

Brighter Futures Housing Association  
Limited

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

for the year ended 31 March 2024

# Brighter Futures Housing Association Limited

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# Brighter Futures Housing Association Limited

## MEMBERS AND ADVISORS

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### BOARD OF MANAGEMENT

Simon Wilson – Chair  
Mark Pearson – Vice Chair  
Michael Jolly – Hon Treasurer  
Maxine Bradbourn – Ex-officio (elected 06/12/2023)  
Tom Miskell (resigned 06/12/2023)  
Fern Basnett  
Andrew Bell  
Jeff Moore  
Mofe Binitie  
Megan Nurse  
Carl Bridge  
Ben Widdowson  
Halisha Kaur

### COMPANY SECRETARY

Samantha Tunncliffe

### REGISTERED OFFICE

Three Counties House  
Festival Way  
Festival Park  
Stoke-on-Trent  
Staffordshire  
ST1 5PX

### AUDITOR

Beever and Struthers  
The Colmore Building  
20 Colmore Circus Queensway  
Birmingham  
B4 6AT

### BANKERS

Lloyds TSB Bank Plc  
36-38 New Street  
Birmingham  
B2 4LP

# Brighter Futures Housing Association Limited

## STRATEGIC REPORT

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The Board present their strategic report on the affairs of the Association, together with the financial statements and auditor's report, for the year ended 31 March 2024.

### PRINCIPAL ACTIVITY

Brighter Futures Housing Association Limited provides support to people who require extra help to live more independent and fulfilled lives. We are a registered provider of social housing, a supported accommodation provider, and a community-based support service.

### MISSION STATEMENT

The corporate strategy identifies the five key values to guide us in our work. We are passionate; creative; empowering; equal and sustainable. We are currently reviewing our futures plans in the post pandemic environment.

### ORGANISATIONAL STRUCTURE

The Board of Management is responsible for setting strategic policy relating to Brighter Futures Housing Association. The Board delegates to various sub-committees' responsibility for the implementation of this policy. The Board provides a clear strategic lead and maintains control of the Association's resources, whilst exercising prudent financial management. The Board adopted the National Housing Federation's 'Code of Governance' 2020 Edition in December 2020 and is currently on the journey to full compliance with a significant amount of the requirements completed.

The Chief Executive is ultimately responsible for the operational management of the Association and is supported by an Executive Leadership team of two Directors and six Heads of Service / Service Leads.

In June 2023 the Director of Finance / Company Secretary, Paul Cooper, left the organisation and was replaced by Samantha Tunnicliffe.

### ACTIVITIES

The Board have adopted three key objectives in terms of its corporate strategy. These objectives come under the three key headings of Housing, Health and Hope.

- 1. Housing: We will deliver and increase our supply of safe, affordable and sustainable homes of choice: We will do this by:**
  - Improving our stock each year over the next five years in line with our 30 year financial plan. This is while ensuring that our assets remain fit for purpose and providing best social and economic value.
  - Developing and strengthening our housing management offer across our stock which reflects the voice of our tenants and offering our services to other Registered Providers/Charitable providers.
  - Providing affordable, sustainable, energy efficient homes (to meet carbon neutral targets by 2050 and required energy efficiency standards).
  - Providing safe, good quality homes in thriving communities and accessible locations.
  - Increasing the use of aids, adaptations, and technology to enable customers to continue to live in their homes of choice.
- 2. Health: To work with our partners to ensure that our services deliver better health and wellbeing outcomes for our customers and communities by:**
  - Conducting a strategic review of our services to meet the changing needs and aspirations of customers.
  - Utilising technology and new ways of working with customers to provide a full accessible and digital offer that is customer-focused.
  - Promoting and supporting the wider health and wellbeing of our communities, including our workforce and volunteers.
  - Continuing to provide accessible timely services that help to move people away from acute/crisis provision.

# Brighter Futures Housing Association Limited

## STRATEGIC REPORT

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- Continuing to provide inclusive services that help to reduce health, economic and social inequalities/barriers and which promote better self-care, self-esteem and reduce social isolation.
3. **Hope: To ensure that we are driven by the views, concerns, and aspirations of our customers in the way we develop and deliver our services by:**
- Promoting and listening to the voice of our customers/tenants by raising our profile and reflecting this feedback into campaigns and to key stakeholders to make a positive difference.
  - Continuing to use lived experience and the voice of our customers/tenants and ensuring that our customers remain at the heart of everything that we do, so that satisfaction levels remain high.
  - Expanding our volunteer base and opportunities for learning, apprenticeships, student placements, work experience and employment for wider communities.
  - Involving and engaging customers effectively at both a strategic level and service level creatively.

## ACHIEVEMENTS

The Association was successful in securing funding for the following services.

- We have continued our work with the National Rough Sleepers Initiative (DLUHC) to increase the outreach provision to people sleeping rough and/or people living within insecure, temporary and emergency accommodation including hotels. Our homeless hub, Hanley Connect, has proven a valuable service across the City during the year with number exceeding expectations and a total of 835 individuals accessing the service in the first year, and 99 of these being supported into accommodation.
- We were commissioned by Stoke City Council to provide a 7 day a week night shelter provision through the emergency winter period (SWEP) for the City, supporting 17 individuals into accommodation.
- We repurposed 19 low level support units into high level 24/7 support units with the support of Stoke City Council Single Homelessness Accommodation Programme (SHAP) funding and Housing Benefit; this funding was awarded for 3 years. This service provides intensive support for the most entrenched rough sleepers; stabilising their chaotic day to day lifestyle alongside improving lifeskills as well as engaging in social and wellbeing activities. In total 53 entrenched rough sleepers were supported in the first year, resulting in 51% of these moving off the streets into accommodation.
- We were successful in securing Move-on and prevention funding (MOP) which means that we can provide dedicated units of rough sleepers move-on accommodation for Newcastle-under-Lyme as well as a rough sleepers co-ordination programme in Stoke to develop and deliver actions plans for the most complex rough sleepers.
- We secured 2 years of Recovery and Homelessness Prevention funding to enable our services to provide meaningful activities such as fishing, health and wellbeing activities such as gym membership and swimming lessons and sustainability activities such as cooking classes and basic skills training such as English and Maths.
- Our annual tenant and customer satisfaction survey resulted in a 78.0% increase in customer engagement, as well as an increased level in overall satisfaction of 83.6%. In total 55.0% of our tenants engaged with the survey and provided their satisfaction feedback, resulting in increases in satisfaction in 8 of the 12 questions from the previous years survey.

## FUTURE PLANS

The Board of Management will continue to develop the services we provide as a supported housing provider ensuring that any activities that we undertake do not put our social housing assets or our own financial viability at risk. The Association will continue to review its' asset base including office premises to ensure that it remains efficient, viable and fit for purpose.

Consolidating Brighter Futures core service offer, ensuring that it is fit for purpose and viable for the longer term remains a priority, as we respond to the known operating environment in Stoke, as well as the ongoing uncertainty of the remaining external funding.

We continue to be flexible regarding the way we deliver services and making best use of existing assets, while seeking to grow our core offer where opportunities present themselves, will further consolidate our position and give clarity to

# Brighter Futures Housing Association Limited

## STRATEGIC REPORT

key stakeholders as to the strategic direction of Brighter Futures as a provider of supported housing and homelessness related services.

A new Executive and Senior leadership team were introduced during the year and a restructure of the organisation is planned during 2024/25; this will ensure that Brighter Futures is efficient and remains fit for purpose. We also intend to evaluate and remove any loss making services.

Brighter Futures Board of Management and ELT will work collaboratively to prepare a revised corporate strategy to reflect to changes in operational environment and the evolving need for our services both locally and further afield.

### VALUE FOR MONEY

Alongside the changes to the Value for Money Standard, the Regulator of Social Housing has introduced a limited number of metrics to measure economy, efficiency and effectiveness on a comparable basis across the sector. The Association has also a number of other KPI's which are monitored and reported alongside the regulatory KPI's below and include the number of voids, income performance, etc., set out in the table below.

Below are Brighter Futures results for the current and prior financial year compared to the smaller providers benchmarking group median score along with other Key Performance Indicators used by the Association.

VFM Metric		2023/24	2022/23	SPBM 2024
Reinvestment	Efficiency	2.50%	0.07%	1.80%
New supply delivered- social housing	Effectiveness	0.00%	0.00%	0.00%
Gearing	Efficiency	(33.44%)	(38.55%)	0.00%
EBITDA MRI (Interest Cover)	Efficiency	199.24%	128.04%	186.90%
Headline social housing cost per unit	Economy	£21,094	£16,114	£6,691
Operating Margin – social housing lettings	Efficiency	(11.70%)	4.44%	15.90%
Operating margin – overall	Efficiency	(5.94%)	(0.40%)	19.30%
ROCE	Efficiency	(3.50%)	(0.19%)	3.0%

Strategic Metrics	2023/24	2022/23	SPBM 2024
Percentage of rent lost due to void properties	7.76%	16.39%	3.97%
Rent collected as a percentage of rent owed (Supported)	94.42%	97.92%	98.0%
Percentage of emergency repairs within target	100.0%	86.30%	100.00%
Overhead costs as a percentage of turnover	22.06%	23.50%	19.76%

There is a great deal of diversity amongst smaller providers both in the type of housing they provide and in their overall business model. Brighter Futures portfolio consists entirely of supported housing and several support schemes to help adults with a high level of multiple and complex needs. These include tenants with serious addiction issues, homelessness, ex-offending history, mental health issues and adults with learning disabilities. In recent years we have seen an increase in frailty amongst our tenants, with the rising issues relating to homelessness and the impact that this has had upon physical, mental health and increasing issues relating to serious drug and alcohol related addictions.

Our headline social housing costs per unit, operating margins and return on capital employed show the impact of the level of cost involved in providing intense services and the differential is clear when comparing with SPBM which takes an average of all associations which included a mixture of General Needs and Supported Organisations. The Association joined the Small Providers Benchmarking Group in 2019 in order to obtain further benchmarking information in relation to our peers and in order to inform future procurement decisions. The Association also joined the CHIC Framework in the same year and has begun to realise some savings particularly in relation to the procurement in the repairs and development side of the business and this is an area which we are keen to build on in order to reduce the overall operating costs and reduce the cost per unit.

# Brighter Futures Housing Association Limited

## STRATEGIC REPORT

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### RSH Metrics

**Reinvestment %** - Brighter Futures carried out a full stock conditioning survey during 2023/24, this identified numerous repairs and upgrades that were required to ensure that our housing stock was fit for purpose and compliant with the Decent Homes Standards. We took the opportunity to carry out additional surveys around damp and mold across our housing stock; following this review a program aimed at resolving any issues that were highlighted in the survey was developed ensuring that any urgent, high risk cases were dealt with promptly.

**Gearing** – The Association fully repaid the £3m Lloyds loan during 2023/24. Brighter Futures is now completely debt free.

**EBITDA MRI %** - Interest cover at 199.24% is slightly higher than the previous year (128.04%) and against the SPBM benchmark of 186.9%. Interest cover been maintained at this level despite the Association having a deficit at the end of the financial year due to a significant breakage gain achieved on repayment of the Lloyds loan in October 2023.

**Cost Per Unit** – Brighter Futures provides housing along with support for individuals who have complex needs, and due to the level of support that we provide to our customers it attracts a high cost when compared to General Needs housing services. Brighter Futures continues to work towards its Value for Money strategy to ensure costs remain reasonable.

**Operating Margin %** - The operating margin overall has decreased from (0.40%) in 2022/23 to (5.94%) in 2023/24 mainly due to the increased investment in non-capitalised repairs across our housing stock such as ventilation improvements to reduce the risk of damp and mold as well as commissioning consultants to review our Health & Safety, GDPR and Governance processes. Brighter Futures Board of Management and ELT are working collaboratively to prepare a revised corporate strategy to reflect to changes in operational environment and the evolving need for our services both locally and further afield. A full review of organisational spend is planned in 2024/25 with the budget set to make a surplus from the 2024/25 financial year and into the foreseeable future.

**ROCE** – Due to the deficit position in 2023/24 and the limited investment in additional properties the ROCE achieved was (3.50%) against an SPBM benchmark of 3.0%. As part of the corporate strategy review, as mentioned above, the Board of Management and ELT will devise an asset investment strategy as part of the revised future plans.

### Strategic Metrics

A sample of the strategic metrics are discussed below.

**Percentage of rent loss due to void properties** – There has been a significant reduction in rent loss due to void properties in 2023/24 (7.76%) from 2022/23 (16.39%). This has been due to a void management plan that was implemented in early 2023 to ensure that all lettable units were occupied promptly and any long term void properties are reviewed for repurpose or sale.

**Rent collected as a percentage of rent owed** – There has been a slight reduction in the rent collected as a percentage of rent owed metric, 94.40% in 2023/24 as opposed to 97.92% in 2022/23. The Association has several properties with high rents that are awaiting payment from Housing Benefit, the delay is caused by non-engagement by customers or from Housing Benefit awaiting approval for the rents. It is expected that these known issues will be fully paid shortly. Improvements have also been made to our Housing Management process to ensure that arrears are tackling earlier on in the tenancy.

**Overhead costs as a percentage of turnover** – this has slightly decreased from 23.50% to 22.06%, the overall benchmark for 2024 is 19.0%. As part of the corporate strategy review the Association will look to ensure that overhead costs fall in line or lower than benchmark in forthcoming years.

# Brighter Futures Housing Association Limited

## STRATEGIC REPORT

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### RISK MANAGEMENT

The Board of Management conducts regular risk reviews, examining key risks identified from the Association's activities and the climate within which we operate. In addition, the Board of Management keep abreast of all changes in government legislation which has a direct or indirect impact on the Association.

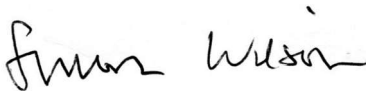
Our 2021-2026 Corporate Strategy is centred around three key themes:

1. Housing
2. Health
3. Hope

The strategy will include improving the asset base of the organisation over the next five years and listening to the voice of our customers by raising the profile of Brighter Futures and reflecting this feedback into campaigns and to key stakeholders to make a positive difference.

Brighter Futures recognises that risk is unavoidable and places high importance on the need to manage risk to a level which is tolerable. Risk appetite and exposure is regularly reviewed at Board level, adjusted according to the variability of the internal and external environment and recorded and monitored on the Risk Management Summary.

By order of the Board



Simon Wilson  
Chair

28<sup>th</sup> August 2024

# Brighter Futures Housing Association Limited

## BOARD REPORT

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### STATEMENT OF BOARD'S RESPONSIBILITIES

The Board are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation requires the Board to prepare financial statements for each financial year. Under that legislation, the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Housing Association legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the of the Association and of the surplus or deficit of the Association for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them 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 2022. They are 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 are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### AUDITOR

Following a competitive tendering exercise, Beever and Struthers were awarded a three-year contract to provide external audit services to the Association, with 2020 being the first year. This was part of standard tendering timescales set out in the Association's approved Financial Standing Orders. This contract was due to end in 2023. It was recommended that we extend the contract for a further 2 years, before retendering for the 2025/26 financial year accounts.

### DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the Board members at the date of approval of this report has confirmed that:

- As far as the Board members are aware, there is no relevant audit information of which the Association's auditor is unaware; and
- The Board members have taken all the steps that they ought to have taken as Board members to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

### CHARITABLE OBJECTIVE

In accordance with our objectives for this year and with due regard to the published Charity Commission guidance on the operation of the public benefit requirement of the Charities Act 2011, the Trustees have undertaken appropriate activities in furtherance of those aims for the public benefit.

# Brighter Futures Housing Association Limited

## BOARD REPORT

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- the business of providing housing, accommodation, and assistance to help house people and provide associated facilities and amenities for people with multiple and complex needs.
- any other (charitable) object that can be carried out by a Registered Society under the Co-operative and Community Benefits Act 2014, registered with the Regulator of Social Housing.

### OPERATIONAL REVIEW

Total comprehensive income for the year, available for investment in the Association's activities, has decreased to a deficit of £380,600 when compared to the prior year (2023: £113,552). Turnover has increased by £721,095 to £7,053,613 (2023: £6,332,518); however the Association also saw a significant increase in operational expenditure of £1,268,279 to £7,626,078 (2023: £6,357,799) mainly caused by non-capitalised investment in our housing stock to ensure our tenants were not at risk from damp and mold and our commissioning of consultants to review our internal processes to improve our service provision to all customers and ensure regulatory compliance. Operating margins have decreased in the current year to a deficit (5.94%) (2023: 0.02%).

### RESERVES

The Association's policy is to maintain a prudent level of reserves to insure against future liabilities.

The reserves are available to assist the Association to achieve its strategic purpose of helping people recover a sense of self-worth and live in cohesive communities, where their environment increases their feelings of self-worth. In particular, reserves will be used to ensure that development and maintenance are to the highest standard to provide housing quality that demonstrates how highly we value our customers. We continually assess the needs of our customers and provide a range of short- and long-term housing and support services that are innovative, continually improving our capabilities, people and performance.

### BOARD MEMBERS

The members who have served office from 1 April 2023 to the date of this report unless otherwise stated is as shown on page 1.

### INTANGIBLE ASSETS

Details of changes in intangible assets are given in note 10 of the financial statements.

### TANGIBLE ASSETS

Details of changes in tangible assets are given in notes 11 and 12 of the financial statements.

### KEY FINANCIAL POLICIES

Where allowed by the Regulator of Social Housing (RSH) rent restructuring policy and the Association's target rent plan, rents have increased by CPI+1% in 2023 in line with Government guidance.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

#### *Cash flow risk*

The Association's activities expose it primarily to the financial risks of changes in interest rates.

#### *Credit risk*

The Association's principal financial assets are bank balances and cash, rent arrears and other receivables, and investments.

# Brighter Futures Housing Association Limited

## BOARD REPORT

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The Association's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Association uses available short-term cash balances.

### **GOING CONCERN**

The Association's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to credit, liquidity and cash flow risk are described above.

The Association has adequate financial resources and, consequently, the Board believe that the Association is well placed to manage its business risks successfully despite current uncertainties in the social housing sector.

After making enquiries, the Board have a reasonable expectation that the Association have a level of resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **COMPLIANCE WITH THE RSH GOVERNANCE AND FINANCIAL VIABILITY STANDARD**

The Board certifies full compliance with the requirements of the Governance and Financial Viability Standard.

### **INTERNAL CONTROLS ASSURANCE**

There is no regulatory requirement for the Board to publish a statement on internal controls assurance as required by the RSH, but it has decided to do so.

The Board acknowledges its responsibility for the system of internal controls and for reviewing its effectiveness mindful of the objectives of, and risks facing the Association.

The Board confirms that there are ongoing processes for maintaining sound systems of internal control and for managing risks. These processes have been developed during the year and are regularly reviewed by the respective Committees and the Board.

By order of the Board



Simon Wilson  
Chair

28<sup>th</sup> August 2024

# Brighter Futures Housing Association Limited

## INDEPENDENT AUDITOR'S REPORT

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### Opinion

We have audited the financial statements of Brighter Futures Housing Association Limited ('the Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 2022.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# Brighter Futures Housing Association Limited

## INDEPENDENT AUDITOR'S REPORT

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the Association has not maintained a satisfactory system of control over transactions; or
- the Association has not kept proper accounting records; or
- the Association's financial statements are not in agreement with books of account; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board**

As explained more fully in the Statement of Board's Responsibilities set out on page 8, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

# Brighter Futures Housing Association Limited

## INDEPENDENT AUDITOR'S REPORT

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- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

### Use of our report

This report is made solely to the Members of the Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's Members those matters we are required to state to it 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 Members of the Association for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

**Beever and Struthers**

Statutory Auditor

The Colmore Building

20 Colmore Circus Queensway

Birmingham

B4 6AT

Date: 25 September 2024

# Brighter Futures Housing Association Limited

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2024

	Notes	2024 £	2023 £
TURNOVER	1	7,053,613	6,332,518
Less: Operating costs	1	(7,626,078)	(6,357,799)
OPERATING SURPLUS		(572,465)	(25,281)
Interest receivable and similar income	4	19,460	9,807
Interest payable and similar charges	4	(197,373)	(98,078)
Breakage gain on loan repayment		378,396	-
Deficit on disposal of fixed assets	3	(8,618)	-
(DEFICIT) / SURPLUS FOR THE YEAR	1	(380,600)	(113,552)
TOTAL COMPREHENSIVE INCOME		(380,600)	(113,552)

The Association's results for the year relate wholly to continuing activities.

There was no other comprehensive income for 31 March 2024 (31 March 2023: £NIL)

# Brighter Futures Housing Association Limited

## STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Intangible assets	10	3,865	16,035
Housing properties	11	8,963,798	9,115,087
Other property, plant and equipment	12	626,334	594,512
		<b>9,593,997</b>	<b>9,725,634</b>
<b>CURRENT ASSETS</b>			
Stock	13	5,882	6,336
Debtors: Due within one year	14	833,004	692,027
Debtors: Due after more than one year	14a	-	9,928
Cash at bank and in hand	15	2,997,155	5,286,186
		<b>3,836,041</b>	<b>5,994,477</b>
CREDITORS: Amounts falling due within one year	16	<b>(2,558,449)</b>	<b>(2,680,835)</b>
NET CURRENT ASSETS		<b>1,227,592</b>	<b>3,313,642</b>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>10,871,589</b>	<b>13,039,276</b>
CREDITORS: Amounts falling due after more than one year	17	<b>(3,774,126)</b>	<b>(5,561,215)</b>
NET ASSETS		<b>7,097,463</b>	<b>7,478,061</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	14	14
Revenue reserves		7,097,449	7,478,047
		<b>7,097,463</b>	<b>7,478,061</b>

The notes on pages 17 to 37 form part of these financial statements.

These financial statements were approved by the Board of Management and authorised for issue on 28 August 2024 and were signed on its behalf by:



S Wilson  
Chair



M Jolly  
Board Member



Samantha Tunnicliffe  
Company Secretary

# Brighter Futures Housing Association Limited

## STATEMENT OF CHANGES IN RESERVES

for the year ended 31 March 2024

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	Revenue Reserve	Total
	£	£
At 1 April 2022	7,591,599	7,591,599
Transfer from Reserves	-	-
Deficit for the year	(113,554)	(113,554)
	<hr/>	<hr/>
<b>At 31 March 2023</b>	<b>7,478,049</b>	<b>7,478,049</b>
	<hr/> <hr/>	<hr/> <hr/>

	Revenue Reserve	Total
	£	£
At 1 April 2023	7,478,049	7,478,049
Transfer from Reserves	-	-
Deficit for the year	(380,600)	(380,600)
	<hr/>	<hr/>
<b>At 31 March 2024</b>	<b>7,097,449</b>	<b>7,097,449</b>
	<hr/> <hr/>	<hr/> <hr/>

# Brighter Futures Housing Association Limited

## STATEMENT OF CASHFLOWS

for the year ended 31 March 2024

	Note	2024	2023
		£	£
NET CASH GENERATED FROM OPERATING ACTIVITIES	20	<b>(186,310)</b>	37,672
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<b>(324,996)</b>	(37,376)
Proceeds from sale of property, plant and equipment		<b>160,000</b>	-
Grant received		<b>8,638</b>	-
Interest received		<b>19,460</b>	9,807
Net cash flows used in investing activities		<b>(136,898)</b>	(27,569)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		<b>(47,966)</b>	(89,286)
Repayments of borrowings		<b>(1,917,857)</b>	(55,387)
Loan fees		-	-
Net cash flows generated from financing activities		<b>(1,965,823)</b>	(144,673)
Net decrease in cash and cash equivalents		<b>(2,289,031)</b>	(134,570)
Cash and cash equivalents at beginning of year		<b>5,286,186</b>	5,420,756
Cash and cash equivalents at end of year		<b>2,997,155</b>	5,286,186

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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### BASIS OF ACCOUNTING

Brighter Futures Housing Association Limited is a registered provider of social housing incorporated under the Co-operative and Community Benefit Societies Act 2014 and domiciled in the United Kingdom. The address of its registered office and principal place of business are as disclosed on page 1 of these financial statements.

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

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. Brighter Futures Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

### STATEMENT OF COMPLIANCE

The Association has prepared its financial statement in accordance with FRS 102 for the year ended 31 March 2024.

### PROPERTY, PLANT AND EQUIPMENT - HOUSING PROPERTIES

Housing properties are stated at cost less depreciation less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings and directly attributable development costs.

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

Depreciation is charged to write down the net book value of housing properties to their estimated residual value, over their useful economic lives. Freehold land is not depreciated.

Works to existing housing properties are only capitalised where they result in an enhancement of the economic benefits of those properties or where they relate to the replacement of a pre-identified asset component in accordance with component accounting. Enhancement of the economic benefits is defined as an increase in rental income or reduction in future maintenance costs. Other works such as major repairs, planned maintenance, minor repairs and redecoration are charged to expenditure in the year that they occur.

Sales of properties are recognised on completion of sales contracts.

On disposal of housing property, a General Consent application is made to the Homes England under section 172 of the Housing and Regeneration Act 2008. Any outstanding Social Housing Grant would be recycled in accordance with Homes England regulations.

Housing properties currently securitised against borrowings amount to £NIL (2023: £5,649,352)

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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### Major components

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

Bathrooms	-	3.33% on a straight line basis
Boilers	-	10.00% on a straight line basis
External doors & windows	-	2.86% on a straight line basis
Electrical systems	-	3.33% on a straight line basis
Central heating systems	-	5.00% on a straight line basis
Kitchens	-	5.00% on a straight line basis
Lifts	-	5.00% on a straight line basis
Roof	-	2.00% on a straight line basis
Structure	-	1.25% on a straight line basis

### Improvements

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

### Leaseholders

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

### NON-HOUSING PROPERTY, PLANT AND EQUIPMENT

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

Leasehold properties and improvements	-	Over period of lease
Motor vehicles	-	25% on a straight line basis
Office equipment	-	15% on a straight line basis
Computer equipment	-	33% on a straight line basis
Furniture	-	25% on net book value
Other freehold properties	-	2% on a straight line basis

### INTANGIBLE ASSETS

Intangible assets are stated at historic cost or valuation. Amortisation is provided on all intangible assets at rates calculated to write off the cost or valuation of each asset over its useful economic life, as follows:

Computer software	-	33% on a straight line basis
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Amortisation is recognised within operating costs in the Statement of Comprehensive Income.

### IMPAIRMENT OF SOCIAL HOUSING PROPERTIES

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

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

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

### SOCIAL HOUSING GRANT AND OTHER GOVERNMENT GRANTS

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

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

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

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

Where a donation of land and/or other assets is received, or land and/or other assets are acquired at below market value from a government source, this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below their market value from a third party that does not meet the definition of a government source the transition is recognised as an asset in the Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset and income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

### LEASES

At inception, the Association assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. The Association is only entered into arrangements which are deemed to be operating leases.

Assets are depreciated over the shorter of the lease term and the estimated useful economic life of the asset. Assets are assessed for impairment at each reporting date.

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

### Operating leased assets

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

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

### INTEREST PAYABLE

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

### TAXATION

The Association has been granted charitable status by the HM Revenue and Customs and is therefore exempt from paying Corporation Tax on all charitable activities.

### PENSION COSTS

#### Defined contribution scheme

The Association participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

### TURNOVER

Turnover represents rent and service charges receivable (net rent and service charge losses from voids) and charitable fees and donations. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

### SUPPORTED HOUSING AND OTHER MANAGING AGENTS

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

### FINANCIAL INSTRUMENTS

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

### FINANCIAL ASSETS CARRIED AT AMORTISED COST

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

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

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

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

### FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

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

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

### CASH AND CASH EQUIVALENTS

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

### VALUE ADDED TAX

The Association is not registered for Value Added Tax (VAT). No VAT is therefore reclaimed, and all expenditure is shown inclusive of VAT.

### STOCK

Stock comprises of replacement furniture and white goods. Stock is recognised at the lower of cost and net realisable value.

### SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### SIGNIFICANT MANAGEMENT JUDGEMENTS

The following are management judgements in applying the accounting policies of the Association that have the most significant effect on the amounts recognised in the financial statements. Management are of the opinion that there are no key areas of estimation uncertainty.

#### *Impairment of social housing properties*

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

# Brighter Futures Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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## *Capitalisation of Expenditure*

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

## *Estimation uncertainty*

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

## *Provisions*

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

## *Depreciation and asset lives*

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

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1	TURNOVER AND OPERATING SURPLUS			2024			2023		
		Social housing lettings £	Other social housing activities £	Total £	Social housing lettings £	Other social housing activities £	Total £		
	<i>Income and expenditure</i>	(note 2)		(note 2)					
	Grant and rent income	5,119,531	1,770,445	6,889,976	4,320,157	1,825,019	6,145,176		
	Other income	107,903	55,734	163,637	114,823	72,519	187,342		
	<b>TOTAL TURNOVER</b>	<b>5,227,434</b>	<b>1,826,179</b>	<b>7,053,613</b>	<b>4,434,980</b>	<b>1,897,538</b>	<b>6,332,518</b>		
	Operating costs	(5,800,746)	(1,825,332)	(7,626,078)	(4,238,008)	(2,119,791)	(6,357,799)		
	<b>OPERATING SURPLUS</b>	<b>(573,312)</b>	<b>847</b>	<b>(572,465)</b>	<b>196,972</b>	<b>(222,253)</b>	<b>(25,281)</b>		
2	SOCIAL HOUSING LETTINGS – SUPPORTED HOUSING				<b>2024</b>		<b>2023</b>		
					<b>£</b>		<b>£</b>		
	INCOME FROM MANAGED ACCOMMODATION								
	Rents receivable net of identifiable service charges				4,803,648		3,709,935		
	Service charges receivable				128,230		170,842		
	<b>NET RENTS RECEIVABLE</b>				<b>4,931,878</b>		<b>3,880,777</b>		
	Grants from local authorities and other agencies				244,995		504,358		
	Homes England amortised grant				50,561		49,845		
	<b>TOTAL INCOME FROM MANAGED ACCOMMODATION</b>				<b>5,227,434</b>		<b>4,434,980</b>		
	EXPENDITURE ON MANAGED ACCOMMODATION								
	Staff salaries				3,204,752		2,521,463		
	Bad debts				50,685		47,069		
	Services costs				857,388		488,275		
	Maintenance costs				364,712		244,351		
	Housing property lease charges				128,205		124,260		
	Management costs				1,566,292		1,238,431		
	Development costs				34,557		9,963		
	Contribution from other activities				(405,845)		(435,804)		
	<b>TOTAL EXPENDITURE ON MANAGED ACCOMMODATION</b>				<b>5,800,746</b>		<b>4,238,008</b>		
	<b>OPERATING SURPLUS FROM MANAGED ACCOMMODATION</b>				<b>(573,312)</b>		<b>196,972</b>		
	Rent losses from voids				(415,024)		(760,799)		

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 2 SOCIAL HOUSING LETTINGS – SUPPORTED HOUSING (continued)

At the end of the year accommodation in management of each class of accommodation were as follows:

	2024 Number	2023 Number
Supported Housing: -		
Owned units	197	195
Managed units	78	79
	<u>          </u>	<u>          </u>
<b>3 SURPLUS/(DEFICIT) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT (FIXED ASSETS)</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Sale proceeds	160,000	-
Cost of disposal	(168,618)	-
Deficit on disposal	(8,618)	-
	<u>          </u>	<u>          </u>
<b>4 NET INTEREST</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Interest receivable and similar income</b>		
<b>On financial assets measured at amortised cost:</b>		
Interest on current accounts	18,360	7,778
Interest receivable from Brighter Futures Almshouse Trust	1,100	2,029
	<u>          </u>	<u>          </u>
	<b>19,460</b>	<b>9,807</b>
	<u>          </u>	<u>          </u>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Interest payable and similar income</b>		
<b>On financial assets measured at amortised cost:</b>		
On loans wholly or partly repayable in more than five years	46,759	89,500
Costs associated with financing	150,614	8,578
	<u>          </u>	<u>          </u>
	<b>197,373</b>	<b>98,078</b>
	<u>          </u>	<u>          </u>

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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5	SURPLUS FOR THE YEAR	2024 £	2023 £
	The operating surplus is stated after charging / crediting: -		
	<b>Auditors remuneration including expenses (excluding VAT):</b>		
	Audit of Association's financial statement	16,325	16,000
	<b>Operating lease rentals:</b>		
	Plant and machinery	3,185	3,318
	Other	124,680	139,047
	Depreciation of housing properties (note 11)	182,835	199,563
	Depreciation of other owned fixed assets (note 12)	63,083	76,324
	Amortisation of intangible fixed assets (note 10)	12,170	19,707
	Amortisation of capital grants (note 17)	(86,582)	(96,360)
		<hr/> <hr/>	<hr/> <hr/>
6	TAXATION		
	No taxation charge arises as the Association has been granted charitable status by the HM Revenue and Customs.		

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 7 KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel comprise the executive and non-executive directors. Total remuneration amounted to £520,976 (2023: £528,737)

	2024	2023
	£	£
Remuneration for executive directors for the year ended 31 March:		
Wages and salaries	456,005	454,227
Social security costs	50,756	55,293
Pension costs	14,215	19,217
	<u>520,976</u>	<u>528,737</u>
	2024	2023
	£	£
Remuneration for non-executive directors for the year ended 31 March:		
Simon Wilson (Chair)	7,500	7,500
Fern Basnett	2,000	2,000
Andrew Bell	2,000	2,500
Jeff Moore	2,000	2,000
Michael Jolly	2,000	2,000
Mark Pearson	2,000	2,000
Mofe Binitie	2,000	2,000
Megan Nurse	2,000	1,115
Carl Bridge	2,000	1,115
Ben Widdowson	2,000	1,115
Halisha Kaur	2,000	1,115
Suzanne Carr (Vice Chair – Resigned 13/09/2022)	-	1,250
Pamela Carter (Resigned 13/09/2022)	-	1,000
Steve Rowley (Resigned 13/09/2022)	-	1,250
Helen Rowley (Resigned 13/09/2022)	-	1,250
	<u>27,500</u>	<u>29,210</u>

### 7 KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

Remuneration payable to the highest paid director in relation to the period of account amounted to £62,340, (2023: £67,790) excluding pension contributions.

Helena Evans is the Chief Executive of Brighter Futures Housing Association Limited. She received remuneration for the year ended 31 March 2024 totalling £70,547 (2023: £95,807). Helena resigned in May 2023 and was replaced temporarily by Tom Miskell. Maxine Bradbourn became Chief Executive in December 2023, she received remuneration in the role for the year ended 31 March 2024 totalling £34,448 (2023: £NIL).

Helena Evans is part of the Scottish Widow pension scheme which is a group personal pension to which Brighter Futures Housing Association Limited contributed £1,496 in the year ended 31 March 2024 (2023: £3,832). Maxine Bradbourn is also part of the pension scheme, Brighter Futures contributed £1,200 in the year ended 31 March 2024 (2023: £NIL).

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 8 EMPLOYEE INFORMATION

	Number	Number
The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:	101	94
	<u>2024</u>	<u>2023</u>
	£	£
<b>Staff costs</b>		
Wages and salaries	3,131,156	2,702,725
Social security costs	279,291	239,295
Pension costs	115,717	109,799
	<u>3,526,164</u>	<u>3,051,819</u>

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:

	Number of staff (2024)	Number of staff (2023)
£60,000 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

### 9 PENSION OBLIGATION

The Association operates a group personal pension with Scottish Widows which is a defined contribution scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The pension cost represents contributions payable by the Association to the fund and amounted to £115,717 (2023: £109,799). Amounts awaiting to be paid at the year-end amounted to £nil (2022: £nil). The pension scheme is open to all salaried staff and currently 76% of staff are members. The Association's contribution to the scheme ranges from 4% to 6% of salary dependent upon the level of employee contribution and there are no additional costs.

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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10	INTANGIBLE ASSETS	Computer software £	Total £
	<b>Cost</b>		
	As at 1 April 2023	219,605	219,605
	Additions	-	-
	Disposals	-	-
	<b>As at 31 March 2024</b>	<b>219,605</b>	<b>219,605</b>
	<b>Amortisation</b>		
	As at 1 April 2023	203,570	203,570
	Charge for the year	12,170	12,170
	Disposals	-	-
	<b>As at 31 March 2024</b>	<b>215,740</b>	<b>215,740</b>
	<b>Net book value</b>		
	<b>As at 31 March 2024</b>	<b>3,865</b>	<b>3,865</b>
	As at 31 March 2023	16,035	16,035

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

11 HOUSING PROPERTIES	Freehold properties	Leasehold properties	Assets in course of construction	Total
	£	£	£	£
<b>Cost</b>				
As at 1 April 2023	3,844,943	6,830,966	639,585	11,315,494
Additions	106,637	122,253	-	228,890
Disposals	(11,515)	(56,027)	(168,618)	(236,160)
Impairment	-	-		
	<u>3,940,065</u>	<u>6,897,192</u>	<u>470,967</u>	<u>11,308,224</u>
<b>Depreciation</b>				
At 1 April 2023	657,358	1,541,847	-	2,199,205
Charge for the year	62,783	120,052	-	182,835
Disposals	(4,156)	(33,458)	-	(37,614)
	<u>715,985</u>	<u>1,628,441</u>	<u>-</u>	<u>2,344,426</u>
	<u>3,224,080</u>	<u>5,268,751</u>	<u>470,967</u>	<u>8,963,798</u>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<u>3,224,080</u>	<u>5,268,751</u>	<u>470,967</u>	<u>8,963,798</u>
At 31 March 2023	<u>3,187,585</u>	<u>5,289,117</u>	<u>638,385</u>	<u>9,115,087</u>

# Brighter Futures Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 12 PROPERTY, PLANT AND EQUIPMENT - OTHER

	Motor vehicles	Office equipment	Furniture	Improve- ments to leasehold	Freehold properties	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2023	167,907	294,762	268,522	1,503,047	265,470	2,499,708
Additions	-	53,485	12,426	17,166	11,829	94,906
Disposals	-	-	-	-	-	-
At 31 March 2024	167,907	348,246	280,948	1,520,213	277,299	2,594,614
<b>Depreciation</b>						
At 1 April 2023	167,897	287,209	253,399	1,150,231	46,460	1,905,196
Charge for the year	-	11,737	5,227	41,916	4,204	63,084
Disposals	-	-	-	-	-	-
As at 31 March 2024	167,897	298,946	258,626	1,192,147	50,664	1,968,280
<b>Net book value</b>						
At 31 March 2024	10	49,301	22,322	328,065	226,636	626,334
At 1 April 2023	10	7,553	15,124	352,816	219,010	594,513

13	STOCK	2024	2023
		£	£
	Replacement furniture and white goods	5,882	6,336

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

14	DEBTORS: Due within One Year	2024	2023
		£	£
	Rent and service charges receivable	930,789	610,878
	Less provision for doubtful debts	(263,584)	(233,493)
		<u>667,205</u>	<u>377,385</u>
	Grants receivable	(15,181)	103,299
	Other debtors	2,049	20,830
	Prepayments and accrued income	169,004	171,350
	Brighter Futures Almshouse Trust Loan (note 24)	9,927	19,163
		<u>833,004</u>	<u>692,027</u>

No disclosure has been made of the net present value of rent arrears subject to repayment plans as the amount is deemed to be insignificant.

14a	DEBTORS: Due within more than one year	2024	2023
		£	£
	Brighter Futures Almshouse Trust Loan (see note 24)	-	9,928
		<u>-</u>	<u>9,928</u>

Brighter Futures Almshouse Trust Loan is for the refurbishment and operation of its properties situated in Bloxwich, Walsall. Repayments began on 1<sup>st</sup> December 2012. The interest rate is 3% fixed for two years, thereafter 4.5% fixed for two years and thereafter 5% fixed.

15	CASH AND CASH EQUIVALENTS	2024	2023
		£	£
	Cash at bank	2,997,155	5,286,186
		<u>2,997,155</u>	<u>5,286,186</u>

16	CREDITORS: Amounts falling due within one year	2024	2023
		£	£
	Loan (see note 25)	-	57,408
	Trade creditors	450,833	208,614
	Rents prepaid	223,657	168,037
	Government grants (see note 17)	87,144	92,936
	Grants received in advance	-	-
	Other taxation and social security	71,402	55,051
	Other creditors	89,881	91,317
	Accruals	497,864	373,102
	Deferred income	1,137,668	1,634,370
		<u>2,558,449</u>	<u>2,680,835</u>

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 16 CREDITORS: Amounts falling due within one year (continued)

Funder	Scheme / service	2024 £	2023 £
Stoke-on-Trent City Council	Adult SES	18,217	32,243
CCG	Clubhouse Network	17,236	115,118
GP federation / CCG	COV	667	8,256
Stoke-on-Trent City Council	COVID services	103,415	103,415
	Critical Time Intervention	15,706	15,706
Department of Health	BPOS	89,165	89,165
CCG	Telephone Helpline	153,985	171,866
Coventry Council	Housing First Coventry	-	126,739
Stoke-on-Trent City Council/VOICES	Housing First Stoke	12,696	12,696
Homeless Link	Housing First Stoke	13,559	13,559
Adult Social Care	Learning Disability	14,790	52,500
PCC	Customer engagement	8,119	8,764
Stoke-on-Trent City Council	Rough Sleepers Team	49,873	-
Stoke-on-Trent City Council	Changing Futures	-	622
Stoke-on-Trent City Council	Hanley Connect	67,662	-
Stoke-on-Trent City Council	SHAP	33,824	-
Stoke-on-Trent City Council	MOP Stoke	31,420	-
CCG	Safespaces	314,326	316,848
CCG	Self-harm & suicide prevention	20,252	20,252
Suicide Prevention Strategic Group	Suicide prevention champions	19,000	19,000
National Lottery	VOICES	-	398,768
Oak Foundation	Women's Hub	100,478	75,575
Staffordshire & West Midlands CRC	Women's Programmes	53,278	53,278
<b>TOTAL</b>		<b>1,137,668</b>	<b>1,634,370</b>

### PAYMENTS TO CREDITORS

The following information has been extracted from the Association's creditors payment system.

	2024 Number	2023 Number
Average number of days between receipt and payments of purchase invoices	37	44

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

17 CREDITORS: Amounts falling due after more than one year	2024 £	2023 £
Government grants	3,774,126	3,846,280
Loan (note 25)	-	1,714,935
	<u>3,774,126</u>	<u>5,561,215</u>
<b>GOVERNMENT GRANTS</b>		
As at 1 April 2023	3,939,215	4,035,575
Grants receivable	8,637	-
Amortisation to Statement of Comprehensive Income	(86,582)	(96,360)
Recycled capital grant	-	-
As at 31 March 2024	<u>3,861,270</u>	<u>3,939,215</u>
Due within one year	<u>87,144</u>	92,936
Due after one year	<u>3,774,126</u>	<u>3,846,280</u>

Grant received by Brighter Futures for current and prior years', for the purchase and refurbishment of housing properties amounts to £4,796,189 in totality.

## 18 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2023 £	Cash flows £	Other Movements £	At 31 March 2024 £
Cash at bank and in hand	5,286,186	(2,289,031)	-	2,997,155
Debt due in one year	-	-	-	-
Debt due after one year	(2,000,000)	-	-	(2,000,000)
Loan repayment	82,143	1,917,857	-	2,000,000
	<u>3,368,329</u>	<u>(371,174)</u>	<u>-</u>	<u>2,997,155</u>

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

19	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2024	2023
		£	£
	(Decrease) / Increase in cash in the year	(2,289,031)	(134,570)
	Cash (outflow)/inflow from change in debt	1,917,857	55,387
	Change in net cash resulting from cash flows	(371,174)	(79,183)
	Net surplus at start of year	3,368,329	3,447,512
	Net surplus at end of year	2,997,155	3,368,329
20	RECONCILIATION OF (DEFICIT) / SURPLUS FOR THE YEAR TO NET CASH GENERATED FROM OPERATING ACTIVITIES	2024	2023
		£	£
	(Deficit) / Surplus for the year	(380,600)	(113,552)
	<b>Adjustment for non-cash items:</b>		
	Depreciation of property, plant and equipment	245,919	275,886
	Amortisation of intangible assets	12,170	19,707
	Decrease/(Increase) in stocks	454	2,863
	Decrease/(Increase) in debtors	(131,050)	116,330
	Increase in creditors	(57,979)	(358,916)
	<b>Adjustments for investing and financing activities:</b>		
	Deficit on disposal of property, plant and equipment	38,545	1,593
	Abortive scheme fees	-	101,849
	Amortisation of loan fees	145,514	8,579
	Government grants utilised in the year	(86,582)	(96,360)
	Capital Reserve movement	-	-
	Interest payable	46,759	89,500
	Interest receivable	(19,460)	(9,807)
	<b>Net cash generated by operating activities</b>	<b>(186,310)</b>	<b>37,672</b>
21	CALLED UP SHARE CAPITAL	2024	2023
		£	£
	At beginning of year	14	14
	Share capital issued in the year	-	-
	Share capital returned in the year	-	-
	At end of year	14	14

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

The shares have a nominal value of £1 and provide members with the right to vote at general meetings and do not provide any right to dividends or distributions upon winding up.

22	CAPITAL COMMITMENTS	2024 £	2023 £
	Capital expenditure contracted for but not provided for in the financial statements	-	15,184
	Capital expenditure authorised but not yet contracted for in the financial statements	<b>337,600</b>	5,154,200

Funding of capital commitments will be sourced from cash reserves.

## 23 OTHER FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases are as follows:

	2024		2023	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases payments due:				
Within one year	79,515	3,451	117,760	2,016
Within one to two years	52,250	2,443	84,265	1,512
Within two to five years	23,203	7,620	28,500	-
After five years	-	-	-	-
	<b>154,968</b>	<b>13,514</b>	<b>230,525</b>	<b>3,528</b>

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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### 24 RELATED PARTY TRANSACTIONS

Brighter Futures Housing Association is the corporate trustee of Brighter Futures Almshouse Trust. The Trust is a separate entity registered with the Charity Commission in England under charity number 216315. All transactions with the Trust are conducted on an arm's length basis and the Trust is under independent control and makes independent decisions. Brighter Futures Housing Association has charged housing management and accounting services to the Trust during the year to the value of £36,000 (2023: £34,450).

The results of the Brighter Futures Almshouse Trust are not consolidated within the financial statements of Brighter Futures Housing Association Limited as it is considered impracticable and would be of no real value to the Association's members, given the amounts involved. Were Group accounts to be prepared the numbers reflected within these financial statements would be increased as set out below:

#### Statement of Comprehensive Income:

	2024	2023
	£	£
Turnover	88,945	80,461
Operating costs	(64,905)	(53,568)
Interest and finance costs	(1,100)	(2,046)
Transfer to reserves	(13,313)	(22,740)
<b>Net surplus</b>	<b>9,627</b>	<b>2,107</b>

#### Statement of Financial Position:

	2024	2023
	£	£
Fixed assets	226,866	193,519
Current assets	82,698	128,769
Creditors due within 1 year	(2,227)	(18,729)
Creditors due after 1 year	(9,944)	(29,108)
<b>Net assets</b>	<b>297,393</b>	<b>274,451</b>
<b>Reserves</b>	<b>297,393</b>	<b>274,451</b>

Brighter Futures Housing Association made a loan to the Brighter Futures Almshouse Trust of £190,000 for the refurbishment of its properties (note 14) on 01 September 2012. Interest received in year amounts to £1,100 (2023: £2,029). At the year end the balance outstanding was £9,944 (2023: £29,108).

# Brighter Futures Housing Association Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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### 25 FINANCIAL INSTRUMENTS

The loan from Lloyds bank is secured by a charge on the Association's property and is repayable at an average fixed rate of interest of 4.96% by instalments as follows:

MATURITY OF DEBT	2024	2023
	£	£
In one year or less, or on demand	-	57,408
Between one and two years	-	123,764
Between two and five years	-	207,939
In five years or more	-	1,528,745
	<hr/>	<hr/>
	-	1,917,856
	<hr/> <hr/>	<hr/> <hr/>
Unamortised arrangement fees associated with the above loans	-	145,514

### 26 LEGISLATIVE PROVISIONS

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and registered with the Regulator of Social Housing.