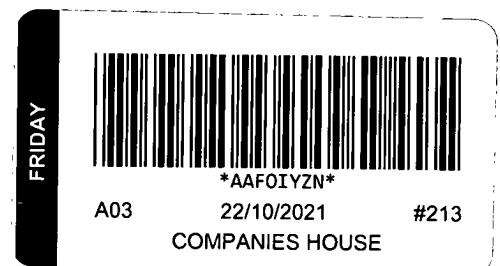


Company Registration Number: 05589014



REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021



Sutton Housing Partnership Limited**(Company limited by guarantee)****ADMINISTRATION INFORMATION**

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Sutton Housing Partnership Limited

(Company limited by guarantee)

ADMINISTRATION INFORMATION

BOARD OF DIRECTORS

Resident board members

Jan Winning ²

Council appointed board members

David Emmerson ² (until August 2020)

Marlene Heron ²

Barry Lewis ² (from August 2020)

Gary Miles ¹

Barry Russell ² Chair of the Performance Committee

Independent board members

Tracey White ¹ Chair of Audit & Risk Committee
(from May 2020)

Anne-Britt Karunaratne ²

Diane Pearson ¹

Sir Steve Bullock Chair

1. Member of the Audit and Risk Committee

2. Member of the Performance Committee

EXECUTIVE MANAGEMENT TEAM

Steve Tucker

Managing Director

Catherine Charlton

Operations Director

Sue Hogg

Finance & Corporate Services Director and
Company Secretary

REGISTERED OFFICE

Sutton Gate
1 Carshalton Road
Sutton
Surrey SM1 4LE

SOLICITORS

Trowers & Hamlin LLP
Sceptre Court
40 Tower Hill
London EC3N 4DX

AUDITOR

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

BANKERS

Barclays Bank PLC
39 Sutton High
Sutton
SM1 1DR

Sutton Housing Partnership Limited

(Company limited by guarantee)

CHAIRMAN'S REPORT

31 March 2021

This annual report for Sutton Housing Partnership (SHP), covers the year 1 April 2020 to 31 March 2021.

In 2020/21 SHP was primarily focused upon mitigating the impact of COVID-19 and providing help and support to residents during successive lockdowns. During this period SHP refined its new ways of working that evolved from the arrival of the pandemic and continued to follow the principles that guided our approach and:

- Maintained vital services to residents and kept communities safe
- Supported the NHS and the Council who lead the fight locally
- Looked after vulnerable residents
- Worked together with our partners to connect people to available support and develop resilience.

SHP delivered a number of its principal commitments set out in the 2020/21 Delivery Plan, including:

- Delivering improved performance across key indicators, including resident satisfaction with overall estate and caretaking services provided by SHP which rose from 76% last year to 84% and our overall service remains an impressive 82%, compared to top quartile performing peers at 77%.
- Maintained building safety and compliance to very high levels and continued to strengthen safety and implement new requirements in relation to the Fire & Building Safety Bill.
- Brought our repairs and grass cuttings services in-house and immediately improved performance and user satisfaction with these services. The performance of the new repairs service improved on completing repairs in time and on keeping appointments and led to a 4% increase in tenant satisfaction with the way SHP deals with repairs and maintenance which is now top quartile.
- Introduced comprehensive new estate service standards and a monitoring framework to ensure accountability.
- Introduced an absent leaseholder registration scheme to improve management of subletting by leaseholders, helping landlords to act responsibly.
- Completed Phase 1 of our project to explain more transparently how we calculate service charges to leaseholders.
- Commenced a contract for Phase 1 of our Energiesprong work which will help achieve
- zero carbon homes.
- Built on our collaborative working partnerships with residents and others to support the Council's priorities, including convening meetings of the Sutton Housing Group with Sutton based housing associations to build closer alliances with colleagues that support the residents of Sutton as a whole.
- Commissioned an independent review of our compliance with consumer standards in
- anticipation of the new social housing White Paper with the recommendations from the review incorporated in the Delivery Plan.

Although COVID-19 did mean we suffered enforced delays on major works schemes this was the only area of activity that showed a decline in performance and the generalised

Sutton Housing Partnership Limited

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CHAIRMAN'S REPORT

31 March 2021

improvement across SHP has been recognised by residents as demonstrated by substantial improvements in resident satisfaction - all six tenant satisfaction measures improved and four out of six leaseholder satisfaction measures improved.

We also completed the second year of our three-year SHP New Deal Programme to support the continued improvement of services for residents. This saw the completion of Phase Two of the operating model across all services and the delivery of improved ICT infrastructure and quality business processes.

A principal driver of the upswing in performance and delivery has been the period of sustained stability in leadership and management focus following the significant changes made in 2017/18. This has grown staff confidence and trust in the direction and ambition of the organisation and understanding of the operating model and their role within it. In this financial year SHP also launched an exciting new partnership with the Chartered Institute of Housing (CIH) which is designed to equip housing management staff with the professional judgement, insight and knowledge they will need in order to work successfully in collaboration with residents in delivering exceptional housing services and connecting people to opportunities. The new CIH led programme was also designed specifically around the SHP New Deal and reflects the stage that SHP has reached in its implementation including areas like tackling anti-social behaviour where we still need to improve. Our primary purpose as a landlord is to provide good homes in thriving communities which equip residents to take positive action to improve their lives e.g. by finding work, improving their health and getting the most out of education. Our job is to encourage and inspire residents to unlock their potential, find their purpose and get the most out of life, and to create communities where this happens.

In 2020/21 we also continued to focus upon delivering fire safety priorities at SHP, The following has been undertaken to help ensure compliance with the new Fire Safety Act and Building Safety Bill:

- External Health and Safety Consultant delivered extensive awareness training to staff and the Board;
- the new FRA contract includes inspection of external elements and internal compartmentation areas;
- A new tender process for further External Wall System inspections and reviews and appointment of a Fire Safety Engineer to provide RICS Form EWS1 sign-off;
- Development of a Building Safety Case Report model with pilot in place as part of Delivery Plan;
- Premises Information Boxes and Wayfinding signage audit completed.

SHP was successful in the annual review of its Customer Service Excellence accreditation following the conclusion of an independent assessment on 25 March 2020. This award recognises the huge improvements made to our resident facing services through the feedback from, and insight of residents themselves.

The Sutton Federation Tenant Resident Association (SFTRA) and Sutton Leaseholder Association (SLA) continue to support the Organisation to consult and involve residents,

Sutton Housing Partnership Limited

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CHAIRMAN'S REPORT

31 March 2021

which has proven successful. In addition, the surveys, calls made to residents following repairs, plus the range of social media activities that have been introduced to engage and involve residents demonstrates that consultation is integral to continually improving the services. One example of this consultation is the formation of the Resident Repairs Focus Group that can help mould the service and be a critical friend to the service.

One of the highlights of last year has been the emergence of an active and staff led Equality, Diversity and Inclusion group within SHP, initially in response to the Black Lives Matter movement. This has informed the development of the new SHP Equality, Diversity and Inclusion Strategy, which has also been shaped by contributions from residents. The strategy and action plan provide a focus for ensuring that EDI considerations are embedded in our daily work and inform the development of our service offer to customers.

The Board approved a Medium Term Financial Strategy and Value for Money Strategy in 2020. The yearend financial outturn has also been significantly better than budget and meant that the borrowing envisaged for Rethinking Repairs was not required. Following a Court of Appeal judgement, some Sutton Council tenants were entitled to a refund of the commission paid by water companies to the Council for collecting water and sewage charges prior to 2018. The Council decided to pay the refund in light of this decision and SHP led on the reimbursement to eligible tenants and on fielding the many enquiries received from former tenants about receiving their entitlement. A project board has been set up to look at saving and efficiency proposals in 2021/22 to ensure the ongoing financial viability of SHP and secure funding for future service development proposals. SHP continues to make an important contribution to the Council's objective of increasing housing supply via Right to Buy buybacks and new build initiatives. We have worked with the Council to "buy back" 51 homes into Sutton social housing this year.

Governance: As a Board we have continued to improve our understanding of the views and priorities of our shareholder and of our residents. We have focussed on ensuring that the Board of Directors has the opportunity to work in collaboration with, and hear the views of residents. We continue to promote public attendance at our Board meetings, and we have developed new ways to engage with residents, including via social media and text surveys. We have also ensured that SHP is compliant with the Housing Ombudsman Complaint Handling Code published in July 2020, and have published our self-assessment against the Code.

The Board reviews its Code of Governance on an annual basis and in 2020/21 this was informed by a gap analysis against the draft National Housing Federation Code of Governance 2020. The new Code sets out ambitious standards for housing organisation governance and the Board made a number of amendments to incorporate latest developments in best practice and timely issues affecting the sector. In November 2020 the Board also considered and approved its Succession Policy which sets out how Board member turnover is managed to ensure that the organisation is led by a skilled and diverse Board.

Throughout 2020/21, all of the work completed, and the improvements made have only been possible through positive and effective working by and with staff, SHP Board members, residents and our partners, especially the London Borough of Sutton.

Sutton Housing Partnership Limited

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CHAIRMAN'S REPORT

31 March 2021

I would therefore like to take the opportunity to thank the many people and organisations that work with us in such a committed and positive way.



Sir Steve Bullock

Chair of Sutton Housing Partnership Board

8 September 2021

Sutton Housing Partnership Limited

(Company limited by guarantee)

STRATEGIC REPORT

31 March 2021

REVIEW OF THE BUSINESS

Principal Activities

The company was initially established by the Council to be the vehicle for the delivery of the Government's decent homes target and the provision of excellent housing management services to our residents.

The specific functions delegated to Sutton Housing Partnership by the Council in the Management Agreement are:

- Housing Management Policy
- Asset Management
- HRA Business Planning
- New Tenancy Management
- Repairs and Maintenance
- Void and empty property management
- Tenancy Management
- Estate Management
- Older People Housing
- Leasehold Management
- Finance and Accounting, including Rent collection and Recovery of arrears
- Procurement of contracts
- Resident Involvement
- Other assets including Garages
- Property Acquisitions

SHP also has delegated responsibility for the "Right to Buy" (RTB) scheme, the Council's Acquisition programme, administration and the management of the local traveller's site "The Pastures".

In addition, Sutton Housing Partnership and the Council share some other housing functions. These are:

- Housing strategy
- HRA Business Plan
- Commissioning and performance management
- Housing Policy
- Housing regeneration
- Housing development
- Housing related support
- HRA commercial sites and properties

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STRATEGIC REPORT

31 March 2021

Performance

Our priorities are identified in our Annual Delivery Plan 2020-21. This plan contains a number of key performance indicators (KPIs) agreed with our parent organisation, the London Borough of Sutton, and each of these KPIs has an annual and long term target shown in the Plan. Our performance over the last year (2020-21) as reflected in the KPIs was:

Key Performance Indicator	2020-21	LBS Target 2023-24	Housemark Upper Quartile 2019-20
Excellent Customer Service			
Tenant satisfaction with the overall service	81.8%	88.0%	82.0%
Leaseholder satisfaction with the overall service	62.6%	66.5%	54.5%
Quality Homes & Secure Neighbourhoods			
Tenant satisfaction with the overall quality of their home	80.1%	86.5%	77.6%
Leaseholder satisfaction with the overall quality of their block	61.3%	75.0%	72.7%
Tenant satisfaction with their most recent repair	84.9%	96.0%	94.9%
Tenant & Leaseholder satisfaction with repairs to communal areas	87.0%	85.0%	-
Tenant satisfaction with their neighbourhood	83.4%	88.0%	83.9%
Leaseholder satisfaction with their neighbourhood	74.5%	75.5%	74.0%
Value for Money			
Tenant satisfaction with value for money for their rent	92.1%	90.0%	90.0%
Leaseholder satisfaction with value for money for their service charge	37.4%	50.0%	47.0%
Reputation for Excellence			
Tenant satisfaction with the way SHP keeps them informed	88.8%	90.0%	-

When benchmarking performance against 30 other social housing providers in London via HouseMark Ltd, SHP services are broadly comparable. 8 out of 10 measures are in the upper or top quartile of performance for London.

Sutton Housing Partnership Limited

(Company limited by guarantee)

STRATEGIC REPORT

31 March 2021

Trends & Factors Likely To Affect Future Performance

SHP is not a quoted company, therefore the requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 s.414C items 7 and 8 do not apply.

PRINCIPAL RISKS FACED BY THE ORGANISATION

Health and Safety

Fire safety and emergency disaster planning have been managed robustly, we have been an integral part of the borough wide response to dealing with the impact of the pandemic on staff and residents in Sutton and we continue to embed government guidelines, good practice and learning from previous experience.

SHP has two key governance meetings to monitor fire safety at an operational and strategic level, involving our partners in the London Fire Brigade, LB Sutton and resident representatives.

Health and Safety risks will always be present, but we have put in place robust monitoring procedures alongside the review of the Compliance dashboard and contractor management. SHP's Health and Safety Policy was reviewed in 2020 as part of the creation of the new health and safety management system. SHP's Health and Safety Policy is a critical tool that will help SHP achieve compliance and effectively manage risks by detailing what we intend to achieve, who is responsible and how this will be achieved.

In addition, key achievements during 20/21 include:

- Implementation of the Fire Safety Strategy & Plan;
- Asbestos Management Review implementation;
- Creation of the new health and safety management system;
- Further development of the Risk & Compliance Team with new Health and Safety Adviser post and second Risk and Compliance Surveyor;
- COVID-19 specific risk assessments in place for all teams;
- TIAA Audit findings of substantial assurance for Fire Safety and Legionella management;
- TIAA Audit findings of reasonable assurance on health and safety management.
- The SHP Business Continuity Plan was also reviewed and approved in November 2020.

Contract Management

To strengthen our risk management regarding the delivery of key corporate services, supporting our staff and delivering residents services we have an arrangement with Sutton and Kingston Councils to share HR, ICT & Communications Services.

Financial

In November 2020 the Board agreed a five year medium term financial strategy (MTFS). Although the strategy covers a 5 year period, it will be reviewed annually to reflect the dynamic nature of housing and the issues relating to the financing of it through the Housing Revenue Account. The MTFS forms a key part of SHP's integrated planning process, which will link operational planning with financial and resource planning, to ensure that all resources are aligned to our priorities. The MTFS describes the financial direction of the organisation and outlines the financial pressures over the next 5 years.

SHP New Deal Programme Delivery

Our new deal programme is key to the delivery of our priorities and our strategy. The New Deal focuses on mitigating key risks in regards to our people & culture, our infrastructure & tools and our digital maturity. In 2020-2021 we completed the second year of the three-year programme.

Sutton Housing Partnership Limited

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STRATEGIC REPORT

31 March 2021

HRA Strategy

The London Borough of Sutton has a strategic direction for its Housing Revenue Account. This is predicated on maintaining income streams through increasing the number of dwellings available to rent through its New Build and Acquisition programmes. Any impediment to these plans could result in a negative impact on our management fee.

Relationship with the Council

We have continued to have a very productive relationship with our stakeholder and the Board has received very positive feedback on the organisation's performance during the COVID-19 pandemic.

Risk Management

Our risk registers and activity around managing these risks is considered at all meetings of the Audit & Risk Committee, a sub-committee of the Board. In 2020/21 the Audit and Risk Committee also considered the Directorate Risk Registers this provided members with an opportunity to reflect on the natural synergy between strategic risks which are then mapped across at an operational level to both operational registers.

On behalf of the Board



Sir Steve Bullock
Chair of Sutton Housing Partnership Board
8 September 2021

Sutton Housing Partnership Limited

(Company limited by guarantee)

DIRECTOR'S REPORT

31 March 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021.

INCORPORATION

The company was incorporated on 11 October 2005.

CONSTITUTION

The company is incorporated as a private company limited by guarantee under the Companies Act 1985. As such it has no share capital.

The company's sole member is London Borough of Sutton.

MATTERS COVERED IN THE STRATEGIC REPORT

Information on review of the business and the principal risks faced by the organisation has been included within the Strategic Report.

GOVERNANCE

The primary responsibility of the Board is to agree the organisation's priorities and plans and to oversee the effective implementation of these plans. The Board also plays a fundamental role in identifying the strategic risks facing the organisation and monitoring that these risks are mitigated through effective management.

The SHP Board is constitutionally made up of 4 resident members (3 tenants, 1 leaseholder), 4 independent members and 4 Council nominees.

The full Board meets four times a year and the Board and all its members operate in accordance with a Code of Governance that is compliant with the National Housing Federation (NHF) Code of Governance.

The Board delegates the day to day running of the organisation to the Executive Management Team which is made up of the Managing Director, the Operations Director and the Finance & Corporate Services Director. They are supported by a wider management team.

The work of the Board is supported by two sub-committees comprising the Audit & Risk and Performance Committees. These Committees are chaired by Board members and have up to five Board members sitting on each. They meet on a regular basis and the Committee Chairs provide reports to each full Board meeting. In 2020/21 we also started to provide the Board with the minutes of the Audit and Risk Committee meetings.

Audit and Risk Committee

This Committee was set up to independently contribute to the Sutton Housing Partnership Board's overall process for ensuring that there are effective internal control and risk management arrangements in place.

Performance Committee

This Committee comprises of a mix of Board and resident members and provides additional oversight and scrutiny around the organisation's performance, including compliance with the Regulator of Social Housing's Consumer Standards. It is a public Committee and encourages resident observers for added transparency and scrutiny. It meets quarterly

Sutton Housing Partnership Limited

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DIRECTOR'S REPORT

31 March 2021

to coincide with the production of the performance report. This committee monitors performance and improvement against targets.

DIRECTORS

Under the Memorandum and Articles of Association, the directors, all of whom are non-executive, represent the local community. A full Board complement comprises of:

- 4 London Borough of Sutton nominees
- 4 London Borough of Sutton tenants, including 1 leaseholder
- 4 Independent members

As of 31 March 2021 there were three resident board member positions vacant. In 2018-19 we introduced 2 resident co-opted members to our Board to ensure our residents' voices are heard at the strategic level.

The directors who served during the year are shown on Page 1. All directors, except where indicated, served throughout the year and subsequently.

RETIREMENT PROVISIONS

In accordance with the Articles of Association, at the Annual General Meeting on 11 November 2020:

- Barry Russell (Council nominee) - Stood down and was immediately reappointed for a final three year term.
- New Board member, Anne-Britt Karunaratne (Independent), having previously been appointed on a casual vacancy basis was appointed to serve her first term.
- New Board member, Councillor Barry Lewis (Council Nominee) having previously been appointed on a casual vacancy basis was appointed to serve his first term.

During the year outside of the AGM, in August 2020, Board Member, David Emmerson (Council) stood down.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

Sutton Housing Partnership Limited

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DIRECTOR'S REPORT

31 March 2021

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

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

GOING CONCERN

Sutton Housing Partnership has an agreed income stream in the form of its management fee from the London Borough of Sutton. In March 2019 LBS agreed to extend the management agreement for 10 years, this took effect from 1 April 2019.

Sutton Housing Partnership continues to monitor the additional costs that it is incurring as a result of COVID-19. An additional £178,000 of costs were incurred during 2020/21 which were contained within the budget for the year. Additionally our reserves were increased by a further £214,000 in 2020/21 which can be used to support any further costs during 2021/22.

Income from rents is monitored closely and Housing Managers have been contacting tenants that report financial difficulties as a result of COVID-19 and signposting them to available support. Arrears have fallen slightly in 2020/21 but this position is closely monitored. Rental Income is retained by the Council, Sutton Housing Partnership receives its funding by way of a management fee that is fixed for the year.

SHP is working closely with the Council to create a re-energised business plan for their Housing Revenue Account (HRA) that will generate sufficient income to support both the Council's aspirations and to fund on-going management and maintenance requirements. The management and directors of Sutton Housing Partnership are committed to streamline and modernise the business in order to continue to deliver high quality services. Our five year Financial strategy and VFM strategy, alongside the New Deal Programme will identify funding to support these plans.

The net liability of £9.391m reported in the Balance Sheet has arisen due to the pension deficit of £11.879m, which is not expected to unwind for a number of years.

At year end we held a cash balance of £2.202m which is sufficient to cover our liabilities and we have prepared an 18 month forward cash flow which shows that our cash flow continues to be sufficient to meet our debts as they fall due. Stress testing has been undertaken against this cash flow including above expected inflationary increases on expenses and increases in income streams.

Sutton Housing Partnership Limited

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DIRECTOR'S REPORT

31 March 2021

The directors therefore have no reason to believe that the company would not be able to meet its liabilities over the next 12 months and have prepared the accounts on the going concern basis.

FINANCIAL PERFORMANCE

The financial performance for the year is better than planned, returning a pre-pension trading surplus of £359k against a budgeted surplus of £250k.

CHARITABLE DONATIONS

The company made no cash charitable donations during the year. However, we were delighted to have partnered with Sutton Council and other local organisations to donate hundreds of laptops and other devices to local schools and settings in the Borough. The donations enabled remote learning for some of our most vulnerable children and so will support their learning and future education.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

On behalf of the board



Sir Steve Bullock
Chair of Sutton Housing Partnership Board
8 September 2021

Sutton Housing Partnership Limited

(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED For the year ended 31 March 2021

Independent auditor's report to the members of Sutton Housing Partnership Limited

Opinion

We have audited the financial statements of Sutton Housing Partnership Limited (the 'company') for the year-ended 31 March 2021, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cashflows 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 company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

Sutton Housing Partnership Limited

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED **For the year ended 31 March 2021**

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, as per pages 12 and 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Sutton Housing Partnership Limited

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED For the year ended 31 March 2021

directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), and current UK corporation tax legislation
- We understood how the company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and through our legal and professional expenses review.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgments made by management in its significant accounting policies
 - Identifying and testing journal entries
 - Identifying and testing related party transactions

Sutton Housing Partnership Limited

(Company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUTTON HOUSING PARTNERSHIP LIMITED For the year ended 31 March 2021

- Inspecting the board and minutes
- Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - Knowledge of the industry in which the company operates, and
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
 - The company's control environment, including
 - Management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations
 - The adequacy of procedures for authorisation of transactions and review of management accounts, and
 - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

Use of our report

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

Grant Thornton UK LLP

Stephen Dean
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 8/9/2021

Sutton Housing Partnership Limited

(Company limited by guarantee)

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Turnover	8	17,746	15,445
Operating costs	10	(18,240)	(16,226)
Exceptional Costs	11	-	(90)
OPERATING LOSS		(494)	(871)
Interest Receivable	12	-	8
Interest Payable	13	(171)	(202)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(665)	(1,065)
Tax on profit/(loss) on ordinary activities	15	(2)	(8)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		(667)	(1,073)
OTHER RECOGNISED GAINS			
Actuarial gain on defined benefit pension scheme (see note 25)		(3,064)	2,004
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		(3,731)	931
RECONCILIATION OF FUNDS			
Members funds brought forward		(5,660)	(6,591)
Members funds carried forward		(9,391)	(5,660)

Excluding FRS102 Pension adjustments the organisation produced a surplus after taxation of £358,909 (2020: surplus of £201,191). The profit for the year arises from the company's continuing operations.

The accompanying accounting policies and notes on pages 21 to 29 form part of these financial statements.

Sutton Housing Partnership Limited**(Company limited by guarantee)****STATEMENT OF FINANCIAL POSITION****As at 31 March 2021**

	Notes	£000	2021 £000	£000	2020 £000
FIXED ASSETS					
Intangible fixed assets	16	-	-	-	-
Tangible fixed assets	17	157	254	254	
NET FIXED ASSETS			157	254	
CURRENT ASSETS					
Debtors	18	2,183	573	573	
Cash at bank and in hand		2,202	2,866	2,866	
		4,385	3,439	3,439	
CREDITORS: amounts falling due within one year	19	(2,052)	(1,576)	(1,576)	
NET CURRENT ASSETS			2,333	1,863	
TOTAL ASSETS LESS CURRENT LIABILITIES			2,490	2,117	
CREDITORS: amounts falling due after more than one year			(2)	(4)	
PROVISIONS FOR LIABILITIES	25	(11,879)	(7773)	(7773)	
NET LIABILITIES INCLUDING PENSION DEFICIT			(9,391)	(5660)	
CAPITAL AND RESERVES					
Profit and loss account			2,488	2,113	
Pension reserve	25	(11,879)	(7773)	(7773)	
MEMBER'S FUNDS			(9,391)	(5660)	

The member derives no financial interest from its shareholding and accordingly all capital and reserves are classed as non-equity.

The accompanying accounting policies and notes on pages 20 to 31 form part of these financial statements.

The financial statements on pages 17 to 31 were approved and authorised for issue by the board on 8th September 2021.

Signed on behalf of the Board of Directors:



Sir Steve Bullock

Chair of Sutton Housing Partnership Board

8th September 2021

Company registration no: 05589014

Sutton Housing Partnership Limited

(Company limited by guarantee)

STATEMENT OF CASHFLOWS

For the year ended 31 March 2021

	Notes	2021 £000	2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss for the financial year		(494)	(871)
Adjustments for:			
Depreciation of fixed assets	17	102	99
Interest paid		(1)	-
Interest received	12	-	8
Increase in trade and other debtors	18	(1,610)	(100)
Increase/(decrease) in trade creditors	19	479	(552)
Difference between pension scheme contributions and amounts charged to the profit and loss account	25	872	1,110
Cash from operations		(652)	(306)
Income taxes paid		(2)	(6)
NET CASH GENERATED FROM OPERATING ACTIVITIES		(654)	(312)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of tangible fixed assets		(6)	(32)
NET CASH FROM INVESTING ACTIVITIES		(6)	(32)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease obligations		(3)	(3)
NET CASH USED IN FINANCING ACTIVITIES		(2)	(3)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(662)	(347)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,866	3,213
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,202	2,866

The accompanying accounting policies and notes on pages 20 to 31 form part of these financial statements.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1 COMPANY INFORMATION

Sutton Housing Partnership (SHP) is an Arm's Length Management Organisation or 'ALMO' set up by Sutton Council. The company is limited by guarantee and the liability of the member to contribute to any deficiency is £1. The member has no rights to the income or assets of the company.

The registered office is Sutton Gate, 1 Carshalton Road, Sutton, Surrey, SM1 4LE, United Kingdom.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis where stipulated within the requirements of FRS102.

The financial statements are presented in Sterling (£).

2.1 Going Concern

Sutton Housing Partnership has an agreed income stream in the form of its management fee from the London Borough of Sutton. In March 2019 LBS agreed to extend the management agreement for 10 years, this took effect from 1 April 2019.

Sutton Housing Partnership continues to monitor the additional costs that it is incurring as a result of COVID-19. An additional £178,000 of costs were incurred during 2020/21 which were contained within the budget for the year. Additionally our reserves were increased by a further £214,000 in 2020/21 which can be used to support any further costs during 2021/22.

Income from rents is monitored closely and Housing Managers have been contacting tenants that report financial difficulties as a result of COVID-19 and signposting them to available support. Arrears have fallen slightly in 2020/21 but this position is closely monitored. Rental Income is retained by the Council, Sutton Housing Partnership receives its funding by way of a management fee that is fixed for the year.

SHP is working closely with the Council to create a re-energised business plan for their Housing Revenue Account (HRA) that will generate sufficient income to support both the Council's aspirations and to fund on-going management and maintenance requirements. The management and directors of Sutton Housing Partnership are committed to streamline and modernise the business in order to continue to deliver high quality services. Our five year Financial strategy and VFM strategy, alongside the New Deal Programme will identify funding to support these plans.

The net liability of £9.391m reported in the Balance Sheet has arisen due to the pension deficit of £11.879m, which is not expected to unwind for a number of years.

At year end we held a cash balance of £2.202m which is sufficient to cover our liabilities and we have prepared an 18 month forward cash flow which shows that our cash flow continues to be sufficient to meet our debts as they fall due. Stress testing has been undertaken against this cash flow including above expected inflationary increases on expenses and increases in income streams.

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The directors therefore have no reason to believe that the company would not be able to meet its liabilities over the next 12 months and have prepared the accounts on the going concern basis.

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. These are the actuarial estimations for pension assets and obligations covering life expectancy, future interest rates and yields and future salary inflation rates. These estimations are shown below.

	31 March 2021	31 March 2020
LIFE EXPECTANCY FROM AGE 65 (YEARS)		
Retiring today		
- Males	21.6	21.8
- Females	24.3	24.4
Retiring in 20 years		
- Males	22.9	23.2
- Females	25.7	25.8

ASSUMPTIONS AS AT	31 March 2021 % p.a.	31 March 2020 % p.a.	31 March 2019 % p.a.
Rate of inflation			
- RPI	3.20%	2.7%	3.4%
- CPI	2.85%	1.90%	2.40%
Rate of increase in salaries	3.85%	2.90%	3.90%
Rate of increase in pensions	2.85%	1.90%	2.40%
Discount rate	2.00%	2.35%	2.40%

There are no other significant judgements and estimations contained within these accounts.

4. ACCOUNTING POLICIES

4.1 Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible and intangible fixed assets at rates calculated to write down the cost less estimated residual value over their expected useful lives, using the straight-line method. The rates applicable are:

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Office Refurbishment	-	Over remaining term of lease (to June 2022)
Intangible	-	over 5 years
Equipment, plant and machinery	-	over 5 years
Furniture	-	over 10 years
Motor Vehicles	-	over 5 years

4.2 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 Sutton Housing Partnership. All other leases are classified as operating leases.

Where an asset is acquired under a finance lease, the asset is capitalised and the corresponding liability to the finance company is included under obligations under finance leases. Finance lease instalments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account in such a way as to give a reasonably constant charge on the outstanding liability over the period of the contract.

4.3 Provisions for Liabilities

A provision £120,153 has been made for untaken holiday allowances as at 31 March 2021. There are no other events outstanding that require provision to be made for any legal or constructive obligations.

4.4 Taxation

A tax charge is recognised in the accounts for tax payable in respect of the taxable profit using relevant UK Corporation Tax rates applicable at the reporting date.

Deferred taxation liabilities are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are only recognised if it is considered that there is a reasonable expectation that they will be recoverable in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

4.5 Turnover

Turnover represents property management fees and associated income and is stated net of Value Added Tax. Management fees are included within turnover on a time apportioned basis. Associated income is included in turnover on the basis of work done.

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

5 EMPLOYEE BENEFITS

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the statement of comprehensive income.

Defined benefit schemes are funded, with the assets held separately from the company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency.

6 LIQUID RESOURCES

Liquid resources represent balances on deposit with Barclays Bank PLC that are readily available to the company.

7 FINANCIAL INSTRUMENTS

The company only has financial instruments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

		2021	2020
		£000	£000
8	ANALYSIS OF TURNOVER		
	Management fees	16,870	14,679
	Other income	876	766
		17,746	15,445
	All turnover is generated within the United Kingdom		
9	PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2021	2020
		£000	£000
	This is stated after charging:		
	Fees payable to the company's auditor for:		
	- Audit fees	50	35
	- Tax compliance fees		5

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10	OPERATING COSTS	2021 £000	2020 £000
		(18,240)	(16,226)

11	EXTRAORDINARY ITEMS	2021 £000	2020 £000
	Expenditure	--	90

During 2015/16 and 2016/17, Sutton Housing Partnership made payments to the parent, London Borough of Sutton, totalling £778,586.72 in reimbursement for unrecoverable charges to leaseholders. This was the recognition of historic procedural failings that began to emerge in 2015/16 and were clarified in 2016/17. The reimbursement was fully repaid in 2019/20.

12	INTEREST RECEIVABLE	2021 £000	2020 £000
	Bank interest received	-	8

13	INTEREST PAYABLE	2021 £000	2020 £000
	Expected return on pension scheme assets	739	795
	Interest on pension scheme liabilities	(909)	(997)
		(170)	(202)

14	DIRECTORS AND EMPLOYEES	2021 £000	2020 £000
	Staff costs during the year were as follows:		
	Wages and salaries	6,098	4,505
	Redundancy costs	28	0
	Social security costs	617	462
	Other pension costs	1,142	1,898
	Total employee cost	7,885	6,865

The company is an admitted member of the London Borough of Sutton local government superannuation scheme, a funded defined benefit scheme. Pension payments recognised as an expense during the year amount to £1,126k (2020: £788k)

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2021 No.	2020 No.
Average number of employees during the year was:		
Executive management team	3	3
Operations	160	113
Neighbourhood services	-	-
Property services	-	-
Resources (ICT, HR, Finance & Governance)	15	17
Chief Executives Office	3	2
Total	181	135

On 1 April 2021 we insourced the repairs and voids service and grass cutting service resulting on the TUPE transfer of 36 staff into the organisation

	2021 £000	2020 £000
Key management personnel remuneration:		
Wages and salaries	342	374
Social security costs	44	48
Other pension costs	68	61
Total key management compensation	454	483

The key management personnel are considered to be those members of the Executive Management Team, which is the Chief Executive and two others.

The directors' aggregate remuneration in respect of qualifying services were:

	2021 £000	2020 £000
Salary	7	7
Pension Contribution:	-	-
Total	7	7

Directors are considered to be Board members only. Remuneration is only paid to the Chair of the Board.

None of the other directors received any remuneration or taxable benefits and none were members of the pension scheme.

15	TAX ON PROFIT ON ORDINARY ACTIVITIES	2021 £000	2020 £000
	The tax charge is based on the profit for the year and represents:		
	Current Tax:		
	UK Corporation tax	2	8
	Tax on profit on ordinary activities	2	8

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

CURRENT TAX RECONCILIATION

The tax assessed for the years differ from the standard rate of corporation tax in the United Kingdom at 19% (2020: 19%). The differences are explained as follows:

Loss on ordinary activities before tax	(665)	(1,065)
Tax on ordinary activities at the standard rate of Corporation tax 19% (2019: 19%)	(126)	(202)
Effect of non-trading activities with Member not subject to corporation tax	129	210
Actual current taxation charge	2	8

The company is a wholly owned subsidiary of the London Borough of Sutton and the majority of income is derived from services provided to the Council. HM Revenue and Customs have confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. Accordingly no tax charge/credit has been recognised in the accounts except on trading outside of this arrangement and interest earned on balances.

The taxable trading activity relates to the Sutton Connect which is a contract with the London Borough of Sutton which is outside of the management agreement

16 INTANGIBLE FIXED ASSETS

	Software £000	Total £000
COST		
As at 1 April 2020	302	302
Additions	-	-
Disposals	-	-
As at 31 March 2021	302	302
DEPRECIATION		
As at 1 April 2020	(302)	(302)
Charge in the year	-	-
As at 31 March 2021	(302)	(302)
NET BOOK VALUE		
As at 31 March 2021	-	-
As at 31 March 2020	-	-

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

17 TANGIBLE FIXED ASSETS

	Buildings	Motor Vehicles	Equipment furniture plant and machinery	Total
	£000	£000	£000	£000
COST				
As at 1 April 2020	591	232	541	1364
Additions	6	-	-	6
Disposals	-	(15)	(137)	(152)
As at 31 March 2021	597	217	404	1,218
DEPRECIATION				
As at 1 April 2020	(438)	(210)	(462)	(1,110)
Charge in the year	(86)	(5)	(12)	(102)
Adjustment-derecognised assets	-	15	137	152
As at 31 March 2021	(524)	(200)	(337)	(1,060)
NET BOOK VALUE				
As at 31 March 2021	73	17	68	157
As at 31 March 2020	153	22	79	254

New vehicles and equipment were purchased for the insourcing of the grass cutting service from 1 April 2020. We also have use of a pressure washer that is held under a Finance Lease. The value of this asset at the end of the financial year was £4k.

	2021 £000	2020 £000
18 DEBTORS		
Amounts falling due within one year:		
Trade debtors	1,226	61
Prepayments and accrued income	958	512
Provision for Bad Debts	(1)	(0)

Trade debtors include £1,175.8k (2020: £44,881) due from the London Borough of Sutton. Prepayments and accrued income payable from the London Borough of Sutton to the value of £407.1k (2020: £349,432) includes excess payments on insurance claims and fees relating to Right To Buy administration work.

19 CREDITORS

	2021 £000	2020 £000
Amounts falling due within one year:		
Trade creditors	650	513
Unpaid pension contributions	129	99
Finance lease obligations	2	2
Corporation tax	2	6
Other taxation and social security	363	420
Accruals and deferred income	906	536
	<u>2,052</u>	<u>1,576</u>

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Trade creditors include £0 due to London Borough of Sutton (2020: £43,557). Include within accruals is a liability of £70,521 (2020: £72,834) due to the London Borough of Sutton.

20	CREDITORS: amounts falling due after more than one year	2021	2020
		£000	£000

Amounts falling due under finance lease contracts	2	4
---	---	---

Obligations under finance leases are secured on the relevant tangible fixed assets.

21	FINANCE LEASE COMMITMENTS	2021	2020
		£000	£000

The company's future minimum finance lease payments are as follows:

In one year or less	2	2
In more than one year, but no more than two years	2	2
In more than two years, but no more than five years	-	2
	4	6

This is a 4-year lease for equipment which commenced in January 2019. There is no commitment to purchase the equipment at the end of the lease period.

22	OPERATING LEASE COMMITMENTS	2021	2020
		£000	£000

The company's future minimum operating lease payments are as follows:

	598	628
In one year or less	313	313
In more than one year, but no more than five years	191	468
In more than five years	95	125
	<u>598</u>	<u>906</u>

Sutton Housing Partnership has a non-cancellable operating lease on our office premises at Sutton Gate and also at the Circle Library, Carshalton. The cost of these leases for the year was £353,776 (2020: £344,047)

23 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of the London Borough of Sutton, Civic Offices, St Nicholas Way, Sutton SM1 1EA, a local government organisation. No single party controls the company as, under the memorandum and articles of association, London Borough of Sutton can only appoint one third of the board, with the balance of directors being drawn from council tenants (including leaseholders) and members of the wider community.

24 RELATED PARTY TRANSACTIONS

The company has no transactions with key personnel beyond their contractual remuneration including salaries and pensions as per note 14 or reimbursement of business expenses incurred.

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Management fees totalling £16,870,000 (2020: £14,679,169) were invoiced to the London Borough of Sutton.

London Borough of Sutton has provided services to the company to the value of £1114.8k(2020: £474,528). Within this £997,907 (2020: £389,989) relates to ICT, communications, HR, 'out of hours' response & insurance services under service level agreements. Other transactions with London Borough of Sutton include premises rates and council services including fees for training, staff car parking plus recharges for external solicitor and court costs.

The balance owed to London Borough of Sutton as at the year-end was £70,521 (2020: £116,391) as shown in note 18 including settlement of recharged supplier costs. The balance owing from the London Borough of Sutton as at the year-end was £1,582.9k (2020: £389,989) as shown in note 19. The balance is repayable on normal commercial terms and does not bear interest.

25 DEFINED BENEFIT PENSION SCHEME DISCLOSURES

The company is an admitted member of the London Borough of Sutton local government superannuation scheme, a funded defined benefit scheme. A full actuarial valuation was undertaken as at 31st March 2019 which has set the contributions for the period 1st April 2020 to 31st March 2023. The assumptions are updated annually.

The impact of the McCloud/Sargent judgement has been considered in the preparation of these statements. The actuary has used analysis provided by the Government Actuary Department and the assumptions and results of FRS102 disclosures to assess the potential impact on our pension liability.

ASSUMPTIONS AS AT	31 March 2021 % p.a.	31 March 2020 % p.a.	31 March 2019 % p.a.
Rate of inflation			
- RPI	3.20%	2.7%	3.4%
- CPI	2.85%	1.90%	2.40%
Rate of increase in salaries	3.85%	2.90%	3.90%
Rate of increase in pensions	2.85%	1.90%	2.40%
Discount rate	2.00%	2.35%	2.40%

RECONCILIATION OF DEFINED BENEFIT OBLIGATION.	2021 £000	2020 £000
Opening defined benefit obligation at 1 April	39,287	41,641
Current service cost	1,943	1,528
Past service costs, including curtailments	-	337
Interest cost	909	997
Contributions by members	395	281
Change in financial assumptions	11,552	(4,076)
Change in demographic assumptions	(424)	(1,219)
Experience (gain)/loss	(555)	966
Estimated unfunded benefits paid	(2)	(2)
Estimated benefits paid	(1,659)	(1,166)
Closing defined benefit obligation at 31 March	51,446	39,287

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

RECONCILIATION OF FAIR VALUE OF THE PLAN ASSETS

Opening fair value of employers assets at 1 April	31,514	33,176
Interest on assets	739	795
Return on assets less interest	7,509	(2,264)
Other actuarial losses	-	(61)
Administration expenses	(55)	(33)
Contributions by members	395	281
Contributions by the employer	1,126	788
Benefits paid	(1,661)	(1,168)
Closing fair value of employers assets at 31 March	39,567	31,514

DEFINED BENEFIT COSTS RECOGNISED IN PROFIT OR LOSS

	2021 £000	2020 £000
Service cost	1943	1,865
Net interest cost	170	202
Administration expenses	55	33
Defined benefit costs recognised in the profit and loss	2,168	2,100

The 2019/20 service costs includes £337k for the McCloud adjustment in 2018/19.

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year to 31/03/21 £000	Year to 31/03/20 £000
Return on Fund assets in excess of interest – gain/(loss)	7,509	(2,264)
Other actuarial losses on assets	-	(61)
Change in financial assumptions	(11,552)	4,076
Change in demographic assumptions	424	1,219
Experience gain/(loss) on defined benefit obligation	555	(966)
Re-measurement of the (defined liability) / net assets	(3,064)	2,004

LIFE EXPECTANCY FROM AGE 65 (YEARS)

	31 March 2021	31 March 2020
Retiring today		
- Males	21.6	21.8
- Females	24.3	24.4
Retiring in 20 years		
- Males	22.9	23.2
- Females	25.7	25.8

Sutton Housing Partnership Limited

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

STATEMENT OF FINANCIAL POSITION	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Fair value of fund assets	39,567	31,514	33,176
Present value of defined obligation	(51,407)	(39,251)	(41,600)
Present value of unfunded obligation	(39)	(36)	(41)
Net pension liability	(11,879)	(7,773)	(8,465)

The triennial revaluation was carried out in 2019 and recommended that employer's contributions remain at 20% to move to a fully funded scheme by the target date of 31 March 2035. The estimated employer's contributions for the year to 31 March 2022 will be approximately £1,124k (2020: £786,000). The next triennial revaluation of the scheme will be carried out in 2022.

ASSETS

The estimated asset allocation for Sutton Housing Partnership as at 31 March 2021 is as follows:

Asset Breakdown	31 Mar 2021		31 Mar 2020	
	£000	%	£000	%
Equities	25,507	64%	18,110	57%
Gilts	5,964	15%	5,655	18%
Other Bonds	3,130	8%	2,582	8%
Property & Infrastructure	3,899	10%	3,863	12%
Cash	752	2%	875	3%
Absolute Return Portfolio	315	1%	429	1%
Total	39,567	100%	31,514	100%

Sutton Housing Partnership Limited

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

SENSITIVITY ANALYSIS	£000	£000	£000
Adjustment to Discount Rate	+0.1%	0.0%	-0.1%
Present value of total obligation	50,407	51,446	52,506
Projected service cost	2,846	2,944	3,045
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	51,511	51,446	51,380
Projected service cost	2,946	2,944	2,942
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	52,431	51,446	50,480
Projected service cost	3,044	2,944	2,847
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	53,599	51,446	49,381
Projected service cost	3,069	2,944	2,824

For the adjustment to the life expectancy assumptions, we are essentially assuming a member has the life expectancy of someone a year older or a year younger, for example, under +1 year we assume that a member with a 25 year life expectancy is actually expected to live for 26 years.

26 CONTINGENT LIABILITY / ASSET

There are no known events giving rise to a contingent liability or asset.

27 POST BALANCE SHEET EVENTS

On the 1st July the London Borough of Sutton transferred the separately commissioned Sutton Connect Service into the core management functions provided by Sutton Housing Partnership. This gives us long term certainty of the funding for this service and enables us to develop and integrate the functions fully into our core services.

There were no events occurring after 31 March 2021 that would have any bearing on these financial statements.