

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31st MARCH 2021**

The Regulator of Social Housing
Registration No. LH3940
The Co-operative and Community Benefit Societies Act 2014
Registration No. 25683R



**GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2021**

**EKAYA HOUSING ASSOCIATION LIMITED
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**EKAYA HOUSING ASSOCIATION LIMITED
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BOARD OF MANAGEMENT AND SHAREHOLDERS

The Board Members who served from 1st April 2020 up to the date of approval of these financial statements were as follows:

Michelle Nelson	Chairperson
Leanne Donald-Whitney	Vice Chair
Tanya Srikandan	Treasurer
Elaine Marshall	Board Member
Gordon Mattocks	Board Member (Resigned 19/12/2020)
Melissa Madjitey	Board Member
Jamie Houlders	Board Member
Kate Parsley	Board Member (Joined 03/12/2020)

None of the Board of Management members had any interest in any contract or arrangement with Ekaya Housing Association Limited.

CHIEF EXECUTIVE AND SECRETARY

Ben Laryea: Chief Executive

Nana Amfo: Secretary

AUDIT & RISK COMMITTEE

Tanya Srikandan (Chairperson)
Gordon Mattocks (Resigned 19/12/2020)
Michelle Nelson
Elaine Marshall

POLICY & PERFORMANCE COMMITTEE

Melissa Madjitey (Chairperson)
Leanne Donald-Whitney
Jamie Houlders
Kate Parsley

**EKAYA HOUSING ASSOCIATION LIMITED
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REGISTERED OFFICE

145 Stockwell Road
London
SW9 9TN

SOLICITORS

Devonshires
30 Finsbury Circus
London EC2M 7DT

BANKERS

National Westminster Bank plc
504 Brixton Road
London SW9 5EB

Lloyds Bank plc
25 Gresham Street
London EC2V 7HN

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Knox Cropper Chartered Accountants
8-9 Well Court
London EC4M 9DN

Registered under the Co-operative and Community Benefit Societies Act 2014 No: 25683R
Registered by The Regulator of Social Housing No: LH3940.

**EKAYA HOUSING ASSOCIATION LIMITED
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FINANCIAL STATEMENTS YEAR ENDED 31st MARCH 2021**

**BOARD REPORT
FOR THE YEAR ENDED 31st MARCH 2021**

The Board of Management (the Board) is pleased to present the financial statements for the year ended 31st March 2021.

LEGAL STATUS

Ekaya Housing Association Limited ("Ekaya") is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider under the Housing & Regeneration Act 2008 with the Regulator of Social Housing (RSH). Ekaya subscribes to the NHF model rules adopted in 2015. Ekaya is administered by a voluntary Board of Management. Its subsidiary Happy Nursery Days (Tulse Hill) Limited ("Happy Nursery Days") is a company limited by guarantee, governed by its memorandum and articles of association. It registered as a charity with the Charity Commission in 2011. As at 31st March 2021, Happy Nursery Days is a 100% owned subsidiary of Ekaya.

PRINCIPAL ACTIVITIES

The principal activities of the Association are the provision, management and maintenance of permanent housing and supported accommodation to black and minority ethnic (BME) female led households and single mothers who are in need of affordable accommodation. Ekaya also owns a subsidiary, Happy Nursery Days, that provides a community nursery for children aged under five.

GOVERNANCE

The Board confirms that the Association has met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard except as stated in the Compliance with the Governance and Financial Viability Standard section below.

At the end of the year, the Board of Ekaya consisted of seven non-executive directors who are responsible for the overall strategic direction of the Group.

REVIEW OF THE YEAR

Ekaya's consolidated retained surplus for the year to 31st March 2021 was £1,029k compared to £731k in 2020. The operating surplus was £1,358k in 2021 compared to a surplus of £1,111k in 2020 and revenue reserves and share capital at year-end totalled £8,570k. Turnover for the Group was £4,679k in 2021, an increase of £117k from 2020 £4,562k).

Operating costs were £3,320k, a decrease of £130k compared to those in 2020 of £3,450k. Loan interest costs were £396k in 2021, a decrease of £65k compared to £396k in 2020. All lender covenants continued to be met during the year. At the year-end Ekaya and its subsidiary had cash holdings of £1,184k (2020: £3,014k) and loans of £12,067k (2020: £12,285k).

FIXED ASSETS

£1,260k was spent on the acquisition of ten General Needs under stock transfer and £178k was capitalised from replacement of long-term components in properties. £1,291k was spent on New-Head Office, which includes furniture and fitting and computers. Details of the Association's fixed assets are on Notes 11 and 12.

ASSETS AND LIABILITIES REGISTER

Ekaya is compliant with the requirements of the Regulator of Social Housing in relation to development and maintenance of an Assets and Liabilities Register. The Board, on recommendation of the Executive, should be sufficiently assured that this position enables it to sign off the Statement of Regulatory Compliance in respect of the Assets and Liabilities Register.

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**BOARD REPORT
FOR THE YEAR ENDED 31st MARCH 2021 (Continued)**

FUTURE DEVELOPMENT

The Association continues to engage in acquisition of additional housing stock in line with its five-year business plan and is explored range of options to seek new business opportunities. We plan to invest £12 million loan secured from NatWest Bank Plc. in addition housing stock, in stock transfer and acquisition of new-build housing units.

POLICY ON EMPLOYMENT

The Association has adopted an equal opportunities employment policy, which covers recruitment, development and retention of staff. An assessment of performance against the policy is carried out on an annual basis. An Equality and Diversity policy is in place, which sets out the approach taken by the Association to embed equality and diversity across the organisation, and within its transactions with customers and stakeholders.

TREASURY MANAGEMENT POLICY

The Association's Treasury Management Policy has been prepared to cover the general banking facility, short-term and long-term borrowings as well as the investment of surplus funds. The Board was satisfied that the existing policy and practice are appropriate in so far as meeting current financial requirements.

RENT POLICY & SUPPORTED HOUSING

The Association reviewed its rent setting and arrears policy. The main aim of the policy is to ensure that rent charged is affordable, fair and contributes to the financial viability of the organisation. Ekaya like all Housing Associations increased its rent by CPI plus, one per cent (2.7%) in compliance with Social Housing Regulations.

RESERVES POLICY AND TRANSFER TO RESERVES

Ekaya's overall financial strategy is to build a reserve as a measure to cope with risks. The aim is to designate reserves for identified risks and specified requirements in order to support its growth strategy and to ensure that the organisation's long-term objectives are met. Key risks for Ekaya include lack a 'sinking fund' for major repairs and maintenance of buildings, particularly in its supported housing properties, unexpected employment costs, welfare reform, Covid-19 pandemic, the likelihood of recession in the UK, is receding and potential right to buy and other contractual liabilities or sector changes that may impact on the Association.

PRINCIPAL RISKS AND UNCERTAINTIES

Ekaya maintains a detailed risk register that is reviewed regularly by the Audit & Risk Committee and the Board. The register reviews the external operating environment (political and policy) and the resultant financial, operational, corporate and reputational risks facing the organisation. The current challenges arising from Welfare Reform, ongoing reductions in funding for Supported Housing activities, Health and Safety compliance issues, and potential changes to building regulations have been considered.

A full budget is considered each year identifying the various component parts of the business and the risks, financial and otherwise, associated with these activities. The analysis includes the basic fabric of the income generating assets, the nature and age of the components within them, the costs of maintaining and replacing them and thus the total amount that needs to be set aside to carry out the replacement of the component when it becomes due.

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**BOARD REPORT
FOR THE YEAR ENDED 31ST MARCH 2021 (Continued)**

VALUE FOR MONEY STRATEGY

Value for Money (“VfM”) is a part of Ekaya’s culture embedded throughout the organisation and in all we do. The Ekaya Group (Ekaya and Happy Nursery Days) remains committed to delivering on its efficiency objectives and will continue to set challenging targets and we continue to strive to deliver on these targets.

VfM savings generated will be used to deliver our strategic objectives – investing in existing and new properties, enhancing services to customers and investing in our local housing communities.

VfM is a fundamental part of our revised business plan. The Ekaya Board remains committed to challenging the business and its managers to ensure it can demonstrate efficiencies, business improvement and VfM to key stakeholders in the year ahead, building on VfM foundation already in place.

The Ekaya Board, directors, managers and staff recognise the importance of not being complacent as we strive for improvement. VfM targets are proposed by SMT, approved by the Board and monitored on a quarterly basis by the Audit & Risk Committee.

The Group will also monitor VfM using the VfM metrics proposed by the Regulator of Social Housing which will allow comparison across the sector.

The objectives set for Ekaya in 2020/21 were to:

- **Continue to promote and embed VfM within the culture of the organisation**

Progress: From embedding VfM in the DNA of the organisation, this action has generated numerous costs savings over the year. The management of Happy Nursery Days decided to discontinue use of their HR management system resulting in a cost saving of £1.2k over the coming five years. Savings on the HR and Employment Law Service pertaining to Happy Nursery Days amounts to a £4k saving over the next five years. Following the completion of the New Head Office in November 2020, approximately £18k was saved during the financial year; by substituting lease payment of £72k, on the old office with mortgage on the full year savings in 2021/22 was £26k and in future years. In 2020, December there was a hike in Ekaya Group Life insurance premium; we went to market and make saving of £6k per annual.

- **Review the procurement process, minimising wastage and encourage green initiatives**

Progress: We have reduced the number of photocopiers to one from two resulting in an annual saving of £4k (60%). Staff have also been instructed to minimise the amount of printing and photocopying they do in order to both reduce the cost of consumables and reduce our environmental impact.

- **Improvements in stock condition**

Progress: We have used the information derived from the stock condition survey to inform our future investment planning and deliver an affordable rolling stock re-investment programme; this was applied during 2019/20 and 2020/21 and has been used in the budget setting and business planning process for 2021/22 and future years.

- **Engaging in partnerships to promote and deliver VfM joint working including benchmarking performance**

Progress: As one of a group of fourteen BME Housing Associations, we continue to explore all opportunities for collaborative and joint working. The aim of this collaboration has been threefold:

- Achieve financial savings and deliver enhanced value for money for residents, communities and organisations.
- Share best practice amongst the group and thereby increase productivity of staff and organisations as a whole.
- Provide opportunities for residents to access services, such as employment support, that organisations would not be able to deliver alone due to high up-front costs, risks and lack of resources.

The collaboration continues to deliver shared good practices and future joint procurements of services that generate VfM savings for group members.

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**BOARD REPORT
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- **Improve IT services to make us more efficient and cost effective in providing services**

Progress: During the year, costs savings on Internet Services of £384 per month were realised.

- **Engage residents in the Value for Money process and reporting of achievements**

Progress: During 2020/21, a concerted effort has been made to involve residents in the procurement process for all major contracts, recognising that VfM does not always mean the cheapest option and considering cost over the lifetime of the contract.

- **Ensure financial controls support delivery**

Progress: In 2020/21, budget holders continue to monitor expenditure on a monthly basis to ensure that the financial expenditures are within the agreed budget. This is a key part of our ongoing approach to VfM and each department was again set savings targets for the year. Performance against these targets was reported quarterly to Audit & Risk Committee.

- **A peer comparison of the unit costs**

Progress: We monitor per unit costs and utilise “Acuity” (the House-mark benchmarking tool for small associations) to monitor peer performance. We have also signed up the NHF “Sector Scorecard” and we submitted our set of performance data during 2020/21.

- **A review of the return on assets together with action plans for any remedial actions that need to be taken**

Progress: The update of our Asset Management Strategy will include an evaluation of the cost and return of all property assets. The Annual Asset Management Plan will, when created, serve as a remedial action plan and will inform the ongoing VfM assessment of our assets.

- **Value for Money**

Our Value for Money (VfM) strategy, focus on quality, critical analysis of ‘cost drivers’, in order to maintain competitive position, keep our costs low as possible, and maintain high quality of service delivery. The Association’s VfM Strategy is the responsibility of members of staff, as agreed with the Board. Staff actively question, review and propose change, with VfM as an integral part of employee’s induction and development. VfM is rooted in our budget setting and business planning processes to ensure that corporate resources and assets are used in the most appropriate way to deliver effective corporate objectives.

In our drive to reduce transactions processing costs, we aim to automate some of our rent processing by continuously improving how our systems interact in order to make smooth and cost-effective processes and processing of accounting transactions. We plan to automate where possible and we are in the digital transition phase of embedding digital tools in our processes, from Accounts Payable to Rent Processing. This also allows us to take a broader, more customer-focussed approach, and to work in close partnership with our business partners, so that we could develop our core competencies and allow our tenants and clients 24/7 access to their rent accounting system and request repair services with minimum human interactions. We have extended rent payments options for customers by implementing an automated phone service and online payments. Our colleagues will be equipped with mobile devices to promote agile working so that performance can be optimised and deliver “best in class” value and effective customer experience and improve efficiency.

Ekaya’s main assets are the homes that our residents live in. Investing in the housing stock is therefore a fundamental part of our business, as it not only ensures that we have quality homes available to rent with enhanced value, which could also be used as security to raise money and develop / build new homes. In 2020/21 financial year we invested over £177,793 (2020: £793,568) on major repairs largely consisting of the refurbishment of ‘Kabo House’ with new kitchens, boilers and window replacements. We have embarked on a programme of fire door inspections and carrying out supplementary works to ensure continued safety of our customers. Our approach to investing in our homes and maximise the returns on our assets is underpinned by our Asset Management Strategy, Stock Condition Survey and the Development Strategy.

We are a London based Association with high property values. On average, our residents pay less than half of market rents, making them genuinely affordable for people on lower incomes and enabling them to

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**BOARD REPORT
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continue to live in vibrant communities. We have successfully worked with customers, or sign-posted them to agencies that help them to secure employment and further education to improve their life chances.

As part of our continuous improvements, some of the service areas earmarked for improvements in the new financial year include redesign of our website and an extensive programme of cyclical improvement works to our housing properties, including windows, kitchens and bathrooms replacements. Part of our cleaning and gardening services will be re-procured to deliver better value for money.

• **Performance and Benchmarking**

Ekaya is a member of a benchmarking network, facilitated by Acuity in partnership with HouseMark, aimed at housing providers with up to 1,000 homes. We use the information to identify where we need to deploy our resources, to improve performance. The table below sets out the Association's performance and benchmarks against our own internal targets and average of our London based peers.

In 2018, the Regulator of Social Housing (RSH) introduced a new Value for Money (VfM) standard and accompanying Code of Practice. This revised standard and the supporting code of practice were developed by way of a Sector Scorecard following consultation within the sector. Within the 15 measures covering five areas of Business Health, Development Capacity and Supply, Outcomes Delivered, Effective Asset Management, and Operating Efficiencies, seven of these are performance indicators are required to be published annually. The new set of metrics required by the Regulator under the VfM regime for the sector are included in the table below under "Value for Money Metrics". It should be noted that improvements on 'Return on Capital employed' is an indicator of continuous cost control and being financial viable. It is an opportunity to continuously improve our services provision to our tenants, provide them good quality homes at an affordable rent.

Operational Performance	2020-21	2020-21	2019-20	2018-19	***
	Actual	Target	Actual	Target	Benchmark
Rent arrears	3.70%	3.75%	3.78%	4.32%	3.85%
Rent collection	100.49%	100.25%	100.35%	99.73%	100.08%
Voids average re-let time (days)	25	24	20.5	26	23.9
Void losses	2.50%	0.70%	0.70%	2.25%	0.85%
Emergency repairs completed within target	100.00%	100.00%	99.00%	99.00%	99.00%
Urgent repairs completed within target	100.00%	100.00%	99.00%	95.00%	97.00%
Routine repairs completed within target	100.00%	100.00%	98.00%	95.00%	95.00%
Gas safety certificate (LGSR)	100.00%	100.00%	100.00%	100.00%	100.00%
Value for Money Metrics					
Reinvestment	4.06%	3.75%	3.99%	1.63%	2.30%
New supply delivered %	0.00%	0.00%	0.00%	0.47%	0.01%
Gearing	25.06%	26.50%	22.24%	20.93%	20.10%
EBITDA MRI Interest Cover	394.47%	225.00%	105.75%	277.86%	221.10%
Headline Social Housing Costs per Unit	5,759	6,500	7,524	5,445	5,750
Operating Margin-Social Housing Letting only	34.28%	26.00%	27.70%	36.49%	18.00%
Operating Margin- Overall	32.03%	25.00%	25.86%	33.88%	14.20%
Return on Capital employed	2.94%	2.45%	2.41%	2.88%	2.40%

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*** Benchmark based on 2019/20 Acuity report, the latest available financial performance indicator

**BOARD REPORT
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In 2020/21, we performed well in most of our key performance indicators and against our peer group. We are made progress on our Key Performance Indications (KPIs) when compared to the previous years. We are now a top performer within our peer group in 2020/21 and we plan to improve our performances in the future years.

The 'Headline Social Housing Costs per Unit' has gone down due to continuous investments on the major components replacement programme and investment in some FRA assessments such as 'landlord meters' installations. The 'EBITDA MRI Interest Cover' significantly improve due to improvement in our cost management, improved 'operating surplus' and low interest rate on our 'variable loans'.

Our performances were in line with most of our own targets, as we deliberately set challenging, but achievable targets. Our performances continue to improve and it is as good if not better than most of our peer group as measured under the RSH's new VfM metrics for the sector. In particular, our operating margin and interest cover was better whilst headline-housing cost per unit was lower than target; these are due targeted improvement in some of our housing properties, such as Kabo House, thereby reducing routine running cost. Our Return on Capital Employed (ROCE) was better than target and the peer group. We plan to use our strong finances to increase affordable housing supply, boosting our stock in the year 2021/22 financial year by thirteen additional properties with plans for further increases in the coming year.

As a Board, we monitor performance against our corporate plan throughout the year and continually challenge performance, in consideration to changes in our operating environment and managing risks that might adversely affect the business.

- **BME London Group**

Ekaya is part of BME London landlords, a group of fourteen BME led housing organisations (Registered Social Landlords), who are working together in partnership to deliver ambitious, innovative and influential projects that provide positive outcomes and enhance value for money for our residents, communities and organisations.

The group has already demonstrated success by working in collaboration to deliver ground-breaking procurement, in which we entered into a designed and build contract with L&Q for eight units. BME London Landlords and L&Q have joined forces to unlock smaller housing associations' development capacity and bring forward a range of new high quality affordable homes. In doing so, we are leveraging L&Q's development capabilities and would deliver more social homes than BME London HA's might achieve alone. This means we can achieve greater 'economies of scale' to ensure better risk management and realised greater value for money savings.

- **Development**

Ekaya has strong finances and, in addition to investing in our existing housing stock, capacity to deliver its ambitious growth plans through development. The Association is generating healthy surplus and has a robust balance sheet with capacity to take on more debt, and further maximise the use of our financial capacity. Our strategic plan assumes organic growth, consisting of a mixture of new developments, stock transfers and acquisitions.

We are exploring a number of development opportunities, which includes working in collaboration with L&Q, under their 'Build London Partnership Programme', to build the much-needed new affordable homes.

- **Events after the end of the reporting period**

Below are two important events since the year-end:

- 1) On 07/04/2020, Ekaya Housing Association Limited completed an agreed £12 million, 24 years fixed interest rate loan with NatWest Bank Plc.

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- 2) On 15/04/2021, Ekaya Housing Association Limited completed the stock transfer of 5 units from Arhag for a sum of £655k.

**BOARD REPORT
FOR THE YEAR ENDED 31ST MARCH 2021 (Continued)**

COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

The Board confirms that the Association has met the Regulator of Social Housing's regulatory expectations in the governance and financial viability standard except as stated below.

The Association continues to adopt the National Housing Federation's Code of Governance 2015. The Association complies with the Code of Governance in all respects except one, namely F8 which states: "The voting members of the committee responsible for audit must not include the chair of the board or any executives."

"Our board chair is a member of our Audit Committee. Whilst the chair has never individually voted at Committee meetings, we have amended our internal standing orders/ Terms of Reference for that Committee to make explicitly clear that the Chair of the board nor any executives may vote if they are Audit Committee members."

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**BOARD REPORT
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STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

The Co-operative and Community Benefit Societies Act 2014 and relevant social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and the Group and of its income and expenditure for that year. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

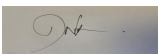
The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association and Group and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and the Group and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INFORMATION FOR AUDITORS

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

APPROVED ON BEHALF OF THE BOARD



Michelle Nelson (Sep 23, 2021, 5:09pm)

MICHELLE NELSON

Chair

Date: 23 September 2021

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BOARD'S STATEMENT ON CONTROL EFFECTIVENESS

The Board has overall responsibility for maintaining a sound system of internal control and for reviewing its effectiveness. The Board recognises that such a system can provide only reasonable and not absolute assurance against material misstatements or loss or eliminate all risks of failure to achieve business objectives.

The system of internal control is designed to manage risk and fraud and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group and Association's assets and interests.

The process the Group and Association follows for identifying, evaluating and managing the significant risks it faces is ongoing, has been in place for the year under review and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Board.

In order to fulfil its responsibility, the Board has a separately designated Audit & Risk Committee. It engaged the services of an Internal Audit function and has adopted a strategic approach to risk management and performance improvement. Assurances are therefore gained from the following sources:

AUDIT & RISK COMMITTEE

This Committee is responsible for reviewing the adequacy and effectiveness of the Group and Association's systems of internal controls and reporting its conclusions to the Board. This committee receives reports from both the internal and external auditors. The Head of Finance attends this meeting, supported by the Chief Executive and other senior staff as required.

The Audit & Risk Committee and Board reviewed the risk management process throughout the year.

The Audit & Risk Committee provides an annual report to the Board regarding the work of the Committee and overall opinion on the control environment within the Group and Association.

INTERNAL AUDIT FUNCTION

The Association commissioned an external organisation to provide internal audit service. This work is carried out in accordance with the Code of Audit Practice and the Institute of Internal Auditors' Standards and Guidelines.

The internal auditors report annually to the Audit & Risk Committee on the system of internal controls, with an opinion as to the adequacy and effectiveness of key internal control systems. The internal auditors attend the Audit Committee to present reports and to report on management progress in implementing agreed recommendations. The work of the internal audit is planned, based on the results of an audit needs assessment, which is derived from a review of the Association's main risks. A rolling programme is undertaken to cover the whole of the Association's system of control. Any material weaknesses in internal controls identified are reported to the Board and an action plan to address the weakness is agreed.

EXTERNAL AUDIT

The external auditors, in arriving at their audit opinion on the financial statements, assess whether a satisfactory system of control over the books of account and transactions has been maintained.

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BOARD'S STATEMENT ON CONTROL EFFECTIVENESS (Continued)

RISK MANAGEMENT

The Board has produced a risk map, identifying and evaluating the key risks threatening the achievement of the business objectives. The risks have been ranked in relation to probability and impact and the Group and Association's response to these risks has been structured. Risks are classified under the headings of financial, governance, reputational and operational/management. The map has been reviewed during the year by the Board and updated as circumstances changed.

The strategic risk map is extended to provide an overall assurance framework, where controls are mapped against risks and the corporate objectives they prevent being achieved. All controls are then assessed for effectiveness and the source of assurance for this effectiveness is recorded.

QUALITY MANAGEMENT SYSTEMS / PERFORMANCE INDICATORS

The Association has a best value strategy. Work has also been undertaken to introduce a performance management framework following the principles of the People Strategy. The Board meets four times per year to consider key business performance indicators and instigate appropriate actions.

TRAINING AND PERSONAL DEVELOPMENT

The Association and its subsidiary are committed to the development of the skills and expertise of its staff so that they are fully equipped to deliver the Group's business strategic objectives. We recognise that to maintain a committed and talented workforce, we need to ensure that there is effective training, learning and development opportunities provided for all staff to enable them to develop talent, knowledge and skills necessary to carry out their roles within the organisation.

FRAUD

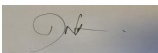
The Group and Association comply with the regulatory requirements on fraud. Separate policies for fraud and whistle blowing exist and a register is maintained of any actual and attempted fraud.

CONCLUSION OF THE BOARD

The Board has received the annual report on internal controls and considered the effectiveness of these systems. The Board confirms that the process for identifying, evaluating and managing significant risks faced by the Group and Association is ongoing and has been in place in the year under review and to the date of this report.

There is sufficient evidence to confirm that adequate systems of internal control existed and operated throughout the year. No weaknesses were identified which would have resulted in material misstatement or loss and which would have required disclosure in the financial statements.

APPROVED ON BEHALF OF THE BOARD



Michelle Nelson (Sep 23, 2021, 5:09pm)

MICHELLE NELSON
Chair

Date: 23 September 2021

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31st MARCH 2021**

**INDEPENDENT AUDITORS' REPORT
TO EKAYA HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31st MARCH 2021**

Opinion

We have audited the financial statements of Ekaya Housing Association Limited (the Association) and its subsidiary (the Group) for the year ended 31 March 2021 which comprise the Consolidated and Association Statement of Comprehensive Income, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated 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 Group's and of the Association's affairs as at 31 March 2021 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

INDEPENDENT AUDITORS' REPORT (Continued)

Other information

The other information comprises the information included in the Board Report and the Board's Statement on Control Effectiveness, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept adequate 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 12, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

INDEPENDENT AUDITORS' REPORT (Continued)

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

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

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

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

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.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

INDEPENDENT AUDITORS' REPORT (Continued)

Use of our report

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

Beever and Struthers

**Beever and Struthers
Chartered Accountants
Statutory Auditor**

**15 Bunhill Row
London
EC1Y 8LP**

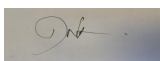
Date: 29 September 2021

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

**CONSOLIDATED AND ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021**

	Note	2021		2020	
		Group £	Association £	Group £	Association £
Turnover	2	4,678,672	4,265,836	4,561,887	4,082,376
Operating expenditure	2	(3,320,311)	(2,929,076)	(3,450,479)	(3,011,654)
Gain/(loss) on disposal of property, plant and equipment (fixed assets)		-	-	-	-
Operating Surplus		1,358,361	1,336,760	1,111,408	1,070,722
Interest receivable	5	1,103	1,043	15,412	15,106
Interest and financing costs	6	(330,259)	(330,259)	(395,541)	(395,541)
Total comprehensive income for the year		1,029,205	1,007,544	731,279	690,287

The financial statements on pages 19 to 38 were approved and authorised for issue by the Board on 23 September 2021 and were signed on its behalf by:



Michelle Nelson (Sep 23, 2021, 5:09pm)

Michelle Nelson
Chair



Tanya Srikandan (Sep 23, 2021,
8:27pm)

Tanya Srikandan
Treasurer



Nana Amfo (Sep 24, 2021, 2:07am)

Nana Amfo
Secretary

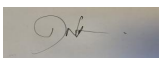
The consolidated and Association results relate wholly to continuing activities and the notes on pages 23 to 38 form an integral part of these financial statements.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

**CONSOLIDATED AND ASSOCIATION STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2021**

		2021		2020	
	Note	Group £	Association £	Group £	Association £
FIXED ASSETS					
Tangible fixed assets - housing properties	11	44,211,620	44,211,620	42,416,199	42,416,199
Tangible fixed assets -other fixed assets	12	1,340,868	1,326,773	77,218	59,530
TOTAL FIXED ASSETS		45,552,488	45,538,393	42,493,417	42,475,729
CURRENT ASSETS					
Trade and Other Debtors	14	189,675	204,214	324,808	322,207
Cash and cash equivalents		1,184,754	989,107	3,014,406	2,851,069
		1,374,429	1,193,321	3,339,214	3,173,276
CREDITORS: Amounts falling due within one year	15	(1,347,485)	(1,321,685)	(1,198,570)	(1,162,686)
NET CURRENT ASSETS		26,944	(128,364)	2,140,644	2,010,590
TOTAL ASSETS LESS CURRENT LIABILITIES		45,579,432	45,410,029	44,634,061	44,486,319
CREDITORS: Amounts falling due after more than one year	16	(37,009,407)	(37,009,406)	(37,093,240)	(37,093,240)
TOTAL NET ASSETS		8,570,025	8,400,623	7,540,821	7,393,079
CAPITAL AND RESERVES					
Non-equity share capital	18	7	7	7	7
Revenue Reserves: unrestricted		8,570,019	8,400,616	7,540,814	7,393,072
Revenue Reserves: restricted		-	-	-	-
TOTAL RESERVES		8,570,026	8,400,623	7,540,821	7,393,079

The financial statements on pages 19 to 38 were approved and authorised for issue by the Board on 23 September 2021 and were signed on its behalf by:



Michelle Nelson (Sep 23, 2021, 5:09pm)

Michelle Nelson
Chair



Tanya Srikandan (Sep 23, 2021, 8:27pm)
Tanya Srikandan
Treasurer



Nana Amfo (Sep 24, 2021, 2:07am)
Nana Amfo
Secretary

The notes on pages 23 to 38 form an integral part of these financial statements.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

**CONSOLIDATED AND ASSOCIATION STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST MARCH 2021**

Group	Revenue Reserves: unrestricted £	Revenue Reserves: restricted £	Non-Equity Share Capital £	Total £
Balance at 31 st March 2020	7,540,814	-	7	7,540,821
Surplus/(deficit) from Statement of Comprehensive Income	1,029,205	-	-	1,029,205
Shares issued	-	-	1	-
Shares cancelled	-	-	(1)	(1)
Balance at 31st March 2021	8,570,019	-	7	8,570,025

Association	Revenue Reserves: unrestricted £	Revenue Reserves: restricted £	Non-Equity Share Capital £	Total £
Balance at 1 st April 2020	7,393,072	-	7	7,393,079
Surplus/(deficit) from Statement of Comprehensive Income	1,007,544	-	-	1,007,544
Shares issued	-	-	1	1
Shares cancelled	-	-	(1)	(1)
Balance at 31st March 2021	8,400,616	-	7	8,400,623

The notes on pages 23 to 38 form an integral part of these financial statements.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021**

	Notes	2021 £	2020 £
Net cash generated from operating activities	i	1,358,361	1,332,381
Cash flow from investing activities			
Purchase of tangible fixed assets		(2,636,400)	(1,737,228)
Proceeds from sale of tangible fixed assets			190,000
Interest received		1,103	15,412
Net cash from investing activities		(2,635,297)	(1,531,816)
Cash flow from financing activities			
Interest paid		(334,623)	(395,541)
Issue / cancellation of share capital		-	(1)
Repayment of borrowings		(218,093)	(781,023)
Net cash from financing activities		(552,716)	(1,176,565)
Net change in cash and cash equivalents		(1,829,652)	(1,376,000)
Cash and cash equivalents at beginning of the year		3,014,406	4,390,406
Cash and cash equivalents at end of the year		3,014,406	3,014,406
Note i		£	£
Cash flow from operating activities			
Surplus/(deficit) for the year		1,029,205	731,279
Adjustments for non-cash items:			
Depreciation of tangible fixed assets		336,920	319,759
Decrease/(increase) in trade and other debtors		2,568	13,245
Increase/(decrease) in trade and other creditors		(148,916)	141,326
Adjustments for investing or financing activities:			
Profit/loss on sale of tangible fixed assets		-	(62,785)
Government grants utilised in the year		(190,572)	(190,572)
Interest payable		330,259	395,541
Interest received		(1,103)	(15,412)
Net cash generated from operating activities		1,358,361	1,332,381

The notes on pages 23 to 38 form an integral part of these financial statements.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

1. ACCOUNTING POLICIES

Legal Status

Ekaya Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 145 Stockwell Road, London SW9 9TN.

The group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Ekaya Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered with the Regulator of Social Housing
Happy Nursery Days (Tulse Hill) Limited	Companies Act 2006	Registered with the Charity Commission

The following accounting policies have been applied consistently in respect of material items in the Group and Association's financial statements.

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £.

The Group's financial statements have been prepared in compliance with FRS 102.

Public Benefit Entity

As a public benefit entity, the Group has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Parent society disclosure exemptions

- In preparing the separate financial statements of the parent society, advantage has been taken of the following disclosure exemptions available in FRS 102:
- No cash flow statement has been presented for the parent society,
- Disclosures in respect of the parent society's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent society, as their remuneration is included in the totals for the group as a whole.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

1. ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the results of Ekaya Housing Association Limited and its subsidiary Happy Nursery Days (Tulse Hill) Limited as at 31st March 2021 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertaking are included from the date of acquisition, being the date the Group obtains control.

Going concern

The Group's financial statements have been prepared on a going concern basis, which assumes an ability to continue operating for the foreseeable future. The Board have considered the impact of COVID-19 on its operations and have concluded that there is a reasonable expectation that both the Group and Association have adequate resources to continue in operational existence for the foreseeable future. No other significant concerns have been noted in the business plan updated for 2020/21. Therefore, the Group and Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- a. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that all its housing properties are held for social benefit.
- b. **Impairment.** The Group has defined the property scheme level as the cash-generating unit for impairment assessment purposes.

Other key sources of estimation and assumptions:

Tangible fixed assets. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities, Homes England and the Greater London Authority, income from sale of shared ownership and other income and are recognised in relation to the period when the goods or services have been supplied.

Support income and costs including Supported Housing income and costs

Supported Housing contract income received from Administering Authorities is accounted for as Supported Housing income in the Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

Service charges

Service charge income and costs are recognised on an accruals basis. The Association operates fixed service charges on a scheme by scheme basis in full consultation with residents.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

1. ACCOUNTING POLICIES (continued)

Pension Costs

The cost of contributions made to a defined contribution scheme is charged to the Statement of Comprehensive Income on the basis of the amount of contributions payable to the scheme in the accounting period.

Supported Housing

The treatment of income and expenditure in respect of hostels depends on whether the Association carries the financial risks. Where the Association carries the financial risk, for example, for losses from voids and arrears, all the hostel's income and expenditure are included in the income and expenditure account.

Housing Properties

Housing properties are stated at cost less depreciation. Cost includes the cost of acquisition of land and buildings, development costs, interest charges incurred during the development period and expenditure incurred on existing properties that has served to enhance their economic benefits in excess of the standard of performance anticipated when originally constructed or acquired. Depreciation on the buildings is charged so as to write down the cost to their estimated residual value at the end of their useful economic lives. Housing land is not depreciated. Depreciation on housing buildings is calculated on a straight-line basis over a life of 150 years.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELS), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Re-roofing components	60 years (straight line)
Kitchen components	15 years (straight line)
Bathroom components	30 years (straight line)
Window components	30 years (straight line)
Boiler components	15 years (straight line)
Structure	150 years (straight line)
Lift	60 years (straight line)

Other Tangible Fixed Assets and Depreciation

Tangible fixed assets except housing properties are stated at cost less accumulated depreciation. Depreciation is charged over the expected useful economic lives of the assets as follows:

Office Furniture and equipment	25% (straight line)
Motor vehicles	25% (reducing balance)
Property equipment	25% (straight line) over period of lease
Leasehold improvements	25% (straight line) over period of lease

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

1. ACCOUNTING POLICIES (continued)

Social Housing and Other Grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Social Housing Grant (SHG) received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England and the Greater London Authority. However, SHG may have to be repaid if certain conditions are not met. If the grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Impairment

The Group considers whether indicators of impairment exist in relation to housing properties. Any impairment loss is charged to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value less costs to sell or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified. Following a trigger for impairment, the Group:

- a) determines the level at which recoverable amount is to be assessed (i.e., the asset level or cash generating unit (CGU) level). The CGU level was determined at individual scheme level
- b) estimates the recoverable amount of the cash-generating unit
- c) calculates the carrying amount of the cash-generating unit and
- d) compares the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, we have estimated the value of our social housing properties using appropriate construction costs and land prices. Comparing this to the carrying amount at the scheme level, we do not consider there to be an impairment charge against social housing assets.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement, which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost to the employees of the future holiday entitlement and accrued at the balance sheet date.

Loan Issue Costs

Costs in respect of raising loan finance are deferred and amortised over the period of the loan.

Operating leases

Operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

1. ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Financial instruments held by the Group are classified as follows:

- Cash is held at cost.
- Financial assets such as receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

Taxation

By virtue of S.478 Corporation Tax Act 2010, the Association and Group is exempt from corporation tax.

Value Added Tax (VAT)

The Association and its subsidiary are not VAT registered. The balances shown in these financial statements are inclusive of VAT where applicable.

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

2. (a) TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

Group	Turnover	2021	
		Operating expenditure	Operating Surplus
	£	£	£
Social housing lettings (note 3)	3,753,397	(2,466,792)	1,286,605
Other income from Social Housing			
Supported Housing	486,376	(462,287)	24,089
Activities other than Social Housing			
Nursery Operations	437,836	(391,233)	46,603
Other income	1,064	-	1,064
Total	4,678,673	(3,320,312)	1,358,361

Group	Turnover	2020	
		Operating expenditure	Operating Surplus
	£	£	£
Social housing lettings (note 3)	3,509,873	(2,537,641)	972,232
Other income from Social Housing			
First tranche shared ownership sales	190,000	(127,215)	62,785
Supported Housing	362,503	(346,798)	15,705
Activities other than Social Housing			
Nursery Operations	499,511	(438,825)	60,686
Other income	-	-	-
Total	4,561,887	(3,450,479)	1,111,408

**EKAYA HOUSING ASSOCIATION LIMITED
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2021**

2. (b) TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

Association	Turnover	2021 Operating expenditure	Operating Surplus
	£	£	£
Social housing lettings (note 3)	3,753,397	(2,466,792)	1,286,605
Other income from Social Housing			
Supported Housing	486,376	(462,287)	24,089
Activities other than Social Housing			
Nursery Operations	26,066	-	26,064
Total	4,265,839	(2,929,079)	1,336,760

Association	Turnover	2020 Operating expenditure	Operating Surplus
	£	£	£
Social housing lettings (note 3)	3,509,873	(2,537,641)	972,232
Other income from Social Housing			
First tranche shared ownership sales	190,000	(127,215)	62,785
Supported Housing	362,503	(346,798)	15,705
Activities other than Social Housing			
Nursery Operations	20,000	-	20,000
Other income			
Total	4,082,376	(3,011,654)	1,070,722

**EKAYA HOUSING ASSOCIATION LIMITED
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3. TURNOVER AND OPERATING EXPENDITURE

Group and Association	General Needs Housing £	Supported Housing £	Low Cost Home Ownership £	Total 2021 £	Total 2020 £
Income					
Rent receivable net of identifiable service charge	2,438,996	391,271	22,422	2,852,689	2,640,778
Service charge income	191,313	501,647	11876	704,836	610,770
Amortised Government Grant	166,381	29,491	-	195,872	190,571
Turnover from Social Housing Lettings	2,796,690	922,409	34,298	3,753,397	3,442,119
Operating expenditure					
Management	530,974	168,312	6,513	705,799	1,124,729
Service charge costs	187,400	455,345	10,443	653,188	577,134
Routine maintenance	502,499	108,309	4,824	615,632	474,022
Planned maintenance	48,826	8,546	-	57,372	54,716
Major repairs expenditure	60,864	1,510	2,859	65,233	-
Bad debts	5,953	36,015	-	41,968	21,402
Depreciation of Housing Properties	285,615	39,028	2,957	327,600	285,638
Operating expenditure on Social Housing Lettings	1,622,131	817,065	27,596	2,466,792	2,537,641
Operating Surplus on Social Housing Lettings	1,174,559	105,344	6,702	1,286,605	972,232
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	920	95,216	-	96,136	37,751

4. ACCOMMODATION IN MANAGEMENT AND MANAGED ON OTHERS' BEHALF

Social Housing Accommodation	Group & Association	
	2021	2020
	No	No
Owned and managed		
General Needs	383	373
Shared Ownership	5	5
Supported Housing Accommodation	59	59
	<u>447</u>	<u>437</u>
Managed on behalf of others		
General Needs	5	5
Supported Housing	7	7
Total	<u>12</u>	<u>12</u>
Total Units in Management	<u>459</u>	<u>449</u>

**EKAYA HOUSING ASSOCIATION LIMITED
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5. INTEREST RECEIVABLE AND OTHER INCOME

	2021		2020	
	Group £	Association £	Group £	Association £
Interest receivable	<u>15,412</u>	<u>15,106</u>	<u>14,904</u>	<u>14,718</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Group & Association	
	2021 £	2020 £
On bank loans and other loans repayable	<u>330,259</u>	<u>395,541</u>

7. SURPLUS FOR THE YEAR

Surplus for the financial year is stated after charging:

Group	2021 £	2020 £
Depreciation:		
Tangible owned fixed assets	334,328	319,759
Disposal of fixed assets:	207,765	319,457
Loss/(surplus) on disposal of fixed assets	17,860	16,462
Auditors' remuneration (excluding VAT):		
External Auditors (audit services)	17,200	17,200
Internal Auditors	<u>6,210</u>	<u>6,210</u>
Association	2021	2020
Depreciation:	£	£
Tangible owned fixed assets	325,164	322,683
Disposal of fixed assets:	154,030	319,457
Loss/(surplus) on disposal of fixed assets	17,860	-
Auditors' remuneration (excluding VAT):		
External Auditors (audit services)	13,150	13,150
Internal Auditors	<u>-</u>	<u>6210</u>

**EKAYA HOUSING ASSOCIATION LIMITED
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8. EMPLOYEES INFORMATION

	2021		2020	
	Group £	Association £	Group £	Association £
Staff Costs:				
Wages and Salaries	1,353,162	1,065,719	1,266,503	959,211
Social Security Costs	123,611	109,258	115,966	99,134
Pension Costs	70,320	57,127	67,236	52,662
Other Costs	41,379	35,169	30,890	25,694
	<u>1,588,472</u>	<u>1,267,273</u>	<u>1,480,595</u>	<u>1,136,701</u>
	No.	No.	No.	No.
The average weekly number of FTE staff (35 hours a week) employed by the Group during the year was:				
Housing and Support Staff	36	22	37	19
Administration	7	7	7	7
	<u>43</u>	<u>29</u>	<u>44</u>	<u>26</u>

	Group & Association	
	2021 £	2020 £
Emoluments of Directors (and former Directors) (including pension contributions and benefits in kind)	<u>214,305</u>	<u>177,027</u>
Emoluments of Chief Executive who is the highest paid Director (excluding pension contributions and benefits in kind)	<u>87,167</u>	<u>82,000</u>
The aggregate amount of any consideration payable to Directors for loss of office	<u>-</u>	<u>-</u>
The aggregate amount of any consideration payable to third parties for making available their services in the role of Director	<u>-</u>	<u>-</u>

The Chief Executive has the same pension arrangements provided by the Association as other members of staff. No enhanced or special terms apply. There are no additional pension arrangements. The total contribution made by the Association was £4,100 (2020: £3,975).

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

**EKAYA HOUSING ASSOCIATION LIMITED
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8. EMPLOYEES INFORMATION (continued)

Salary bandings for all employees earning, on a full-time equivalent basis, over £60,000 including salaries, bonuses and pension contributions paid by employer:

	2021	2020
Salary Bands		
£60,000 - £70,000	2	2
£70,000 - £80,000	-	-
£80,000 - £90,000	1	1

9. PENSION COSTS

Staff participated in defined contribution pension schemes. Employer's contributions were previously based on 7% of salaries. However, with effect from 01/04/2019 this changed for new employees and rates ranged between 5% and 7%. The introduction of an auto-enrolment scheme on 1st October 2015 set the employer's contribution at 2%, and 5% from 01/04/2019. The assets of the scheme are invested and managed by each individual staff's chosen pension company and are independent of the finances of the Group and Association.

10. COMMITTEE MEMBERS AND EXECUTIVE OFFICERS

During the year Chair of the Board received emoluments of £4,000 (2020: £4,000), there were no other emoluments paid to Board Members.

The members of the Board of Management are members of the Group and Association and each holds a £1 share in the Association.

**EKAYA HOUSING ASSOCIATION LIMITED
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11. HOUSING PROPERTIES

	General Needs Housing	Supported Housing	Shared Ownership	Total
Cost	£	£	£	£
At 1 st April 2020	39,394,212	6,100,911	624,775	46,119,898
Works to existing properties	180,359	-	-	180,359
Additions to housing properties	2,199,538	-	-	2,199,538
Disposals	(44,200)	-	-	(44,200)
AS at 31 st March 2021	<u>41,729,909</u>	<u>6,100,911</u>	<u>624,775</u>	<u>48,455,595</u>
Depreciation				
At 1 st April 2020	3,280,915	415,916	6,868	3,703,699
Charged in the year	267,758	39,028	2,957	309,743
Cum. Depr from Trans. Units	256,872	-	-	256,872
Eliminated on disposals	(26,339)	-	-	(26,339)
At 31 st March 2021	<u>3,779,206</u>	<u>454,944</u>	<u>9,825</u>	<u>4,243,975</u>
NET BOOK VALUE AT 31ST MARCH 2021				
	<u>37,950,703</u>	<u>5,645,967</u>	<u>614,950</u>	<u>44,211,620</u>
Net Book Value at 31 st March 2020	<u>36,113,297</u>	<u>5,684,995</u>	<u>617,907</u>	<u>42,416,199</u>

Properties costing £11,344,109 are mortgaged as security for loans (see Note 16). These have been valued for security purposes on an MV-STT basis by independent valuers in August 2014 at £30,021,000.

Amounts capitalised are stated as above. Amounts charged to the Statement of Comprehensive Income are stated in note 3.

12. OTHER TANGIBLE FIXED ASSETS

Group	Leasehold Improvement	Furniture & Equipment	Computer & IT	Total
Cost	£	£	£	£
At 1 st April 2020	13,735	196,112	40,157	250,004
Additions	1,227,349	32,653	30,827	1,290,828
Disposal	(13,735)	(131,575)	(18,255)	(163,555)
Balance as at 31 st March 2021	<u>1,227,349</u>	<u>97,190</u>	<u>52,729</u>	<u>1,377,267</u>
Depreciation				
At 1 st April 2020	13,202	137,302	22,282	172,786
Charged in the year	8,252	11,219	7,707	27,178
Disposal	(13,735)	(131,575)	(18,255)	(163,565)
At 31 st March 2021	<u>7,719</u>	<u>16,946</u>	<u>11,734</u>	<u>36,399</u>
NET BOOK VALUE AT 31ST MARCH 2021				
	<u>1,219,630</u>	<u>80,244</u>	<u>40,995</u>	<u>1,340,868</u>
Net Book Value at 31 st March 2020	<u>533</u>	<u>58,810</u>	<u>17,875</u>	<u>77,218</u>

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12. OTHER TANGIBLE FIXED ASSETS (continued)

Association	Leasehold Properties	Furniture & Equipment	Computer & IT	Total
Cost	£	£	£	£
At 1 st April 2020	-	137,572	35,337	172,909
Additions	1,227,349	32,654	30,827	1,190,830
Disposal	-	(91,575)	(18,255)	(109,830)
Balance as at 31 st March 2020	<u>1,227,349</u>	<u>78,651</u>	<u>47,909</u>	<u>1,353,909</u>
Depreciation				
At 1 st April 2020	-	94,175	19,204	113,379
Charged in the year	7,716	8,163	7,707	23,586
Disposal	-	(91,300)	(18,529)	(108,829)
At 31 st March 2021	<u>7,716</u>	<u>11,038</u>	<u>8,382</u>	<u>27,136</u>
NET BOOK VALUE AT 31ST MARCH 2021	<u>1,219,633</u>	<u>67,613</u>	<u>39,527</u>	<u>1,326,773</u>
Net Book Value at 31 st March 2020	<u>-</u>	<u>43,397</u>	<u>16,133</u>	<u>59,530</u>

13. INVESTMENT IN SUBSIDIARY

Happy Nursery Days (Tulse Hill) Limited, a Registered Charity registration number 1143765 and Company registration number 05190165, is a wholly owned subsidiary of Ekaya. Happy Nursery Days is a company limited by guarantee and is controlled through a procedure agreement with Ekaya.

Happy Nursery Days (Tulse Hill) Limited is registered in England and Wales and the results and net assets of the subsidiary company are reflected in these consolidated financial statements.

14. DEBTORS

	2021		2020	
	Group £	Association £	Group £	Association £
Debtors Within One Year				
Arrears of Rent and Service Charges	226,267	226,267	257,989	257,989
Less: Provision for Bad and Doubtful Debts	<u>(118,041)</u>	<u>(118,041)</u>	<u>(118,041)</u>	<u>(118,041)</u>
	108,226	108,226	139,948	139,948
Other Debtors and Prepayments	81,449	95,988	184,860	182,259
	<u>189,675</u>	<u>204,214</u>	<u>324,808</u>	<u>322,207</u>

**EKAYA HOUSING ASSOCIATION LIMITED
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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021		2020	
	Group £	Association £	Group £	Association £
Loan Principal	500,682	500,682	393,750	393,750
Deferred Capital Grant (Note 17)	195,871	195,871	190,572	190,572
Tax and Social Security	31,646	28,246	34,909	28,223
Other Creditors and Accrued Liabilities	194,966	172,566	161,678	132,480
Prepayments for Rent and Service Charges	424,320	424,320	417,661	417,661
	<u>1,347,485</u>	<u>1,1321,685</u>	<u>1,198,570</u>	<u>1,162,686</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Association

	2021 £	2020 £
Housing Loans (Gross)	11,546,659	11,890,896
Deferred Capital Grant	25,462,748	25,202,344
	<u>37,009,407</u>	<u>37,093,240</u>

Analysis of Loans

	2021	2020
Between one and two years	505,000	487,500
Between two and five years	1,687,500	1,687,500
After five years	9,373,370	9,715,896
	<u>11,565,870</u>	<u>11,890,896</u>
Less: loan arrangement fees	(19,211)	-
	<u>11,546,659</u>	<u>11,890,896</u>

Ekaya's housing loans are with Lloyds Bank plc and are repayable by quarterly instalments. The loans are at both fixed and variable rates of interest. The fixed rate element of the loan is in four tranches that mature September 2035. The weighted average cost of borrowing on the loans is 3.14%. The loans are secured on property assets by a first secured charge.

17. DEFERRED CAPITAL GRANT

	Group and Association	
	2021 £	2020 £
At start of the year	25,392,916	25,583,488
Addition in the year	461,573	
Released to income in the year	(195,871)	(190,572)
	<u>25,658,618</u>	<u>25,392,916</u>
Amount due to be released <1 year	195,871	190,572
Amount due to be released >1 year	25,462,747	25,202,344
	<u>25,658,618</u>	<u>25,392,916</u>
Total accumulated capital grant received/receivable at 31 st March 2021	<u>28,585,206</u>	<u>28,585,206</u>

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18. SHARE CAPITAL

	Group and Association	
	2021	2020
Shares of £1 each issued and fully paid	£	£
As at 1 st April 2020	7	8
Issued during the year	1	-
Cancelled during the year	(1)	(1)
As at 31 st March 2021	<u>7</u>	<u>7</u>

Shareholders do not have a right to any dividend or distribution in a winding-up, and shares are not redeemable. Each Shareholder has full voting rights.

19. RELATED PARTY TRANSACTIONS

At the 31st March 2021, Ekaya Housing Association Limited has a subsidiary Happy Nursery Days (Tulse Hill) Limited and has full controlling powers over it. Ekaya manages the subsidiary affairs. In the course of normal operations, related party transactions entered into by the Group have contracted on an arms-length basis. Intercompany balances are not secured. The balance due at the year-end from the subsidiary was £28,067 (2020: 3,333).

	2021	2020
	£	£
Management charge in the period	<u>25,000</u>	<u>20,000</u>

20. CONTROLLING PARTY

The Group and Association is controlled by its members in a general meeting who elect the Board of Management each year.

21. CONTINGENT LIABILITIES

The Group and Association has no contingent liabilities (2021: £Nil) (2020: £Nil)

22. OTHER COMMITMENTS

The Group and Association hold land has no operating leases. At the end of the year, Ekaya Housing Association Limited had no commitments of future lease payments.

	Office Lease	Office Lease
	2021	2020
	£	£
Operating lease which expire:		
Within one year	-	54,000
Within two to five years	-	-
After more than five years	-	-
	<u>-</u>	<u>54,000</u>

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23. CAPITAL COMMITMENTS

	2021	2020
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for	2,457,000	2,650,000
	<u>2,457,000</u>	<u>2,650,000</u>

The commitments will be paid for, by using some of our present cash balance of £1.2m, future surpluses from operations and drawdown of cash from £12.0m agreed and loan from NatWest Bank Plc.

24. TAXATION

By virtue of S.478 Corporation Tax Act 2010, the Association and Group are exempt from corporation tax.

25. FINANCIAL INSTRUMENTS

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

Financial assets measured at cost

	2021	2020
	£	£
Cash and cash equivalents	1,184,754	3,014,406

Financial assets measured at amortised cost

Other debtors		84,490
Arrears of rent and service charges	226,267	239,485

Total financial assets	<u>1,411,021</u>	<u>3,338,381</u>
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Financial liabilities measured at amortised cost

Other creditors	196,615	132,481
Loans within one year	500,682	339,750

Loans greater than one year	11,565,871	11,890,896
Total financial liabilities	<u>12,263,168</u>	<u>12,363,127</u>



Issuer Ekaya Housing Association

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Parties involved with this document

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Fri, 24th Sep 2021 2:07:41 BST	Nana Amfo - Signer (bd3c5369d9bacd20deb6f0f444173167)

Audit history log

Date	Action
Fri, 24th Sep 2021 2:07:41 BST	The envelope has been signed by all parties. (89.197.125.248)
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Thu, 23rd Sep 2021 20:27:51 BST	Tanya Skrikandan signed the envelope. (81.151.85.79)
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