

Registered company number 4548803

BERNESLAI HOMES LIMITED

(A Company Limited by Guarantee)

Annual Report and Accounts for the year ended 31 March 2023

Berneslai Homes Limited

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Berneslai Homes Limited

Board of Directors

Sinéad Butters
Chair of the Board
(Date of resignation 28.09.23)

Adam Hutchinson
Independent Member
(Date of appointment 29.09.22)

Mark Johnson
Independent Member/Acting Chair
of the Board

Richard Fryer
Independent Member

Jo Sugden
Independent Member

Councillor Kevin Osborne
(Date of appointment 29.09.22)

Adriana Rustemi
Tenant Member
(Date of resignation 28.09.23)

Eric Smith
Tenant Member
(Date of appointment 29.09.22)

Councillor Sarah Tattersall

Liana Khachatryan
Tenant Member
(Date of Resignation 29.09.2022)

Gary Ellis
Independent Member
(Date of resignation 29.09.2022)

Councillor Caroline Makinson
(Date of resignation 31.05.22)

Executive Officers

Amanda Garrard
Chief Executive

Kulvinder Sihota
Interim Executive Director
of Corporate Services

Dave Fullen
Executive Director of Customer
and Estates Services

Arturo Gulla
Executive Director of
Property Services

Lee Winterbottom
Managing Director
Construction Services

Samantha Roebuck
Company Secretary

Auditor

BDO LLP
6th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers

Barclays Bank
PLC
10-18 Queen Street
Barnsley
S70 1SJ

Solicitors

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Registered Office

10th Floor
Gateway Plaza
Off Sackville Street
Barnsley
S70 2RD

Statement from the Acting Chair

Berneslai Homes, like others in our Sector, has seen continued challenge in delivering services to thousands of customers. Despite these challenges, the Berneslai Team have continued to deliver high quality housing and responsive maintenance services alongside supporting tenants with financial hardship and into work. I am very proud of our Teams on the ground delivering against this challenging backdrop, and grateful for the hard work of all our colleagues in helping to deliver our ambitions for a modern forward looking, technology enabled Berneslai Homes.

We move into year three of a 10-year contract with Barnsley Metropolitan Borough Council, providing housing management and maintenance services across the council housing stock. The council is a crucial partner for Berneslai and by building on this successful relationship we can drive improvements in the delivery of housing services. This partnership will ensure that we keep customers at the heart of everything we do. A key aspect of the Board has been the work to reshape our 10-year strategic plan, to ensure alignment with the Council's 2030 Plan. I am excited by the impact our social housing business can have on jobs, skills, and training and this is something our Board are keen to support going forward. We continue to embed our company values, Customer First, Can Do and Curious. These values are the fundamental principles on which Berneslai is based and which reflect our ethics and culture.

We plan to implement significant improvements to strengthen assurance around building and fire safety and the new Consumer Regulations and Tenant Satisfaction Measures. The Board has greater visibility of delivery of safety actions and will provide a strong level of scrutiny as we look to deliver our ambitions in our Strategic Plan.

Our Tenant Voice Panel and Scrutiny Panel have worked closely with us to make sure that we are in a strong position to meet the Regulator for Social Housing proactive framework for both setting high standards for tenants and measuring how landlords deliver against those standards. We have listened harder than ever to our tenant feedback through their social media posts, opinions at meetings, views in surveys and mapped out their experiences of the service we deliver day in and day out. Most importantly we have developed a service improvement framework which will deliver those on the ground and practical changes that our tenants deserve.

As we move into this new regulatory era, we are strengthening our partnership with tenants, supporting our Tenants and Resident Associations in their communities, involving tenants openly in our governance and assurance arrangements, co-designing services, and supporting tenants as they test and inspect our service.

I would like to thank all of my fellow members of the Board for their hard work and dedication throughout the year. In particular, I would like to say thank you to Sinéad Butters who has stepped down as Chair of the Board, for the considerable and positive impact she has had on developing the Board since joining us in 2020 and Adriana Rrustemi who also retired from the Board in September for her valued contribution over the last 6 years.

And finally, on behalf of the Board, I would also like to thank all members of staff for their continued hard work and commitment to Berneslai Homes. I am looking forward to working with you all as we deliver on our new Berneslai Homes strategy and live our values as we deliver high quality services, keep our tenants safe, support people into work and invest in our neighbourhoods.


Mark Johnson (Sep 29, 2023 13:13 GMT+1)

Mark Johnson
Acting Chair
29 September 2023

Strategic Report

Activities of the Company

Berneslai Homes Limited is a wholly owned and controlled Company of Barnsley Metropolitan Borough Council (BMBC) and is limited by guarantee. The Company manages and maintains the Housing stock and other Housing Revenue Account assets on behalf of the Council.

Business review

The financial year 2022/2023 was again a challenging year for the housing sector. Inflation reached a 41-year high which placed a strain on budgets and exacerbated recruitment and supply issues. Whilst facing these challenges the Company responded to the cost-of-living impact on Tenants by introducing a Hardship Fund.

The new Property Repairs and Improvement Partnership (PRIP) contract began its third year with Construction Services (CS) responsible for delivering two thirds of the contract. The outturn for the year was turnover of £23.35M, with a surplus of £652K. An allowance was earmarked for disallowed costs of £232K. This is a form of risk pricing for where the pricing caps have been breached. The pricing cap breaches tend to be linked to pricing rates that are unachievable and market conditions relating to inflationary increases on material and from suppliers.

Performance in relation to compliance has been a key focus during the year. A revised reporting framework is now in place and reviewed regularly by the Board, EMT, the Council and verified independently by third party auditors.

The Arm's Length Management Organisation continues to deliver for tenants, the Council and the communities we serve. Despite the challenging year overall tenant satisfaction with the services we deliver remains high at 84.2% (2021/2022: 85%).

Rent collection performance for the year is a 96.06% collection rate which is lower than the stretch target of 97%. Across the sector, the cost-of-living crisis has impacted on collection levels. Approximately two thirds of tenants' rents are met through either housing benefit or an element of Universal Credit. For the remaining third of tenants who do not receive support with their rents, or for any tenant experiencing severe financial hardship a wide range of support is available. Through our tenant support team and the Money Advice Worker we fund at Citizens Advice we have secured £946,363 benefit gain/grants for tenants.

Performance on re-letting void properties saw a slight decrease with void turnaround time being 30.19 days (2021/22: 31.02 days). An improved void standard is being piloted which will enhance the quality of product offered to customers and reduce the number of responsive repairs during the first 12 months.

Our benchmarking club continues to evidence that we are high performing and low cost with high levels of satisfaction.

Principal risks and uncertainties

Risk is a key consideration throughout our business planning process and the Risk Management Framework Strategy is an important component of Berneslai Homes' assurance framework. The Board and the Chief Executive have overall responsibility for risk management. The Head of Governance and Strategy, supported by the Risk & Governance Manager, is responsible for the organisation and promotion of risk management within Berneslai Homes.

The Corporate Risk Appetite was reviewed in February 2023 by EMT and Board, which brought the appetite factors into line with the refreshed Strategic Plan and current external environment.

The strategic risks, issues and concerns register is reviewed quarterly by the Executive Management Team (EMT), by Audit and Risk Committee and the Board. Every two years, a complete zero-based review of the strategic issues and concerns is also undertaken, during which a brainstorming session is undertaken providing an opportunity for everyone to discuss the significant areas of concern. A

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zero-based review of the strategic issues and concerns was undertaken in 2022 by EMT and Board Members.

Each Directorate has a separate issues and concerns register, which assesses the concerns at an operational level. Operational concerns, the day-to-day issues arising whilst managing a service, are the responsibility of managers. They are monitored and reviewed at least quarterly by the respective senior manager, and risk and action owners. Each Directorate also undertakes two-yearly zero-based register reviews, which follows the same format as the strategic review. These reviews were also undertaken in 2022.

EMT monitor the red (critical response) concerns from each of the operational registers. The process involves evaluating the critical response assessment and deciding whether it has been assessed correctly. If it remains critical, EMT will decide whether to accept the concern or whether to recommend further controls to mitigate it.

Key current issues and concerns

There are currently 19 active strategic issues and concerns, of which 4 have been identified as requiring a Critical (Red) Response, which ensures they are given priority with high level mitigations. The 4 critical response risks are: 1) Mould, Damp and Condensation. 2) The HRA does not cover service requirements. 3) The cost of living crisis is impacting tenants and our communities. 4) Vulnerability of in-house and third party systems to cyber attack.

Financial Performance for the year

The Board reports a deficit of £7.9M for the year (2022: deficit £5.4M). The deficit principally arose from expenses in relation to the company's share of the Local Government Pension Scheme and contributions to the BMBC HRA Capital Programme, excluding such expenses the company made a surplus of £1.8M (2022: £2.5M) The Company had net assets of £23.5M (2022: net liabilities £14.3M) after accounting for net pension assets of £15.2M (2022: net liabilities £25.7M). Turnover for the Company was £38.3M (2022: £38.3M).

Emissions and Energy Consumption

The Company's greenhouse gas emissions and energy consumption are as follows:

	2021/22 CO2e (t)	2022/23 CO2e (t)
Scope 1:		
Direct emissions resulting from activities for which the Company is responsible involving natural gas and vehicle fleet	2,454	2,343
Scope 2:		
Indirect emissions resulting from activities for which the Company is responsible involving electricity	580	548
Scope 3:		
Indirect emissions resulting from activities for which the Company is responsible but does not control involving business mileage and new for 2022/23 Home Working	578	662

The intensity ratio for the year was 92.7 CO2e per £m turnover (2021/22 was 94.2).

The main source of CO2 emissions is from gas supplies primarily in relation to the district heating systems. Included in our Sustainability Strategy 2022-2027 our ambition is to monitor and trial new heating technologies offering affordable warmth and carbon reduction. Further detail of initiatives is included in Section 172 Reporting.

The data has been taken from monthly invoices received from suppliers and converted using the UK government GHG Conversion Factors for Company Reporting.

Section 172 Reporting

Directors' duties

Directors of UK companies must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the need to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.'

Business Conduct

Directors are briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. It is important to recognise that in a large organisation such as ours, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the Company.

People

Berneslai Homes is committed to being a responsible business. We work to build strong partnerships that meet the expectations of our Board, employees, customers and suppliers. Employees are at the heart of our services. For our business to be successful we need to manage the performance of our people whilst developing talent, ensuring that we operate as efficiently as possible. Berneslai Homes is certified to Gold standard by Investors in People and Gold Be Well @ Work, which assesses the organisation's health and wellbeing culture.

Partnership

Berneslai Homes work closely with Barnsley 2030 Board, our local communities and different businesses and organisations across all sectors to achieve their vision of Barnsley being a place of possibilities. We are a listening organisation: valuing and encouraging feedback from customers, working together to continuously improve services, and ensuring their views are at the heart of our decision making. We continue to learn, grow and change so we adapt to any given situation.

Community and Environment

Berneslai Homes embrace diversity and inclusion, provide work opportunities, support carers, and contribute to the zero-carbon agenda. We invest and spend wisely in our homes and communities whilst also supporting the local economy and investing in our town.

The right home environment is critical to our tenants physical and mental health and wellbeing. Good quality, energy efficient and safe housing helps people stay healthy and provides the base to help achieve a decent quality of life. Berneslai Homes work with Public Health and other health partners to ensure our tenants can access information and support, to stay fit and well all year round and to provide additional help to keep warm and well during colder weather. We invest over £2 million per annum on equipment and adaptations to assist tenants to remain in their homes.

The Board recognises the need to operate sustainably, which is defined in the Board approved Sustainability Strategy.

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Communication with stakeholders

Good governance is essential in ensuring that stakeholders continue to be supportive of Berneslai Homes and its Strategic Plan.

The table below shows three key events and decisions made by the Board, the stakeholders they impact and the associated actions taken by the Directors to engage with the relevant stakeholders. Key events and decisions have been determined by assessing items which are either material or that have a significant impact on one or many categories of stakeholders.

Key event / decision	Stakeholders affected	Action and Impact
<p>Approve the review of the 10-year Strategic plan and annual business action plan (December 2022)</p>	<p>All Stakeholders, inc BMBC, Board, Employees, Customers</p>	<p>1) The Strategic Plan and Annual Business Action Plan were developed following consultations with our stakeholders and customers. A consultation session was held in October 23 with customers. This session included a discussion around the ambitions, an update on progress and a discussion on the priorities for 23/24. The customers felt that hearing our customers and the Board hearing their voice in governance arrangements were particularly important. Their feedback will help in planning how we can improve on these over the 23/24 period.</p> <p>2) The Strategic Plan and Business Action Plan set out Berneslai Homes Strategic Ambitions and align closely with BMBC Corporate Plan and 2030 vision.</p> <p>3) The actions within the Strategic Plan ensure that our activities are aligned to ensure compliance across all regulatory and statutory standards.</p> <p>4) Zero carbon is one of the objectives of the Strategic Plan and includes the actions that we will take to assist in achieving the zero carbon targets as a company.</p>
<p>Approve the installation of Smoke & Carbon Monoxide Alarms through a planned programme at an estimated cost of £2.83m by October 2022. Approve £1.33m funding from the Housing Growth Reserves to contribute to the installation costs. (July 2022)</p>	<p>All Stakeholders, inc BMBC, Board, Employees, Customers</p>	<p>1) As part of the ongoing Communications Strategy, a meeting was held on Thursday 9th June 2022 with members of the Tenants Voice Panel and our Communications Manager to agree how we will communicate the important changes to our customers and promote access. A social media campaign will be run with key messages going out periodically, keeping the focus very much on safety. Also, key people in the Contact Centre have been made aware of the imminent works so they can best advise customers who contact.</p> <p>2) Meets the objectives set out in Berneslai Homes Strategic Plan of Keeping Tenants Safe and BMBC Strategic Plan of a Healthy Barnsley.</p> <p>3) By mobilising a planned coordinated approach to installations this will reduce operative fuel consumption.</p>

<p>Approve the Berneslai Homes Sustainability Strategy 2022-27 (September 2022)</p>	<p>All Stakeholders, inc BMBC, Board, Employees, Customers</p>	<p>1) As part of Berneslai Homes Strategic Plan 2021-31 zero carbon is one of the key priorities as an organisation we have agreed to focus on in the future.</p> <p>2) The Council’s ambition is that Berneslai Homes will become net zero by 2045, or earlier if possible, and the government has set a target for social housing providers to attain a minimum rating of Energy Performance Certificate (EPC) C for homes by 2030.</p> <p>3) To support our ambitions on zero carbon and working towards achieving local and national targets a five-year Sustainability Strategy 2022-27 and accompanying position statement has been developed for Board approval.</p> <p>4) Provides Berneslai Homes with an effective approach to reducing carbon emissions and helping to limit the effects of climate change, through our operational activities and the council homes across Barnsley.</p> <p>5) Consultation has been undertaken with customers via our tenant’s voice panel (TVP). Customers views and feedback sought from the exercise have been fed into the Strategy. The Strategy will provide customers with Berneslai Homes planned approach for future years.</p> <p>6) Home Standard – as a registered provider Berneslai Homes has an obligation to provide quality accommodation to a required standard as set by the Decent Homes guidance. The Sustainability Strategy will only serve to improve the council housing stock, increasing energy efficiency, reducing carbon emissions and alleviating the effects of fuel poverty to our customers through our agreed approach.</p>
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Berneslai Homes Limited

Key performance indicators

Performance management is linked to the aims and objectives of the Company and is central to ensuring the delivery of key business and service priorities.

The following key performance indicators are part of a suite of indicators reported quarterly to the Board and our shareholder Barnsley Metropolitan Borough Council.

Table of key Performance Indicators

Indicator	2021/22 Target	2021/22 Performance	2022/23 Target	2022/23 Performance
The percentage of all tenants satisfied with the overall service provided	89% +/- 3	85%	89% +/- 3	84.2%
The percentage of tenants satisfied with the repairs and maintenance service	89% +/- 3	79%	82% +/- 3	79.5%
The proportion of local authority dwellings which are decent dwellings	100%	99.71%	100%	99.67%
Average time to re-let local authority housing (calendar days)	23	31.02	25	30.19
Rent collected by the local authority as a proportion of rents owed on HRA dwellings	96.00%	96.37%	97%	96.06%

Specific actions to address KPIs behind target are included within our published performance reports.

S.J. Roebuck
S.J.Roebuck (Sep 29, 2023 12:59 GMT+1)

Samantha Roebuck
Company Secretary
29 September 2023

Directors' Report

The directors present their report and accounts for the year ended 31 March 2023.

Activities of the Company

The activities of the Company are shown in the Strategic Report.

Board Members and Executive Directors

The Board members and the Executive Officers of the Company are set out on page 1. The Board comprises an Independent Chair, 2 tenant representatives, 2 BMBC nominees and 4 independents.

The Executive Officers are the Chief Executive and the Functional Directors. All Executive Officers served throughout the year. The Board Members and Executive Officers have no financial interest in the Company.

Employee Involvement and Development

It is recognised that the commitment of every employee is critical for the success of the Company. Employees are kept well informed by a variety of methods including team briefings, key messages, 1-2-1s, toolbox talks and focus groups to examine and consult upon specific issues. Berneslai Homes also has its own intranet site. We constantly seek feedback from our employees, using a variety of methods which include annual employee satisfaction surveys, regular pulse surveys and the Performance and Development Review (PDR) Process.

We recognise a number of trade unions and have a well-established consultation framework. We also utilise the Berneslai Involvement Group (BIG), which provides a forum for employees to generate ideas and oversee the development and implementation of plans to improve employee engagement, wellbeing and satisfaction across the organisation.

As a result of the 2023 assessment, we have retained the Investors in People (IIP) Gold award subject to a further assessment in March 2024. The award recognises the significant work undertaken to support and train staff. In March 2023, we also achieved the Gold Wellbeing Award from Be Well @ Work, a South Yorkshire award scheme which recognises excellent health and wellbeing culture embedded within organisations.

We reviewed our Leadership training in 2021 and developed/launched our new cohesive Leadership model. We also developed a Coaching Culture model that includes Managers mandatory training and opportunities for those that wish to become accredited coaches.

Training needs are identified through the annual Learning and Development Plan and Performance and Development Reviews for all employees. This captures all training and development undertaken in the previous year together with evaluations, business outcomes and costs to ensure value for money.

Development is not limited to attending courses and conferences and we encourage our employees to job shadow, undertake back to the floor days, networking with other internal and external colleagues and organisations to maximise their potential.

Employees with Disabilities

It is our policy that people with disabilities should have full and fair consideration for all vacancies, and those who meet the essential criteria are guaranteed an interview. In employment we ensure that reasonable adjustments are made for disabled employees and we have a Supporting Disabled People at Work Policy. The policy ensures a consistent approach to the implementation of adjustments.

Those employees who become disabled during their employment are provided with support where possible to enable them to remain in their existing roles. The number of employees who have disabilities over the last few years has been stable at around 5-6%.

We have achieved repeated accreditation with Job Centre Plus through their Disability Confident Scheme. We also target young disabled people to apply for our Office Apprenticeships and we successfully recruited young disabled people in our recruitment campaigns, some of whom have gained full time permanent employment with us. In 2020, we were successful in our application for employing 30 kickstart placements, where we have since seen 14 of these individuals gain employment with us following their placement. We are also currently working with Barnsley Council as part of their Inclusive Offer Forum, with a view to increasing the opportunities we provide for people with disabilities through supported internships, placements and work experience.

Equality, Diversity and Inclusion

Berneslai Homes is committed to equality and inclusion. We see equality and inclusion as core business values, which are embedded in our services, policies, and procedures; from recruitment and selection, through to training and development, from service delivery that meets customers' needs to involvement and engagement of diverse customers.

Our three-year EDI Strategy which received Board approval in 2022 contains 15 specific Year 1 actions. Our ambition is become a beacon employer of best practice in EDI.

The Company recognises that equality is an integral part of delivering a first-class service. It is our policy to promote equality of opportunity for all, in an environment free from discrimination, harassment and victimisation. We embrace and promote diversity, recognising the benefits that it will bring in terms of culture, employee retention and recruitment, and business excellence. We have recently launched a new and comprehensive EDI training model which is mandatory for all staff.

Internal Controls Assurance

The Board is accountable for the Company's management and internal control system. The Chief Executive has responsibility for maintaining a sound system of control which supports the achievement of the organisation's aims and objectives. The systems are designed to manage rather than eliminate the risk of failure to achieve these objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Chief Executive has reviewed the Internal Control framework developed by the Executive Team and taken account of comments made by Internal and External Audit, the IIP External Accreditation Report, and the Audit & Risk Committee and has confirmed that adequate procedures are in place. She is satisfied that there is sufficient evidence to confirm adequate systems of internal control existed and were operated throughout the year to ensure the proper management of significant risks facing the Company. No weaknesses were identified which have resulted in material misstatement or loss, which would have required disclosure in the financial statements.

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Financial Instruments

The Company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Company has no borrowings and the policy is to finance working capital from the retained cash surplus.

The Company does not actively use financial instruments as part of its financial risk management.

Going Concern

The Company's management service and Construction Services PRIP contracts with BMBC are both for a period of 10 years ending 2030/31, thereby securing the Company's income streams for the foreseeable future. BMBC have issued a representation letter in respect of the service agreement.

The Management Fee and Construction Services budgets for 2023/2024 have been approved by the Board.

Directors have considered the operating surplus, cashflow and level of reserves plans which are in-line with expectations and are forecast to continue to be in-line for the duration of the going concern period. A sensitivity stress test has been carried out to assess the ability to continue operating in the event of a downturn in turnover highlighting any mitigating actions which management could take.

Based on the assessment undertaken, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date on which the Annual Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis for the Financial Statements.

Directors Qualifying Indemnity Provision

The Directors benefited from qualifying third party indemnity provisions in place during the year and at the date of this report.

Modern Slavery Act – Transparency Statement

Berneslai Homes is committed to eliminate as far as possible the risk of modern slavery and human trafficking in our organisation and in our supply chain. Our turnover for the year ended the 31 March 2023 is in excess of £36m, therefore we are legally obliged to publish a Modern Slavery Statement each financial year which can be obtained by writing to the Company.

Auditor

A resolution to reappoint BDO LLP as auditor of the Company will be agreed at the Annual General Meeting on 28 September 2023.

Information Given to Auditors

So far as each of the Directors are aware at the time the report is approved:

- There is no relevant audit information of which the Company's auditors are unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Directors and signed on behalf of the Board on 29 September 2023.

S.J. Roebuck
S.J.Roebuck (Sep 29, 2023 12:59 GMT+1)

Samantha, Roebuck, Company Secretary
29 September 2023

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to the Members of Berneslai Homes Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Berneslai Homes Limited ("the Company") for the year ended 31 March 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the 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 Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we

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identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Berneslai Homes Limited

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and the Audit Committee etc; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be UK GAAP, taxation legislation and those that relate to the payment of employees

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and the Audit Committee regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

Based on our risk assessment, we considered the areas most susceptible to fraud to be in relation to the posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- In respect of income from contracts and projects, agreement to support providing evidence of delivery and timing of delivery.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

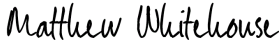
Berneslai Homes Limited

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

DocuSigned by:

6C315CA33A8C4C6...
Matthew Whitehouse, (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester

Date: 29 September 2023

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

Income statement for the year ended 31 March 2023

	Notes	Year Ended 31 March 23 £'000	Year Ended 31 March 22 £'000
Turnover	4	38,343	38,344
Other operating income	7	1,362	933
Operating cost		<u>(47,037)</u>	<u>(43,828)</u>
Operating deficit	6	(7,332)	(4,551)
Other finance cost	12	(748)	(875)
Interest receivable	8	<u>181</u>	<u>8</u>
Deficit on ordinary activities before Taxation		(7,899)	(5,418)
Taxation on deficit ordinary activities	13	(26)	-
Retained deficit for the year		<u>(7,925)</u>	<u>(5,418)</u>

All activities are continuing.

The notes on page 23 to 33 form part of these financial statements.

**Statement of comprehensive income
for the year ended 31 March 2023**

	Notes	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Deficit for the financial year		(7,925)	(5,418)
Actuarial gain on defined benefit pension scheme	12	<u>45,705</u>	<u>18,921</u>
Total comprehensive income for the year		<u>37,780</u>	<u>13,503</u>

The notes on page 23 to 33 form part of these financial statements.

Statement of financial position at 31 March 2023

	Notes	As at	
		31 March 23	31 March 22
		£'000	£'000
Fixed Tangible assets	14	107	135
Current assets			
Stock	16	704	614
Debtors	15	5,575	4,309
Short term investments		5,600	9,300
Cash at bank and in hand		1,584	1,415
		13,463	15,638
Creditors: amounts falling due within one year	17	(5,303)	(4,360)
Net current assets		8,160	11,278
Total assets less current liabilities		8,267	11,413
Pension assets / (liabilities)	12	15,210	(25,716)
Net assets / (liabilities)		23,477	(14,303)
Capital and reserves			
Retained surplus (excluding pension asset / (liability))		8,267	11,413
Pensions reserve		15,210	(25,716)
Retained surplus / (deficit)		23,477	(14,303)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 29 September 2023.

Mark Johnson

Mark Johnson

Mark Johnson (Sep 29, 2023 13:13 GMT+1)

Acting Chair Berneslai Homes Board

Adam Hutchinson

Adam Hutchinson

Adam Hutchinson (Sep 29, 2023 12:46 GMT+1)

Board Member

Statement of changes in equity for the year ended 31 March 2023

	Notes	Pension Reserve £'000	Retained Surplus £'000	Total Equity £'000
Comprehensive (deficit) / income brought forward at 1 April 2022		(25,716)	11,413	(14,303)
Deficit for the year		-	(7,925)	(7,925)
Current service cost of pension scheme	12	(5,916)	5,916	-
Actuarial Gain on pension scheme	12	45,705	-	45,705
Employer contributions to pension scheme	12	1,851	(1,851)	-
Curtailment	12	34	(34)	-
Net interest from pension scheme	12	(748)	748	-
Other Comprehensive income for the year		40,926	4,779	45,705
Comprehensive income carried forward at 31 March 2023		15,210	8,267	23,477

	Notes	Pension Reserve £'000	Retained Surplus £'000	Total Equity £'000
Comprehensive (deficit) / income brought forward at 1 April 2021		(39,626)	11,819	(27,807)
Deficit for the year		-	(5,418)	(5,418)
Current service cost of pension scheme	12	(5,837)	5,837	-
Actuarial gain on pension scheme	12	18,921	-	18,921
Employer contributions to pension scheme	12	1,701	(1,701)	-
Net interest from pension scheme	12	(875)	875	-
Other comprehensive income for the year		13,910	5,011	18,921
Comprehensive (deficit) / income carried forward at 31 March 2022		(25,716)	11,413	(14,303)

The pension reserve forms part of the Company's Retained Surplus but is disclosed separately to show separately the movements in relation to the Company's Pension Scheme.

The notes on page 23 to 33 form part of these financial statements.

Statement of cash flows for the year ended 31 March 2023

	Notes	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Cash flows from operating activities			
Deficit for the financial year		(7,925)	(5,418)
Adjustments for:			
Depreciation of tangible assets		28	38
Increase in stocks		(90)	(49)
(Increase) / Decrease in debtors		(1,266)	2,124
Increase in creditors		943	608
Net interest receivable		(181)	(8)
Net interest from pension scheme		748	875
Difference between net pension expenses and cash contribution		4,031	4,136
		<u>(3,712)</u>	<u>2,306</u>
Cash from operations			
Taxation paid	13	-	-
Net cash (absorbed by) / generated from operating activities		<u>(3,712)</u>	<u>2,306</u>
Cash flows from investing activities			
Interest received	8	181	8
Purchases of tangible assets	14	-	(7)
Net cash generated from investing activities		<u>181</u>	<u>1</u>
Net (decrease) / increase in cash and cash equivalent		(3,531)	2,307
Cash and cash equivalents at beginning of year		10,715	8,408
Cash and cash equivalents at end of year		<u>7,184</u>	<u>10,715</u>
Cash and cash equivalents comprise:			
Cash at bank and in hand		1,584	1,415
Short term investments		5,600	9,300
		<u>7,184</u>	<u>10,715</u>

The notes on page 23 to 33 form part of these financial statements.

Berneslai Homes Limited

Notes to the Accounts

1 Company Status and Parent Undertaking

Berneslai Homes Limited is a company 100% owned by Barnsley Metropolitan Borough Council (BMBC). The Company is limited by guarantee. The guarantors are listed in the Company's Register of Members. The liability in respect of the guarantee as set out in the memorandum, is limited to £1 per member of the Company.

2 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3). The following principle accounting policies have been applied:

Going Concern

The Company's management service and Construction Services PRIP contracts with BMBC are both for a period of 10 years ending 2030/31, thereby securing the Company's income streams for the foreseeable future. BMBC have issued a representation letter in respect of the service agreement.

The Management Fee and Construction Services budgets for 2023/2024 have been approved by the Board.

Directors have considered the operating surplus, cashflow and level of reserves plans which are in-line with expectations and are forecast to continue to be in-line for the duration of the going concern period. A sensitivity stress test has been carried out to assess the ability to continue operating in the event of a downturn in turnover highlighting any mitigating actions which management could take.

Based on the assessment undertaken, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date on which the Annual Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis for the Financial Statements.

Tangible fixed assets and depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives.

The principal annual rates used are:

Long leasehold improvements	Over the term of the lease
Fixtures and fittings	20-33%

Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

Intangible assets and depreciation

Development costs for computer software are amortised over their estimated useful live of 5 years.

Stocks

Stock comprise costs incurred on Programme Maintenance Jobs, net of amounts transferred to cost of sales after deducting foreseeable losses and related payments on account.

Accounting Policies continued:

Stocks (cont.)

Costs include all direct material and labour costs incurred in bringing a contract to its state of completion at the year end including an appropriate proportion of indirect expenses. Provisions for estimated losses on contract are made in the period in which such losses are foreseen. Programme Maintenance Jobs balances do not include attributable profit.

The excess of payments received over amounts recorded as turnover is classified under creditors due within one year. Amounts recoverable on contracts, being the amount by which recorded turnover is in excess of payments on account is classified under debtors.

Other stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred Income

Deferred Income is received for a specific activity which is to be delivered in the following financial year.

Pension Costs

The company participates in a funded defined benefit scheme, the South Yorkshire Local Government Pension Scheme (LGPS). Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary, using the projected unit method.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus is recognised as the asset ceiling and presented on the face of the statement of financial position. The movement in the scheme is split between operating charges, financing items and, in the statement of comprehensive income, actuarial gains and losses in accordance with FRS 102.

Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Short Term Investment Policy

The company's treasury management strategy for 2022/23 is to use financial institutions with a minimum credit rating of A-. Money Market funds need a rating of "AAA".

Short term investments comprise money market funds and other short term deposit investments.

Accounting Policies continued:

Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from other third parties and loans to related parties.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Judgements in applying accounting policies and key sources of estimated uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Pensions

The critical underlying assumptions in relation to the estimates of the pension defined benefit scheme obligation include standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability or asset recorded and annual defined benefit expense.

Stocks

Stock is assessed annually and an impairment charge made where it is considered that the net realisable value is less than the carrying value.

4 Turnover

Turnover represents amounts invoiced to Barnsley Metropolitan Borough Council (BMBC) for the provision of housing management and construction services excluding value added tax during the year.

The management fee is agreed annually and received on a monthly basis. Construction Services invoice monthly for works undertaken under the Property, Repair and Improvement Partnership (PRIP) contract.

5 Government Grants (Other Operating Income)

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met.

Other operating income includes a financial contribution from BMBC for the implementation of a new IT repairs system.

Berneslai Homes Limited

6 Operating Deficit

This is stated after charging:

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Depreciation of tangible assets	28	38
Contribution to BMBC Housing Growth Programme	3,047	1,184
<i>Auditor's remuneration:</i>		
Fees payable to the company's auditor for the audit of the financial statements	29	19
Fees payable to the company's auditor for other services - services relating to tax	11	7
Inventory recognised as an expense	2,123	2,149
	<hr/>	<hr/>

7 Other Operating Income

Other operating income comprises of the following Government Grants received in 2022/23 and BMBC contribution to new IT Repairs System

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Education and Skills Grant	18	9
European Social Fund (ESF) - Tenants First Project	181	2
Kickstart Scheme	54	112
Housing Support Grant	81	-
BMBC Contribution	871	810
Community Renewal Fund	125	-
UK Prosperity Fund	29	-
Grants from Suppliers	3	-
	<hr/>	<hr/>
	1,362	933

8 Interest Receivable

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Cash deposits held with the Bank and Money Market Funds	181	8
	<hr/>	<hr/>
	181	8

Berneslai Homes Limited

9 Staff Costs

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Wages and salaries	16,900	15,458
Social security costs	1,748	1,479
Other pension costs	1,884	1,702
	<u>20,532</u>	<u>18,639</u>

9 Staff Costs continued:

	Year ended 31 March 23 No.	Year ended 31 March 22 No.
Customer & Estate Services	140	140
Assets & Regeneration	54	49
Construction Services	252	248
Senior Management and Corporate Services	64	66
	<u>510</u>	<u>503</u>

10 Directors' Emoluments

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Directors' emoluments	44	40
Total non executive directors' expenses in respect of qualifying services	<u>-</u>	<u>-</u>

There were no executive directors.

Emoluments disclosed above include £12,008 (2022:£11,733) paid to the highest paid director.

The Company did not make any contributions under pension arrangements on behalf of any directors (2022:nil).

11 Executive Officers Emoluments

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Executive Officers' emoluments	<u>577</u>	<u>633</u>

The executive officers are considered to be key management personnel under FRS 102.

12 Pension Obligations

Local Government Pension Scheme

Berneslai Homes Limited is a scheduled employer of the South Yorkshire Local Government Pension Scheme (LGPS) a funded defined benefit pension scheme. The Company entered into the scheme upon TUPE transfer of its staff from the Council. Under the guidance issued by the ODPM, the pension liabilities accrued at the time of the TUPE transfer of staff will remain with the Council.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 March 2023 was £2,926,927 (2022:£2,659,926) of which employers contributions totalled £1,847,474 and employees' contributions totalled £1,079,453.

The disclosures required under FRS 102 have been calculated by a qualified independent actuary, Hymans Robertson LLP. The date of the last full actuarial valuation was 31 March 2022.

The actuaries estimate that the net pension asset as at 31 March 2023 is £18,925,000 and the asset ceiling is £15,210,000 (31 March 2022 : £25,716,000). It is Berneslai Homes' intention to continue to contribute towards the scheme at the recommended contribution rate in future years.

The financial assumptions used for the purpose of the FRS 102 calculation as at 31 March 2023 were as follows:

	At 31 March 2023	At 31 March 2022
Pension increase rate (CPI)	2.95%	3.20%
Salary increase rate	3.55%	4.20%
Discount rate	4.75%	2.70%

Mortality assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are:

	2023 No. of years	2022 No. of years
Current Pensioners:		
Males	20.5	22.6
Females	23.7	25.4
Future Pensioners:		
Males	21.5	24.1
Females	25.2	27.3

*Figures assume members aged 45 as at the last formal valuation date.

Asset Ceiling calculation

The Asset ceiling calculation is based on the net present value of employer future service costs less the net present value of future employer contributions, over the future working lifetime of the active scheme members.

Berneslai Homes Limited

Local Government Pension Scheme continued:

Amounts recognised in the statement of financial position:

	2023 £'000	2022 £'000
Present value of funded obligations	(128,467)	(177,216)
Present value of unfunded obligations	(486)	(594)
Fair value of plan assets	147,878	152,094
	<u>18,925</u>	<u>(25,716)</u>
Asset Ceiling Adjustment	(3,715)	-
Unrecognised past service cost	-	-
Asset / (Deficit)	<u>15,210</u>	<u>(25,716)</u>
Related deferred tax asset	-	-
Net Asset / (liability)	<u>15,210</u>	<u>(25,716)</u>

Analysis of the amount charged to income and expenditure account:

	2023 £'000	2022 £'000
Current service cost	(5,916)	(5,837)
Net Interest cost	(748)	(875)
Total operating charge	<u>(6,664)</u>	<u>(6,712)</u>

£5,916k charged (2022: £5,837k charged) to the operating surplus and £748k credited (2022: £875k credited) to other finance income and costs.

Amounts recognised in the statement of total recognised surpluses and deficits

	2023 £'000	2022 £'000
Actuarial gain relating to pensions	<u>45,705</u>	<u>18,921</u>

The company expects to contribute £1,698k to its defined benefit pension scheme in 2023/2024.

Changes in present value of defined benefit obligation:

	2023 £'000	2022 £'000
Opening defined benefit obligation	(25,716)	(39,626)
Service cost	(5,916)	(5,837)
Interest cost	(748)	(875)
Actuarial gains	45,705	18,921
Employer contributions	1,885	1,701
Closing defined benefit obligation	<u><u>15,210</u></u>	<u><u>(25,716)</u></u>

Berneslai Homes Limited

Local Government Pension Scheme continued:

Major categories of plan assets as a percentage of total plan assets:

	2023	2022
Equities	68%	66%
Bonds	23%	24%
Property	8%	9%
Cash	1%	1%

Amounts for current and previous four periods are as follows:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Present value of defined benefit obligation	(128,953)	(177,810)	(178,562)	(148,289)	(153,262)
Fair value of scheme assets	147,878	152,094	138,936	116,188	118,931
Asset ceiling adjustment	(3,715)	-	-	-	-
Surplus/(Deficit) on scheme	15,210	(25,716)	(39,626)	(32,101)	(34,331)

13 Tax on ordinary activities

Berneslai Homes Limited has been granted non trading status by HM Revenue & Customs. The directors have prepared the accounts based on this assumption.

13(a) Analysis of charge in period

	Year ended 31 March 23 £'000	Year ended 31 March 22 £'000
Current Tax:		
UK corporation tax on deficit for period	33	-
Adjustments in respect of prior periods	(7)	-
Total current tax (note 13b)	<u>26</u>	<u>-</u>
Deferred Tax		
Origination & reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on deficit on ordinary activities	<u>26</u>	<u>-</u>

Berneslai Homes Limited

Tax on ordinary activities continued:

13(b) Factors affecting tax charge for period

The tax assessed is lower than the standard rate of corporation tax in the UK of 19% (2022: 19%).
The differences are explained below:

	2023 £'000	2022 £'000
Deficit on ordinary activities before tax	<u>(7,899)</u>	<u>(5,418)</u>
Deficit on ordinary activities multiplied by the standard rate of corporation tax 19% (2022: 19%)	(1,501)	(1,029)
Effects of:		
Expenses not deductible for tax purposes	9,035	8,443
Deferred tax not recognised	(4)	2
Income not taxable	(7,503)	(7,421)
Adjustments in respect of prior periods	(7)	
Fixed asset differences	5	7
Remeasurement of deferred tax for changes in tax rate	1	(2)
	<u>26</u>	<u>-</u>

Provision for Deferred Tax

There is a potential deferred tax asset of £1K (2022: £5K) which is not provided for in these accounts as the directors do not believe that it is likely to reverse in the foreseeable future.

14 Tangible Assets

	Leasehold Improvements £'000	Fixtures + Fittings £'000	Total £'000
Cost or valuation			
At 1 April 2022	719	193	912
Transfers	-	-	-
Additions	-	-	-
At 31 March 2023	<u>719</u>	<u>193</u>	<u>912</u>
Depreciation			
At 1 April 2022	635	142	777
Transfers	-	-	-
Charged in year	15	13	28
At 31 March 2023	<u>650</u>	<u>155</u>	<u>805</u>
Net book value			
At 31 March 2023	<u>69</u>	<u>38</u>	<u>107</u>
At 31 March 2022	<u>84</u>	<u>51</u>	<u>135</u>

Berneslai Homes Limited

15 Debtors: amounts falling due within one year

	As at 31 March 23 £'000	As at 31 March 22 £'000
Trade debtors	44	45
BMBC debtors	4,863	3,703
Other debtors	660	498
Prepayments & accrued income	15	64
Less provision for bad debts	(7)	(1)
	<u>5,575</u>	<u>4,309</u>

The BMBC debtors are interest free and repayable on demand.

16 Stock

	As at 31 March 23 £'000	As at 31 March 22 £'000
Raw materials	704	614
	<u>704</u>	<u>614</u>

17 Creditors: amounts falling due within one year

	As at 31 March 23 £'000	As at 31 March 22 £'000
Trade creditors	1,635	1,405
BMBC creditors	1,684	709
Corporation Tax	26	-
VAT	839	596
Other tax and social security	383	449
Other creditors	326	369
Accruals & deferred income	410	832
	<u>5,303</u>	<u>4,360</u>

The BMBC creditors are interest free and repayable on demand.

18 Financial instruments

	As at 31 March 23 £'000	As at 31 March 22 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>12,262</u>	<u>14,566</u>
Financial liabilities		
Financial liabilities that are debt instruments measured at amortised cost	<u>4,055</u>	<u>3,315</u>

Financial assets measured at amortised cost comprise cash and debtors (excluding corporation tax and prepayments).

Financial liabilities measured at amortised cost comprise creditors (excluding corporation tax, VAT, social security and deferred income).

19 Financial commitments

Operating lease commitments

The total payments which the company is committed to make under operating leases are as follows:

	2023 £'000	2022 £'000
Equipment, leases expiring:		
within one year	311	320
one to five years	1,554	1,554
beyond five years	<u>932</u>	<u>1,243</u>
	<u>2,797</u>	<u>3,117</u>

20 Related parties transactions

Board member Adriana Rustemi is resident in a property owned and maintained by the parent undertaking, Barnsley Metropolitan Borough Council. The resident has a standard tenancy agreement and is required to fulfil the same obligations and receive the same benefits as other tenants.

The Company leases its Head Office based at Gateway Plaza from its parent Company and pays a rental charge of £310,796 per annum.

21 Parent undertaking

The company is a wholly owned subsidiary of Barnsley Metropolitan Borough Council, which is the largest and smallest group for which consolidated accounts are prepared. In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party. Consolidated accounts are available from Barnsley Metropolitan Borough Council's website.