-	1,297	-	**99,516**
Net book value					
As at 31 March 2022	586,965	20,544	46,717	8,669	**662,895**
As at 31 March 2021	555,645	23,016	39,560	8,415	626,636

13 Property, plant and equipment (other)

Group	Freehold	Long/short leasehold	Fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2021	8,177	159	4,117	12,453
Additions	38	-	311	348
Disposals	-	(159)	(2,488)	(2,646)
Transfers	-	-	(52)	(52)
As at 31 March 2022	8,215	-	1,888	**10,103**
Depreciation				
At 1 April 2021	2,179	36	2,917	5,132
Charge for the year	228	11	505	744
Impairment losses	-	(47)	-	(47)
Reversal of past impairment losses	(11)	-	-	(11)
Disposals	-	-	(2,399)	(2,399)
Transfer	-	-	(45)	(45)
Adjustments on acquisition	-	-	56	56
As at 31 March 2022	2,396	-	1,034	**3,430**
Net book value				
As at 31 March 2022	5,819	-	854	**6,673**
As at 31 March 2021 combined	5,998	123	1,200	7,321

13 Property, plant and equipment (other) (continued)

Association	Freehold	Long/short leasehold	Fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2021	8,177	159	4,117	12,453
Additions	38	-	245	283
Disposals	-	(159)	(2,488)	(2,647)
Transfers	-	-	(52)	(52)
As at 31 March 2022	8,215	-	1,822	**10,037**
Depreciation				
At 1 April 2021	2,179	36	2,917	5,132
Charge for the year	228	11	500	739
Impairment losses	-	(47)	-	(47)
Reversal of past impairment losses	(11)	-	-	(11)
Disposals	-	-	(2,399)	(2,399)
Transfer	-	-	(45)	(45)
As at 31 March 2022	2,396	-	973	**3,369**
Net book value				
As at 31 March 2022	5,819	-	849	**6,668**
As at 31 March 2021 combined	5,998	123	1,200	7,321

14 Fixed Asset Investments

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Share Capital				
Interest in Emerald New Homes Limited	-	-	-	-
Interest in Iceni Homes Limited	-	-	-	-
Interest in MORhomes Plc	180	180	180	180
	180	180	180	180
Contingent Convertibles				
MorHomes Coco	345	345	345	345
	345	345	345	345
Deposits				
Held on behalf of Affordable Housing Finance Plc	798	840	798	840
Held on behalf of Affordable Housing Finance Plc	599	600	599	600
	1,397	1,440	1,397	1,440
	1,922	1,965	1,922	1,965

On 1 November 2007, the Association acquired one ordinary share of £1 in Emerald New Homes Limited, being 100% of the issued share capital. During the year under review the company has been dormant and has no assets. The accounting period is the year ended 31 March 2021.

Interest in Iceni Homes Limited

Iceni was established as a joint venture company owned by a group of registered providers including Eastlight. During the year Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society. Iceni Homes Limited became a wholly owned subsidiary of Eastlight on 1 August 2021.

Iceni was incorporated on 16 March 2004 and commenced trading on 1 July 2004 and became an Eastlight subsidiary on 1 August 2021. Its profit before tax and Gift Aid for the year ended 31 March 2022 was £84k (2021: loss £128k). The profit of £84k includes a loss of £12k for the period 1 April 2021 to 31 July 2021 whilst the company was a 50% joint venture, and £96k of profit from 1 August 2021 to 31 March 2022 when it became an Eastlight's subsidiary.

Interest in MORhomes plc

At the start of the year Eastlight held 240,000 £1 ordinary shares in MORhomes plc, a public limited company incorporated on 21 September 2017 and registered in England and Wales. The shares were issued at an average discount of 25% giving a cash price of £180,000. An additional investment of £345k in respect of a Contingent Convertible (CoCo) agreement was also made at time of the additional drawing.

MORhomes is a bond aggregating vehicle for the UK social housing sector and provides funding to registered provider groups in England and Wales.

Eastlight may utilise MORhomes to issue fixed rate debt in future subject to funding need and market conditions.

Associated undertakings

During the year Eastlight ceased to act as the Corporate Trustee for Fullers Almshouse Charity, a charitable almshouse trust and was transferred to a specialist Almshouse trustree, LEAP Almshouses.

Deposits

Deposits held on behalf of Eastlight represent the liquidity fund reserve held in trust in respect of funding received from Affordable Housing Finance plc, totalling £1.40 million.

15 Stocks

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Stocks				
Completed properties for sale	1,238	947	1,238	947
Properties under development	6,319	5,650	6,319	5,650
Raw materials and consumables	717	401	717	401
	8,274	6,998	8,274	6,998

During the year £1,661,747 of raw materials were expensed (2021 £1,249,689)

16 Debtors

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year:				
Rent arrears	1,653	722	1,653	722
Provision for bad debts	(540)	(533)	(540)	(533)
VAT	176	723	176	723
Other debtors	93	345	93	345
Prepayments and accrued income	2,219	1,491	2,219	1,491
	3,601	2,748	3,651	2,748

17 Creditors: amounts falling due within one year

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year:				
Rents received in advance	1,125	766	1,125	766
Trade creditors	2,221	2,351	2,296	2,351
Other taxation and social security	369	305	369	305
Accruals and deferred income	14,885	9,304	14,885	9,304
Other creditors	-	24	-	24
Long term creditors due within one year	34,641	7,779	34,641	7,779
	53,241	20,529	53,316	20,529

18 Creditors: amounts falling due after more than one year

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due after more than one year				
Loans	319,341	295,983	319,341	295,983
Other creditors	876	854	876	854
AHF Bond Deferred Income	4,843	5,051	4,843	5,051
MORHomes Bond Deferred Income	2,854	3,045	2,854	3,045
Government grants	59,016	55,710	59,016	55,710
Recycled Capital Grant	226	189	226	189
Disposal Proceeds Fund	55	55	55	55
Less Debt Refinancing Costs	(2,373)	(2,450)	(2,373)	(2,450)
	384,838	358,437	384,838	358,437

	Group		Association	
Deferred income - AHF Bond	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 April				
Income Received	5,254	5,439	5,254	5,439
Amortisation to Statement of Comprehensive Income	(204)	(185)	(204)	(185)
As at 31 March	5,050	5,254	5,050	5,254
Due within one year	207	203	207	203
Due after one year	4,843	5,051	4,843	5,051

The deferred income represents a premium received on the issue of fixed coupon debt and is being amortised over the remaining term of that debt to 2043.

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deferred income - MORHomes Bond				
At 1 April	3,237	-	3,237	-
Loan Coupon	-	3,319	-	3,319
Amortisation to Statement of Comprehensive Income	(192)	(82)	(192)	(82)
As at 31 March	3,045	3,237	3,045	3,237
Due within one year	191	192	191	192
Due after one year	2,854	3,045	2,854	3,045

The deferred income represents a premium received on the issue of fixed coupon debt and is being amortised over the remaining term of that debt to 2038.

	Group		Association	
Deferred income - Government grants	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
At 1 April	**56,644**	57,592	**56,644**	57,592
Grants received	**4,343**	-	**4,342**	-
Transferred to RCGF on disposal	**(37)**	(28)	**(37)**	(28)
Amortisation to Statement of Comprehensive Income	**(956)**	(920)	**(956)**	(920)
Adjustment on merger	**-**	-	**-**	-
As at 31 March	**59,993**	**56,644**	**59,993**	**56,644**
Due within one year	**977**	934	**977**	934
Due after one year	**59,016**	55,710	**59,016**	55,710

The gross amount of grant received prior to amortisation as at 31 March 2022 was £74.4 million (2021: £70.1 million).

	Group		Association	
Recycled Capital Grant Fund	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
At 1 April	**189**	161	**189**	161
Inputs to RCGF	**37**	28	**37**	28
Recycling of grant	**-**	-	**-**	-
Interest accrued	**-**	-	**-**	-
As at 31 March	**226**	**189**	**226**	**189**
Amounts three years or older where repayment may be required	**161**	161	**161**	161

Disposal Proceeds Fund (DPF)	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
At 1 April	**55**	55	**55**	55
As at 31 March	**55**	**55**	**55**	**55**
Amounts three years or older where repayment may be required	**55**	55	**55**	55

The disposal of a fixed asset in a prior year activated a restrictive covenant that requires Eastlight to reinvest into an asset of a similar nature.

Group & Association	**2022 £'000**	2021 £'000
Borrowings are repayable as follows:		
Between one and two years	**42,634**	33,474
Between two and five years	**13,524**	55,395
After five years	**263,183**	207,114
	319,341	**295,983**
On demand or within one year	**33,641**	6,804
	352,982	**302,787**
Bank loans		
Between one and two years	**42,634**	33,474
Between two and five years	**13,524**	55,395
After five years	**263,183**	207,114
	319,341	**295,983**
On demand or within one year	**33,641**	6,804
	352,982	**302,787**

Loans are either on a fixed (61%) or variable (39%) rate basis, with interest rates ranging from 1.114% to 11.169%, with an average weighted cost of capital of 3.20% (2021: 3.59%).

19 Analysis of changes in net debt

Group	At beginning of the year	Cash Flows	Non-Cash Movements	At end of the year
	£'000	£'000	£'000	£'000
Cash and Cash Equivalents	(6,520)	(29,930)	-	**(36,450)**
Housing Loans Due in One Year	6,804	26,837	-	**33,641**
Housing Loans Due after One Year	295,983	23,358	-	**319,341**
	296,267	20,265	-	**316,532**

20 Retirement benefit schemes

Defined contribution schemes

Eastlight provides a defined contribution stakeholder type pension scheme for employees. The employee chooses their own contribution rate which is double matched by the Association up to a maximum employer contribution of 8%. The Association provides a defined contribution stakeholder type pension scheme for employees. The employee chooses their own contribution rate which is double matched by the Association up to a maximum employer contribution of 8%. The assets of the scheme are kept separately from those of the Association, and are invested in independently managed funds as chosen by the employee. From May 2014, those employees not already in a pension scheme are automatically enrolled in this stakeholder scheme unless they are entitled and choose to join the LGPS or SHPS. There is a minimum employee contribution of 2% although employees can choose to opt out. Eastlight has no long-term pension liabilities under the defined contribution scheme. Following the transfer of Iceni staff to Eastlight in August 2021, there are additional stakeholder pension schemes.

The total expense charged to Statement of Comprehensive Income in the period ended 31 March 2022 was £609,000 (2021: £414,000).

Defined benefit schemes - LGPS

Eastlight is a member of the Local Government Pension Scheme, administered by Essex County Council, with 52 employees contributing to the scheme, which is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. In September 2008, the scheme was closed to new entrants. This note relates only to the obligations on Eastlight from the Scheme.

The most recent triennial actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by Barnett Waddingham. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. Annual updates on the valuation of the scheme assets and liabilities are provided by the scheme actuary on an interim basis.

	2022	2021
Key assumptions used:		
Discount rate	2.60%	2.00%
Future pension increases	3.20%	2.85%
Salary increases	3.70%	3.35%
RPI increases	3.55%	3.20%
CPI increases	3.20%	2.85%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These assumptions are based upon the Continuous Mortality Investigation's model CMI-2018, which shows a slight reduction in life expectation post retirement. The assumed life expectations on retirement at age 65 are:

Valuation at	2022	2021
Retiring today:		
Males	21.6	21.6
Females	23.7	23.6
Retiring in 20 years:		
Males	23.0	22.9
Females	25.1	25.1

Defined benefit costs recognised in Statement of Comprehensive Income

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2022	2021
Service cost	961	972
Net interest cost	172	109
Plan introductions, changes, curtailments and settlements	21	21
	1,154	1,102
Recognised in other comprehensive income	(459)	(575)
Total cost relating to defined benefit scheme	695	527

Present values of defined benefit obligation, fair value of assets and defined benefit liability

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2022 £'000	2021 £'000
Present value of defined benefit obligations	(49,815)	(51,393)
Fair value of scheme assets	46,574	42,502
Deficit	(3,241)	(8,891)
Net liability recognised in the Statement of Financial Position	(3,241)	(8,891)

Reconciliation of opening and closing balances of the defined benefit obligation

Movements in the present value of defined benefit obligations were as follows:

	2022 £'000	2021 £'000
At 1 April	51,393	38,149
Service cost	961	694
Interest cost	1,021	888
Actuarial gains and losses	(2,972)	12,959
Change in demographic assumptions	-	(412)
Experience loss/(gain) on defined benefit obligation	89	(418)
Contributions from scheme participants	145	161
Benefits paid	(822)	(906)
Past service costs, including curtailments	-	278
At 31 March	**49,815**	**51,393**

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

Movements in the fair value of scheme assets were as follows:

	2022 £'000	2021 £'000
At 1 April	42,502	33,203
Interest income	849	778
Return on plan assets (excluding amounts included in net interest cost)	3,392	8,711
Administration Expenses	(21)	(21)
Contributions from the employer	529	576
Contributions from scheme participants	145	161
Benefits paid	(822)	(906)
At 31 March	46,574	42,502

Analysis of scheme assets

The analysis of the scheme assets at the Statement of Financial Position date was as follows:

	2022		2021	
	£'000	%	£'000	%
Equity instruments	27,964	60	26,262	62
Debt instruments	3,151	7	3,229	8
Property	3,820	8	3,026	7
Cash	1,182	3	2,006	5
Alternative assets	5,756	12	4,910	11
Other managed funds	4,701	10	3,069	7
	46,574	100	42,502	100

Defined benefit schemes - SHPS

The company 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.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 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."

Defined benefit costs recognised in Statement of Comprehensive Income

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2022 £'000	2021 £'000
Expenses	7	7
Net interest cost	40	19
	47	26

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	2022 £'000	2021 £'000
Present value of defined benefit obligations	(8,311)	(8,711)
Fair value of scheme assets	7,400	6,781
Deficit	911	(1,930)
Net liability recognised in the Statement of Financial Position	(911)	(1,930)

Reconciliation of opening and closing balances of the defined benefit obligation

Movements in the present value of defined benefit obligations were as follows:

	2022 £'000	2021 £'000
At 1 April	8,711	6,872
Service cost	7	7
Interest cost	190	160
Actuarial gains and losses	(745)	1,908
Change in demographic assumptions	(129)	31
Experience loss/(gain) on defined benefit obligation	411	(132)
Benefits paid	(134)	(135)
At 31 March	8,311	8,711

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

Movements in the fair value of scheme assets were as follows:

	2022 £'000	2021 £'000
At 1 April	6,781	5,948
Interest income	150	141
Return on plan assets (excluding amounts included in net interest cost)	391	619
Contributions from the employer	212	208
Contributions from scheme participants	-	-
Benefits paid	(134)	(135)
At 31 March	7,400	6,781

21 Financial Instruments

Group & Association	2022 £'000	2021 £'000
Financial Assets		
Measured at amortised cost - Rent arrears and other debtors	1,256	534
Measured at cost - Cash and cash equivalents measured at cost	36,332	6,520
	37,588	7,054
Financial Liabilities		
Measured at fair value and designated in an effective hedging relationship - Derivative financial liabilities	456	1,121
Measured at fair value through the surplus for the year - Ineffective interest rate swaps	1,623	2,216
	2,079	3,337
Measured at amortised cost		
Loans payable (Note 18)	154,335	190,976
Bonds payable (Note 18)	165,006	105,007
Measured at undiscounted amount payable		
Trade and other creditors (Note 17)	52,947	20,224
	374,367	319,544

The Association's income, expense, gains and losses in respect of financial instruments are summarised below:

Group & Association	2022 £'000	2021 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	37	33
Total interest expense for financial liabilities at amortised cost	15,016	10,480
	15,053	10,513
Fair value gains and losses		
On derivative financial liabilities designated as an effective hedge	665	210
On financial liabilities measured at fair value through surplus for the year	594	630
	1,259	840

22 Hedging Financial Instruments

Derivative financial liabilities designated as an effective hedge

Group & Association	Due within 1 year		Due after 1 year	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest rate swaps	(59)	48	515	1,073

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Cash flow hedges

The following table details the notional principal amounts and the remaining terms of interest rate swap contracts designated as cash flow hedges outstanding at the reporting date:

Group & Association	Average contract fixed rate		Notional principal value		Fair value	
	2022 %	2021 %	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Due within 1 year	0.81%	0.79%	18,000	9,000	(59)	48
Between 1 and 2 years	2.03%	0.00%	5,000	-	-	-
Between 2 and 5 years	3.36%	0.81%	6,500	18,000	182	209
More than 5 years	3.08%	4.46%	23,500	3,000	333	864
			53,000	30,000	456	1,121

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three month's SONIA. Eastlight settles the difference between the fixed and floating interest rate on a net basis.

All interest rate swaps reduce Eastlight's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect surplus and deficit over the period to maturity of the interest rate swaps. £18m of the cash flow swaps mature in 2022, £5m in 2024, £5m in 2025, £1.5m in 2026, £22m in 2028 and the remaining £1.5m matures in 2031.

23 Share capital

Group	2022 £'000	2021 £'000
Issued and fully paid shares of 10p each:		
At beginning of year	517	542
Issued during the year	9	2
Cancelled during the year	(24)	(27)
At end of year	**502**	**517**

Issued and fully paid shares of £1 each:	No	No
At 1 April 2021	6	8
Leaving during the year	-	(2)
At 31 March 2022	**6**	**6**

The shares do not have a right to any dividend or distribution in a winding up and are not redeemable. Each share has full voting rights. All shares are uncalled.

24 Financial commitments

	2022 £'000	2021 £'000
Contracted for but not provided for	102,697	68,884
Approved by the directors but not contracted for	63,043	85,790
	165,740	154,674

The proposed funding for these commitments is as follows:	2022 £'000	2021 £'000
Cash	36,332	6,520
Operating Cashflow (years 1-3)	74,228	62,013
Existing loan facility	55,180	86,141
	165,740	154,674

Total future minimum lease payments under non-cancellable operating leases are as follows:	2022 £'000	2021 £'000
Payments due:-		
- within 1 year	598	611
- between one and five years	1,342	1,296
- after five years	840	967
	2,780	2,874

Total future minimum lease payments under non-cancellable operating leases are as follows:	2022 £'000	2021 £'000
Payments due for:		
- Premises	1,636	1,813
- Equipment	13	9
- Vehicles	1,131	1,052
	2,780	2,874

25 Housing Stock

Group & Association	2022 Units	2021 Units
Owned and managed:		
General needs housing accommodation	8,505	8,504
Housing accommodation at affordable rent	2,147	1,934
Housing accommodation at intermediate rent	84	105
Housing for Older People accommodation	637	637
Shared ownership accommodation	620	547
Supported Housing	116	119
Managed by others	39	39
	12,148	11,885
Managed stock:		
Leasehold properties (freehold owned)	561	557
Leasehold properties (managed for others)	16	59
Ground leases	11	11
Managed on behalf of others	1	11
Commercial	2	2
	591	640
Total	12,739	12,525

Unit numbers in 2021 have been restated. We have performed various data validation exercises as part of our integration project this year. This work has highlighted some errors from units acquired in the previous year which have now been corrected.

26 Related Party Transactions

The Board comprises ten members. During the year, one tenant has been a member of the Board.

Michelle Baker	Tenant	Appointed 25 May 2021

All tenancies and lease agreements are on normal commercial terms and tenant members are not able to use their position to their advantage.

The amount of rent and service charges charged to tenant board members during the year was £5,657 (2021 £9,578) and the amount of rent and service charges outstanding from members at the end of the year was £nil (2021 £155).

Emerald New Homes Limited is a wholly owned subsidiary of the Association. Emerald New Homes Limited is not registered with the Regulator of Social Housing. It has not traded during the year and there have been no transactions between it and the Association. Two Executive Directors of the Association are directors of Emerald New Homes Limited.

Iceni Homes Limited is a development service company providing new build programme management services to social housing providers. Iceni was established as a joint venture company owned by a group of registered providers including Eastlight, until 31 July 2021 Eastlight held a 50% share in Iceni. During the year Eastlight agreed to acquire the interest of the only other remaining shareholder, Hundred Houses Society. Iceni Homes Limited became a wholly owned subsidiary of Eastlight on 1 August 2021. Iceni Homes Limited is not registered with the Regulator of Social Housing. Two Executive Directors of the Association are directors of Iceni Homes Limited.

Iceni provides development design and build services on behalf of Eastlight. During the year Eastlight paid Iceni £2.3m (2021: £4.7m) in development costs and associated fees.

Eastlight provides accounting services to Iceni under a service level agreement. During the year Eastlight received £32k (2020: £37k) for this service. At 31 March 2021 Eastlight owed Iceni £0.1m (2021: £0.3m).

There was no Gift Aid payment received from Iceni in the year to 31 March 2022 or 2021.

Iceni Statement of Financial Position as at 31 July 2021, at the time of acquisition, was:

Iceni Homes Ltd Statement of Financial Position	Period ended 31 July 2021 £'000
Fixed Assets	
Tangible Assets	10
Current Assets	
Stocks	22
Debtors	639
Cash	57
	718
Creditors	(676)
Net Current Assets	42
Total Assets less Current Liabilities	52
Capital & Reserves	
Called up Share Capital	-
Profit and Loss Reserves	52
Total Equity	52

The acquisition of Iceni was accounted for using the purchase method in line with FRS 102. The Statement of Financial Position as at 31 July 2021 were recognised in the group as at the acquisition date. There was no consideration to Hundred Homes for the purchase of Iceni.

Eastlight Community Homes

Eastlight Community Homes Limited is incorporated as a Registered Society under the Co-operative and Community Benefit Societies Act 2014. Registered no. 30124R.

Eastlight is also registered with the Regulator of Social Housing in England (RSH), in accordance with the Housing and Regeneration Act 2008. Registered no. L4499.

This summary report covers the period 1 April 2021 to 31 March 2022.

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