



Johnnie Johnson Housing Trust Limited

Report and Financial Statements for the year ending 2021-2022

Johnnie Johnson Housing Trust Ltd

Registered Social Housing Provider – consolidated and entity
Co-operative and Community Benefit Society (FCA) number: 19198R
Homes England number: L1231











Living Longer, Living Better





Content

- 04 Executives and Advisors
- 05 Meet the Board
- 06 Meet the Executive
- 07 Chairmans' Statement
- Report of the Board
- 26 Strategic Report
- Statement of the Responsibilities of the Board for the Report and Financial Statements
- 35 Independent auditor's report
- Statement of comprehensive income
- Statement of changes in reserves
- 40 Consolidate statement of financial position
- JJH Statement of financial position
- Statement of Cashflows
- Notes forming part of the financial statements





Registered Office

Astra House Spinners Lane Poynton Cheshire **SK12 1GA**

Registered Company No: 03895031

Company Secretary

Sarah-Jane Gilmore



Solicitor

Trowers and Hamlins LLP 55 Princess Street Manchester **M2 4EW**



Banker

Bankside 3

London SE1 0SW

PLC

National Westminster Bank

Royal Bank of Scotland

90-100 Southwark Street

Auditors

BDO 3 Hardman Street Manchester **M3 3AT**

A resolution to appoint BDO LLP as auditor will be passed at a meeting of the shareholders on 27th September 2022





Johnnie Johnson Housing Trust Limited Report and Financial Statements 2021 - 2022



Meet Our Board



John Sandford, Chair of the Board



Sue Lock, Vice Chair and Chair Designate



Andrew Bowden, JJH Board Member and Chair of Astraline



Brian Benneyworth, JJH Board member, Chair of Nomination and Remuneration committee, Senior Independent Director, Member of Audit and Risk and Board Health and safety Champion



Steve Secker, JJH Board Member and Chair of Johnnie Johnson Developments Limited



Tabitha Arulampalam, JJH board Member, member of Nomination and Remuneration committee and a member of the Astraline Board



Rob Seldon, JJH Board Member and Chair of Audit and Risk Committee



Abdul Ravat, JJH Board Member and member of the Audit and Risk Committee



Peter Nourse, JJH Board Member, member of JJDL Board and a member of the Audit and Risk Committee (appointed 1st April 2022)





Meet the Executive Team



Yvonne Castle became our Chief Executive in May 2017. She joined our organisation in July 2015 on an interim basis and then was appointed as our Executive Director, Customer Services, in July 2016. Yvonne has worked in social housing for many years with significant experience in providing executive leadership for a range of housing associations nationally. Whilst having an early career as a qualified accountant, Yvonne has specific expertise in the 'softer' side of people, change and performance management.



Kathryn Fox-Rogers Chief Operating Officer



Deborah Noble Group Executive Director, Finance and Corporate Services



Joe McLoughlin Managing Director Astraline



Steve Allcock Director of Customer Experience and Digital Innovation



Lin Powell
Director of
Development and
Growth







Introduction

It gives me great pleasure to present my final report as Chair of Johnnie Johnson Housing Trust Limited, after 9 years on the Board and 2 years as the Chair, I will be stepping down at our Annual General Meeting (AGM) later this year after having served my tenure.

I am proud to say that Johnnie Johnson closes the year with top regulatory ratings, a strong Balance Sheet and Risk Management Framework and a coherent and exciting strategy for the years ahead.

This year continued to test both the country and this business as the pandemic continued. Our mission remained strong as we maintained services to our residents and other customers to help them 'Live Longer, Live Better'. We met all the challenges head on with a focus on providing our residents with a safe and secure environment and flexing our approach where needed to provide outstanding customer services.

I would like to say thank you to the Executive and all our teams for their hard work, dedication and resilience in not only keeping everybody safe but also driving our strategy forward. Our teams, demonstrating the 'One Team' ethos continuing to look at our service delivery and efficiencies that could be made. The business embarked upon a Customer First initiative that has identified any gaps in our residents needs and provides a transformation plan to fill those gaps. Our Residents, Kath, Alan and Morris have been involved in shaping this too in one way or another.

I would like, in particular, to thank all involved in the Business Continuity Team who continued to meet and communicate with residents on the changes needed as further lockdowns were introduced and ensuring we met government advice. In that context I would also like to thank our resident Scrutiny Panel and our Editorial Panel who reviewed and commented on all communications and helped us to communicate effectively. We continued to work very closely with all our suppliers and partners to help them deliver Covid secure services and keep them informed of changes.

We are 'more than a Landlord' and we like to help our residents build their communities. It is clear that the continued pandemic has often left many of our residents feeling isolated, so we had a programme of activities that were delivered digitally when required. We partnered with a UK leading debt charity, Step Change, to support residents in financial difficulty and our Welfare Benefits Advisors supported residents to receive £820,000 of benefits. We continued with a support package for all our residents, increasing the frequency of check in calls and providing emergency assistance through Astraline, our telecare operation.

Key Strategic Matters

Customer First

This year we embarked upon a very innovative and exciting transformation programme. Using a company called the Leadership Factor and a group of colleagues from right across the business we reviewed what was most important to our residents with the outcome to 'Do Best what Matters Most'. This has driven our transformation programme in the way we deliver our services to our residents and ensuring our colleagues have the rights tools to do their job.

Our MyLifestyle hybrid working solution really settled in and the use of our new Innovation Hub at Eden Point has been really successful. Our colleagues were kept safe with a covid secure environment which meant they could stay connected, meeting face to face where needed. We launched a new colleague intranet and internal digital platforms to support colleagues with our new way of working.

Astraline

Astraline celebrated its 21st birthday, launched its first digital newsletter, worked in partnership with the North West Ambulance Service to deliver a free falls prevention service and successfully transferred our residents 24 hour lifeline service from an analogue to digital service.

Chairs Statement ... continued



Last year the Board approved a focussed business plan to grow the Astraline business. This has continued throughout the year with the creation of an Astraline Executive Team and a separate Board. We are pleased that as of the 1st April 2022 Astraline has been created as a wholly owned subsidiary of Johnnie Johnson Housing Trust Limited.

Regulatory Ratings

I am pleased to report that during 2021/22 we retained our top regulatory ratings of V1/G1 and continue to drive improvements in our governance compliance and regulatory standards.

Voice of the Customer

We carried out both face to face and digital interactions with our residents and customers throughout the year. We held three digital resident forums to both update our residents and obtain feedback. Our three face to face resident sessions related to our Customer First initiative. In addition, we held 12 Repairs surgeries and 3 in relation to our Estates Service.

We recognise that not everything is perfect all of the time and in particular this year we changed our Estate management service to give a consistent, professional service across the whole of the Estate. This took some time to bed in and get right and I would like to thank the Resident Scrutiny Panel for their feedback.

Our Resident Scrutiny Panel continued holding us to account and held 4 meetings with an additional 5 around the introduction of our new Estate management service.

Our residents are at the heart of everything we do and Listening to our residents is of utmost importance. The work this year with the Leadership Factor asked 848 customers and residents as part of a digital engagement survey with a further 1000 taking part in research on what matters most. The outcome of this has been fundamental in driving our Customer First programme which aims to transform our service delivery doing best what matters most to our residents.

Our neighbourhood teams hold monthly 'drop in' clinics across all our regions.

Our Achievements

Our Corporate strategy is categorised under our four main aspirations to deliver: Outstanding Homes; Outstanding Services; Outstanding Value; and Outstanding people. To be able to offer new homes, continue to keep our residents safe and secure, innovate the delivery of services whilst continuing to provide value for money remains at our very heart. Our colleagues have given an outstanding performance and we will continue to invest in our people. The launch of our 2025 Vision builds on our successes to ensure we achieve our goals.

I am proud to say that we achieved some great recognitions this year:

- Achieved Gold accreditation from Investors In People
- Received the silver award from the Armed Forces covenant employer recognition scheme
- Shortlisted for the Digital Transformation Award and Best Resident Involvement initiative at the Northern Housing Awards
- Highly commended by the UK Housing Awards for the Digital Landlord of the Year Award
- We won the Most Innovative Provider 2022 at the National Housing Awards, and
- Astraline won the Workforce Development in Technology Enabled Care Award

The hard work, innovative solutions and support for both residents and staff during an extremely challenging environment is commendable. Thanks go out to the business and the Board.

Board Changes

As mentioned, I will be stepping down this year at the AGM and will be handing the reins to Sue Lock, our current Vice Chair/Chair Designate. I want to wish Sue every success in taking this fabulous business forward.

During the year Simon Brooksbank stood down from JJH Board due to other work commitments. Simon was with JJH for 6 years and provided customer insight and commercial understanding to the Board. I would like to thank Simon for his contribution and insight he has brought to the Board over the last six years.

Chairs Statement ... continued



We welcomed Paul Thomas and Steve Bell to the Astraline Board. Paul's career spans 30 years in the Public Sector delivering technology solutions to transform ways of working; and Steve has more than 15 years' experience in raising finance and assisting businesses to grow and develop in both the Private and Third sector. Their expertise provides invaluable support to Astraline.

This was a particular busy year for Astraline as it prepared to recommend the creation of a wholly owned subsidiary and I would like to thank Andrew Bowden, Astraline Board Chair, for his commitment and skill in leading that process.

The Future

Our key issue remains, to use our resources effectively and to balance that of our existing homes and the building of new homes, while controlling the risks that we are taking. This year we secured a further £10m to support the delivery of our development programme and will be going to the market for further funding later this year. The Board will continually review this balance to make sure that it remains appropriate.

The key priorities for 2022/23 are:

- Continue to build new homes to support the social housing shortage.
- Our fire safety programme saw some challenges in supply during the pandemic and we will continue to focus on this delivery.
- We will invest in a new stock condition survey of all our existing stock.
- Investment in scheme Wi-Fi to ensure our residents stay connected and a pilot of our new warden call digital solution.
- The Customer First innovative service design will drive system enhancements giving colleagues more information on our residents ensuring continual improvement of the services delivered.
- Following the new Consumer standards we will create new Customer Satisfaction measures with a target of improving customer satisfaction by 7%.
- Strong financial controls; committing to a minimum of £150k in efficiencies.
- Innovate our recruitment process.
- Invest in our people by focused training programmes, giving colleagues the right tools and through our MyLifestyle hybrid solution.
- Support Astraline as it embarks on its first year as a subsidiary.

It is very difficult to predict what is likely to happen during the year with many seeing financial difficulty, the continued challenges with the post pandemic world and the war in the Ukraine. However, I have no doubt and am confident that given our past achievements and how we pull together as one team and approach the challenges presented, Johnnie Johnson will continue to prosper whatever the circumstances.

I feel privileged and proud to be Chair of this Outstanding organisation and I am confident that if we continue to focus on our mission to help people 'Live Longer Live Better' and continue to work as one team we will have a bright future. A future which, I will watch with pride.

Chair

15th September 2022

J. P. Sandford





Report of the Board Year ended 31 March 2022

Principal Activities and Review

The Board presents its report and the audited financial statements for the year ended 31 March 2022 for Johnnie Johnson Housing Trust Limited and the consolidated accounts of the Group.

Johnnie Johnson Housing Trust Limited (JJH) was created by James Edgar Johnson, nicknamed "Johnnie", an RAF pilot back in 1969. It was originally established to assist veterans but in the last 53 years has evolved to providing quality homes for circa 7018 residents in the North West, North East and Yorkshire and Derbyshire. We have a particular expertise in providing housing and services for older persons with an aim to help our residents "Live Longer, Live Better".

JJH has a technology enabled care services business, Astraline, which over the last 21 years has evolved and expanded. Not tied to any one manufacturer Astraline is able to recommend products and services from the whole market. The growth has enabled Astraline to become the largest independent monitoring service provider in the country. During the year we have strengthened its management team and as of the 1st April 2022 we are delighted that Astraline has become a wholly owned subsidiary of JJH giving it further freedoms to expand and grow. JJH and Astraline maintain a strong cultural connection with the mutual desire to ensure our residents and customers are fully supported.

JJH is an exempt charity registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society. It is also a Registered Provider with the Regulator for Social Housing (RSH). It has a subsidiary organisation: Johnnie Johnson Developments Limited with 2022/23 seeing Astraline become a wholly owned subsidiary too.

Vision and Values

Our vision is simple, it is focussed on 'Living Longer Living Better'. We want to help our residents to age well, live independently and maintain their quality of life for as long as possible. We are a strong business and the last 2 years has shown a very resilient business, dedicated to delivering outstanding services aiming to become the sector leaders, true 'Market Makers' in the delivery of independent living for older people. We truly value our colleagues and our strategy continues to invest in our people through training but also in modern ways of working and ensuring they have the right skills and technological kit to do best what matters most for our residents and customers.



Outstanding

We focus on our customers, balancing a social heart with a business head and are always accountable

One Team

We 'make it happen' by staying connected and working collaboratively



Empowering

We are decisive, we take the lead and inspire others



We learn, share and improve, we are creative and innovative and are always Bold, Brave and courageous





Our values help us drive 'This Is How We Do It' for what we want JJH and Astraline to be known for and how we work together to help our residents and customers. Our values help us decide on the right course of action, regardless of our challenges, and they establish a basis for consistent decision-making by everyone. Our values and their related behaviours are an explicit part of the way we manage our business. They are part of our decision-making process from Board level down.

In 2021 we focused on delivering 4 Strategic objectives:



Outstanding Homes

Work here helped us to ensure that all homes comply with legal safety & development standards, devising SMART and green investment plans and working towards our first independent living scheme being built.



Outstanding Services

Here we continued to develop being a listening business, enabling our residents choose new services from our 24/7 outstanding offer and working with Astraline to ensure the business maximised commercial opportunities.



Outstanding Value

Given the challenging economic environment work focussed on ensuring we are financially ready for any surprises; looking at SMART procurement to drive down costs and increase value for residents, investing in digital and data to positively contribute to performance and seeking partnerships to enable us to deliver more.



Outstanding People

Our focus here has been to ensure that our reputation attracts and retains our best people; ensuring we are flexible, resilient and always improving performance and investing in our digital skills for the benefit of our colleagues and customers.





Our Performance



Operating social housing margin 14%



Achieved 98% occupancy



Voids turnaround at 5 days



Governance rating G1/V1



7,018 residents



33 new homes delivered



£2.6m invested in new homes (Major Repairs)



Achieved Arrears of 1.38%



51 homes in construction on site



Average rent for Independent Living properties £76 per week



Average rent for General Needs of £87 per week



£25m loans availab for future drawdown



81% of our residents are satisfied with our service



70% achieving 'right first time'



Gearing 49%



Increased homes in management to 5,040



86% repairs appointments kept



Interest cover 140% (EBITDA MRI – VfM Metric)





Environment and Future Outlook

Johnnie Johnson Housing is committed to building environmental sustainability, social responsibility and effective corporate governance into all aspects of our business. This Environmental, Social and Governance (ESG) policy statement reflects our commitment to improving how our business decisions and policies address opportunities for sustainability. We expect this policy statement to be upheld by all colleagues, Executives and Directors of the Company. As we look ahead to the future, we will continue to be transparent and remain focused on expanding our sustainability efforts.



ENVIRONMENTAL SUSTAINABILITY – We are committed to operating in an environmentally responsible manner to reduce our impact on climate change, conserve natural resources and operate in compliance with environmental regulations

SOCIAL RESPONSIBILITY – We are committed to being a socially responsible employer by fostering an environment of diversity and inclusion across our business, operating ethically and supporting our local communities





CORPORATE GOVERNANCE – We are committed to building a culture of ethical business behaviour and responsible corporate activity. We believe strong corporate governance is the foundation to delivering on our commitments

Through our Corporate Vision of Living Longer, Living Better, and our Corporate Strategy key aims we will deliver Outstanding Homes, Services, Value and People; underpinning our strategies with ESG imperatives:

OUTSTANDING HOMES - We are committed to delivering a SMART and green investment plan throughout our Asset Management/Compliance and Development Strategies, addressing Carbon Zero targets to create sustainable homes.

OUTSTANDING SERVICES – We are committed to delivering services that offer value to our customers, putting our Customers First and doing best what matters most for them.

OUTSTANDING VALUE – Through our Financial Management, Data & Digital and Governance Strategies we will deliver SMART procurement that drives down costs for our residents, invest in digital and data to positively contribute to performance and react positively to regulatory changes.

OUTSTANDING PEOPLE – Through our People strategy we will be a truly diverse and multi-generational team, mirroring communities we are proud to be part of.

Our Approach to Covid

Our Approach to Covid over the past 2 years has been to support both our Residents and our Colleagues. We aligned our response with Government, delivered our support to residents through our commitments and mobilised a full business continuity team with deputies – over 250 meetings to date.



Supporting our Residents



We worked with our resident Editorial and Scrutiny Panels to ensure our communications were simple and effective, we had an additional 2000 wellbeing calls per day, delivering resident involvement activity digitally, launched domestic violence toolkit, offered discounted Astraline services, re-introduced automatic calls to residents to understand additional support needs, launched new digital services — Facebook group, online repairs, partnered with a national supermarket to get essential supplies to vulnerable residents and our business continuity team carried out scheme visits.



Supporting Colleagues





As all colleagues quickly worked from home during the initial pandemic, they continued to do so and our MyLifesyle policy created a Hybrid working environment. We have continued to support our colleagues as the pandemic continued by creating a colleague webpage, regular check ins, home working equipment check, Personal Protective Equipment provision, surveys to give colleagues an opportunity to share opinions, we held our Awards and Christmas event in person for the first time (Covid secure), continued supporting good mental health with our trained mental health first aiders and the use of Microsoft teams across the business enables us to keep in touch and hold virtual meetings.



We have continual watching briefs around government and legislative changes and our approach is to always undertake a gap analysis to identify compliance and areas for improvement. This is a key aspect of our financial planning. We are understanding the future improvements, including Decent Homes 2 and also Net Carbon Zero policies. During 2021/22 we have developed a Carbon Zero strategy which we will include in our asset strategy in future years.



Internal Control Assurance

The Board is the ultimate governing body and is responsible for ensuring that an adequate system of internal control is in place and for reviewing its effectiveness. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives will be met. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of JJH's assets and interests. The Board recognise that the system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

A wide range of internal control mechanisms are in place with the most significant sources being:

- Our approach to combined assurance.
- An independent internal audit function.
- The Audit & Risk Committee, with appropriate terms of reference.
- The independent external audit function.
- Financial and non-financial performance monitoring and management.
- Appropriate communications structures.
- Effective strategies, policies and procedures.
- Working with external stakeholders, including the Regulator of Social Housing (RSH) and accreditation bodies.

These mechanisms bring together information from all parts of the business and provides assurance to Board that an effective system of internal control is in place.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2021 up to the date of approval of the financial statements.

To assess the effectiveness of the control systems the board considers the major risks facing JJH and the appropriate procedures to manage them.

The key specific forms of internal control assurance are:

Risk Management

Risk Management is an integral part of business planning and service delivery at JJH. Risk is considered in every report to Executive/Committee and Board, and in all Project Planning. JJH operates a Risk Management and Internal Control Framework that identifies principle risks and uncertainties and provides an approach to manage, monitor and mitigate risks at all levels of the business. An annual planning process within which the Board and Executive Team review their general risk appetite towards key business activities, approve the Corporate Strategy and business plan objectives supported by long-term financial projections.

A Risk Review Group consisting of Executive and Heads of Service review the full risk Matrix at least every 2 months to ensure it remains appropriate.

The full Risk Matrix is reported to each meeting of the Executive Team and the Audit and Risk Committee; and the Top Ten Risks to each Board Meeting. Risks specific to Committees are reported to each meeting. The Risk Matrix is clearly linked to the JJH Performance Dashboard and the Corporate Strategy to ensure that assurance is triangulated and triggers are visible. This is in line with the Board Assurance Map which utilises the three lines of defence model linked to corporate objectives and key risks.





Internal Controls (continued)

Performance Management,-Data & Analytics

- JJH operates a Performance Management Framework comprised of clearly defined Performance Indicators (PIs). We have forward looking measures of success and our Dashboard focuses on key aspects of a balanced scorecard approach to include, our customers, our finances, our colleagues and our processes
- PIs have a role in generating continuous improvement and are used to show broad trends and indicative performance. They highlight areas that need further investigation and can be used to target areas for improvement. We use various methods of benchmarking to compare our performance to others and understand where we are different
- Assurance is gained from detailed analysis of survey results where we address any areas of concern or change. The surveys include areas such as customer satisfaction, employee satisfaction and stock condition

Organisational/Management Structures and Colleagues

- We have in place organisational and management structures, reflecting key business and strategic priorities, which operate within a framework that effectively identifies and manages the risk to achieving those priorities
- We have innovated our recruitment and selection process to appoint experienced and suitably qualified staff, that also fit culturally with JJH, to take responsibility for important business functions
- Our Code of Conduct 'This Is How We Do It' is embedded across the organisation. Our regular checkin meetings between Leaders and colleagues are designed to maintain high standards of performance and ensure that colleagues "do the right thing" by JJH
- The Nominations and Remuneration Committee determine policy on staff, Executive and Board remuneration. JJH complies with the government's policy relating to the National Living Wage

Document Review

- The JJH Document Management Framework sets out a timetable for the review, update and approval of strategies, policies and procedures by the designated authority which ensures that appropriate levels of approval have been established
- This procedure ensures that all strategies and policies have an appropriate level of oversight and that they are issued appropriately so that all staff are aware of them.
- We have improved our Strategies this year and are focusing on keeping them relevant in a fast paced changing external world

Financial Management and Value for Money

- Financial forecasts and budgets are prepared which allow the Board and Management Team to
 monitor key financial risks and spend in terms of achieving budgets in the short, medium and long
 term. Monthly management accounts are prepared promptly, and are considered by the Executive
 Team, including investigation into any significant variances and necessary management action to
 ensure services and programmes are delivered to budget
- Formal policies and procedures are in place for both financial and operational activities. These include Financial Regulations, Treasury Management Policy, Data Protection and Information Security Policy, and Procurement Procedures. The Scheme of Delegation sets out the levels of financial approvals across the organisation. This protects against unauthorised use of company assets, as well as aiding effective service delivery
- A full range of insurances are in place to safeguard assets and these are fully reviewed annually to
 ensure they are fit for purpose. We hold regular meetings with our Insurance Broker to monitor
 changes in the market and ensure any emerging risks are covered
- JJH defines Value for Money (VFM) as delivering the best homes and services possible within the resources available, achieving the best combination of cost and quality to fulfil the requirements of residents and deliver on its corporate vision. The Board considers the VFM implications of all decisions made by them, and has a section within each Board report that includes the costs and benefits of every issue that is discussed, with the aim of optimising the financial return on JJH's assets (in line with the Regulator for Social Housing (RSH)'s Standard and Code of Practice for Value for Money (VFM).



Internal Controls (continued)

Third Party Assurance

The Board review the internal and external audit services annually. BDO are our external auditors and Beever & Struthers our internal auditors. The Audit and Risk Committee review independent reports and meet with both audit functions without officers' present to allow them to raise any concerns. The internal audit function reports regularly to members on control issues.

- In line with the Co-Regulatory principles around accountability and residents being able to hold the organisation to account, we provide opportunities for customers to challenge how things are done, with a focus on key priorities e.g. our resident Scrutiny Panel
- Other external accreditations are also utilised e.g. Investors in People, Telecare Services Association (TSA) Accreditation and subsequent action plans
- We use specialist consultants where appropriate to give both the Executive and Board additional assurance. For example, during the year we engaged with David Tolson Partnership to review our rent compliance

Board Assurance Map

• The Board Assurance Map is designed to enable Board Members to gain assurance that the controls in place in the organisation keep risks to an acceptable level. The matrix is an extension of the existing risk management arrangements which is used as a management tool. Understanding the sources of assurance and their scope means internal audit can focus most effectively on the riskier areas

Project Management

- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Propel Project Board/Executive Team/Board or Committees of the Board according to the level of investment/risk
- During 2020/21 we appointed a Director of Data and Digital. This post governs our transformation
 programme and ensures the progress of projects across the organisation are monitored and
 reported regularly. The use of newly introduced software enables this tracking to take place
 efficiently
- We introduced a "MyFutures" team, involving colleagues at all levels from around the business, as a short-term Task and Finish group to identify short term wins and innovative projects

The Voice of the Customer/Customer Insight

- Resident Involvement runs through service delivery within JJH. Our face to face engagement
 through our regional forums (throughout the pandemic this has been digitally facilitated) and
 resident inspectors (once restrictions have been eased) ensure a golden thread of engagement is
 achieved as set out in the Voice of the Customer Strategy
- On a monthly basis the Executive Team receive a summary of Resident Interaction in the period to
 ensure the Voice of the Customer is heard. The report covers the ways in which JJH staff engage
 with residents to gain feedback and insight into service delivery to enable continuous
 improvement in standards and ensure improvement in satisfaction levels. This is reported to JJH
 Board quarterly, all Board papers have a section for detailing where the Voice of the Customer has
 been considered and the JJH Performance dashboard contains customer metrics that are
 scrutinised quarterly
- A new way to improve services has been to move to digital engagement, a recent example of this
 was to involve residents in the review of Estate Services, in which we had more than 900 residents
 express their views and help shape the future services in this area
- The Resident Scrutiny Panel has a prominent role in the governance of JJH, helping to achieve continuous service improvement and effective engagement through the scrutiny of service delivery and performance. Providing feedback which is fed into our Audit and Risk Committee and to JJH Board, aiding strategic planning in relation to the Voice of the Customer



Governance

- Effective Governance practices are at the heart of JJH work, ensuring we maintain compliance
 with regulatory standards, legislation, and other aspects of governance policy through the
 operation of a robust framework drawing together risk management, data management,
 triangulation, assurance reporting and the other internal controls.
- Compliance with relevant law is assessed by the Operational Leaders Team quarterly and a self-assessment reported to Board annually.
- Regular reporting to the Board on key strategic and performance objectives, targets and outcomes.
- Compliance reports issued by the Regulator of Social Housing and other regulatory bodies are assessed to ensure JJH practices are compliant, and to identify any areas of learning for JJH.
- The Financial Regulations specify that JJH will conduct its affairs to the highest standards of probity. The Chief Executive is responsible for ensuring compliance with JJH's codes of conduct.
- All gifts and/or hospitality offered to Board Members or employees of JJH is controlled in accordance with our Code of Conduct.
- Annually Board Members and colleagues complete Declarations of Interest to ensure probity is maintained.
- Speak Up and Anti-fraud policies, and a register of all actual or potential fraud identified which is reported to the Audit & Risk Committee.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit & Risk Committee to review the effectiveness of the system of internal control on a regular basis. The Board receives updates and minutes following each meeting of the Audit & Risk Committee.

Beever & Struthers provided reasonable assurance in respect of internal controls in operation within the scope of the work they reviewed during the year to March 2022.

Internal audit

During 2021/22, all internal audit and assurance work was undertaken by Beever and Struthers (B&S). During the pandemic in 2020-2021 we introduced continuous auditing of key areas (Business Critical Controls). We have maintained these audits as we have moved to a more flexible way of working this continues to provide robust operational controls whilst our colleagues continue to work the majority of their time at home.

The key areas covered were:

- Property services & landlord health & safety
- ICT
- Astraline
- Finance
- Payroll
- Development
- Business Assurance
- Fraud
- Planned Maintenance
- Contract Management
- Customer Complaints and Satisfaction
- Allocations and Lettings
- Rental Income
- Safeguarding
- Brixx Controls
- Assets and Liabilities Register
- Right to Buy / Right to Acquire, Shared Ownership and Leaseholders
- Human Resources



The audits continue to provide Red/Amber/Green ratings which lead to outcomes for each area at the end of the year. In the year this was supported by Deep Dive audits into the areas below, alongside assessing the implementation of previous recommendations:

- Development
- Equality, Diversity and Inclusion
- GDPR
- Management Information and KPIs
- Business Plan Stress Testing Mitigation Strategies
- Procurement
- Project Management
- Tenant Involvement
- Void Management

Based on the 31 recommendations followed up by Internal Audit during 2021-22, an overall implementation rate of **68%** has been achieved. Beever and Struthers advised that in their opinion, based on the work undertaken, 'the Board can be provided with **Reasonable Assurance** in respect of the design and operation of internal controls within the scope of work reviewed'.



Value for Money

To enable us to fulfil our strategy in today's economic environment we need to ensure that Value for Money is integral in everything we do. We want our residents to age well and live longer in their own homes. This involves delivering a great service, ensuring their homes are safe and secure and also building new properties to offer new residents in need.

Value for Money (VFM) looks at the 'efficiency, economy and effectiveness' of how we deliver our services. Put simply, it's a way to challenge ourselves to do things differently so we achieve more or better for the same money or effort, or even achieve the same benefit for less money, less effort.

At Johnnie Johnson we deliver Value for Money by:

- Having a well run business with our homes safe, fully occupied, collecting all income due and managing our business to plan within budget.
- Deliver the best homes and services possible within the resources available.
- Achieving the best combination of cost and quality to fulfil the requirements of residents and deliver on our corporate vision.
- Delivering and maintaining sustainable tenancies.
- Generating a surplus to enable us to invest in both existing and new homes.

Our VFM as set out within our 4 strategic Objectives

VFM within our Outstanding Homes objective

The Board's aim of optimising the return from its properties is informed by the Asset Management Strategy. Options Appraisal work has and will continue to assess schemes to ensure they have a long-term future and fit the Board's Corporate Objectives.

We are continuing to develop new properties and have a strong pipeline. During 2021/22 we delivered 33 units with 38 expected in 2022/23. A further 223 units will begin on site.

The Business Plan has been updated and has considered increasing costs and changes to carbon zero specifications. We are also considering Decent Homes 2 future works and Building Safety aligned to new legislation. The next 5 year investment includes £7m for fire safety, £1.7m improving our studio stock, £1m improvements in our warden call installations, £1m in relation to bringing our homes to Energy Performance Certificate C and £8.5m in major works.

This year we found it necessary to close one of our schemes, all residents were given the opportunity to relocate to a brand new scheme after working with another registered provider in the North East, Bernicia. The development options for Lancaster House in the North East are currently being confirmed and we are working with Homes England to finalise.

VFM within our Outstanding Services objective

The financial environment for JJH and the wider sector is one of limited income and increasing costs. Margins are being squeezed and efficiencies are required to include improved procurement and increased digitisation. Following research and consultation with our residents, the front-line service has moved to a more modern approach. Our Board have approved our Customer First strategy which will be launched in 2022/23.

The introduction of new skills to the business will enable us to accelerate our transformation programme, increase customer satisfaction and realise operational savings through the delivery of the Customer First Roadmap.



VFM within our Outstanding Services objective (continued)

The Board are determined to deliver a high quality service at as reasonable cost as possible. Resident survey results are monitored closely to ensure that they believe the cost of the services we deliver are considered to be value for money for them. A programme of Scrutiny Service Spotlight has been carried out this year, through which the Resident Scrutiny Panel reviewed costs associated with services and held us to account

Our Astraline team have worked closely with the North West Ambulance Service taking on average 54 calls per month together with non injury falls lifting service, an average of 7 referrals per month. By doing this Astraline's aim is to reduce the emergency admission to the NHS saving in the region of £2.1m, when the average cost of stay for an emergency admission is £3k.

VFM within our Outstanding Value objective

We review VFM commitments bi monthly with our leaders team working together to track and support savings where possible particularly within our transformation programme. Our targets and achievements are also reported to Board via our Governance update.

Having an agile service over the last 2 years has been crucial to enable us to support our residents when they needed us most from ensuring our schemes were safe and clean through doing "deep cleans" across our stock and continuing with our outbound calls to ensure our residents were safe and secure. As we have been able to open up we have operated a risk based approach, aligned to government guidance to enable face to face services to operate again in a post pandemic workforce.

Our Business Continuity Team ensured our residents were supported during those uncertain times, particularly providing support for those now in receipt of Universal Credit. Our Welfare Benefits Advisor has supported residents to receive £820,000 of benefits, which in turn helps tenancy sustainment.

The last year has seen an impact upon our costs as can be seen from our reduced surplus this year. We made a decision to continue with our repairs and maintenance service including compliance checks. We reviewed our capital programme and moved works from inside to outside to not only support our contractors but to also ensure we continued the investment in our properties.

VFM within our Outstanding People objective

The Board believes that a strong culture of VFM is crucial to deliver efficiencies. We continue to work on our VFM culture and its visibility across the business. It is only by building a shared understanding and appreciation of VFM in all parts of the organisation that we are able to improve the effectiveness and efficiency of the services we offer. Embedding VFM throughout the organisation involves:

- Promoting the objectives and culture of the organisation so that colleagues and residents continually help us maximise our resources. Including awareness of Financial Regulations and Value for Money approaches in induction
- Having a staffing structure which promotes accountability and empowerment, by placing responsibility at the point where it is required
- Ensuring adherence to contract and financial standing orders to ensure that proper practices are followed when tendering and so helping to secure VFM
- Ensuring effective communication and staff development so that the culture and aims of the organisation permeate to, and are identifiable at, all levels within the organisational structure
- Using collaborative/partnership working both internally and externally so that the maximum business benefit can be achieved
- Linking VFM with JJH's values and behaviour to promote excellence in service delivery through our Code of Conduct 'This Is How We Do It'.



Regular Self-Assessment

The adoption of our approved VFM Strategy and the continuation of the approach to VFM will ensure that our VFM plans satisfy both our business needs and the Regulatory Value for Money Standard. The delivery of effective scrutiny through our governance arrangements, through bi-monthly meetings and reports to Executive and Board, are vital elements in supporting our approach to VFM.

VFM commitments will be delivered by the Operational Teams and monitored by both Executive and Board to ensure ongoing compliance with the Code of Practice. The Board will continue to monitor the VFM metrics in the monthly Management Accounts, which include a comparison with other peer organisations for each measure.

Annually, the operational business commits to VFM and this is monitored through our Governance structure. The VFM target committed for 2022/23 is a minimum of £150k, we continually review VFM across the business and we are pleased to say that all staff consider VFM and this is reviewed bi monthly. For 2021/22 we committed £65k and achieved £58k. Whilst this seems a low figure, in a year of the pandemic and rising costs, this has been a good achievement.

Value For Money Metrics

The Regulator's specified metrics shown below. When comparing the 2022 outturn with previous years and both the global median and our Peers we would bring attention to the fact that metrics have continued to be adversely affected by the Covid-19 Pandemic. This is explained in more detail in the following sections.

	Johnnie Johnson				Global	
				2022	Median	Peers
	2020	2021	2022	Target	2021	2021
Reinvestment %	7%	6%	5%	7%	6%	7%
New Supply %	1%	0.4%	0.7%	0.7%	1.3%	1.1%
Gearing (RSH Definition)	44%	45%	49%	46%	44%	27%
EBITDA MRI	130%	133%	140%	135%	183%	182%
Headline cost per unit	£4,025	£4,004	£4,048	£3,916	£3,730	£4,061
Headline cost per unit (excl service costs)	£2,983	£2,982	£2,947	£2,895	N/A	N/A
Operating Margin Social Housing Lettings %	19%	18%	14%	16%	26%	26%
Operating Margin Overall %	19%	17%	13%	16%	24%	25%
ROCE	3.7%	3.1%	2.5%	2.3%	3.3%	3.6%

At JJH we pride ourselves on constantly evolving. We are unique in our offering and our benchmarking group remains the same as last year except for Trafford Housing Trust (as now part of a larger group). We have made comparisons where this has been possible. It is difficult for us to measure ourselves against some providers due to size and very different operating models.



Value for Money Metrics continued

The figures shown as 'Peers' in the above table relate to the average for the other Registered Providers previously agreed by the Board as an alternative Peer group and are from the Regulator's Value for Money metrics derived from the 2021 Global Accounts. Within the Global accounts there are very few providers with a similar stock profile to us but the new Peer group consists of Providers of a similar, medium size and with a significant proportion of their activity made up of care and support and Sheltered/Housing for Older Persons (HfOP). The average of our Peer Group is circa 37% of HfOP compared to JJH at 50%. The revised Peer group consists of: Connect HA, Futures Housing Group, Red Kite Community Housing, The Abbeyfield Society and Central and Cecil Housing Trust.

Metric 1 - Reinvestment

Reinvestment has decreased from 6% in 2020/21 to 5%, this is also lower than our 7% target and behind our Peer Group also of 7%. This is predominantly due to a reduction in our expected development programme spend for the year. This reduction has been due to delays caused by material shortages and contractor issues combined with rising prices following the Pandemic and Brexit. We have also experienced delays with Local Authorities particularly around planning due to a shortage of workforce. Our fire safety programme continues together with investment within our studio improvements.

Metric 2 – New Supply

The percentage of new supply is at 0.7% for 2022 against a target of 0.7%. This has increased from 0.4% in the previous year and will gradually increase as the development programme gains momentum in 2022/23. We are lower than the peer group in this metric at an average of 1.1% in 2021/22 however one member of the group recorded a metric of 3.8% here which raises the median calculation for the peer group. We expected to deliver 51 units in 2021/22 but this was reduced to 33, all of which were delivered. Our revised Business plan shows 38 units to be delivered in 2022/23 and a further 223 identified but not yet committed start on site.

Metric 3 - Gearing

Gearing was at 49% in 2022 showing a slight increase to the previous year and against an expectation of 46%, this will increase over the next few years in line with our development programme as our funding requirement increases. The Board recognises that gearing headroom is not the limiting factor for increasing borrowing. Our Treasury Strategy for funding requirements and investing surplus cash includes recommendations as to the mix of fixed and variable rates to apply across our debt portfolio, to maximise financial returns (in line with our Risk Appetite). Our Peer group has a lower gearing of 27%.

Metric 4 – EBITDA MRI Interest Cover

EBITDA MRI interest cover which includes major repairs has increased from prior year of 133% to 140% in 2022. This has increased due to higher depreciation within ICT as we continue our capital investment in transformation combined with investment in homes. EBITDA MRI interest cover at 182% for our peer group reflects 4 members of the group at over 180% including 1 member at 306%.

We manage our EBITDA MRI covenant based upon our lenders requirements. Whilst we continue to invest heavily in fire safety we have agreed with our lenders that we will exclude this spend from the calculation going forward.

Metric 5 - Headline cost per unit

The headline cost per unit is slightly lower than our Peers average (as shown in the above table) and has only increased slightly on the prior year. The increase in 2021/22 can be mainly attributed to increased service charges in the year due to the introduction of the Estates Service contract and increased costs associated with service/maintenance contracts and utilities together with continued Pandemic costs in relation to Covid cleans within our schemes. When comparing against the Global median the Board is aware, that our costs are also at that level as a result of the additional front-line presence that we continue to provide for our residents.



Value For Money Metrics continued

Although data is unavailable for our peer group on Headline Cost per unit excluding service costs, our figure of £2,947 is a slight drop from last year's figure of £2,982 mainly driven by a reduction in development services attributable to lower abortive costs in the year.

Metric 6/7 - Operating Margin Social Housing Lettings (SHL) / Operating Margin

Our operating margins have declined this year from 18% in 2021 for Operating Margin SHL and 17% for Overall Operating Margin to 14% and 13% respectively. This has declined due to the reduction in the surplus for the year and can be attributed to delays in the development programme impacting turnover alongside increased void properties and higher costs than anticipated because of the Estate Services contract, deep clean costs impacting Planned Maintenance plus increased Repairs & Maintenance costs. Our Peers average at 25% Operating Margin.

Metric 8 – Return on Capital Employed (ROCE)

Our ROCE (2.5%) is lower than our Peer Group with an average of 3.6% but slightly higher than expected (2.3%). This has been affected by our reduction in operating surplus along with a reduction in our net asset position. Our Peer group varies from 0.3% to 5.2% ROCE with JJH being above 2 of our Peer group.

The figures in the table below reflect the costs that are included in the latest Business Plan. The figures show that reinvestment will be higher than the Sector from 2023 due to increased investment in our stock guided by the Stock Condition Survey that is being commissioned in 2022/23, our stock condition investment doubles in 2024 from 2023. The continuation of our Studio project, investment in Warden Call systems for the analogue to digital switchover and investment in EPCC. New supply should increase moderately in 2023 but will increase significantly in 2024 and 2025 as the development programme gains momentum. Gearing will increase as expected in line with the development programme as our funding requirements increase.

EBITDA MRI decreases after 2023 as the capital programme increases as noted above. Headline cost per unit peaks in 2024 and 2025 due to the investment in major repairs and then declines as the fire door programme begins to come to an end. Our operating margins although lower than our peers will remain static over the period along with ROCE.

	Global	Peers		John	nie Johnsor	1	
	2021	2021	2023	2024	2025	2026	2027
Reinvestment %	6%	7%	11%	16%	12%	8%	6%
New Supply %	1%	1.1%	0.8%	2.2%	2.0%	1.8%	1.1%
Gearing (RSH Definition)	44%	27%	54%	60%	59%	58%	58%
EBITDA MRI (Lenders Definition)*	n/a	n/a	181%	141%	135%	135%	136%
EBITDA MRI (RSH Definition)*	183%	182%	173%	126%	123%	122%	122%
Headline cost per unit	£3,730	£4,061	£4,395	£4,929	£4,845	£4,497	£4,640
Operating Margin Social Housing Lettings %	26%	26%	15%	15%	13%	14%	16%
Operating Margin Overall %	24%	25%	15%	15%	13%	14%	16%
ROCE	3.3%	3.6%	2.2%	2.1%	2.1%	2.0%	2.2%

^{*} excludes fire safety spend



Gender Pay Gap Reporting

JJH are below the headcount threshold (250) for compulsory reporting of the gender pay gap. We have however, produced a report of our gender pay gap which compares average salaries for men and women. Based on data at the snapshot date, 5 April 2021, we can see an improvement and reduction in the gender pay gap, in comparison to the previous year; 7.59% improvement to 4.10% of the mean average and a reduction of 5.46% to 9% at median average.

This equates to a difference in pay at the mean average of men being paid £0.60 more per hour and median average of £1.12 more per hour.

At JJH the data for this period shows we employ a workforce made up of approximately 70% of women (144 women and 63 men), in the previous year it was 74% women (157 women and 55 men). A significant number of women are in roles which, traditionally, are lower paid. However, our Executive Team consists of 4 females and 2 males and there is also a predominance of females in our Operational Leaders Team, (9 females and 3 males). The increase in males overall is attributed to the number of new roles which traditionally have been undertaken by men in the ICT and Assets/Compliance and are all roles which are currently demanding higher rates of pay within the marketplace.

Despite the changes in our demographics, we are pleased to be able to report our gender pay gap decreased. The job evaluation and pay benchmarking exercise which took place in 2021-22, should assist in seeing a further improvement in the gender pay gap when we next report.

Ethnicity Data

J. P. Sandford

Our Ethnicity data is based on the period from 1st April 2021 to 31 March 2022, which includes a total of 384 people who were employed / engaged during that time. The data has been compared to the outputs from the National Housing Federation (NHF) data tool. The NHF report shows data from 174 organisations, executive and Board level data from 163 organisations. The JJH group reporting includes 15 Board members, 7 Executive team members and 362 colleagues.

	Colleag	ue data	Executive data		Executive data Board data	
%	JJ Group	NHF report	JJ Group	NHF report	JJ Group	NHF report
Reports white	87%	80.60%	100%	90.10%	75%	80.20%
Reports different ethnicity	13%	19.40%	0%	9.90%	25%	19.80%

*Note NHF reports 'prefer not to say' and 'don't know' data separately to the rest of the data.						
*Prefers not to say/unknown	20%	13%	14%	7%	46%	28%

There is room to improve with encouraging colleagues to report their ethnicity in comparison to the NHF data reported and to continue to have focus on taking positive action to encourage applications from different ethnic groups. The size of JJH means, in percentage terms, the change of only a small number of people in a particular group can cause a significant affect on our data. It is also important to note that the NHF data includes information from organisations across the UK. JJH only operate in 3 regions within the UK.

Qualifying third party indemnity provisions

The company has no qualifying third party indemnity provisions in place for the directors of Johnnie Johnson Housing.

Signed Signed

John SandfordRob SeldonSarah-Jane GilmoreChair of the BoardChair of Audit and RiskCompany Secretary

Date: 15th September 2022 Date: 15th September 2022 Date: 15th September 2022

Page 25 of 70

Signed





Love Where you Live



Strategic Report



Governance and Compliance

NHF Code of Governance

The National Housing Federation (NHF) 2020 Code of Governance has been adopted by the Board as a formal framework to underpin its governance arrangements. This particular code of governance was selected as it is bespoke to the housing sector and it is a widely recognised example of best practice. Compliance with this code ensures JJH will:

- Adhere to all relevant laws
- Ensure that its constitutional documents are, and remain, fit for purpose
- Be accountable to residents and relevant stakeholders
- Safeguard taxpayers' interests and the reputation of the housing sector
- Have an effective risk management and internal controls assurance framework

The new Code of Governance was published in November 2020 and is based around the key values of – accountability, integrity, openness, and equality, diversity and inclusion. JJH was full compliant with the 2015 NHF Code of Governance up to the point where the new code came into effect. At this point a gap analysis was carried out to assess compliance going forward with the new 2020 Code of Governance. The Board adopted the NHF Code of Governance 2020 at a meeting in April January 2021. We undertook a gap analysis against the code to identify areas where additional work may be required and delivered this during 2021-22.

Delegation

The Board delegates its responsibility for the day-to-day management and leadership to the Chief Executive, supported by the Executive Directors. The Board has also established committees to oversee specific areas of the Group's work and sets the scope and responsibilities for each in approved terms of reference. There are also separate boards with oversight of Development and Astraline. Delegation from the Board may allow for decisions to be made or request that a committee consider and provide assurance to support the Board on decision making.

Board and Committee Effectiveness

The Board and Committees have carried out the annual assessment of their performance and an annual appraisal of individual Board and Committee Members. Each Board and Committee Member (excluding co-optees) is appointed for a fixed term of office of up to three years. Reappointment is possible for up to a maximum of two additional terms.

Compliance with Governance and Financial Viability Standard/All RSH Standards

The Board has undertaken the annual assessment of its compliance with the RSH's suite of standards including the Governance & Financial Viability Standard and is satisfied that JJH fully complies. In the financial year ended 31st March 2021 JJH has had its G1 rating confirmed by the regulator.

Holding the Board to Account

The Resident Scrutiny Panel hold JJH to account by challenging areas of underperformance across a range of operational measures which support the delivery of outstanding services. They scrutinise the services provided by JJH as a driver for service improvement, utilising a range of vehicles to include, Internal Audits, Succinct 'Deep Dives' and longer term reviews as appropriate, e.g. Fire Door inspections would be a succinct deep dive, whereas a review of Fire Safety covers all aspects. They feed in their findings, with recommendations, to the Audit & Risk Committee, following discussion with the appropriate JJH Leader.

The staff and residents also hold JJH to account through its Talk to Us (Complaints) and Speak Up (Whistleblowing) policies.



Health & Safety

JJH's approach to Health and Safety incorporates our aims, and how these will be achieved:

- Maintain the health, safety and welfare of our colleagues and other people on our premises or who
 may be affected by our activities
- Reduce the risk of harm or ill health to our colleagues, residents, visitors and contractors, and reduce the risk of damage to assets or belongings; including adherence to pandemic regulations in force at any time
- Ensure that the organisation is legally compliant with all property related risks
- Ensure that we are prepared for and resilient to emergencies by having appropriate contingency arrangements in place
- Fully embed health and safety into JJH's front line and support operations
- To promote wellbeing across the organisation
- Be recognised as an organisation that manages health, safety and fire safety well
- Deliver a service that the whole organisation can be proud of
- Reporting provides a current position on the progress that has been made to ensure that JJH meets its legal responsibilities and obligations across all the compliance disciplines.



Shared responsibility sits across Asset Management and People and OD with a strong focus on a culture of Health and Safety.



Integrated approach with Health and safety policy strategy with joint Health & Safety Action Group overview.



Blended strategy of compliance requirements, best practice and cultural aspirations



Key roles are made up of a technically qualified and experienced team to ensure that the delivery of the strategy meets the business plan.

Equality, Diversity and Inclusion

Valuing We Are All Different

Johnnie Johnson Housing (JJH) is committed to promoting equality, diversity and inclusion and promoting a culture that actively values difference and recognises that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance the way we work.

We aim to be an inclusive organisation, committed to providing equal opportunities throughout the employment cycle and to pro-actively tackle and eliminate discrimination; encouraging and promoting diversity and inclusion and where appropriate we will take positive action to address disproportionate representation amongst our colleagues.

With our Inclusion Partners, Inclusive Employers, we are working towards embedding equality, diversity and inclusion into our company culture and making inclusion an everyday reality and ensuring ongoing compliance with relevant equality legislation, the Equality Act 2010, Codes of Practice, and relevant best practice guidance.







The pension actuarial gain for the multi-employer defined benefit scheme is £52k.

This defined benefit liability and movement held within the Statement of Financial Position can be seen in the table below:

Group and JJH

·	2022 £'000	2021 £'000
As at 01 April 2021	3,401	2,136
Defined benefit costs recognised in SoCI	67	43
Total amount recognised in other comprehensive income	(52)	1,913
Deficit contributions paid	(705)	(691)
As at 31 March 2022	2,711	3,401

In addition, JJH invested £6.6m (2021: £9.4m) in the development of new and existing properties during the year, £0.2m of grant was received (2021: £0.4m).

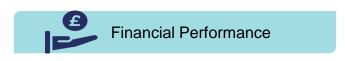
JJH reviewed its bad debt provisions in the year and wrote off a total of £41k in debts (2021: £61k). In addition, JJH continues to review its debt and calculates a specific provision in line with FRS 102 requirements.





Group Highlights for the year ended 31 March	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Group Income and Expenditure account					
Total turnover	26,061	24,665	24,844	24,162	25,054
Income due from lettings (excluding voids)	23,874	23,382	23,133	23,073	23,340
Operating surplus	3,461	4,312	4,863	5,949	6,418
Surplus/(Deficit) for the year					
Surplus for the year before tax/pension adj	382	1,322	1,728	2,795	3,219
transferred to reserves	434	(591)	3,671	1,515	3,219
Group Balance Sheet					
Housing properties	136,073	132,684	127,612	122,231	119,826
Other fixed assets	4,197	3,865	3,874	4,205	3,912
Intangible Assets	791	862	280	316	-
Fixed assets	141,061	137,411	131,766	126,752	123,738
Net current (liabilities)/assets	(3,841)	(1,852)	(327)	106	2,255
Total assets less current liabilities	137,220	135,559	131,439	126,858	125,993
Creditors (due over one year)	73,858	71,940	68,495	65,074	70,371
Provisions for liabilities	2,711	3,401	2,136	4,647	-
Reserves : Non equity share capital					
: revenue	34,012	33,258	33,529	28,123	26,486
: revaluation	26,639	26,959	27,279	29,014	29,136
: total	60,651	60,217	60,808	57,137	55,622
	137,220	135,559	131,439	126,858	125,993
Accommodation figures					
Total housing stock owned & managed at year end Statistics	5,040	5,007	4,956	4,921	4,988
Surplus/(deficit) for the year as % of turnover	1.5%	5.4%	7.0%	11.6%	12.8%
Surplus/(deficit) for the year as % of income from lettings	1.6%	5.7%	7.5%	12.1%	13.8%
Rent losses as % of rent and service charge receivable	2.3%	2.0%	2.2%	1.9%	1.5%
Interest cover	2.575	2.070	,	2.375	2.575
(Defined as - per lenders covenants)	1.99	2.33	2.44	2.73	2.82
Liquidity					
(Defined as - current assets divided by current liabilities)	0.61	0.86	0.97	1.01	1.19
Gearing (Defined as - per lenders covenants)	42%	41%	39%	39%	42%

The group generated a surplus, before actuarial gains in respect of pensions, of £0.4m (JJH £0.5m) compared to the equivalent of £1.3m (JJH £1.3m) for 2020/21. The pension adjustment of £52k has increased the comprehensive Income to a surplus of £0.43m (JJH £0.53m).





Business Plan

The Business Plan has been approved by Board, having been produced using the Brixx 30 year Model. The plan is used as an ongoing decision making tool and is fully updated along with associated stress testing and mitigation plans for each scenario at least twice a year. The testing is also linked to the JJH Risk Matrix.

Impairment

JJH continues to perform an impairment review annually in line with best practice. In accordance with paragraphs 14.24 to 14.30 of the Housing SORP 2018, JJH is required to make the following disclosure:

- a) The Cost Generating Unit is defined as an individual property or scheme
- b) The Value In Use-Service Potential (VIU-SP) method has been used to estimate the recoverable amount for each property and the Depreciated Replacement Cost (DRC) has been used as an estimate for VIU-SP (in accordance with the SORP).

Based on this principle, JJH calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme using appropriate construction costs and land prices. The replacement costs of properties have been assessed on the latest estimated construction costs of £144k per unit. The cost of land is estimated at £27.5k per unit and the properties are depreciated over 100 years. Comparing this to the carrying amount of each scheme in the JJH's Asset register, there was no impairment of social housing properties in the year 2021/22.

In March 2021 a board decision was made to close one of our schemes, Lancaster House. All customers have now been relocated into new properties and decisions around renovation or rebuild are being finalised. The impairment review has been revisited and due to the decision to close the value has clearly diminished and so the fair value less cost to sell has been calculated. This asset is current held at £420k and with the resulting fair values less costs to sell equating to £475k no impairment has been accounted for in the current year.

Accounting Policies

The Group's principal accounting policies are set out on pages 43 to 50 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of interest and development administration costs; deduction of capital grant from the cost of assets; housing property depreciation; and treatment of shared ownership properties.

Housing Properties

At 31 March 2022 the Group owned 5,040 housing properties (2021: 5,007), the movement consists of 33 new units (31 general needs and 2 low cost home ownership).

Our investment in housing properties this year was funded through internally generated cash and a £4m drawdown from our secured loan facility.

Pension Costs

Although JJH does not participate in the Defined Benefit Social Housing Pension Scheme it still holds liabilities.

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 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.

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. Details can be found within Note 23.





Reserves

The Revenue Reserves of the Group have increased by £0.754m to £34m within the period. The Reserve reconciliation can be seen on page 39.

Payment of Creditors

Our policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with suppliers.

Liquidity

The Group is reporting net current liabilities of £3,841k (2021: net current liabilities £1,852k) in its consolidated balance sheet. JJH had deposits of £4.11m, of which £3.95m cash and £0.16m in fixed investments together with £2.3m ring fenced monies in relation to our residents Long Terms maintenance fund. At the date of preparing these accounts there was £25m undrawn loan facilities available to JJH.

Treasury Policy and Capital Structure

The Board have retained Treasury Advisors, Savills, who have developed and will maintain the Treasury Management Policy and strategy for the group.

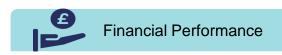
The Group repaid loans of £3.048m (2021 £2.8m) during the year including full repayment of one facility, and withdrew £4m from existing loan facility. By the year end borrowings amounted to £71.8m (2021: £70.7m) of which £2.3m falls due to be paid within the next year as shown below.

	Loc	cal Authority		
	Bank loans	Loans	Total	Total
	2022	2022	2022	2021
	£m	£m	£m	£m
In one year or less, or on demand	2.3		2.3	3.0
In more than one year but not more than two years	2.4		2.4	2.3
In more than two years but not more than five years	7.1		7.1	7.3
In more than 5 years	48.9	11.0	59.9	58.1
Total	60.7	11.0	71.7	70.7

JJH borrows, principally from banks and building societies, at both fixed and floating rates of interest. JJH's policy is to keep a minimum of 70 per cent of its borrowings at fixed rates of interest. At the yearend, 83% per cent of the Group's borrowings were at fixed rates.

The fixed rates interest average cost of borrowing was 3.81%. In the current market, where long term fixed rates are below 5.5%, this means that JJH is paying interest at rates in line with market levels. 2,808 of JJH's properties are currently charged as security for the loans with a further 96 identified to finalise the security of our new Revolving Credit Facility (RCF). We have drawn £4m from the £10m RCF and a further £19m available from our Warrington Borough Council facility.

JJH borrows and lends only in sterling and so is not exposed to currency risk.





Treasury Management

The Treasury Management Policy (TMP) is due for renewal and will be presented to Board later this year. The policy follows best practice for the housing sector and complies with the principle documents released in respect of Treasury Management for Registered Providers; The current Policy was prepared, having had regard to the following:

- CIPFA Treasury Management in the Public Services, Code of Practice and Cross-Sectoral Guidance Notes. 2017 Edition
- Altair Cosmopolitan Housing Group Lessons Learned June 2014
- Regulator of Social Housing: Governance and Financial Viability Standard. April 2015
- Regulator of Social Housing. NROSH+ Quarterly Survey (QS) Guide to QS Completion on NROSH+.
 March 2016

The policy is structured in a series of Treasury Management Practices intended to cover all aspects of JJH's treasury function, together these form the basis for the development of the annual treasury plan along with all aspects of managing and reporting the loans and investments of JJH.

To ensure that JJH has adequate liquidity, the Executive Director of Finance & Corporate Services reviews an 18 month rolling cashflow that is updated every two weeks. Compliance with loan covenants is reviewed and formally reported to the Board at each meeting.

We currently have undrawn facilities of £25m (May 2022), our investment in Fire Doors and new developments continues. We will be gathering information to approach the market for further funding commencing Q2 2022/23.

Grants

Pre FRS102 grants are used as part of covenant calculations. Below shows the pre FRS102 position for grant as at 31st March 2022.

	2022	2021
	£'000	£'000
Total Grant b/fwd at 1st April	113,550	113,071
Grants received (note 19)	229	421
RCGF Staircasing (note 20)	(22)	(7)
RCGF Recycled (note 20)	83	65
Total Grant at 31st March	113,840	113,550

Cash flows

Group cash inflows and outflows during the year are shown in the consolidated cash flow statement (page 42). The cash inflow arising from operating activities was £3.9m (2021: £8m).

Interest payments totalled £3.1m (2021: £3m). JJH invested £6.6m (2021: £9.4m) in new and existing housing properties during the year, £229k of grant was received during this period. £25m of secured funding remains having drawn £4m during the year and repaid £3m loans.

Going Concern

The Board has considered the Business Plan and detailed risk adjusted cash flow projections and, following a review of the assumptions on which they are based, the Board has a reasonable expectation that JJH has adequate resources to continue operating for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

The main areas likely to affect the performance of the business within the next 3 years will be rental income; the length of time our properties are empty, the conflict in Ukraine and economic changes to inflation and costs, particularly in relation to our investment programme. The current inflation situation does cause concerns both across the sector and nationwide. We are committed to constantly reviewing our costs, our supply chain and our business plan to give us early notification of any significant changes. Our major repairs programme has been appropriately phased so as not to put excessive pressure on the forecast covenants and we maintain our levels within our risk appetite.





Going Concern continued

We have strenuously tested our 30 year Business plan paying particular attention to the next 5 years. Mitigation plans have been developed where our stress tests breached covenant. The tightest covenant over the next 24 months is EBITDA-MRI, we have agreed with our lenders to carve out our fire safety spend from our covenant calculations. This enables us to continue with our programme without risk of breaching our agreements. We update our business plan quarterly to ensure changes within the market are reflected and our mitigations adjusted as required.

Our budgeted level for 2022/23 is 181% which represents an 81% headroom (£2.6m) above our long-term funders requirement. The business plan also demonstrates sufficient headroom in the 23/24 performance with a 41% (£1.3m) headroom above lenders requirements. We have robust financial monitoring and hence any risks to covenants would be identified with sufficient time to implement our mitigation plans.

Our liquid cash and undrawn loans are sufficient to cover our committed spend over the next 24 months. We will, however, be going out for further funding imminently to support our future development ambitions.

In preparing this report, the Board has followed the principles set out in the Housing SORP: 2018 Statement of Recommended Practice for registered social housing providers.

Signed

John Sandford Chair of the Board

Date: 15th September 2022

Signed

Rob Seldon Chair of Audit and Risk

Date: 15th September 2022

Signed

Sarah-Jane Gilmore Company Secretary

Date: 15th September 2022



Statement of the Responsibilities of the Board for the Report and Financial Statements

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

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under the Co-operative and Community Benefit Society legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the association and group for that period

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

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 group and 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 is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website.

Statement of Compliance

A key element of the Regulator for Social Housing's (RSH's) Governance and Financial Viability Standard is the requirement to comply with all relevant laws. Consequently, the Board has taken reasonable steps to seek necessary assurance and confirms that the group has complied with all relevant laws.

The Board confirms that the group complies with the requirements of the RSH Governance and Financial Viability Standard.

Statement of Disclosure to Auditors

So far as each member of the Board is aware, there is no relevant audit information of which the group's auditors are unaware and each member has taken all the steps that he/she ought to have taken as a member in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.



Independent auditor's report to the members of Johnnie Johnson Housing Trust Limited

Opinion on the financial statements

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 and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with 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.

We have audited the financial statements of Johnnie Johnson Housing Trust Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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 Group's and of the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Chair's Statement, Report of the Board of Management and Strategic Report 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.



Independent auditor's report to the members of Johnnie Johnson Housing Trust Limited continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Cooperative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the statement of board responsibilities, 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Group and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Base on our understanding and accumulated knowledge of the Group, and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the Group financial statements or their continued operation.

We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounting Direction for Private Registered Providers of Social Housing and tax legislation. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries, revenue being recognised in the correct accounting period around the year end and management bias in accounting estimates.



Independent auditor's report to the members of Johnnie Johnson Housing Trust Limited continued

Our audit procedures in response to the risks identified above included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the following:
 - o whether there are indicators of impairment of the group's tangible and intangible assets
 - o appropriate allocation of costs between tenure types and between first and subsequent shared ownership tranches
 - o the useful economic lives of tangible fixed assets
 - o recoverability of balances outstanding at the year end
 - o assumptions used to calculate the pension provision
- discussions with, and inquiries of, management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- enquires to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- review of relevant registers such as those associated with risk and fraud;
- identifying and testing journal entries identified as potentially unusual, in particular any manual journal entries in revenue;
- a review of minutes of meetings of those charged with governance both during the period, and post year end; and
- Completing substantive and analytical procedures to ensure revenue has been included within the appropriate accounting period.

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

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP Statutory Auditor Manchester, UK

Date: 15 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).





Statement of comprehensive Income for the year ended 31 March 2022

Consolidated		2022	2021
	Note	cloop	Cloop
		£'000	£'000
Turnover	3	26,061	24,665
Cost of Sales	3	(553)	0
Operating Costs	3	(22,060)	(20,535)
Surplus on disposal of assets	7	13	182
Operating surplus		3,461	4,312
Interest receivable and other income	8	1	14
Interest payable and similar charges	9	(3,080)	(3,004)
Surplus before tax		382	1,322
Tax on surplus on ordinary activities	11	-	-
Surplus for the year after tax		382	1,322
Actuarial gain/(loss) in respect of pension schemes	23	52	(1,913)
Total comprehensive Income/(loss) for the year		434	(591)
ЛН	Note	2022	2021
	Note	£'000	£'000
Turnover	3	26,191	24,690
Cost of Sales	3	(553)	-
Operating Costs	3	(22,068)	(20,589)
Loss/(Surplus) on disposal of assets	7	(11)	182
Operating surplus		3,559	4,283
Interest receivable and other income	8	1	14
Interest payable and similar charges	9	(3,080)	(3,004)
Surplus before tax		480	1,293
Tax on surplus on ordinary activities	11	-	-
Surplus for the year after tax	_	480	1,293
Actuarial gain/(loss) in respect of pension schemes	23	52	(1,913)
Total comprehensive Income/(loss) for the year	_	532	(620)
The notes on pages 42 to 60 form part of these financial sta	t a ma a mata		

The notes on pages 43 to 69 form part of these financial statements All amounts relate to continuing operations



Statement for Changes in Reserves for the year ended 31 March 2022



G	r٥	u	r
•		u	м

		Revaluation	Revaluation	
	Income and	reserve -	reserve -	
	expenditure	Housing	Other fixed	
	reserve	Properties	assets	Total
	£000	£000	£000	£000
				_
Balance as at 31 March 2020 (Restated)	33,529	26,674	605	60,808
Surplus for the year	1,322	-	-	1,322
Transfer to revenue reserve	320	(320)	-	-
Actuarial loss in respect of pension schemes	(1,913)	-	-	(1,913)
_				
Balance as at 31 March 2021	33,258	26,354	605	60,217
Surplus for the year	382	-	-	382
Transfer to revenue reserve	320	(320)	-	-
Actuarial gain in respect of pension schemes	52	-	-	52
Balance as at 31 March 2022	34,012	26,034	605	60,651

JJH

	Income and expenditure reserve	Revaluation reserve - Housing	reserve -	Total
	£000		£000	£000
Balance as at 31 March 2020 (Restated)	33,588	26,674	605	60,867
Surplus for the year	1,293	-	-	1,293
Transfer to revenue reserve	320	(320)	-	-
Actuarial loss in respect of pension schemes	(1,913)	-	-	(1,913)
Balance as at 31 March 2021	33,288	26,354	605	60,247
Surplus for the year	480	-	-	480
Transfer to revenue reserve	320	(320)	-	-
Actuarial gain in respect of pension schemes	52	-	-	52
Balance as at 31 March 2022	34,140	26,034	605	60,779







		2022	2021
	Note	£'000	£'000
Fixed Assets			
Housing Properties	12	136,073	132,684
Other fixed Assets	13	4,197	3,865
Intangible Assets	13a	791	862
		141,061	137,411
Current Assets			
Debtors receivable within one year	15	1,562	1,335
Properties held for sale	16	236	365
Investments	30	155	2,129
Cash and cash equivalents		3,955	7,819
		5,908	11,648
Creditors: amounts falling due within one year	17	(9,749)	(13,500)
Net current liabilities		(3,841)	(1,852)
Total assets less current liabilities	_	137,220	135,559
Creditors: amounts falling due after one year	18	73,858	71,940
Provisions for liabilities			
Pension – defined benefit liability	23	2,711	3,401
Total net assets		60,651	60,217
Reserves			
Income and expenditure reserve		34,012	33,258
Revaluation reserve for Housing Properties		26,034	26,354
Revaluation reserve for other fixed assets		605	605
Total reserves		60,651	60,217

The financial statements were approved by the Board of Directors and authorised for issue on 20th July 2022

John Sandford

15th September 2022

J. P. Sandford

Chair

Rob Seldon

Chair of Audit and Risk

Date: 15th September 2022

Celdon

Company Secretary

Sarah-Jane Gilmore

15th September 2022

The notes on pages 45 to 70 form part of these financial statements







		2022	2021
	Note	£'000	£'000
Fixed Assets			
Housing Properties	12	136,239	132,806
Other fixed Assets	13	4,197	3,865
Intangible Assets	13a _	791	862
		141,227	137,533
Current Assets			
Debtors receivable within one year	15	1,539	1,288
Properties held for sale	16	243	389
Investments	30	155	2,129
Cash and cash equivalents	<u>-</u>	3,955	7,819
		5,892	11,625
Creditors: amounts falling due within one year	17_	(9,771)	(13,570)
Net current liabilities		(3,879)	(1,945)
Total assets less current liabilities	=	137,348	135,588
Creditors: amounts falling due after one year	18	73,858	71,940
Provisions for liabilities			
Pension – defined benefit liability	23	2,711	3,401
Total net assets	- -	60,779	60,247
Reserves			
Income and expenditure reserve		34,140	33,288
Revaluation reserve for Housing Properties		26,034	26,354
Revaluation reserve for other fixed assets		20,034 605	605
nevaluation reserve for other fixed assets		005	005
Total reserves	-	60,779	60,247

The financial statements were approved by the Board of Directors and authorised for issue on 20th July 2022

J. P. Sandford

John Sandford Chair

15th September 2022

Celdon

Rob Seldon Chair of Audit and Risk

15th September 2022

Dunae

Sarah-Jane Gilmore Company Secretary

15th September 2022





	Note		2022	2021
			£'000	£'000
Cash flow surplus			382	1,322
Operating Surplus for the financial year			382	1,322
Adjustments for:				
Depreciation of fixed assets - housing properties	12		2,656	2,650
First Tranche Sales - Cost of Sales	12		553	-
Depreciation of fixed assets - other	13		875	794
Amortisation of Goodwill	13a		211	105
Difference between net pension expense and cash				
contribution	23		(638)	(648)
Increase in trade and other debtors	15		(227)	(112)
(Decrease) / Increase in trade and other creditors	17		(3,073)	1,293
Movement in assets held for sale	16		129	(243)
Amortised grant	19		(40)	(36)
Surplus on sale of fixed assets	7		(13)	(182)
Movement in recycled Grant	20	<u> </u>	53	55
Cash from operations		<u> </u>	868	4,997
Interest payable			3,079	2,990
Net cash generated from operating activities		- -	3,947	7,987
Cash flows from investing activities				
Proceeds from sale of fixed assets – housing properties	7		107	346
Purchase of fixed assets – housing properties	12		(6,669)	(7,878)
Purchases of fixed assets - other	13		(1,207)	(784)
Acquisition of intangible assets	13a		(140)	(687)
Receipt of grant	19		229	421
Movement on investments	30		1,974	(988)
Net cash used/from in investing activities		_	(5,706)	(9,570)
Cash flows from financing activities				
Interest paid and finance costs	9		(3,056)	(3,141)
Interest received	8		1	14
Debt issue costs incurred	22		(1)	(22)
Repayment of loans - bank	22		(3,049)	(2,769)
Loan drawdown	22		4,000	6,000
Net cash used in/from financing activities		_	(2,105)	82
Net decrease in cash and cash equivalents			(3,864)	(1,501)
Cash and cash equivalents at beginning of year			7,819	9,320
Cash and cash equivalents at end of year			3,955	7,819
Net debt reconciliation	01-Apr-21	Non-cash Movement	Cash flows	31-Mar-22
	£'000	£'000	£'000	£'000
Cash at bank and in hand	7,819	0	(3,864)	3,955
Bank loans	7,013		(-//	· · · · · · · · · · · · · · · · · · ·
Dalik Ioalis	(70,736)	(66)	(951)	(71,753)

The notes on pages 45 to 70 form part of these financial statement



Notes forming part of the financial statements for the year ended 31 March 2022



INDEX OF NOTES

General notes

- 1. Legal Status
- 2. Accounting policies, Judgements and Exemptions Policy

SOCI related notes

- 3. Turnover, cost of sales, operating costs and operating surplus
- 4. Income and Expenditure from social housing lettings
- 5. Units of housing stock
- 6. Operating surplus
- 7. Surplus on disposal of fixed asset
- 8. Interest receivable and other income
- 9. Interest payable and similar charges
- 10. Employees, directors remuneration and Board costs
- 11. Taxation on surplus on ordinary activities

Balance Sheet related notes

- 12. Tangible fixed assets housing properties
- 13. Tangible fixed assets other
- 14. Intangible fixed assets
- 15. Investment in subsidiaries
- 16. Debtors
- 17. Properties for sale
- 18. Creditors: amounts falling due within one year
- 19. Creditors: amounts falling due after more than one year
- 20. Recycled capital grant fund
- 21. Disposals Proceeds Fund
- 22. Group Loan and Borrowings
- 23. Pensions
- 24. Non-Equity Share Capital
- 25. Contingent Liabilities
- 26. Financial Instruments
- 27. Operating Leases
- 28. Capital commitments
- 29. Related party disclosures
- 30. Current Asset Investments
- 31. Post Balance sheet events





The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Johnnie Johnson Housing Trust includes the Co-operative and Community Benefit Societies Act 2014 (and related group accounts regulations), the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

JJH is a Public Benefit Entity and has applied the provisions for FRS 102 specifically applicable to Public Benefit Entities.

1 Legal Status

The company is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator for Social Housing as a social housing provider. Johnnie Johnson Housing is a public benefit entity

2 Accounting Policies

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Johnnie Johnson Housing – Registered provider of social housing and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Income

Income is measured at the fair value of the consideration received or receivable. The group generates income from rental and service charge income, property sales, revenue grants and sale of land and property, and sundry income. These income streams are recognised as follows:

- rental and service charge income is recognised from the point when properties under development reach practical completion or when available for letting (after deducting any voids);
- income from property sales is recognised at the legal completion of sale;
- revenue grants are recognised when the conditions for receipt of agreed grant funding have been met;
- proceeds from the sale of land and property are recognised at the legal completion of sale;
- sundry income from housing and non-housing services is recognised at practical completion of works from external contracts

Supported housing schemes

The grants received in the period as well as costs incurred by the Group in the provision of support services have been included in the Income and Expenditure Account. Any excess of cost over the grant received is borne by the Group where it is not recoverable from tenants.

Service charges

The Group adopts the fixed method for calculating and charging service charges to its tenants and variable charges for leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the fixed and estimated amounts chargeable.

Management of units owned by others

Management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs.





2 Accounting Policies (continued)

Schemes managed by agents

Income is shown as rent receivable and management fees payable to agents are included in operating costs.

Value Added Tax

The Group charges 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 Group and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension costs

The company participated 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 triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. As JJH closed the scheme in 2018/19 the group will no longer be responsible for future deficits, however, a liability for past deficits remains on its balance sheet.

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 before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

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

An actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 31 March 2022 inclusive.

Holiday pay accrual

A liability can be recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date. The amount of holiday carry over for colleagues has been capped at 5 days which has decreased the year end liability for 2022, the figure accrued is £54k (2021: £114k). Carry over was increased in 2021 due to the pandemic.





2 Accounting Policies (continued)

Tangible fixed assets - Housing Properties

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

Housing Properties under construction costs includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

JJH capitalises improvements, where improvements result in an incremental future benefit to the property. Where a housing property comprises two or more major components with substantially different useful economic lives (UEL), each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Land is not depreciated on account of its indefinite useful economic life.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Freehold land is not depreciated.

The Board takes the view that, whilst our properties may well have a physical life of 125 years or more, given regular repair and maintenance, it is unlikely that their useful life will exceed 100 years for properties built since 1980 and a further 80 years for our early sheltered schemes built before 1980.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Description Useful Economic life (years)

New build homes and bungalows100 yearsFlats built after 1980100 yearsFlats built prior to 198080 yearsRefurbished properties100 yearsListed properties150 years

Components

Heating systems 15 years
Kitchens 20 years
Bathrooms 20 years
Windows and Doors 30 years
Roof coverings 45 – 60 years

Shared ownership properties and staircasing

Under low cost home ownership arrangements, the Group disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The Buyer has the right to purchase further proportions and up to 100% based on the market valuation of the property at the time each purchase transaction is completed.





2 Accounting Policies (continued)

Shared ownership properties and staircasing

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, "staircasing element", is classed as property, plant and equipment (PPE) and included in completed housing property at cost and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of PPE. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit.

Low cost home ownership properties are not depreciated on the expectation that the net realisable value at the time of disposal will be in excess of the historical cost.

For shared ownership accommodation that the Group is responsible for, it is the Group's policy to maintain them in a continuous state of sound repair. Maintenance of other shared ownership properties is the responsibility of the shared owner. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. Where it is not possible to relate costs to a specific tenure costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Tangible fixed assets – Other

Other tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

JJH adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to JJH. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of other tangible fixed assets

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (%)
Office Furniture and equipment	15% per annum
Computer Equipment (tangible software)	20% per annum
Computer Equipment (desktop)	33.33% per annum
Maintenance Equipment	33.33% per annum
Freehold office property	5.26% pa ex land
Scheme equipment	10% pa (lifts 4% pa)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.





2 Accounting Policies (continued)

Intangible fixed assets

Intangible assets include assets that do not have physical substance and are stated at cost less accumulated amortisation. Goodwill amortisation is calculated by applying the straight line method to its estimated useful life. JJH's policy is to amortise over 5 years. Other intangible assets such as website design are amortised over the same period.

Government grants

Grants received in relation to assets that are presented at deemed cost at the date of transition have been accounted for using the performance model. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Grant received since the transition date (1st April 2014) in relation to newly acquired or existing housing properties is accounted for using the accrual model. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Recycled Capital Grant Fund

On the occurrence of certain relevant events, primarily the sale of dwellings, the RSH can direct JJH to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained. If unused within a three year period, it will be repayable to the RSH with interest. Any unused recycled capital grant held within the recycled capital grant fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Disposal Proceeds Fund

Receipts from Right to Acquire (RTA) Sales were required to be retained in a ring fenced fund that could only be used for providing replacement housing. The sales receipts less eligible expenses are credited to the Disposal Proceeds Fund. Any sales receipts less eligible expenses held within disposal proceeds fund, which it is anticipated will not be used within one year is disclosed in the balance sheet under "creditors due after more than one year". The remainder is disclosed under "creditors due within one year".

Debtors and creditors

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

Recoverable amount of rental and other trade receivables

JJH estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.





2 Accounting Policies (continued)

Rent and service charge agreements

The Group has made arrangements with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Loans, Investments and short term deposits

All loans, investments and short term deposits held by JJH are classified as basic financial instruments. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however JJH has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

JJH has produced a group cashflow statement and has taken advantage of the Financial Reporting standard exemption not to produce an individual JJH cashflow statement. JJH statement is not materially different to that of the group.

Cash and cash equivalents in JJH's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Leasehold Sinking Funds

Unexpended amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards to the ownership of the leased asset to the Group. All other leases are classified as operating leases.

Provision for liabilities

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant, repayment of which is dependent on the disposal of related property.





2 Accounting Policies (continued)

Reserves

The revaluation reserve is created from surpluses on historical asset revaluation.

Going Concern

The Group's business activities and its current financial position are set out in the Strategic Report and the Report of the Board. In preparing the financial statements on the going concern basis the Board considered the following:

- that the current budget, medium and long term financial forecasts demonstrate that the group has sufficient resources to meet all its liabilities as they fall due, for the foreseeable future and at least for 12 months following the approval of these accounts;
- that banking covenants and funders' requirements have been met and are forecast to continue to be met: and
- that the group has sufficient liquid resources and suitable mitigating actions in the short, medium and long term to manage the impact of increased inflations and interest rates.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on the depreciated replacement cost or the fair value less costs to sell.
- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as voids and the repairing obligation are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
 - For housing property assets, the assets are broken down into components based on management's assessment of the property. Individual useful economic lives are assigned to these components.
- The estimation for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.
- The assumptions used to calculate the pension provision have been reviewed and amended by independent third party actuaries to ensure they are reasonable and appropriate for JJH.

Exemptions Policy

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical.
- No cashflow statement has been presented for the parent company (JJH).
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals of the group as a whole.



Support services

Total

Notes forming part of the financial statements for the year ended 31 March 2022 - continued



(144)

3,461

13

(69)

4,312

3 Turnover, cost of sales, operating costs and operating surplus

GROUP – continuing activities			2022			2021
	Turnover £'000	Cost of Sales £'000	Operating costs £'000	Surplus on disposal of assets £'000	Operating surplus / (deficit) £'000	Operating surplus / (deficit) £'000
Social housing lettings (note 4)	23,330	-	(20,166)	-	3,164	4,140
Other social housing activities Development services First Tranche shared ownership sales Surplus on disposal of assets (note 7) Other	- 769 - 258 1,027	- (553) - - - (553)	(19) - - (27) (46)	- - 13 - 13	(19) 216 13 231 441	(56) - 182 115 241
Non social housing activities						

1,704

26,061

(1,848)

(22,060)

(553)

JJH - continuing activities			2022			2021
				Surplus on		Operating
		Cost of	Operating	disposal of	surplus /	surplus /
	Turnover	Sales	costs	assets	(deficit)	(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 4)	23,330	-	(20,176)	-	3,154	4,082
Other social housing activities						
Development services	76	-	(17)	-	59	6
First Tranche shared ownership sales	769	(553)	-	-	216	-
Surplus on disposal of assets (Note 7)	-	_	-	(11)	(11)	182
Other	312	-	(27)	-	285	82
	1,157	(553)	(44)	(11)	549	270
Non social housing activities						
Support services	1,704	-	(1,848)	-	(144)	(69)
Total	26,191	(553)	(22,068)	(11)	3,559	4,283



Supported



4 Income and expenditure from social housing lettings

		Supported			
		housing			
		and			
	General	housing			
	needs	for older			
GROUP – continuing activities	housing	people	ownership	2022	2021
	£'000	£'000	£'000	Total	Total
Rent receivable net of identifiable service charges	7,331	9,953	903	18,187	17,803
Service income	314	4,168	621	5,103	5,069
Net rental income	7,645	14,121	1,524	23,290	22,872
Amortisation of SHG	13	3	24	40	35
Turnover from social housing lettings	7,658	14,124	1,548	23,330	22,907
Management	1,368	4,955	493	6,816	6,825
Services	382	4,558	523	5,463	5,036
Routine maintenance	768	1,859	151	2,778	2,722
Planned maintenance	701	1,603	52	2,356	1,549
Bad debts	6	22	2	30	(15)
Depreciation of housing properties	667	1,813	178	2,658	2,650
Operating costs on social housing lettings	3,892	14,810		20,101	18,767
Operating surplus/(deficit) on social housing lettings	3,766	(686)	149	3,229	4,140
Void losses	(99)	(444)	(1)	(544)	(475)
		upported using and			
	hou	using and	Low cost		
	hou General ho	using and using for			
JJH - continuing activities	hou	using and using for older	Low cost home ownership	2022	2021
JJH - continuing activities	hou General ho needs	using and using for older	home	2022 Total	2021 Total
JJH - continuing activities Rent receivable net of identifiable service charges	hou General ho needs housing	using and using for older people	home ownership		
	hou General ho needs housing £'000	using and using for older people £'000	home ownership £'000	Total	Total
Rent receivable net of identifiable service charges	General honeds housing £'000	using and using for older people £'000	home ownership £'000 903	Total 18,187	Total 17,803
Rent receivable net of identifiable service charges Service income	General honeds housing f'000	using and using for older people £'000 9,953 4,168	home ownership £'000 903 621	Total 18,187 5,103	Total 17,803 5,069
Rent receivable net of identifiable service charges Service income Net rental income	f'000 7,331 314 7,645	using and using for older people £'000 9,953 4,168 14,121	home ownership £'000 903 621 1,524	Total 18,187 5,103 23,290	Total 17,803 5,069 22,872
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG	f'000 7,331 314 7,645	using and using for older people £'000 9,953 4,168 14,121	home ownership £'000 903 621 1,524	Total 18,187 5,103 23,290 40	Total 17,803 5,069 22,872
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings	f'000 7,331 314 7,645 13	sing and using for older people f'000 9,953 4,168 14,121 3	home ownership £'000 903 621 1,524 24 1,548	Total 18,187 5,103 23,290 40 23,330	Total 17,803 5,069 22,872 35 22,907
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management	f'000 7,331 314 7,645 13 7,658 1,383	using and using for older people £'000 9,953 4,168 14,121 3 14,124 5,011	home ownership £'000 903 621 1,524 24 1,548 498	Total 18,187 5,103 23,290 40 23,330 6,892	Total 17,803 5,069 22,872 35 22,907 6,883
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management Services	food feneral housing food food feneral housing food food feneral housing food food feneral food feneral housing food feneral food feneral food feneral food feneral food feneral food feneral	sing and using for older people f'000 9,953 4,168 14,121 3 14,124 5,011 4,558	home ownership £'000 903 621 1,524 24 1,548 498 523	Total 18,187 5,103 23,290 40 23,330 6,892 5,463	Total 17,803 5,069 22,872 35 22,907 6,883 5,036
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management Services Routine maintenance	food needs housing f'000	sing and using for older people f'000 9,953 4,168 14,121 3 14,124 5,011 4,558 1,859	home ownership £'000 903 621 1,524 24 1,548 498 523 151	Total 18,187 5,103 23,290 40 23,330 6,892 5,463 2,778 2,356	Total 17,803 5,069 22,872 35 22,907 6,883 5,036 2,722 1,549
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management Services Routine maintenance Planned maintenance Bad debts	food feneral housing food food feneral housing food food feneral housing food feneral food feneral fen	sing and using for older people f'000 9,953 4,168 14,121 3 14,124 5,011 4,558 1,859 1,603 22	home ownership f'000 903 621 1,524 24 1,548 498 523 151 52 2	Total 18,187 5,103 23,290 40 23,330 6,892 5,463 2,778 2,356 30	Total 17,803 5,069 22,872 35 22,907 6,883 5,036 2,722 1,549 (15)
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management Services Routine maintenance Planned maintenance Bad debts Depreciation of housing properties	food feneral housing food food feneral housing food food feneral housing food feneral	sing and using for older people f'000 9,953 4,168 14,121 3 14,124 5,011 4,558 1,859 1,603 22 1,813	home ownership £'000 903 621 1,524 24 1,548 498 523 151 52 2 178	Total 18,187 5,103 23,290 40 23,330 6,892 5,463 2,778 2,356 30 2,658	Total 17,803 5,069 22,872 35 22,907 6,883 5,036 2,722 1,549 (15) 2,650
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management Services Routine maintenance Planned maintenance Bad debts	food feneral housing food food feneral housing food food feneral housing food feneral food feneral fen	sing and using for older people f'000 9,953 4,168 14,121 3 14,124 5,011 4,558 1,859 1,603 22	home ownership f'000 903 621 1,524 24 1,548 498 523 151 52 2	Total 18,187 5,103 23,290 40 23,330 6,892 5,463 2,778 2,356 30	Total 17,803 5,069 22,872 35 22,907 6,883 5,036 2,722 1,549 (15)
Rent receivable net of identifiable service charges Service income Net rental income Amortisation of SHG Turnover from social housing lettings Management Services Routine maintenance Planned maintenance Bad debts Depreciation of housing properties	food feneral housing food food feneral housing food food feneral housing food feneral	sing and using for older people f'000 9,953 4,168 14,121 3 14,124 5,011 4,558 1,859 1,603 22 1,813	home ownership £'000 903 621 1,524 24 1,548 498 523 151 52 2 178	Total 18,187 5,103 23,290 40 23,330 6,892 5,463 2,778 2,356 30 2,658	Total 17,803 5,069 22,872 35 22,907 6,883 5,036 2,722 1,549 (15) 2,650





5 Units of Housing Stock

At the end of the year the number of units in management for each class of accommodation was as follows

At the end of the year tr								2022 Tatal	
				Owned not manag		Managed not owned	Owned and Managed	Total Owned and Managed	Total Owned and Managed
General Needs - social re	nt						1,553	1,553	1553
General Needs - affordab	le rent						94	94	63
Low Cost Homes Owners	nip						663	663	661
Supported Housing									
Supported - Housing for o	older people				28	22	2,545	2,595	2595
Supported - Housing for o	older people	- affordable rei	nt				14	14	14
Intermediate Rent							42	42	42
Non Social Rented									
Social Leasehold							79	79	79
Non Social Leased									
Total					28	22	4990	5040	5007
Accommodation in development	onment at ve	ear end							119
Accommodation in devel	opinent at ye								
Reconciliation of unit numbers:	General Needs - social rent	General Needs affordable rent		Supported housing	hou		ntermediate ent	Social leasehold units owne	ed Total
Reconciliation of unit numbers:	General Needs - social rent	General Needs affordable rent	- Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	
	General Needs -	General Needs affordable rent	- Home Ownership	housing	hou affo ren	ising - ordable II	ent	leasehold	ed Total 79 5007
Reconciliation of unit numbers:	General Needs - social rent	General Needs affordable rent	- Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities Sales to another RP	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities Sales to another RP Sales to open market	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities Sales to another RP Sales to open market Sales to tenants leasehold	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities Sales to another RP Sales to open market	General Needs - social rent	General Needs affordable rent	-Home Ownership	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities Sales to another RP Sales to open market Sales to tenants leasehold Other losses Movement within categories	General Needs - social rent	General Needs affordable rent 3 63 31	- Home Ownership 3 661 2 - - - - - - -	housing	hou affo ren	ising - ordable li t r	ent	leasehold units owne	79 5007 33 - - - - - - - -
Reconciliation of unit numbers: Opening unit numbers New stock acquired New stock into management Other gains Sales to Local Authorities Sales to another RP Sales to open market Sales to tenants leasehold Other losses	General Needs - social rent	General Needs affordable rent 3 63 31	-Home Ownership 3 661 2 - - - - - - -	housing	hou affor rem	ising - ordable li t r		leasehold units owned	79 5007





6 Operating Surplus

This is arrived at after charging/(crediting):	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Depreciation of housing properties				
- annual charge	2,657	2,650	2,657	2,650
Depreciation of other tangible fixed assets	1,004	817	1,004	817
Rent and service charge losses from bad debts	30	(16)	30	(16)
Operating lease rentals				
 office equipment and computers 	23	-	23	-
- vehicles	14	13	14	13
Auditors' remuneration				
- for audit services	41	32	36	28
- for non-audit services:	36	12	36	12

7 Surplus on sale of fixed assets – housing properties

	Group		JJH	4
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Proceeds of sales	107	346	83	346
Less: Costs of sales	(94)	(164)	(94)	(164)
	13	182	(11)	182

8 Interest receivable and other income

	Group	Group		
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Interest receivable and similar income	1	14	1	14
	1	14	1	14

9 Interest Payable and similar charges

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans and overdrafts Net interest on net defined benefit	3,128	3,037	3,128	3,037
liability (Interest expense)	67	43	67	43
	3,195	3,080	3,195	3,080
Interest capitalised on construction of				
housing properties at 4%	(115)	(76)	(115)	(76)
	3,080	3,004	3,080	3,004





10 Employees, Directors remuneration and Board Costs

	Group)	JJH	1
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Staff costs (including Executive				
Management Team) consist of:				
Wages and salaries	5,044	5,253	5,044	5,253
Social security costs	461	450	461	450
Cost of defined contribution scheme	211	237	211	237
	5,716	5,940	5,716	5,940

The average number of employees (including Executive Management Team) expresses as full time equivalents (35 hours per week)

	Group		JJI	I	
	2022	2021	2022	2021	
Administration	37	35	37	35	
Development	2	3	2	3	
Assets	11	10	11	10	
Housing, Support and Care	125	133	125	133	
	175	181	175	181	

Directors and senior Executive remuneration

The directors are defined as the members of the Board of management, the Chief Executive and the Executive management team.

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Executive Directors Emoluments	596	671	596	671

The total amount payable to the Chief Executive, who was also the highest paid director, was £140,723 (2021: £152,933). As a member of the SHPS pension scheme, the pension contribution of the Chief Executive is identical to those of other members of staff and equated to £6,636.

There are 6 directors in the SHPS pension scheme.





10 Employees, Directors remuneration and Board Costs (continued)

	Group		JJH	
	2022	2021	2022	2021
Range	£'000	£'000	£'000	£'000
£60,000 - £69,999	-	-	-	-
£70,000 - £79,999	1	3	1	3
£80,000 - £89,999	1	2	1	2
£90,000 - £99,999	-	-	-	-
£100,000 - £109,999	2	2	2	2
£110,000 - £119,999	-	-	-	-
£130,000 - £139,999	-	-	-	-
£140,000 - £149,999	1	1	1	1

Board Member	Remuneration	JJH Board	JJDL Board	A&R	N&R	Astraline Board
John Sandford	11,023	Chair				
Tom Miskell (leaver 28.07.21)	1,483	\checkmark				
Brian Benneyworth	6,733	✓		✓	Chair	
Andrew Bowden	6,733	✓				Chair
Simon Brooksbank	4,156	✓				✓
Steve Secker	6,733	✓	Chair			
Ralph Middlemore	4,448		✓			
Sue Lock	6,733	Vice Chair	✓		\checkmark	
Tabitha Arulampalam	4,603	✓			\checkmark	✓
Abdul Ravat	4,603	✓		✓		
Alistair How	4,448		✓			
Peter Nourse	4,448		✓			
Robert Seldon	6,948	✓		Chair		
Paul Thomas	4,077					✓
Steve Bell	2,595					✓
	79,764					

In addition, the Board members received £1,697 in expenses (£519 in 2020/21)

11 Tax on surplus on ordinary activities

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Current tax reconciliation				
Surplus on ordinary activities before tax	382	1,322	480	1,293
Theoretical tax at UK corporation tax rate 19% (2021: 19%)	73	251	91	246
- surplus attributable to charitable activities	(73)	(251)	(91)	(246)
Current tax charge	-	-	-	-





12 Tangible Fixed Assets – housing properties

for letting £'000	Social Housing properties under construction £'000	Completed shared ownership housing pr properties	Shared ownership operties under	
properties held properties held properties held properties for letting £'000	properties under construction	ownership housing pr	ownership	
properties held properties held properties held properties for letting £'000	properties under construction	housing pr	•	
for letting £'000	construction	• .	operties under	
£'000		properties		
	£'000	properties	construction	Total
	1 000	£'000	£'000	£'000
123,777	2,844	23,952	180	150,753
2,528	(2,528)	26	(26)	-
-	1,678	-	105	1,783
661	-	-	-	661
-	-	-	-	-
-	(87)	-	87	-
1,570	32	662	-	2,264
-	-	(624)	-	(624)
1,961	-	-	-	1,961
-	-	-	-	-
130,497	1,939	24,016	346	156,798
(4.6.050)		(4.244)		(40.000)
	-	• • •	-	(18,069)
	-	(179)	-	(931)
	-	- (1.000)	-	(1,725)
(19,335)	-	(1,390)	-	(20,725)
111,162	1,939	22,626	346	136,073
106,919	2,844	22,741	180	132,684
	1,570 - 1,961 - 130,497 (16,858) (752) (1,725) (19,335)	661 - (87) 1,570 32 1,961 130,497 1,939 (16,858) - (752) - (1,725) - (19,335) - 111,162 1,939	661	661

	Social Housing	Social Housing	Completed shared ownership	Shared ownership	
	properties held I	J		roperties under	
IIH	for letting	construction	properties	construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2021	123,777	2,967	23,952	180	150,876
Transfer To Completed	2,528	(2,528)	26	(26)	-
Construction - Additions	-	1,721	-	105	1,826
Works to existing properties	661	-	-	-	661
Potential Scheme Expenditure	-	-	-	-	-
Adjustment - Tenure Change	-	(87)	-	87	-
Property Acquisitions In The Year	1,570	32	662	-	2,264
Property Disposals In The Year	-	-	(624)	-	(624)
Component Additions	1,961	-	-	-	1,961
Component Disposals	-	-	-	-	-
At 31 March 2022	130,497	2,105	24,016	346	156,964
Depreciation and impairment					
At 1 April 2021	(16,858)	-	(1,211)	-	(18,069)
Depreciation charged in the year	(752)	-	(179)	-	(931)
Component Depreciation charged in the year	(1,725)	-	-	-	(1,725)
At 31 March 2022	(19,335)	-	(1,390)	-	(20,725)

Net Book Value

At 31 March 2022	111,162	2,105	22,626	346	136,239
At 31 March 2021	106,919	2,967	22,741	180	132,807





12 Tangible Fixed Assets – housing properties (continued)

The net book value of properties may be further analysed as follows:

	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Freehold				
	117,846	114,279	117,990	114,381
Long leasehold	18,227	18,405	18,248	18,425
	136,073	132,684	136,238	132,806

Expenditure on works to existing properties

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts capitalised	2,622	3,547	2,622	3,547
Amounts charged to income and expenditure account				
- Routine Maintenance	2,778	2,722	2,778	2,722
- Planned Maintenance	2,356	1,549	2,356	1,549
Total	7,756	7,818	7,756	7,818

Interest Capitalisation

	Grou	Group		JJH	
	2022	2021	2022	2021	
	£'000	£'000	£'000	£'000	
Interest capitalised in the year	115	76	115	76	
Cumulative interest capitalised	2,618	2,503	2,618	2,503	
Rate used for capitalisation	4%	3%	4%	3%	





13 Tangible Fixed Assets – other

Group and JJH	Office	Furniture	Computers and Office	
	buildings	Fixings and Fittings	Equipment	Total
	£'000	£'000	£'000	£'000
	2 000	2 000	2 000	2 000
Cost				
As at 01 April 2021	1,056	12,612	3,435	17,103
Additions	44	359	804	1,207
Disposals	-	(1,194)	(172)	(1,366)
As at 31 March 2022	1,100	11,777	4,067	16,944
Depreciation				
As at 01 April 2021	(388)	(10,615)	(2,235)	(13,238)
Charge for year	(73)	(396)	(406)	(875)
Disposals	-	1,194	172	1,366
As at 31 March 2022	(461)	(9,817)	(2,469)	(12,747)
Net book value				
As at 31 March 2022	639	1,960	1,598	4,197
As at 01 April 2021	668	1,997	1,200	3,865

13a Intangible Assets

Group and JJH Cost	Goodwill £'000	Software £'000	Total £'000
As at 01 April 2021	383	687	1,070
Additions	-	140	140
As at 31 March 2022	383	827	1,210
Amortisation As at 01 April 2021 Charge for year As at 31 March 2022	(187) (84) (271)	(21) (127) (148)	(208) (211) (419)
Net book value			
As at 31 March 2022	112	679	791
As at 01 April 2021	196	666	862





14 Investment in subsidiaries

The company owns 100% of the shares of its subsidiary company Johnnie Johnson Developments Limited, a Company incorporated in England & Wales, with the same registered office as its parent. At the year end the company had net assets of £46k (2021: net assets £54k). For the period ended 31st March 2022 the company had turnover of £1,681k (2021: £1,960K) and made a profit of £46k (2021: profit £53k). This profit will be gift aided to JJH in the next financial year. The principal activity of the company is property development.

Johnnie Johnson Developments Limited provides housing development services. During the year Johnnie Johnson Developments undertook a small number of projects for Johnnie Johnson Housing Trust Limited and anticipates further projects in 2022/23. Johnnie Johnson Housing Trust Limited holds one £1 share in the company. No other shares have been issued.

From the 1st April 2022, Astraline, a previous division of Johnnie Johnson Housing (JJH) has become a wholly owned subsidiary. JJH will be making an equity investment within Astraline of £500k, this will be reported on in the next years financial statements.

15 Debtors

Debtors						
	Group		JJH	JJH		
	2022 £'000	2021 £'000	2022 £'000	2021 £'000		
Due within one year						
Rent and service charge arrears	518	431	518	431		
Less: Provision for doubtful debts	(187)	(219)	(187)	(219)		
	331	212	331	212		
Amounts owed by group undertakings	-	-	-	-		
Other debtors	945	969	922	922		
Prepayments and accrued income	286	154	286	154		
Total	1,562	1,335	1,539	1,288		

16 Properties for Sale

	Group		JJH	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Shared ownership	236	365	243	389





17 Creditors: amounts falling due within one year

	Grou	р	JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans and borrowings (note 22)	2,345	2,981	2,345	2,981
Trade creditors	30	135	30	135
Social housing grant in advance	0	70	0	70
Rent and service charges received in advance	714	713	714	713
Amounts owed to group undertakings	-	-	241	254
Taxation and social security	137	148	137	148
Other creditors	276	519	276	519
Deferred capital grant (Note 19)	46	38	46	38
Recycled capital grant fund (Note 20)	28	88	28	88
Accruals and deferred income	3,561	6,409	3,342	6,225
Accrued interest	235	277	235	277
Funds Held on Behalf of Residents	2,377	2,122	2,377	2,122
	9,749	13,500	9,771	13,570

18 Creditors: amounts falling due after more than one year

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans and borrowings (Note 22)	69,409	67,754	69,409	67,754
Less Loan issue costs	(744)	(743)	(744)	(743)
Deferred capital grant (Note 19)	5,134	4,870	5,134	4,870
Disposal proceeds fund (Note 21)	59	59	59	59
	73,858	71,940	73,858	71,940

19 Deferred Capital Grant

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
As at 01 April 2021	4,908	4,458	4,908	4,458
Grants received during the year	229	421	229	421
Grants recycled from the recycled capital grant fund	83	65	83	65
Released to income during the year	(40)	(36)	(40)	(36)
As at 31 March 2022	5,180	4,908	5,180	4,908





20 Recycled Capital Grant Fund

	Grou	р	JJH	
Funds pertaining to activities within areas covered by:	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
As at 01 April 2021	88	144	88	144
Inputs to fund:				
grants recycled	22	7	22	7
- grants recycled from statement of comprehensive income	-	-	-	-
interest accrued	1	2	1	2
Recycling of grant:				
- new build	(83)	(65)	(83)	(65)
As at 31 March 2022	28	88	28	88

21 Disposals Proceeds Fund

ZI Disposais Froceeus ruitu	Grou	р	JJH	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
As at 01 April 2021 and 31 March 2022	59	59	59	59

The Disposals proceeds fund was created through a Right to Acquire purchase in 2012/13. The proceeds of £59k are split between Homes England grant of £27k and profit on sale of £32k. We will undertake analysis in 2022/23 to ascertain how these funds can be reinvested for our residents.

22 Group Loans and Borrowings

	Local Authority			
	Bank loans	Loans	Total	Total
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
In one year or less, or on demand	2,345	-	2,345	2,981
In more than one year but not more than two years	2,386	-	2,386	2,345
In more than two years but not more than five years	7,083	-	7,083	7,278
In more than 5 years	48,939	11,000	59,939	58,132
Total	60,753	11,000	71,753	70,736

Loans are shown net of financing costs of £744k (2021: £676k) which will be repaid over the period of the loans.

The RBS loan is repayable annually over the terms of 30 years at fixed and variable rates of interest ranging from 0.56% to 5.74%. The Co-op loans are repayable quarterly over the terms of 25 years at fixed rates of interest ranging 1.59% to 5.5%. The Nationwide loan is repayable in monthly instalments over the terms of 25 years at variable (SONIA) rates of interest 1.05%. The loans from The Housing Finance Corporation (THFC) are secured by fixed charges on individual properties and are repayable on an interest-only basis during the terms of the loans at fixed rates of interest of 5.13% and 5.20%. The remaining principal sum falls to be repaid in 2035 and 2043. The loans from Warrington Borough Council are secured by fixed charges on individual properties and are repayable on an interest-only basis during the terms of the loans at fixed rates of interest of 3.42% and 4.16%. The remaining principal sum falls to be repaid in 2042.

2,808 of JJH's properties are currently charged as security for the loans.

There was new funding of £10m from Danske in 21/22 of which £4m was drawn in December 2021.





23 Pensions

JJH is a member of the SHPS Pension Scheme.

Group and III

An actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 31 March 2022 inclusive.

Due to JJH's closure of the scheme in 2019 it has protected itself from future accrual but continues to hold provision for past deficit liabilities. JJH continues to contribute to the defined contribution scheme.

The actuarial valuation has produced an increase in liability during this financial year and is recognised in other comprehensive income. The breakdown can be seen below:

Group and JJH		
•	2022	2021
	£'000	£'000
As at 01 April 2021	3,401	2,136
Sub total	3,401	2,136
Sub total	3,401	2,130
Defined benefit costs recognised in SoCI	67	43
Total amount recognised in other comprehensive	(52)	1,913
income	(/	_,
Deficit contributions paid	(705)	(691)
As at 31 March 2022	2,711	3,401
Less than one Year	729	706
Greater than one Year	1,982	2,695
	2022	2024
	2022	2021
	£'000	£'000
Fair value of plan assets	22,141	22,500
Present value of plan liabilities	(24,852)	(25,901)
Net pension scheme liability	(2,711)	(3,401)
< 1 year	(729)	(706)
> 1 year	(1,982)	(2,695)
	(2,711)	(3,401)

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.





23 Pensions (continued)

The following FRS 102, section 28, accounting disclosures are specific to Johnnie Johnson Housing for the period ending 31 March 2022

Fair Value of Plan Assets, Present Value of Defined Benefit Obligation, and Defined Benefit Asset (Liability)

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Fair value of plan assets	22,141	22,500
Present value of defined benefit obligation	24,852	25,901
(Deficit) in plan	(2,711)	(3,401)
Unrecognised surplus	-	-
Defined benefit (liability) to be recognised	(2,711)	(3,401)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period from 31 March 2021 to	
	31 March 2022	
	(£000s)	
Defined benefit obligation at start of period	25,901	
Current service cost	-	
Expenses	22	
Interest expense	559	
Member contributions	-	
Actuarial losses due to scheme experience	1,095	
Actuarial (gains) due to changes in demographic assumptions	(428)	
Actuarial (gains) due to changes in financial assumptions	(1,317)	
Benefits paid and expenses	(980)	
Defined benefit obligation at end of period	24,852	





23 Pensions (continued)

Reconciliation of Opening and Closing Balances of the fair value of Plan Assets

	Period from 31 March 2021 to 31 March 2022
	(£000s)
Fair value of plan assets at start of period	22,500
Interest income	492
Experience on plan assets (excluding amounts included in interest income) - (loss)	(598)
Employer contributions	727
Benefits paid and expenses	(980)
Fair value of plan assets at end of period	22,141

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was (£106,000).

Defined Benefit Costs recognised in Statement of Comprehensive Income (SOCI)

	Period from
	31 March 2021
	to
	31 March 2022
	(£000s)
Current service cost	-
Expenses	22
Net interest expense	67
Defined benefit costs recognised in Statement of Comprehensive Income	89

Defined Benefit costs recognised in Other Comprehensive Income (SOCI)

	Period from 31 March 2021 to
	31 March 2022
	(£000s)
Experience on plan assets (excluding amounts included in net interest	(598)
Experience gains and losses arising on the plan liabilities - (loss)	(1,095)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	428
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	1,317
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain	52
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	-
Total amount recognised in Other Comprehensive Income - gain	52





23 Pensions (continued)

Assets

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Global Equity	4,249	3,586
Absolute Return	888	1,242
Distressed Opportunities	792	650
Credit Relative Value	736	708
Alternative Risk Premia	730	847
Fund of Hedge Funds	-	3
Emerging Markets Debt	644	908
Risk Sharing	729	819
Insurance-Linked Securities	516	540
Property	598	467
Infrastructure	1,577	1,500
Private Debt	568	537
Opportunistic Illiquid Credit	744	572
High Yield	191	674
Opportunistic Credit	79	617
Cash	75	-
Corporate Bond Fund	1,477	1,329
Liquid Credit	-	269
Long Lease Property	570	441
Secured Income	825	936
Liability Driven Investment	6,179	5,718
Currency Hedging	(87)	-
Net Current Assets	61	137
Total assets	22,141	22,500

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

Key Assumptions

	31 March 2022	31 March 2021
	% per annum	% per annum
Discount Rate	2.80%	2.20%
Inflation (RPI)	3.60%	3.20%
Inflation (CPI)	3.00%	2.60%
Salary Growth	3.65%	3.10%
Allowers for a constation of noncing for each at	75% of	75% of
Allowance for commutation of pension for cash at retirement	maximum	maximum
	allowance	allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65
	(Years)
Male retiring in 2022	20.9
Female retiring in 2022	23.5
Male retiring in 2042	22.2
Female retiring in 2042	25.0





24 Non-equity share capital

Group and JJH	2022 £	2021 £
As at 01 April	20	27
Shares issued in the year	3	_
Shares cancelled in the year	(4)	(7)
As at 31 March	19	20

The share capital of the Group consist of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member, that share is cancelled and the amount paid thereon becomes the property of the Group. Therefore, all shareholdings relate to non-equity interests.

25 Contingent Liabilities

The Group receives grant from Homes England and from Local Authorities, which is used to fund the acquisition and development of housing properties and their components. Grant of £2,488k received in respect of housing properties held at 31 March 2015 was credited to reserves in respect of adoption of 'deemed' cost. The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2022, the value of grant received in respect of these properties that had not been disposed of was £5,181k net of amortised grant released to the I&E of £39k (2021: £36k).

As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

26 Financial Instruments

The group's financial instruments may be analysed as follows:

	Group		ЛН	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets measured at historical cost				
- Trade receivables	1,276	1,181	1,253	1,134
 Cash and cash equivalents 	3,956	7,819	3,956	7,819
Total financial assets	5,232	9,000	5,209	8,953
Financial liabilities				
Financial liabilities measured at amortised cost				
- Loans payable	71,753	70,736	71,753	70,736
Financial liabilities measured at historical cost				
 Trade creditors 	30	135	30	135
- Other creditors	7,250	10,257	7,031	10,073
 Deferred capital grant 	5,180	4,908	5,180	4,908
Total financial liabilities	84,213	86,036	83,994	85,852





27 Operating Leases

	Group and JJH		
	2022	2021	
	£'000	£'000	
Not later than one year	144	127	
one to five years	258	243	
Total	402	370	

28 Capital Commitments

The group had no capital commitments at the 31 March 2022 except for £11,417k (2021: £10,829k) contracted but not provided for. This is the remaining spend on the current developments and will be funded from cash reserves and secured funding. Non contracted commitments are £6,480k as at 31 March 2022 (2021: £ nil).

29 Related Party Disclosures

The below transactions relate to design and build services carried out by Johnnie Johnson Developments Limited.

	2022	2021
	£'000	£'000
Development services	1,681	1,960
	1,681	1,960
The following Intercompany balances were as at 31 March		
Johnnie Johnson Developments Limited	(241)	(254)

Invisible Creations went into administration on 3rd December 2021 due to the current economic climate. Johnnie Johnson Housing Trust owned 29% of the share capital and Yvonne Castle, Chief Executive Officer of Johnnie Johnson Housing Trust, was a director of Invisible Creations. During the year there were transactions of £32k between Johnnie Johnsons Housing Trust and Invisible Creations. All goods were received in relation to the payments made.

The table below shows the related party transactions in respect of Board Members and Executive Management Team who have made declarations of interest.

	Transaction values 2022		
Organisation	Sales	Purchases	
	£'000	£'000	
Northern Housing Consortium	-	3	
Accent Housing	114	4	
Cartrefi Conwy	2	-	
Edward Mayes Trust Ltd	5	-	
Yorkshire Housing	34	-	
Karbon Homes	1	_	
	156	7	





30 Current Asset Investments

	Group		JJH	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
COIF Investment Funds	155	129	155	129
Current Asset Investments	-	2,000	-	2,000
	155	2,129	155	2,129

31 Post Balance Sheet Event

Astraline is reported in the financial statements as a division of Johnnie Johnson Housing Trust to 31 March 2022. Astraline JJ Limited and Astraline TEC Limited became wholly owned subsidiaries on 1 April 2022 and in the next financial year will produce financial statements as separate entities with the results being consolidated into the Group position as at 31 March 2023. Johnnie Johnson will be the sole owner of Astraline JJ Limited and Astraline TEC Limited.

