Manningham Housing Association Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2020

Registered Co-operative and Community Benefit Societies Act No. 25548R

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Chair's Statement

Welcome to our 2019/20 Annual Report. In June this year I celebrated my third anniversary as Chair of Manningham Housing Association and reflecting back on my time here so far, it is incredible to see the progress Manningham Housing Association ("Manningham"; "MHA") has made in a relatively short period of time. 2019/20 has again been a year of significant progress and a year which has been a pivotal turning point in Manningham's journey so far.

In January 2020, we had an In-depth Assessment (IDA) by the Regulator of Social Housing which confirmed that the organisation has achieved the highest rating of G1 for Governance and V1 for Viability. This is a result I am immensely proud of and a testament to the hard work, will and determination of the Board, Staff and residents at Manningham working together to achieve such a positive outcome. Our Customer Panel has been on this regulatory journey with us and have been supportive all the way whilst still exercising challenge and scrutiny. Manningham is now in a stronger position to face the next stage in its journey.

Manningham remains as committed as ever to serving the needs primarily of the South Asian communities in Bradford. This remains at the heart of the organisation's purpose, and it remains Manningham's longer-term intention to continue to develop and provide diverse housing solutions for the people of Bradford.

In May 2019, the Board considered our strategic priorities over the next three years and approved a new Growth Strategy in July 2019 and a new Corporate Strategy in September 2019. This has four clear strategic objectives as follows: Providing More Homes; Community Investment and Partnerships; Looking after our existing homes and Voice of the BAME Community.

We recognise that in the longer term if Manningham is to continue to thrive, it will be necessary to continue to grow the organisation's property base. Early in 2019, we started a piece of work with our Treasury Advisors, Savills, to refinance some of our existing loans and secure a Revolving Credit Facility to enable us to provide additional units over the next five years. The refinancing completed in August 2020 and will result in a 10% growth in homes for the organisation.

We have also re-established our relationship with Bradford City Council and have entered into a Partnership Agreement to purchase some of the Empty Homes which the Council have purchased back from owners which often lay empty for long periods and blight our neighbourhoods.

The COVID 19 (Coronavirus) global pandemic is unprecedented and has accelerated at a rate which was quite unimaginable. As an organisation, we have had to respond to this to protect both our customers and staff with staff being asked to work from home. One positive outcome from this is that Manningham, as well as the entire country, has been forced to adopt agile working practices much earlier than most had anticipated and will change the way most services will be delivered in the foreseeable future.

Another positive outcome is to see the community spirit of individuals, groups and organisations helping others less fortunate than themselves, demonstrating what being a community is really about. In the face of this adversity, we have managed to keep front-line services going but not without some disruption.

The December 2019 general election returned a Conservative government paving the way to exit the European Union. The agenda of the new government poses a challenge in respect of housing policy as it very much favours homeownership as the preferred tenure. We will face these challenges as they arise.

During 2019/20, we have continued to deliver high-quality services to our customers with our performance in the top quartile across a range of indicators. Our customer satisfaction results are high (92.0%) and benchmark favourably against peers across the sector and demand for our properties remains high, with only 0.13% rent loss due to empty properties.

I look forward to the forthcoming year and the opportunities it will bring and remain confident that Manningham in partnership with our external stakeholders, residents, staff and board members, will continue to successfully provide insight, oversight and foresight in order to thrive, grow and deliver excellent services to our customers and local communities now and in the foreseeable future.

Barrington Billings

Barrington Billings
Chair of the Board

16 September 2020

Administrative Details

Directors

The Directors set out below have held office during the whole of the period from 1 April 2019 to the date of this report unless otherwise stated.

Barrington Billings (Chair) Abdul Ravat (Vice-Chair) Khalida Ashrafi Cath Bacon Julia Histon	Haroon Rashid Majid Khan Mushtaq Khan Vicky Szulist

Executive Directors (*not on the Group Board)*

Lee Bloomfield	Chief Executive
Ulfat Hussain	Assistant Chief Executive, Director of Operations
Shendi Keshet	Director of Finance & Resources – appointed 3 February 2020
Helen Rourke	Director of Finance & Company Secretary – resigned 4 Oct 2019

Secretary

Shendi Keshet

Registered Office

Manningham Housing Association Limited
Bank House
30 Manor Row
Bradford
BD1 4QE

Registered as a non-charitable social landlord under the Co-Operative and Community Benefit Societies Act 2014. Registered by the Regulator of Social Housing No. L3736.

Independent Auditors BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL	**Bankers** National Westminster Bank PO Box 51 7 Hustlergate Bradford BD1 1PP
Internal Auditors Mazars LLP 1 St Peter's Square Manchester M2 3DE	**Solicitors** Bevan Brittan Toronto Street Leeds LS1 2HJ

Strategic Report of the Board

The Strategic Report of the Board provides a strategic overview of the Group's activities and performance for the year.

Mission, Vision, Strategy and Objectives

We came into being because of a lack of choice and quality housing available for large Bangladeshi and Pakistani families; whilst our reach has expanded beyond this, these core issues remain and therefore we feel our mission and purpose remains relevant. The Index of Multiple Deprivation (IMD) 2019 places Bradford as the 13th most deprived local authority in England (where 1 is the most deprived and 317 is the least deprived). Bradford's position, relative to other English districts has worsened by six places since IMD 2015. There are similar indices regarding the levels of deprivation relating to our customers' health, employment, income and skills. Whilst the position makes grim reading, it highlights the right strategic direction set by our Board.

Our Board are keen to tackle the issues identified in the above indices; to ensure that we are not just a provider of homes but are a place shaper landlord in the neighbourhoods where we operate, We want to invest in neighbourhoods and meet the needs of our customers particularly South Asian families, to make a real difference towards addressing the housing needs and deprivation which exist for BAME communities.

We aim to be excellent, inclusive and innovative. We will do this through our values-driven corporate culture. We put customers first, are passionate about our work, embrace diversity and hold ourselves accountable.

Our Corporate Strategy for 2020-2023 sets out the next stage of our journey to deliver our vision and mission. Our priority themes for the next three years are:

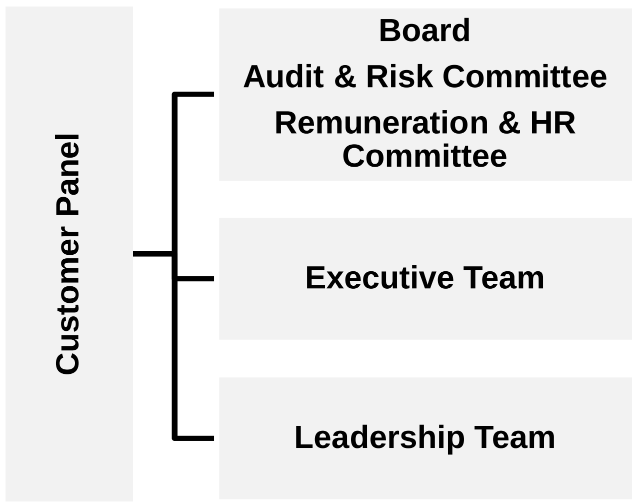
Providing more homes to meet the needs of BAME communities in Bradford and beyond
➢ 100 new homes
Community Investment and partnerships
➢ Social value focus ➢ Apprenticeships & volunteer programme ➢ Linking to educational institutions to enhance skills & training for all in the communities we serve
Looking after our existing homes
➢ £75m investment over 30 years
Being the voice of the BAME community
➢ National advocacy role – influencing government policy and being a voice for BAME housing issues ➢ Being a place shaper ➢ Play a key role in shaping the Integrated Communities Strategy in Yorkshire

How we operate and whom we serve

We have been operating for over 30 years and now have over 1,400 homes and deliver services to more than 6,000 customers in Bradford and Keighley.

How we operate

Our key governance and scrutiny structures comprises the following:



Customer Panel

The Customer Panel is a forum for finding out customers' views about our company and the services we offer. The panel exists to help assess KPIs, services and procedures to ensure that they are delivered to the highest customer satisfaction standards. The Panel normally meets six times a year and is open to a maximum of twenty members.

Board & Committees

The Board comprises nine members, all of whom also serve on either of the two Committees. The Board has oversight for the delivery of the business' strategies, objectives, risk management and performance, and remains committed to embedding the positive changes made and continue to develop a robust culture of excellent governance. The Board delegates certain governance responsibilities to committees, each with approved Terms of Reference.

The Audit & Risk Committee has oversight of internal and external audit activity, scrutiny of the effectiveness of internal controls and risk management, reviewing the financial statements and accounting policies and oversight of compliance with legal and regulatory requirements.

The Remuneration and HR Committee has oversight of key HR policies and performance, decision regarding remuneration of staff, Executive and Board, embedding of Equality & Diversity across the organisation and oversight of compliance with employment and HR-related legislation.

We adopt the NHF Code of Governance and the Board reviewed compliance against the code in May 2020. We fully comply with the code. Together with the Regulator's confidence in us by upgrading us to V1 and G1 status, we feel we are well positioned to steer our organisation through the global Covid-19 crisis.

Board members	Audit & Risk Committee	Remuneration & HR Committee	Board Attendance to 31 March 2020
Barrington Billings (Chair of Board)		✓	100%
Abdul Ravat (Vice Chair of Board)	✓		100%
Haroon Rashid	Chair		100%
Julia Histon		Chair	89%
Khalida Ashrafi		✓	91%
Cath Bacon		✓	78%
Majid Khan	✓		82%
Mushtaq Khan	✓		91%
Vicky Szulist	✓		72%

Executive Team

The Executive Team is the primary executive decision-making body of our company. The three directors develop the vision, strategy, and financial plans for Board approval. Individually and collectively, they demonstrate our values and are responsible for embedding a culture that is in accordance with those values and support and appropriately challenge each other to ensure excellence is achieved in every aspect of the business.

Leadership Team

The Leadership Team comprises members of the Executive Team and senior managers from each section of the business. This group forms the bridge between strategic and operational leadership.

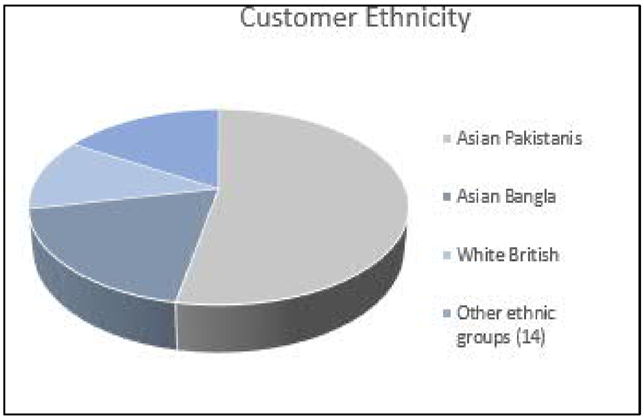
Our Group comprises two legal entities:

Manningham Housing Association Limited: continues to be a charitable, co-operative and community benefit society, owning all housing assets of the Group. Our primary activities are the provision of affordable, quality housing in the Bradford district to those in greatest need, with particular focus on serving the specific needs of the ethnic communities in Bradford.

Firebird Homes Limited: a company limited by shares and wholly owned by Manningham Housing Association Limited (the parent). The company's primary activities are the provision of development and construction services to the parent. Firebird Homes Limited become dormant from 1st April 2019.

Whom we serve

More than 70% of our customers are Asian Pakistani or Asian Bangla. 12% are White British and 14 other ethnic groups represent the balance of our customer base.



Overview of the Year

Governance & Risk Management

This has been a turbulent year for the UK with Brexit looming and now, the political and economic landscape has been impacted irrevocably by the Covid-19 pandemic. The cost of managing both the economic and human impact of it will be unknown for the foreseeable future. It is likely there will be a global recession. Given the high level of uncertainty, we are managing our finances and approach to risks more prudently.

We have strengthened our risk management framework and updated our stress testing to include modelling the potential impact of Covid-19 on not just our financial capacity but to consider that of our customers, suppliers and other stakeholders. The strategic risk register is updated and reviewed by our Board quarterly.

Following Board workshops held in May and September 2019 the Board updated their Risk Appetite Statement. We have zero tolerance in respect of loss of life or serious injury, significant regulatory or legal breaches or significant departure from our values. Every effort is taken to reduce these risks as far as is possible and reasonably practicable. In pursuit of business objectives and innovation, our attitude to risk depends on the nature, magnitude and impact of the risk, the assessed level of positive and negative outcomes, our confidence in managing the rate of change and the assessment of our ability to manage the risk.

Our overarching approach is to take appropriate risk but in a controlled way. The diagram below represents the Risk Appetite as defined by our Board:

Our appetite for risks which may threaten our financial viability is moderated through ‘Golden Rules’, which require a level of additional compliance buffers to funder covenants. The golden rules relate to interest cover, gearing and asset cover.

Strategic Risks	How the Board gains assurance that the key controls/mitigations are effective
Failure to raise sufficient finance at planned costs to maintain liquidity and meet business plan requirements	The treasury strategy action plan and 30-year financial plan are updated and reviewed by both the Audit & Risk Committee Board quarterly. External treasury advisors support the Board
Rental income receivable less than planned	The income management policy aligns to 30-year financial plan assumptions, which are updated quarterly to reflect actual in-year performance.
Failure to manage and maintain housing assets appropriately and within agreed resources	The Asset Management Strategy's action plan is reviewed quarterly. Externally validated and stock condition surveys are reflected within the 30-year financial plan
Failure to prevent or recover quickly from disasters affecting the housing stock and / or ICT infrastructure and data	There are three key strategies, with related action plans which provide overarching guidance – business continuity, ICT and Insurance. The plans in place have operated seamlessly during the Covid-19 lockdown.
Failure of the Board and management team to define the role of the association and set an appropriate strategic direction	Annual review of the corporate plan, financial regulations, community engagement strategy and the VFM strategy. Oversight is further strengthened through the Customer Service Panel

The risk register is owned by Board and is a standing item at every Board meeting. It is routinely scrutinised by the Audit & Risk Committee and the Executive.

Customer satisfaction

Our focus is on developing and improving services to customers. Demand for our homes and services remains strong and we are committed to continuously reviewing and improving our offer to customers and seeking improvements in efficiency and effectiveness.

Each month an independent survey company contacts 50 customers, selected at random, to gain 'in-the-moment' feedback**.** During 2019/20, we surveyed almost half our customers and 92% of them stated they were satisfied or very satisfied with our services. At March 2020, our Net Promoter Score was a pleasing 44 (2018/19: 42).

In 2019, we were awarded with the customer service excellence certification. The independent assessors said "Senior management at Manningham Housing Association had a robust commitment to ensuring that, (through knowing their customers) bespoke and focussed services were always delivered".

Providing new homes & sales of existing homes

Our fully funded growth strategy, approved by Board in late 2019, is expected to deliver more than 100 new homes over the next five years and contribute more than £22m in additional rental income over the 30-year financial plan. Growth is underpinned by a new financing agreed in August 2020.

Our sales activity (average 7-8 units per year) has been summarised as follows:

2019/20					2018/19	
Sales Activity	**Units**	**Proceeds**	**Cost, incl. SHG ***	**Net Surplus (Deficit)**	**Units**	**Net Surplus (Deficit)**
		£'000s	**£'000s**	**£'000s**		**£'000s**
Right to acquire	5	554	620	(66)	4	68
Shared Ownership, full staircasing	4	329	355	(26)	2	18
	9	**883**	**975**	**(92)**	**6**	**86**

* Social Housing Grant

Looking after our existing homes

For the year 2019/20, we carried out a total of 6,148 repairs to our property stock. Of these jobs we managed to achieve a 98.8% repair completion within target date. This has exceeded our overall target of 97% of all repair jobs being completed within the given timescale and reflects upper quartile performance within the sector.

Repairs	Total for 2019/20	Average for 2019/20
Total repairs due for completion and carried out	6,148	-
Total repairs completed on time	6,077	99%
Emergency completed on time	1,333	100%
Urgent Repairs completed on time	2,342	97%
Non-emergency Repairs completed on time	2,473	99%

In addition, we have also continued to carry out investment work to our current property stock through our annual component replacement program.

For the year ending 2019/20, we have carried out the following improvement works:

Reinvestment in our homes	No.
Kitchens	24
Boilers	10
Bathroom & Shower rooms	56
Windows	2
External Doors	43
	135

Community Investment & Partnerships

The creation of our dedicated community partnership team in September 2019 has equipped MHA to achieve significant progress in delivering our Community Investment Strategy. Despite inevitable complications associated with Covid-19, staff have succeeded in launching several high-profile initiatives including Let's Get on, BAME Ladies Smashing Boundaries and the Xperience Volunteering Project. They have also engaged with more than 125 community members particularly vulnerable to social and economic challenges exacerbated by the pandemic.

Five locally recruited volunteers have played pivotal roles in project delivery such as hosting online coffee mornings, an IT club and Zoom training, and have led arts and crafts sessions at our popular locality hub. Their efforts are greatly valued and enabled them to move closer to the labour market through hands-on work experience and access to bespoke training.

MHA is acutely aware that we are one spoke in a much larger wheel. We are proud to have established an e-community partnership network consisting of 25 organisations from across Bradford district, with that number growing all the time. We have also reached out to Hollings Youth Association (HYA) and Unity Boxing to deliver joint schemes to improve the quality of life for young people, boost their mental and physical wellbeing and highlight the cherished place they hold at the heart of a vibrant local community.

Community Investment & Partnerships - Highlights
Funding planned projects
We have been successful in securing £20k for MHA and a further £10.5k for HYA to continue delivering services from the locality hub
Supporting the communities we serve
Engaged with 125 beneficiaries since September 2019 through our project delivery work (funded /unfunded work)
5 new volunteers within the community partnership team to give them an opportunity to learn new skills and gain practical experience
Hold Customer Service Panel meetings using ZOOM; our 2 apprentices have been invited to join the Panel to represent views of young people
Housing Plus newsletter has been created to engage with members of community including tenants and residents
E-community Partnership network has been created for information dissemination across the Bradford district. This group currently has around 20-25 organisations receiving MHA monthly e-newsletter and project delivery related information

Keeping Safe

Throughout the year we measure how well we are keeping our customers and employees safe. A set of key strategic health and safety performance indicators help us to focus on regulatory compliance and to minimise accidents. We are pleased to report 100% compliance with all health & safety targets set.

Increasing financial capacity

Our current funding facility of £51.5m (excluding fees and premiums) is provided through two funders, RBS and THFC. Since inception we have utilised funding to invest in and increase the value and size of our asset portfolio.

We commission Savills to undertake periodic valuations of our housing asset portfolio (in line with funders' requirements) to ensure we remain compliant with our Asset Cover Covenants of 130% (RBS) and 150% (THFC) (based on market value subject to tenancy (MVST) valuation basis). The portfolio currently provides sufficient security assigned against all facilities, and we currently have 112 unencumbered units.

Manningham has sufficient financing in place to meet its current liquidity requirements. Current cash & short-term investment balances total £5.2m, including £1.6m released from THFC late in the year. The healthy cash balance is more than sufficient for meeting day-to-day working capital requirements and funding reinvestment in existing properties. In August 2020 refinancing our existing portfolio was completed, enabling the business to resume its growth agenda.

Delivering Value for Money (VFM)
In line with the principles of the Regulator's VfM Standard, annually, we report our performance and benchmark against the following metrics:

Sector Scorecard VFM Metric	Benchmarking 18/19 (most recent data)	MHA Actual 2017/18	MHA Actual 2018/19 (Restated)	MHA Actual 2019/20	MHA Proposed 2020/21 Budget & Plan	Comments
Reinvestment	4.38%	1.00%	0.41%	0.41%	2.96%	From 2017, there has been no growth activity. Growth will commence in Quarter2 2020/21
New supply: social	1.40%	0.10%	0.00%	0.00%	2.05%	
New supply: non-social	0%	0%	0%	0%	0%	
Gearing	39%	40%	39%	39%	39%	Golden Rule <45%
EBITDA MRI	212%	130%	148%	148%	125%	Golden Rule >125%
Social Housing cost per unit	£3,383	£3,091	£2,800	£2,780	£2,929	Fluctuations due to reinvestment programme
Operating Margin: social	31%	37.1%	39.1%	41.9%	37.4%	Solid performance
Operating margin: overall	30%	37.9%	39.5%	42.3%	34.5%	
Return on capital employed	3.0%	2.7%	2.8%	2.9%	3.0%	

In addition to measuring the metrics set out in the VfM Standard, we also continue to adopt the full Sector Scorecard, which has now been formally implemented and is co-ordinated through the National Housing Federation. There is some duplication across the Scorecard and the VfM Standard; the table below therefore profiles performance information against those metrics which do not feature above:

Measure	2018	2019 (Restated)	2020	Comments
A: Business Health				
Operating Margin	See VFM table			The Operating Margin remains high and benchmarks favourably.
Increase / Decrease in Operating Margin	(0.50%)	1.55%	3.31%	
EBITDA-MRI (as a % of interest)	See VFM table			
Gearing	See VFM table			This is different to the VfM Standard, as it measures debt as a % equity rather than fixed assets. Gearing results demonstrate capacity to support growth.
Net Debt £000	47,119	45,516	43,642	
Equity £000	13,211	13,870	15,477	
B: Development Capacity				
N/A – although there are measures within the VfM Standard, as MHA is not currently undertaking development the scorecard metrics have not been included				
C: Outcomes Delivered				
% Customers satisfied that rent provides VfM	100%	99.7%	100%	Based on independent survey results we are confident the vast majority of tenants believe their rent (incl. service charges) provides value for money.
D: Effective Asset Management				
Return on Capital Employed	See VFM Table			MHA's ROCE is at a healthy level and has remained consistent over the last three years.
Occupancy	99.9%	99.9%	99.9%	MHA's occupancy rate remains very healthy and benchmarks very favourably.
Ratio of responsive maintenance to planned maintenance spend	51.0%	65.1%	73.9%	No significant rise in routine repairs. Capital Repairs mix predicated upon stock condition survey
E: Operating Efficiencies				
Cost per unit split by:				
Headline Social Housing Cost per Unit	See VFM table			
Management Cost per Unit	£1,360	£1,281	£1,334	No significant budget variances
Service Charge Cost per Unit	£177	£179	£196	
Maintenance (excl. Major	£834	£905	£835	

Measure	2018	2019 (Restated)	2020	Comments
Repairs) Cost per Unit				
Maintenance CPU – Responsive Only	*£520*	*£529*	£531	
Maintenance CPU – Planned Only	*£314*	*£376*	£304	Major works are undertaken each year in line with the Stock Condition Survey, and will naturally fluctuate depending on the nature and volume of works required.
Major Repairs Cost per Unit	£705	£436	£415	
Other Social Housing Costs Cost per Unit	£36	£18	-	These costs are not significant.
Rent Collected	100.0%	100.0%	100.3%	Rent collection has remained at 100%+ despite the increasing difficulties faced by many of our customers. This benchmarks favourably with the sector. We are seeing a very slight decline year-on-year as more customers move to UC, and will continue to monitor closely during 2019/20 as full digital UC rollout continues in Bradford.

Non-financial performance
It is recognised that VfM cannot be measured through financial metrics alone; the previous sections provide information around our performance in respect of delivering excellent customer services.

The table below summarises performance against the 2019/20 VfM action plan and intended actions for 2020/21:

VFM Action Plan 2019/20	Delivered?	VFM Action Plan 2020/21
1. Assess impact of 3-star contract to ensure savings achieved	Planned for 2020/21	✓
2. Continue to utilise competitive tendering and seek opportunities for savings in respect of maintenance spend	✓	✓
3. Develop unit NPV measurement tool.	Planned for 2020/21	Qtr. 2
4. Continue to manage management & overhead costs in line with approved budgets; seek opportunities for further savings in-year	✓	✓
5. Develop performance framework 2019/20 aligned to revised strategic priorities following Board review	✓	✓ to include forecasts linked to 3-year detailed planning

Looking ahead

2019/20 has been a turbulent year politically with Teresa May stepping down as Prime Minister to be replaced by Boris Johnson. Due to the deadlock in the Commons on the terms of leaving the EU, a general election was held in December 2019 which returned Conservative Government with an 80-seat majority. This paved the way for parliamentary agreement to leave the EU, and the UK finally left the EU on 31st January 2020. This began a transition period that is set to end on 31st December 2020 during which time the UK and the EU will negotiate their future relationship.

The current global Coronavirus (COVID 19) pandemic is unprecedented with the world experiencing a health crisis not seen for 100 years, and it has changed life beyond recognition with the UK (and most of the world) in lockdown. Homeworking has become the norm for staff not classed as key or essential workers. MHA responded rapidly to this and adapted our services accordingly to protect the health and safety of both our staff and customers.

Economic predictions are that the UK (and rest of the world) is likely to face a recession in the face of this pandemic as the economy is on lockdown, with millions of staff furloughed from work and productivity stalled. The economic impact is yet unknown, but it is likely to affect the whole world on some level.

The rent settlement announced in October 2017 has seen a return to CPI+1% rent increases for five years from April 2020. Conservative government policy is considered lukewarm on social housing with a reaffirmed emphasis as the preferred form of tenure as opposed to social or affordable renting. It is recognised that grant rates will favour the development of tenure, which supports homeownership in different forms.

Report by the Board

The Board is pleased to present its report and the audited consolidated financial statements for the year ended 31 March 2020.

Board members' responsibilities

The board members are responsible for preparing the strategic report and the annual financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year. Under that law the board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Co-operative and Community Benefit Society law the board members 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 association and of the surplus or deficit of the association for that period.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 (updated) 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 board members 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

They are also responsible for safeguarding the assets of the Group and Association 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 board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Internal Controls

The Board has ultimate responsibility for the company's system of internal control and for reviewing its effectiveness. The Audit & Risk Committee is responsible to the Board for monitoring this system and reporting on its effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the company's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The processes in place also assist the Board in identifying whether the company has any significant failings or weaknesses in its internal control system.

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk, and therefore provide reasonable, but not absolute, assurance that assets are safeguarded against unauthorised use or material loss and that transactions are properly authorised and recorded.

We are regulated by the Regulator of Social Housing. In meeting our responsibilities, the Board, through the Audit & Risk Committee, has adopted a risk-based approach to internal controls which is embedded within the management and governance of the company. The approved Risk Policy includes a regular review of the nature and extent of significant risk to which the company is exposed.

The process by which the Audit & Risk Committee, on behalf of the Board, reviews the effectiveness of the system of internal control, together with the robustness of the risk management and control framework, includes:

Identification and Evaluation of Key Risks

There is a formal risk management framework in place which incorporates identification and evaluation of risk, and the identification and implementation of related controls and mitigating actions. Risk issues and risk management processes are scrutinised and monitored by the Audit & Risk Committee and the Board on a quarterly basis, and the Board undertake an annual assessment of overall appropriateness and adequacy. There have been risk management processes in place throughout the financial year and up to the date of approval of the Annual Report and Financial Statements.

The key business risks identified within the Strategic Risk Register are used by Internal Audit in developing their annual work programme to verify the effectiveness of controls in place over key risks.

Control Environment and Control Procedures

Formal Standing Orders and Financial Regulations define responsibilities of the Board, Committees and Management. These have been continuously reviewed and updated as necessary during the year to strengthen governance arrangements. The Board retains responsibility for a defined range of strategic issues covering strategic, operational, financial and compliance issues. The Board has delegated authority to its Committees under approved Terms of Reference.

There are formal policies, procedures and Terms of Reference in place that cover issues such as delegated authority, accounting, treasury management, Health & Safety, data and asset protection and fraud prevention, detection and reporting. All key policies are subject to approval by the Board.

There are policies and procedures covering recruitment, appraisal and staff management, and a performance monitoring framework is in place to assist in maintaining standards of performance and delivering corporate objectives.

Information and Financial Reporting Systems

Financial management and reporting procedures include the production of a 30-year Financial Plan and detailed 5-year budgets and financial forecasts, which are intrinsically linked and subject to review and approval by the Board. Regular management accounts and supplementary financial performance reports are prepared to provide financial and other information to management and the Board.

The 30-year Financial Plan has been subject to extensive single and scenario modelling linked to the Strategic Risk Register and was updated to reflect the Covid-19 pandemic crisis. A suite of key financial indicators linked to this testing and a comprehensive financial mitigation strategy have been approved by the Board.

The Board regularly reviews performance against the set budget, historic results and a suite of performance indicators, including a Health & Safety dashboard, to assess progress towards the achievement of key business objectives, Board priorities and target outcomes. External benchmarking information is provided where available to enhance performance knowledge and drive continuous improvement.

Monitoring & Corrective Action

The internal control framework is subject to regular review by our Internal Auditors, who advise the senior management team and report to the Audit & Risk Committee. A formal reporting cycle is in place and the Audit & Risk Committee have considered risk and internal control at each of its meetings throughout the year. Meetings with senior management and Internal and External Auditors are held to review specific reporting and internal control matters, in order to satisfy themselves that internal control frameworks are operating effectively. The Audit & Risk Committee hold an in-camera meeting with both Internal and External Auditors at least annually.

At the end of the year, the Internal Auditors produced their annual summary report on the internal controls framework in place and concluded that:

"In our opinion, MHA has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the Association.

In respect of the areas of activity which we reviewed, and subject to the weaknesses identified and reported in our internal audit reports, MHA has an adequate, effective and reliable framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of MHA's objectives. No instances of actual or suspected fraud have been encountered during our audit work."

The Executive Team regularly reviews the risk management and internal control framework and takes appropriate action to develop and implement best practice improvements to the system of internal control to ensure its continued effectiveness. Management ensure that operational procedures and controls are subject to ongoing review to ensure they remain robust.

The Board is committed to investigating all suspected incidents of fraud, and, where a fraudulent act has taken place, taking the strongest action available against those individuals and/or organisations involved. A Prevention of Corruption, Fraud and Bribery Policy and Fraud Response Plan is in place for reporting and managing suspected and actual fraudulent activity. There were no instances of corruption, fraud or bribery in this fiscal year.

The group has third party indemnity provisions in place for the board and the executive management team.

Going Concern

After considering the current economic conditions including the Covid-19 pandemic crisis and recent regulatory upgrade, the Board has a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. There are sufficient funding facilities in place for the foreseeable future and, whilst the 30-year Financial Plan includes an element of refinancing risk, the Board are of the view this is at an appropriate level. The 30-year financial plan indicates continued covenant compliance and has been subject to robust stress testing and potential mitigating actions identified should circumstances change.

Specifically, the Covid-related individual scenario and stress testing, reflective of our customer base, are:

- Steady housing benefit Income
- Self Payers – 3 months 100% Bad debt non-recoverable
- Additional voids for 6 months – rising by 3 voids/month

Our 30-year financial plan has prudence built into its bad debt assumptions (2.5%), whereas current bad debt rates are c.0.6%.

Savills, our independent treasury advisors have stated that "the suite of tests now include an assessment for the potential outcome from the Covid-19 virus and confirm that the stress testing is "sufficient to comply with the requirements of the Regulator for Social Housing (RSH), will cover sufficient and key areas within MHA's financial plan and wider business and will provide the board with the necessary information to evaluate the key risk areas with MHA's Financial Plan alongside a list of available mitigation factors.

In August 2020, a new funding facility was completed, increasing headroom by c.£7m and increasing the total loan facility to c.£60m. With cash reserves of £5m at 31 March 2020, the total available cash and undrawn loan facilities totals c. £15m to meet all short term cash requirements.

Based on the above, the Board are satisfied that the group is a viable going concern for at least the next 12 months from the date of approval of these financial statements, which have thus been prepared on a going concern basis.

Statement of compliance

This strategic report review has been prepared in line with the Statement of Recommended Practice for registered Social Housing Providers 2018 and complies with the Regulator's Governance and Financial Viability Standard. The statement has also been prepared in accordance with The Accounting Direction for Private

Registered Providers of Social Housing 2019**.** All accounting policies have been prepared with reference to UK Generally Accepted Accounting Principles (UK GAAP) including Financial reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Registered Social Landlords 2018 (update). The principal accounting policies of the organisation are set out on pages 29 to 38 of the Financial Statements.

The Report of the Board has been prepared in accordance with Reporting Statement: 'Operating and Financial Review' (RS1).

Disclosure of Information to Auditor
In the case of each of the persons who are Directors of the Group at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Group's auditor is unaware and
- each of the Directors has taken all the steps they ought to have taken as a Director to make them aware of any relevant information (as defined) to establish that the Group's auditor is aware of that information.

Auditor
BDO LLP were appointed in October 2017 following a competitive tender process and continue in office in accordance with the Co-operative and Community Benefit Societies Act 2014.

The Strategic Report and Operating and Financial Review was approved by the Board on 16 September 2020 and signed on its behalf by:

Barrington Billings

Barrington Billings
Chair

Independent Auditor's Report
To the Members Of Manningham Housing Association Limited

Opinion

We have audited the financial statements of Manningham Housing Association Limited ("the Association") and its subsidiary ("the Group") for the year ended 31 March 2020 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the Group's and the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Association's ability to continue to adopt the going concern basis of accounting for

a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report and Operating & Financial Review, Statement of Corporate Governance and Internal Controls 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

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the board members' report.

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

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept; or
- a satisfactory system of control has not been maintained over transactions; 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 board members' responsibilities statement set out on page 16, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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.

Use of our report

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

BDO LLP

BDO LLP
Statutory Auditor
Leeds

Date: 28 September 2020

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

Consolidated and Association Statement of Comprehensive Income for the Year Ended 31 March

	Notes	2020 £000s	2019 (Restated) £000s
Turnover	3	8,160	8,182
Operating costs	3	(4,742)	(4,985)
Other income, net	3	97	50
(Deficit) / Surplus on sale of fixed assets	8	(92)	86
Operating Surplus		**3,423**	**3,333**
Interest receivable	9	25	19
Gift Aid received from subsidiary	11	-	8
Net interest payable and similar charges	10	(2,515)	(2,544)
Surplus for the financial year		**933**	**816**
Remeasurement of SHPS obligation		-	(274)
Actuarial Gain / (Loss) in respect of SHPS pension obligation		674	(225)
Total comprehensive income for the year		**1,607**	**317**

The accompanying accounting policies and notes form part of these financial statements.

Consolidated Statement of Financial Position at 31 March

	Notes	2020 £000s	2019 (Restated) £000s
Fixed assets			
Housing properties	15	112,750	114,501
Other tangible fixed assets	16	800	792
Homebuy loans receivable	16	234	234
Investment property	16	480	480
		114,265	**116,007**
Current assets			
Debtors	18	367	347
Funds held as security	19a	706	1,627
Cash	19	5,022	3,724
		6,095	**5,698**
Creditors: Amounts falling due within one year	20	(3,632)	(3,412)
Net current assets		**2,463**	**2,286**
Total assets less current liabilities		**116,728**	**118,293**
Creditors: Amounts falling due after more than one year	21	(102,103)	(104,499)
Net pension liability	13	(446)	(1,223)
		(102,549)	**(105,722)**
Total net assets		**14,179**	**12,571**
Capital and reserves			
Non-equity share capital	26	-	-
Revenue reserves	27	14,179	12,571
Total capital and reserves		**14,179**	**12,571**

The accompanying accounting policies and notes form part of these financial statements.

The notes to the financial statements on pages 24 to 57 were approved by the Board and authorised for issue 16 September 2020 and are signed on its behalf by:

Barrington Billings **Barrington Billings** **Board Member**	Haroon Rashid **Haroon Rashid** **Board Member**	Shendi Keshet **Shendi Keshet** **Company Secretary**

Association Statement of Financial Position at 31 March

	Notes	2020 £000s	2019 (Restated) £000s
Fixed assets			
Housing properties	15	114,049	115,800
Other tangible fixed assets	16	800	792
Homebuy loans receivable	16	234	234
Investment property	16	480	480
		115,563	**117,306**
Current assets			
Debtors	18	367	347
Funds held as security	19a	706	1,627
Cash at bank and in hand	19b	5,022	3,724
		6,095	**5,698**
Creditors: Amounts falling due within one year	20	(3,632)	(3,412)
Net current assets		**2,463**	**2,286**
Total assets less current liabilities		**118,026**	**119,592**
Creditors: Amounts falling due after more than one year	21	(102,103)	(104,499)
Defined benefit pension liability	13	(446)	(1,223)
		(102,549)	**(105,722)**
Total net assets		**15,477**	**13,870**
Capital and reserves			
Non-equity share capital	26	-	-
Revenue reserves	27	15,477	13,870
Total capital and reserves		**15,477**	**13,870**

The accompanying accounting policies and notes form part of these financial statements.

The financial statements on pages 24 to 57 were approved by the Board and authorised for issue on 16 September 2020 and are signed on its behalf by:

Barrington Billings **Barrington Billings** **Board Member**	*Haroon Rashid* **Haroon Rashid** **Board Member**	*Shendi Keshet* **Shendi Keshet** **Company Secretary**

Statement of Changes in Reserves

	Group		Association	
	2020 £000s	**2019 (restated) £000s**	**2020 £000s**	**2019 (restated) £000s**
Balance as at 1 April, previously reported	12,335	11,912	13,633	13,211
Prior period adjustments	237	342	237	342
Balance as at 1 April, restated	**12,572**	**12,254**	**13,870**	**13,553**
Surplus for the year	933	816	933	816
Remeasurement of SHPS obligation	-	(274)	-	(274)
Actuarial Gain / (Loss) in respect of SHPS pension obligation	674	(225)	674	(225)
	1,607	**317**	**1,607**	**317**
Balance as at 31 March	**14,179**	**12,571**	**15,477**	**13,870**

The accompanying accounting policies and notes form part of these financial statements.

Consolidated & Association Statement of Cash Flows

			Notes	2020 £000s	2019 (Restated) £000s
Net cash inflow from operating activities			**28**	**4,093**	**3,929**
Cash flow from investing activities					
Inflows:					
Sale of housing properties				789	626
Interest received				25	19
Funds held as security, released				920	-
				1,734	**645**
Outflows:					
Housing property additions				(45)	-
Component additions				(425)	(572)
Other fixed asset additions				(39)	(13)
Funds held as security				-	(180)
				(509)	**(765)**
				1,225	**(120)**
Cash flow from financing activities					
Interest paid				(2,525)	(2,592)
Repayment of borrowings				(1,495)	(1,895)
				(4,020)	**(4,487)**
Net change in cash and cash equivalents				**1,298**	**(678)**
Cash and cash equivalents at beginning of the year				3,724	4,402
Cash and cash equivalents at the end of the year				**5,022**	**3,724**

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Financial Statements

1 Legal status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a registered provider of social housing. Manningham Housing Association is a Co-operative and Community Benefit Society and was incorporated in England and Wales.

The company and its subsidiary are referred to as the Group. The principal activity of the Group is the provision of social housing and housing management.

The subsidiary company, Firebird Homes Limited, is a company limited by shares registered with Companies House under the Companies Act 2006. This company is not a registered social housing provider and is now dormant.

2 Accounting policies

Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Manningham Housing Association is a public benefit entity in accordance with FRS 102.

The financial statements are presented in sterling to the nearest thousand (£000s) except where specifically stated otherwise.

The individual accounts of Manningham Housing Association have adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and related notes
- financial instruments disclosures

Going concern

The Group has in place a sufficient cash at bank balance and long-term debt facilities at 31 March 2020, which provides adequate resources to finance committed reinvestment along with the Group's day to day operations. The Group also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and management estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made including the following:

Significant management judgements

a) Impairment

For the four years from 1 April 2016 to 31 March 2020, the Association reduced social housing rents by one per cent per annum in accordance with the Housing and Planning Act 2016. With effect from 1 April 2020, social housing rents can now be increased each year by CPI plus 1 per cent for the next five years. We have carried out an impairment review of our housing property portfolio and the judgement of management is that no impairment to the portfolio's carrying value is required.

b) Classification of loans

FRS 102 requires loans and other financial instruments to be classified as 'basic', and accounted for at amortised cost, or 'other', and accounted for on the basis of their fair value. The Association has carefully reviewed the terms of its loan agreements and has concluded that all loans should be classified as 'basic' and accounted for at amortised cost.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

c) Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in the estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

d) Pension scheme-defined benefit obligation past service deficit provision

The estimate of the past service deficit provision is based on a number of critical underlying assumptions such as: standard rates of inflation, mortality, discount rate and anticipation of future salary increase. Assumptions are defined by a professionally qualified actuary, appointed by SHPS; management undertake an assessment of the reasonableness of these assumptions. Variation in these assumptions may significantly impact the amount provided and the annual defined benefit charge (as analysed in Note 13).

e) Bad Debts

Bad debts are provided for within the financial statements at:

0 – 11.9 weeks (3 months)	25%
12 – 24.9 weeks (3 – 6 months)	50%
25 + weeks (>6 months)	100%
Former tenant arrears are provided at	100%

Basis of consolidation

The consolidated financial statements incorporate those of the Association and its subsidiary undertaking, Firebird Homes Limited. The subsidiary is consolidated using the acquisition method, with results being incorporated from the date that control passes. As Firebird Homes Limited became dormant on 1 April 2019, both the Consolidated and Association figures will be identical for this fiscal year, except for the underlying transfer price mark up of £1,299k, within housing property costs which is removed upon consolidation.

Investment in subsidiary

The consolidated financial statements incorporate the financial statements of the Association and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Turnover

Turnover comprises rental income and service charges receivable net of voids, plus revenue grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

Taxation

The Association is exempt from corporation tax by virtue of its charitable status.

Firebird Homes Limited is now dormant. There are no corporation tax implications for the dormant company.

Value Added Tax

The Group deregistered from VAT from 31 March 2019.

Interest payable

Interest and fees incurred as a result of future refinancing have been reported as deferred and will be amortised or written off once the refinancing exercise has been completed in 2020/21. Other interest payable is charged to income and expenditure in the year.

Homebuy

Homebuy loans are treated as concessionary loans and are recognised at the amount paid to the purchaser. No interest is accrued and any impairment loss is recognised in the Statement of Comprehensive Income. The associated Homebuy grant is recognised as deferred loan until the loan is redeemed.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in section 11 of FRS 102 are accounted for under the amortised historic cost model.

Financial assets carried at amortised cost

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

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

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

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

Financial liabilities carried at amortised cost

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

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

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

Note 35 gives a detailed analysis of the financial instruments.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measure initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Holiday Accrual

Unused annual leave accrued by employees at 31 March 2020 and carried forward to future periods is recognised as a liability, measured at undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Pension costs

The Association participates in the Social Housing Pension Scheme (SHPS) for some employees.

For the year ended 31 March 2020 the Association recognised a past service deficit liability of £446k, within Creditors, based on the present value of the Association's deficit funding agreement.

The Association's share of SHPS scheme assets are measured at fair value, with scheme liabilities measured on an actuarial basis using projected unit credit method and are discounted at appropriate high quality corporate bond rate. Detailed analysis is provided at Note 13 to the financial statements.

As at 31 March 2020 the net defined benefit pension liability was £446k, which has been included within the Provision for Pension Liability in the financial statements.

In the year ended 31 March 2020 the current service costs and costs from settlements and curtailments are charged against Operating Surplus. Past service costs are recognised in the current reporting period within the Statement of Comprehensive Income. Remeasurements are reported in Other Comprehensive Income. Further detail is provided at Note 13.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Works to existing rented properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Donated land

Land donated by local authorities and others is added to the cost of properties at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary Government grant and recognised on the Statement of Financial Position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Capitalisation of interest

Interest on the financing of a development is capitalised up to the date of practical completion of the scheme. Where schemes are not financed by specific facilities an appropriate proportion of the interest charged on the Group's overall borrowing is allocated to the cost of the scheme up to the date of practical completion.

Government grants

Government grants include grants from Homes England, Local Authorities and other government organisations.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure, where applicable, or matched to the useful lives of individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions.

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

Homes England Grants
Homes England grants received for housing properties are subordinated to the repayment of loans by agreement with Homes England.

Homes England grants released on the sale of a property through the Right to Acquire scheme are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors and classified as current or long-term liabilities.

Local Authority Grants
Local Authority grants released on the sale of a property through the Right to Acquire scheme are credited to the Local Authority Capital Grant Fund and are included in the Statement of Financial Position in creditors and are classified as long term liabilities. Normally, these grants are not repayable to the Local Authority unless specified and may be utilised for other social housing schemes, with permission by the Local Authority.

Local Authority grants and/or other governmental grants relating to subsequent sales by former tenants and thus subject to clawbacks, are reported as other income.

Homes England - Recycling of capital grant (RCGF)

Where grant is recycled, as described above, the grant is credited to the Recycled Capital Grant Fund (RCGF), which is included within Creditors. The grant may have to be repaid if certain conditions are not met or if re-investment is not committed within three years following the year of disposal.

Other grants

Other grants which are receivable from non-Government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Depreciation of housing properties

The cost of housing properties, determined to be the lower of historical cost or existing use valve (EUV), is split and depreciated, on a straight-line basis, over the useful lives of specific components.

Where components are replaced prior to being fully depreciated, the remaining undepreciated amount is charged to the statement of comprehensive income and included in the deprecation charge for the period. The estimated useful economic lives are based on the organisation’s current knowledge of component replacement. The Group will continue to monitor and review the useful economic lives of all components and make amendments where material changes arise.

The major components of housing properties are depreciated over their estimated useful lives as follows:

Component	Useful Lives (Years)
Structure	125
Bathrooms	30
Rewiring	30
Heat Distribution	30
Heat Source	15
Kitchens	20
Lifts	30
Roof Structures	100
Roof Coverings	64
Windows	30

Freehold land is not depreciated.

Leasehold properties are amortised over the life of the lease.

Impairment

Housing properties are assessed annually for impairment. Where indicators are identified an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Depreciation of other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The assets are depreciated on a straight-line basis over their useful lives:

- Freehold office is depreciated over 50 years
- Computers, fixtures and fittings are depreciated over 5 years

Gains or losses arising on the disposal of the other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus / deficit for the year.

Property for sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Leases

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

Leases payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the lease payments are structured to increase in line with expected general inflation, in which case the company recognises annual lease expense equal to amounts owed to the lessor.

Provision for liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that there will be requirement to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Liquid resources

Liquid resources are readily disposable current asset investments. They include some money market deposits, held for more than 24 hours that can only be withdrawn without penalty on maturity or by giving notice of more than one working day.

Monies held as substitute security by funders are also deemed to be liquid resources, insofar as there are unencumbered properties held of equivalent value that could be utilised to release cash security if required.

Prior Period Adjustments

In previous years, social housing grant relating to right to acquire sales and the disposal proceeds fund was reported as income prior to the abolition of the disposal proceeds fund. Subsequent guidance requires such grant to be reported as recycled capital grant within the Statement of Financial Position. Accordingly, a prior period adjustment has been made to reflect this grant as a liability.

Subsequent to a review of historical housing property costs and the related accumulated depreciation associated with component replacements and the allocation of costs to shared ownership properties, adjustments have been made, to bring the treatment in line with the SORP.

The effect on the opening balances of the financial statements is detailed in Note 27.

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

Particulars of turnover, cost of sales, operating costs and operating surplus

Group and Association– continuing activities

Group and Association	2020		
	Turnover	Operating Costs	Operating Surplus
	£000s	£000s	£000s
Social housing lettings	8,160	(4,742)	3,418
Other social housing activities			
RTA receipts, prior period sale	41		41
Other	6	-	6
	47	**-**	**47**
	8,207	**(4,742)**	**3,465**
Non–social housing activities			
Commercial rents	62	(12)	50
	8,269	**(4,754)**	**3,515**

Group and Association – continuing activities

Group and Association	2019 (Restated)		
	Turnover	Operating Costs	Operating Surplus
	£000	£000	£000
Social housing lettings	8,182	(4,985)	3,197
Other social housing activities			
Other	1	-	1
	8,183	**(4,985)**	**3,198**
Non–social housing activities			
Commercial rents	49	-	49
	8,232	**(4,985)**	**3,247**

4 Particulars of income and expenditure from lettings

Group and Association	General Needs & Leaseholds £000s	Shared Ownership £000s	Total 2020 £000s	Total 2019 (Restated) £000s
Income - Lettings				
Rents receivable net of voids	7,066	182	7,248	7,310
Service charge income	223	5	228	195
Net Rental Income	**7,289**	**187**	**7,476**	**7,505**
SHG released to SoCI	657	7	664	665
Management fees	20	-	20	12
Other				
Turnover - Social Housing Lettings	**7,966**	**194**	**8,160**	**8,182**
Expenditure - Letting Activities				
Management	1,877	10	1,887	1,822
Services	268	8	276	254
Routine maintenance	748	3	751	753
Planned maintenance	429	-	429	535
Major repairs	41	-	41	49
Bad debts	10	-	10	(104)
Depreciation of housing properties	1,286	62	1,348	1,676
Operating Costs - Social Housing Lettings	**4,659**	**83**	**4,742**	**4,985**
Operating Surplus - Social Housing Lettings	**3,307**	**111**	**3,418**	**3,197**
Void losses	(12)	-	(12)	(10)

The £104k bad debts credit in 2019 arose as a result of a change in Bad Debt Policy during the year.

5 Accommodation in management

Group and Association	2019 Units	RTA Sales	Shared Ownership Sales	2020 Units
Housing accommodation:				
General Needs:				
Social rent	1,089	(4)	-	1,085
Affordable, owned	262	(1)	-	261
Affordable, managed on behalf of others	20	-	-	20
Leased				
	1,371	**(5)**	**-**	**1,366**
Shared Ownership	52		(4)	48
	1,423	**(5)**	**(4)**	**1,414**
Units managed by others				
General Needs	7	-	-	7

The Association owns 7 units in 2019/20 (2018/19: 7 units) that are managed on its behalf under management agreements with Horton Housing Association Ltd.

For the whole of 2019/20, the Association has managed 20 units (2018/19: 20 units) owned by Great Places Housing Group, a Registered Provider operating in Greater Manchester and Yorkshire.

7 Operating surplus

The operating surplus is arrived at after charging:

	Group & Association	
	2020 £000s	**2019 (Restated) £000s**
Bad debts	10	(104)
Depreciation of tangible fixed assets:		
- Housing properties	1,348	1,676
- Other Fixed Assets	48	56
Auditor's remuneration:		
- Audit services – current year	20	17
- Non-audit services	-	-

8 Surplus on sale of fixed assets

	Group & Association	
Housing Properties	**2020 £000s**	**2019 £000s (Restated)**
Proceeds	883	630
Net book value of properties sold	(905)	(515)
Costs of sales	(6)	(4)
(Deficit) / Surplus before SHG adjustment	**(28)**	**111**
SHG net of amortisation	(64)	(25)
(Deficit) / Surplus on sale of fixed assets	**(92)**	**86**

9 Interest receivable

	Group & Association	
	2020 £000s	**2019 £000s**
Bank interest receivable	24	20

10 Interest payable and other charges

	Group & Association	
	2020 £000s	**2019 (Restated) £000s**
Loan interest	2,553	2,584
SHPS Interest charges	27	25
	2,580	**2,609**
Loan premiums amortised in year	(64)	(65)
Total	**2,515**	**2,544**

11 Gift Aid

Gift aid received in year from Firebird Homes Limited was £nil (18/19 £8.4k).

12 Employees

The average monthly number of persons employed by the Group and Association, including the Directors, during the year was:

	2020 FTE	2019 FTE
Administration	15	11
Housing	16	16
Maintenance	3	3
	34	**30**

Staff costs for the above persons:

	2020 £000s	2019 £000s
Wages and salaries	1,110	991
Social security costs	105	100
Other pension costs	75	85
	1,290	**1,176**

12 Board members and Executive Directors

Executive Directors	Salaries £'000s	Benefits £'000s	Total 2020 £000s	Total 2019 £000s
Lee Bloomfield (Chief Executive)	94	20	114	112
Ulfat Hussain (Assistant CEO & Director of Operations)	80	17	97	97
Shendi Keshet (Director of Finance & Resources), part year	14	3	17	-
Helen Rourke (Director of Finance & Company Secretary), part year	46	10	56	100
Carol Lee (Interim Director.of Finance & Resources), part year	44	9	53	-
	278	**59**	**337**	**309**

Executive Directors

The full time equivalent number of staff, including executive directors, who received emoluments in excess of £60,000, were:

Emolument Range	2020 FTE	2019 FTE
£90,000 - £100,000	2	2
£100,001 - £110,000	1	1
	3	**3**

The Executive Directors, whose aggregate remuneration is shown above, are key management personnel as defined in the FRS 102 and SORP.

12 Board members and executive directors (continued)

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Association does not make any further contribution to an individual pension arrangement for the Chief Executive.

The emoluments of the highest paid director, the Chief Executive, excluding pension contributions, were £106k (2018/19 £104k).

Board Members

The Board of Manningham Housing Association were remunerated as follows:

	Remuneration £000s	Board	Audit & Risk	HR & Remun
Barrington Billings	5.0	Chair		✓
Abdul Ravat	3.5	Vice Chair	✓	
Haroon Rashid	3.5	✓	Chair	
Julia Histon	2.5	✓		Chair
Khalida Ashrafi	2.0	✓		✓
Cath Bacon	2.0	✓	✓	✓
Majid Khan	2.0	✓	✓	
Mushtaq Khan	2.0	✓	✓	
Vicky Szulist	2.0	✓	✓	
	24.50			

Board and Committee members received emoluments of £24k (2018/19: £31k).

Expenses paid during the year to members of the Board amounted to £4k (2018/19: £4k).

13 Pension commitments

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

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

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

The Association participated in the defined benefit scheme of the Social Housing Pension Scheme (SHPS) up to 31 March 2019. From 1 April 2019 the scheme was closed to new and existing members; accumulated benefits were protected and current employee members were given the option to transfer to a defined contribution scheme or the Association's auto-enrolment scheme, both administered by SHPS. Continuation of SHPS membership means there was no crystallisation of any liabilities as a result of closing the defined benefit scheme.

	2020 £000	**2019 £000**
Net pension liability	446	1,223

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

	2020 £000s	**2019 £000s**
Fair value of plan assets	4,092	3,931
Present value of defined benefit obligation	4,538	5,154
Surplus (deficit) in plan	**(446)**	**(1,223)**
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	**(446)**	**(1,223)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2020 £000s	**2019 £000s**
Defined benefit obligation at start of period	5,154	4,762
Current service cost	-	101
Expenses	-	5
Interest expense	119	121
Contributions by plan participants	-	45
Actuarial losses (gains) due to scheme experience	(3)	26
Actuarial losses (gains) due to changes in demographic assumptions	(44)	14
Actuarial losses (gains) due to changes in financial assumptions	(614)	335
Benefits paid and expenses	(74)	(255)
Defined benefit obligation at end of period	**4,538**	**5,154**

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

	2020 £000s	2019 £000s
Fair value of plan assets at start of period	3,931	3,773
Interest income	92	96
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	13	150
Contributions by the employer	130	122
Contributions by plan participants	-	45
Benefits paid and expenses	(74)	(255)
Fair value of plan assets at end of period	**4,092**	**3,931**

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £105,000.

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	2020 £000s	2019 £000s
Current service cost	-	101
Expenses	-	5
Net interest expense	27	25
Defined benefit costs recognised in other comprehensive income	**27**	**131**

Defined benefit costs recognised in other comprehensive income

	2020 £000s	2019 £000s
Experience on plan assets (excluding amounts included in net interest cost) gain / (loss)	13	150
Experience gains and losses arising on the plan liabilities - gain / (loss)	3	(26)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain / (loss)	44	(14)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain / (loss)	614	(335)
Total amount recognised in other comprehensive income – gain / (loss)	**674**	**(225)**

Assets	2020 £000s	2019 £000s
Global equity	599	661
Absolute return	213	340
Distressed opportunities	79	71
Credit relative value	112	72
Alternative risk premia	286	227
Fund of hedge funds	2	18
Emerging markets debt	124	136
Risk sharing	138	119
Insurance-linked securities	126	113
Property	90	88
Infrastructure	305	206
Private debt	82	53

Assets	**2020 £000s**	**2019 £000s**
Opportunistic Illiquid Credit	99	-
Corporate bond fund	233	183
Long lease property	71	58
Secured income	155	141
Liability driven investment	1,358	1,437
Net current assets	18	8
Total assets	**4,092**	**3,931**

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

Key assumptions

	31 March 2020 % per annum	**31 March 2019 % per annum**
Discount Rate	2.38%	2.33%
Inflation (RPI)	2.62%	3.28%
Inflation (CPI)	1.62%	2.28%
Salary growth	2.62%	3.28%
Allowance for commutation of pension for cash at retirement (% of maximum allowance)	75%	75%

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	31.03.20 Life expectancy at age 65 (Years)	**31.03.19 Life expectancy at age 65 (Years)**
Male retiring in 2020 : 2019	21.5	21.8
Female retiring in 2020 : 2019	23.3	23.5
Male retiring in 2040 : 2039	22.9	23.2
Female retiring in 2040 : 2039	24.5	24.7

14 Tax on surplus on ordinary activities

	Group & Association	
	2020 £000s	**2019 £000s**
Total current tax (credit)/charge	**-**	**-**

The Association is not subject to corporation tax, and there is no corporation tax payable by the dormant subsidiary company Firebird Homes Limited, thus no tax charge for the group as a whole.

15 Tangible fixed assets – properties

Group

	Housing Properties Held for Letting (Freehold)	Housing Properties Held for Letting (Leasehold)	Housing Properties Under Construction (Freehold)	Shared Ownership Properties Completed	Total
	£000s	£000s	£000s	£000s	£000s
Cost					
At 1 April, previously reported – Association	129,216	2,947	-	5,429	137,592
Intercompany transactions reversed	(1,216)	(41)	-	(42)	(1,299)
At 1 April, previously reported	128,000	2,906		5,387	136,293
Prior period adjustments					
Tenure transfer	858	-	-	(858)	-
Sales cost adjustment	382	-	-	-	382
Capitalisation adjustment	(3,598)	(44)	-	-	(3,642)
1 April, restated	**125,642**	**2,862**	**-**	**4,529**	**133,033**
Tenure transfer	112	-	-	(112)	-
Component replacements	407	10	84	-	501
Components, disposals	(148)	(5)	-	-	(153)
Additions	45	-	-	-	45
Disposals, sales	(648)	-	-	(244)	(892)
At 31 March	**125,410**	**2,867**	**84**	**4,173**	**132,534**
Depreciation and impairment					
At 1 April 2019, previously reported	20,953	570	-	499	22,022
Prior period adjustments					
Tenure transfer	139	-	-	(139)	-
Capitalisation adjustment	(3,410)	(81)		1	(3,490)
1 April, restated	**17,682**	**489**	**-**	**361**	**18,532**
Tenure transfer	11	-	-	(11)	-
Charged in the year	1,434	33	-	35	1,502
Components, disposals	(149)	(5)	-	-	(154)
Disposals, sales	(72)	-		(24)	(96)
At 31 March	**18,906**	**517**	**-**	**361**	**19,784**
Net book value					
At 31 March 2020	**106,504**	**2,350**	**84**	**3,812**	**112,750**
At 31 March 2019	**107,960**	**2,373**	**-**	**4,168**	**114,501**

15 Tangible fixed assets – properties (continued)

Association	Housing Properties Held for Letting (Freehold)	Housing Properties Held for Letting (Leasehold)	Housing Properties Under Construction (Freehold)	Shared Ownership Properties Completed	Total
	£000s	£000s	£000s	£000s	£000s
Cost					
At 1 April, previously reported	**129,216**	**2,947**	**-**	**5,429**	**137,592**
Prior period adjustments					
Tenure transfer	858	-	-	(858)	-
Sales cost adjustment	382	-	-	-	382
Capitalisation adjustment	(3,598)	(44)	-	-	(3,642)
1 April, restated	**126,858**	**2,903**	**-**	**4,571**	**134,332**
Tenure transfer	112	-	-	(112)	-
Component replacements	407	10	84	-	501
Components, disposals	(148)	(5)	-	-	(153)
Additions	45	-	-	--	45
Disposals, sales	(648)	-	-	(244)	(892)
	(232)	**5**	**84**	**(356)**	**(499)**
At 31 March	**126,626**	**2,908**	**84**	**4,215**	**133,833**
Depreciation and impairment					
At 1 April	**20,953**	**570**	**-**	**499**	**22,022**
Prior period adjustments					
Tenure transfer	139	-	-	(139)	-
Capitalisation adjustment	(3,410)	(81)	-	1	(3,490)
	(3,271)	(81)		(138)	(3,490)
1 April, restated	**17,682**	**489**	**-**	**361**	**18,532**
Tenure transfer	11	-	-	(11)	-
Charged in the year	1,434	33	-	35	1,502
Components, disposals	(148)	(5)	-	-	(153)
Disposals, sales	(73)	-	-	(24)	(97)
In-year activity	**1,224**	**28**	**-**	**-**	**1,252**
At 31 March	**18,906**	**517**	**-**	**361**	**19,784**
Net book value					
At 31 March 2020	**107,720**	**2,391**	**84**	**3,854**	**114,049**
At 31 March 2019, Restated	**109,176**	**2,414**	**-**	**4,210**	**115,800**

Housing properties book value, net of depreciation – compared

	Group		Intercompany transactions removed		Association, restated	
	2020 £000s	2019, restated £000s	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Freehold land and buildings	106,504	107,960	(1,216)	(1.216)	107,720	109,176
Leasehold land and buildings	2,350	2,373	(41)	(41)	2,391	2,414
Assets under construction	19	-	-	-	19	-
Shared Ownership	3,812	4,168	(42)	(42)	3,854	4,210
Total	**112,685**	**114,501**	**(1,299)**	**(1,299)**	**113,984**	**115,800**

Firebird Homes Limited became dormant on 1 April 2019. The intercompany profits of £1,299k on prior period property transactions have been eliminated for Group reporting.

Impairment

The Group considers individual schemes to be separate Income Generating Units (IGUs) when assessing for impairment, in accordance with the requirements of Financial Reporting Standard 102. There has been no impairment charge in the year (2018/19: £nil).

16 Tangible fixed assets – other

Group & Association	Freehold Offices	ICT	Office Fixtures, Fittings & Equip.	Estates Equip.	Scheme Equip.	Total
	£000s	**£'000s**	**£000s**	**£'000s**	**£'000s**	**£000s**
Cost						
At 1 April 2019, previously reported	1,315	263	154	285	66	2,083
Tfr from dormant subsidiary	-	28	-	-	-	28
At 1 April 2019, restated	1,315	291	154	285	66	2,111
Additions	-	56	-	1	-	57
Disposals	-	-	-		-	-
At 31 March 2020	**1,315**	**347**	**154**	**286**	**66**	**2,168**
Depreciation						
At 1 April 2019, previously reported	**573**	**228**	**154**	**285**	**51**	**1,291**
Tfr from dormant subsidiary	-	28	-	-	-	28
At 1 April 2019, restated	573	256	154	285	51	1,319
Charged in the year	26	16	-	-	7	49
Disposals	-	-	-	-	-	-
At 31 March 2020	**599**	**272**	**154**	**-**	**58**	**1,368**
Net Book Value at 31 March 2020	**716**	**75**	**-**	**1**	**8**	**800**
At 31 March 2019	**742**	**35**	**-**	**-**	**15**	**792**

16 Tangible fixed assets – other (continued)

Investment properties

	2020 £000s	2019 £000s
At 31 March	480	480

Each year an independent review is undertaken by a qualified valuer to ascertain if there has been any movement in the valuation of investment properties. The movement in valuation for 2019/20 was assessed as £nil (2018/19: £nil) by the Association's valuer.

Homebuy Loans

	2020 £000s	2019 £000s
At 1 April	234	234
Redeemed in year	-	-
	234	**234**
Less: grant received (see Note 22)	(234)	(234)
At 31 March	**-**	**-**

The loans are secured on the properties and are repaid in line with the terms of the scheme; interest payable on the Homebuy loan is at 0% (2018/19: 0%).

17 Investments

Subsidiary Undertakings

Name	Class of Shares	Holdings	Principal Activity
Firebird Homes Limited	Ordinary	100%	Development of new build homes

The registered office of the subsidiary undertaking is Bank House, 30 Manor Row, Bradford, BD1 4QE. Firebird Homes Limited became a dormant company on 1 April 2019.

Guarantees of subsidiary undertakings (contingent liability)

The results of Firebird Homes Limited have been consolidated into these accounts.

Firebird Homes Limited has claimed exemption from audit under section 479A of the Companies Act 2006 (the Act).

Manningham Housing Association Limited has given guarantees for Firebird Homes Limited in accordance with the Act.

18 Debtors

	Group & Association	
	2020 £000s	**2019 £000s**
Due within one year		
Arrears of rents and service charges	255	420
Less: provision for bad and doubtful debts	(119)	(217)
	136	**203**
Prepayments	119	122
Other Debtors	113	22
Total debtors	**367**	**347**

19 Cash

	Group & Association	
	2020 £000s	**2019 £000s**
19a Cash held as security	706	1,627
19b Cash at bank and in hand	5,022	3,724
	5,728	**5,351**

Cash held as security comprise £706k (2018/19: £1,627k) of monies held by THFC as sinking funds and substitute security associated with funding facilities.

20 Creditors: amounts falling due within one year

	Group & Association	
	2020 £000s	**2019 £000s**
Debt (Note 24)	1,447	1,455
Accruals	976	842
Deferred Income:		
Government Social Housing Grants	670	670
Premiums - THFC	64	64
Recycled Capital Grant (Note 23)	237	-
Other creditors	152	96
Rent and service charges received in advance	55	169
Other taxation and social security	29	27
Trade creditors	2	89
Total	**3,632**	**3,412**

21 Creditors: amounts falling due after more than one year

	Group & Association	
	2020 £000s	**2019 £000s Restated**
Loans - Bank	13,346	14,426
Loans - Other	34,577	34,986
	47,923	**49,412**
Recycled grant (Note 23)	757	498
Deferred Income:		
Gov't Social Housing Grants (Note 22)	52,793	53,894
Homebuy (Note 22)	234	234
	52,027	**54,128**
Premiums - THFC	360	424
Listed Office Grant	35	36
	53,422	**54,588**
Growth Plan pension liability	1	1
Total	**102,103**	**104,499**

22 Deferred grant

	Group & Association, restated					
	2020			2019		
£'000s	**SHG**	**Homebuy Grant**	**Total**	**SHG**	**Homebuy Grant**	**Total**
Grant 1 April , previously reported	66,361	234	66,596	66,361	234	66,595
Grant reclassified as recyclable	(504)	-	(504)	(240)	-	(240)
Opening balance as at 1 April, restated	**65,857**	**234**	**66,091**	**66,121**	**234**	**66,355**
Grant recycled to RCGF	(501)		(501)	(264)	-	(264)
Grant 31 March	**65,356**	**234**	**65,590**	**65,857**	**234**	**66,091**
Opening balance as at 1 April	**11,293**	**-**	**11,293**	**10,657**	**-**	**10,657**
Grant amortised in year	664	-	664	665	-	665
Grant attributed to sale of assets	(64)	-	(64)	(29)	**-**	(29)
Grant Amortised 31 March	**11,893**	**-**	**11,893**	**11,293**	**-**	**11,293**
Grant, net 31 March	**53,463**	**234**	**53,697**	**54,564**	**234**	**54,798**
Amounts to be released within one year	670	-	670	670	-	670
Grant to be released in more than one year	52,793	234	53,027	53,894	234	54,128
Deferred grant, net	**53,463**	**234**	**53,697**	**54,564**	**234**	**54,798**

Grants were previously netted off against the cost of the related asset. Under FRS 102 Government grants must be accounted for using the accruals model or the performance model. As the Association accounts for its properties at cost, it has adopted the accruals model for Government grants, as required by the SORP 2018. Non-Government grants are accounted for under the performance model.
Under the accruals model, the Government grants have been allocated to the related assets and amortised over the useful economic life of those assets. The unamortised amount is held within deferred income, split between under one year and over one year.

Homebuy Grant of £234k is not amortised but held as a long-term investment asset.

23 Recycled grant fund (RCGF)

	Group & Association	
	2020 £000s	**2019 £000s**
At 1 April, previously reported	-	-
RTA Grant reclassified as deferred grant	498	237
At 1 April, restated	**498**	**237**
Inputs to fund		
Grant recycled	496	261
At 31 March	**994**	**498**
RCGF to be utilised before 31.03.21	237	-
RCGF to be utilised before 31.03.22	261	237
RCGF to be utilised before 31.03.23	496	261
	994	**498**

24 Debt analysis

	Group & Association	
	2020 £000s	**2019 £000s**
Due within one year	1,447	1,455
Between one and two years	3,447	1,455
Between two and five years	8,961	11,786
After five years	35,515	36,171
	47,923	**49,412**
	49,370	**50,867**

Security

Bank loans totalling £14.45m (2018/19: £15.5m) are held with the Royal Bank of Scotland (RBS) and secured by fixed charges on individual properties. The amount is reduced by loan issue costs of £51k which gives a net balance of £14.40m. The issue costs are written off over the life of the loan.

The Housing Finance Corporation (THFC) facilities totalling £35.6m (2018/19: £36.0m) are secured by fixed charges on individual properties. The amount is reduced by loan issue costs of £571k which gives a net of £35.0m. The issue costs are written off over the life of the loan.

Terms of repayment and interest rates

The facilities from THFC are, where applicable, repaid in half-yearly instalments at fixed rates ranging from 0.889% to 9.625%. The majority of the THFC loans are interest only with bullet repayments.

The £18 million facility from RBS is an amortising loan repaid by quarterly instalments. Tranche A (£13m) comprises £2m at a fixed rate of 4.8% with the remainder at a fixed rate of 2.89% for 10 years. Tranche B (£5m) is at a variable rate of 2.65% over LIBOR.

25 Operating lease commitments

	Group & Association	
	2020 £000s	**2019 £000s**
No later than one year	8	8
Later than one year and not later than five years	11	11
	19	**19**

Operating leases are for the leasing of photocopier equipment. During the year a lease agreement for equipment no longer required was terminated and an early settlement payment made.

26 Non-equity share capital - Association

	2020 £	**2019 £**
Authorised:		
Ordinary shares of £1 each	35	35
Allotted, issued and fully paid:		
Ordinary shares of £1 each	9	9

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up. Movement in share capital is related to one appointment and four resignations during the year. Shareholders comprise current members of the Manningham Housing Association Board of Directors.

27 Revenue reserves

Revenue reserves include all current and prior period retained surpluses and deficits. In previous years, social housing grant relating to right to acquire sales and the disposal proceeds fund was reported as income prior to the abolition of the disposal proceeds fund. Subsequent guidance requires such grant to be reported as recycled capital grant within the Statement of Financial Position. Further to a review of historical housing property costs and the related accumulated depreciation associated with component replacements and the allocation of costs to shared ownership properties, adjustments have been made, to reflect components not disposed of upon replacement.

	Group	**Association**
	£'000s	**£'000s**
1 April Previously reported:	12,334	13,633
Prior period adjustments		
Housing property costs, reclassified as non-capital repairs, net of depreciation	72	72
Intercompany receivable – Firebird dormant	2	2
Social Housing Grant amortisation adjustment, related to sales of assets	267	267
	341	**341**
Sales of assets - Social Housing Grant amortisation reclassified as Recycled Grant	(235)	(235)
Grant amortised, attributed to sale of assets	(29)	(29)
Costs attributable to sale of assets, not reported	(1)	(1)
	(265)	**(265)**
Housing property depreciation on reclassified tenures	158	158
RTA allowances on recycled capital grant	3	3
	161	**161**
Total prior period adjustments, reported	**237**	**237**
1 April, restated	**12,571**	**13,870**
Surplus for the year	933	933
Actuarial Gain / (Loss) in respect of SHPS pension obligation	674	674
At 31 March	**14,178**	**15,477**

Prior period adjustment related to social housing grant

- increase revenue reserves by £237k, as at 31 March 2019
- increase recycled capital grant by £498k, as at 31 March 2019
- decrease deferred social housing grant by £504k, as at 31 March 2019

Prior period adjustment related to housing property costs and depreciation

- increase housing property assets, net of depreciation by £230k, as at 31 March 2019

28 Reconciliation of operating surplus to net cash inflow from operating activities

	Group & Association		
	Note	**2020 £000s**	**2019 (Restated) £000s**
Operating surplus before sale of fixed assets		3,515	3,247
SoCI Adjustments			
Add back:			
Depreciation charges – housing properties		1,348	1,676
Depreciation charges – other fixed assets		48	56
		1,396	**1,732**
Deduct:			
Amortisation of grant balances		(665)	(665)
Amortisation of deferred income on office building		(1)	(1)
		(666)	**(666)**
SoFP Adjustments			
(Increase) / decrease in debtors		(18)	(115)
(Decrease) / Increase in creditors		(134)	(269)
		(152)	**(384)**
Net cash inflow from operating activities		**4,093**	**3,929**

29 Reconciliation of net cash flow to movement in debt

	Group & Association	
	2020 £000s	**2019 £000s**
Increase / (decrease) in cash in year	1,298	(678)
Loans repaid	1,537	1,895
Amortisation of loan balances	(40)	(40)
Change in net debt	**2,795**	**1,177**
Net debt at beginning of year	(47,143)	(48,320)
Net debt at end of year	**(44,348)**	**(47,143)**

30 Analysis of net debt

	Group & Association			
	At 31 March 2019 £'000s	**Cashflow £'000s**	**Non-Cash Movements £'000s**	**At 31 March 2020 £'000s**
Cash at bank and in hand	3,724	1,298	-	5,022
Debt due within one year	(1,455)	8		(1,447)
Debt due after more than one year	(49,412)	1,529	(40)	(47,923)
	(47,143)	**2,835**	**(40)**	**(44,348)**

31 Capital commitments

There were no capital commitments as at 31 March 2020 (31 March 2019: £nil).

32 Contingent assets / liabilities

The Group and Association had no contingent assets or liabilities as at 31 March 2020 (2018/19: £nil).

The Group receives capital grants from Homes England which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties the Group is required to recycle this grant by crediting the Recycled Capital Grant Fund.

33 Grant and financial assistance

	Group & Association	
	2020 £000s	**2019 (restated) £000s**
The total accumulated Government grant and financial assistance received or receivable at 31 March:		
- Held as deferred capital grant	53,638	55,303
- Recognised as income in Statement of Comprehensive Income	665	665

Under FRS 102 Government grants must be accounted for using the accruals model or the performance model. As the Association accounts for its properties at cost, it has adopted the accruals model for Government grants, as required by the SORP 2018. Non-Government grants are accounted for under the performance model.

Under the accruals model, the Government grants have been allocated to the related assets and amortised over the useful economic life of those assets. The unamortised amount is held within deferred income, split between under one year and over one year.

34 Related party transactions

Manningham Housing Association Limited (MHA) owns 100% of the share capital of Firebird Homes Limited, which is a private company. This Company become dormant from 1 April 2019. As at 31 March 2020, MHA had a £nil balance (2019: £1,412) owing to Firebird Homes Limited.

Tenant Board Members

One Board member, Cath Bacon, is a tenant of Manningham Housing Association (MHA) and has a tenancy agreement which is on the Association's normal terms and therefore cannot use the position to her advantage. MHA started to remunerate Board Members from 1 September 2017. Cath Bacon received £2k during the year ended 31 March 2020 (2018/19: £2.4k); her rent and service charge payable during the year was £5.5k (2018/9: £5.5k). The balance on the account at 31 March 2020 was a credit of £71.51 (2018/9: credit £29.14).

Lee Bloomfield the Chief Executive of Manningham Housing Association is the chair of Housing Diversity Network (HDN). Mushtaq Khan is a Board member at Manningham Housing Association who is employed as a consultant for HDN. HDN have entered into an open-ended rental agreement with Manningham Housing Association to rent office space with an annual rent of £4.2k per year.

35 Financial instruments

The Group and Association financial instruments may be analysed as follows:

	2020 £000s	2019 £000s
Financial assets		
a) Financial assets measured at fair value through profit and loss		-
b) Financial assets that are debt instruments measured at amortised cost	6,094	5,699
c) Financial assets that are equity instruments measured at cost less impairment		-
Financial liabilities		
a) Financial liabilities measured at amortised cost	50,555	52,064
b) Derivative financial instruments designated as hedges of variable interest rate risk	-	-
c) Financial liabilities measured at cost through profit or loss-loans	-	-
d) Loan commitments measured at cost less impairment	-	-

All loans have been reviewed in line with FRS 102 treatment and they meet the conditions to be considered basic.

Financial assets include all cash and cash equivalents, and all debtor balances, including prepayments.

Financial liabilities include all bank and other loans drawn, and all creditor balances excluding deferred income and capital grants and the SHPS pension liability.

Financial liabilities excluding trade creditors – interest rate risk profile

The Group's financial liabilities are sterling denominated. The interest rate profile of the Group's financial liabilities at 31 March was:

	2020 £000s	2019 £000s
Fixed rate	46,607	47,703

The financial liabilities have a weighted average interest rate of 4.56% (2018/19: 4.97%) and the weighted average period of funding is 10.8 years for 2019/20 (2018/19: 11.8 years). This represents the remaining years of the loans. The debt maturity profile is shown in Note 24.

Borrowing facilities

The Group does not have any undrawn committed borrowing facilities as at 31 March 2020 (2019: none).