TWO SAINTS

TWO SAINTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISERS

Board of management	Executive team
Mr J Carter	Steve Benson, Chief Executive
Mr N Cross (resigned September 2021)	Janice Hughes, Executive Director of Investment, Assets and Risk
Ms B Harvey (resigned August 2021)	Emily Munford, Executive Director of Transformation and Business Improvement
Ms G Kennett	Charlotte Buckingham, Executive Director of Client Services
Mrs C Moylan (appointed November 2021)	
Mr F Nathwani (resigned July 2022)	
Ms D Palmer	
Mrs R Pinchin (appointed November 2021)	
Mr A Quigley (appointed May 2022)	
Mr S Rose	
Ms J Toben, Chair	
Ms J Vaux (resigned May 2021)	
Mr M Woosey	

Secretary

Mr S Benson

Registered office	Solicitors	Auditors	Banks
69 High Street Fareham Hampshire PO16 7BB	Capsticks Staple House Staple Gardens Winchester SO23 8SR	CLA Evelyn Partners Cumberland House 15-17 Cumberland Place Southampton SO15 2BG	Lloyds Bank plc 3 Town Quay Southampton SO14 2AQ

Registration details

Two Saints Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014 no. 26511R and is registered with the Regulator of Social Housing no. LH3904.

Two Saints is an exempt charity – Her Majesty's Revenue & Customs registered number XR56079

The board presents its report and financial statements for the year ended 31 March 2022.

Statement of the board's responsibilities in respect of the accounts

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation and of its income and expenditure for that period.

In preparing these financial statements, the board is required to:

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

The board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable it 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. It has general responsibility for taking reasonable steps to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities.

Statement on Two Saints' system of internal control

The board has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the organisation's assets and interests.

In meeting its responsibilities, the board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the organisation is exposed.

The process adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- **Identification and evaluation of key risks**

  Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of our activities. The executive team regularly considers and receives reports on significant risks facing the organisation and the chief executive is responsible for reporting to the board any significant changes affecting key risks.

- **Overall control procedures**

  The board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and anti-bribery, fraud prevention and detection.

- **Information and financial reporting systems**

  Financial reporting procedures include budgets for the year ahead, management accounts produced monthly and forecasts for the remainder of the financial year and for subsequent years. These are reviewed in detail by the executive team and are considered and approved by the board who also regularly review key performance indicators to assess progress towards the achievement of business objectives, targets and outcomes.

- **Monitoring and corrective action**

  A process of regular management reporting on control issues provides assurance to our executive and to the board. This includes a rigorous procedure for ensuring corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

  The internal control framework and the risk management process have been subject to regular review by Mazars LLP until 31 March 2022. The internal auditors advise the executive team and report to the audit & risk committee who consider internal control and risk at each of its meetings. During the year reviews were carried out on governance, responsive repairs, risk management, development and business continuity together with two compliance reviews and a follow up of audit recommendations from the previous year.

  The audit & risk committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control processes. The audit & risk committee makes an annual report to the board. The board has received this report.

  The board confirms that there is an ongoing process for identifying and managing significant risks faced by the organisation. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the board.

Governance

We have an objective to ensure we comply with regulatory and statutory codes and standards for good governance. We believe strong governance is at the heart of our ability to provide high quality, efficient services in an open and accountable way. Our remuneration and nominations committee reports directly to our board.

In addition to attending these committees, board members attend working groups to consider matters such as health and safety, treasury and borrowing, the budget or our long term financial plan and can then play a leading role in subsequent discussions at board meetings.

Board members are elected for three year terms at annual general meetings. The board reviews its operations and performance annually. It identifies the skills it requires in order to fulfil its responsibilities and recruits new members with the requisite skills and experience.

Four board members reach the end of their current terms of office at the forthcoming annual general meeting, but all four are eligible for re-election and the board will continue with nine people.

Our board is confident its governance arrangements continue to be strengthened through the work of our remuneration and nominations committee and board, throughout the year. The board adopted the National Housing Federation's 2020 code of governance and carried out a self-assessment against this. The effectiveness of our governance has also been the subject of an internal audit and an external independent review.

We're committed to upholding the National Housing Federation's Excellence in Standards of Conduct and maintaining high standards of business probity. All board members and our executive team sign declaration of interest forms every year.

The board confirms they comply with the principles and guidelines in the National Housing Federation's 2020 Code of Governance.

The board confirms that they comply with the Regulator of Social Housing governance and financial viability standard.

In 2021/22 the board held two strategy days to consider the future strategic direction of the organisation.

The board remains non-executive in its function and is responsible for the organisation's overall direction and strategy. Board members are listed on page 3. They have no beneficial interests in the organisation's share capital.

Operational responsibility is delegated to the chief executive who also advises the board on strategic issues. The chief executive has no beneficial interests in the organisation's share capital.

The members of the executive team are listed on page 3.

Members of committees are selected from the board. The board is responsible for determining the terms of reference for all committees. The audit & risk committee is responsible for external and internal audit issues and risk management. The remuneration and nominations committee is responsible for overseeing board skills audits, making recommendations on succession planning and the remuneration of the board and chief executive.

Accountability to clients is important for us and work has taken place during the year to ensure the continuing involvement of clients in the quality and development of services through co-production, as well as the development and review of policies and procedures, although some of this work was limited during the year due to Coronavirus restrictions.

In practice:

- clients run an independent client quality assessment panel (known as the client engagement team) and managers are charged with implementing service improvement recommendations arising from their reports.
- The client engagement team review the quality of our accommodation and contribute to our future strategy.

In addition the client engagement team reports directly to the board and to fellow clients in our services. Our client engagement team continue to assess the quality of the services we provide and their findings are shared with the board every quarter.

Fraud

There are anti-fraud and anti-bribery policies in place. Fraud is an item on each audit and risk committee meeting agenda and any instances of fraud or theft are reported to the board.

Auditors

CLA Evelyn Partners (formerly Nexia Smith and Williamson) are deemed to be re-appointed as auditors.

Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which our auditors are unaware and each board member has taken all the steps they ought to have taken as a board member to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Principal activities

We provide safe, flexible and reliable client led housing and support services that focus on reducing homelessness, improving health and wellbeing and build on individual's skills and resilience. We provide this help to our clients through the provision of direct access hostel accommodation, resettlement services and community support services in Berkshire, Hampshire (including Portsmouth and Southampton) and on the Isle of Wight.

Review of the business

During 2021/22 we continued to develop our services by buying more buildings that we operate support services from. We continue to work with local authority partners to deliver Housing First services and are beginning to see this model of support in mainstream commissioning. We've been a continuing delivery partner for other short term government initiatives including the Rough Sleeper Initiative and the Rough Sleeper Accommodation Programme. Our board and executive team continue to seek to influence policy makers at both local and national levels to secure long term solutions to housing supply and revenue funding to provide support.

The organisation continues to focus attention on financial viability, sustainability and service quality in the medium and long term.

The board has no concerns in maintaining the requirements of the government's rent policy and decent homes standard.

Results for the year

The financial results show an operating surplus for the year of £447k (2021: £1,163k). Turnover (income) for the year, including other income increased to £17 million (2021: £16 million) of which £7.6 million (2021: £7.0 million) came from supported housing letting activities and £9.2 million (2021: £8.3 million) from the provision of support. The balance of income was from non-social housing activities including the lease of some of our buildings to other providers of support.

Despite the financial pressures on the work we do, together with the need to stay competitive and efficient, our finances remain fundamentally strong, with a healthy balance sheet able to support our activities. We have received additional funding of £283k (2021: £145k) from our local authority partners during this year for the extra costs we've incurred because of Coronavirus. This has been included in other income along with £nil (2021: £135k) of furlough income.

We recognise a pension liability based on our share of assets and liabilities in the defined benefit pension scheme held with the social housing pension scheme (SHPS). The scheme is closed to new entrants. The Statement of Other Comprehensive Income recognises a credit of £136k resulting from changes to underlying economic assumptions which decreases the net pension liability from £2,268k to £1,818k.

As a not-for-profit organisation, our primary business objective is to provide homes and services to people in need. We seek to generate sufficient income to meet our ongoing operating costs, to maintain all of our properties in good condition, and to contribute to our reserves, in order to reinvest in the business. We are committed to setting rents and charges at affordable levels and contract prices that offer value for money to service commissioners.

Future developments

During the year we were successful in bids for both new and existing work, through successful tenders and by negotiation with commissioners.

We will be bidding for new service contracts during 2022/23 and will actively engage in the rough sleepers' accommodation programme to provide tenancy support in longer term homes.

Surpluses and reserves

The generation of modest surpluses is a key element of our financial strategy, in order to demonstrate our financial stability, deliver our development strategy to own more of the buildings we operate in and to cover unforeseen events.

Reserves are internally generated resources invested in our assets and acquiring or developing new housing stock. Movements in reserves are set out in the statement of changes in reserves.

Employees

At the year-end we had a complement of 318 staff (2021: 289 staff). We are committed to the principles and practice of equality, diversity and inclusion. We seek to put these principles into operation in all matters of recruitment and employment. The effective training and development of all staff is a key objective.

Value for money

In accordance with the Regulator of Social Housing 2018 value for money standard, we've recorded our performance for the year against the published value for money metrics (Table 1). In addition, we've developed a set of targets to demonstrate performance in key areas of our business. (Table 2).

Table 1. Performance against sector value for money metrics

Metric	Explanation	Supported housing provider - published metrics 2020/21	2021/22	2020/21	2019/20
1. **Reinvestment %**	Investment in properties as a percentage of total properties	4.1	11.8	1.5	3.9
2. **New supply delivered**	The number of new social and non-social housing units as a percentage of all owned units				
Social housing %		1.5	0.0	0.53	2.32
Non-social housing %		0.0	0.0	0.0	0.0
3. **Gearing %**	Percentage of assets made up of debt finance (lower the better)	11.6	(7.5)	(33.4)	(27.5)
4. **Interest cover %** (Earnings before interest, tax, depreciation, amortisation with major repairs included)	Measure of surplus compared to interest payments (higher the better)	309.0	400.0	4,669.6	1,036.1
5. **Social housing cost per unit £**	(Lower the better)	9,680	9,984	8,531	8,306
6. **Operating margin %**	Surplus divided by turnover for both social housing and overall (Turnover includes other income where related to activities)				
Social housing lettings only		13.4	0.01	15.9	19.5
Overall		7.4	2.9	7.7	6.1
7. **Return on capital employed %**	Investment return on capital resources	3.3	2.5	7.9	5.4

These metrics are prescribed for all housing associations in order to provide comparison regardless of size or specialism. The Regulator for Social Housing's Value for Money metrics 2021 report was published in February 2022 as an annex to the 2021 Global Accounts. The metrics reported for the supported housing sub-sector have been taken as the comparator for benchmarking purposes.

Metric 1 relates to the amount we have spent on developing and acquiring new property as well as the amount we have invested in existing housing stock. Expenditure on new developments increased this year as we purchased 62 bed spaces of supported accommodation from another housing provider. Investment in our own stock was also higher than in previous years as we began a programme of upgrades of fire stopping works.

Metric 2 is reported as nil because the purchase of 62 bed spaces was from another provider so it's not recorded as new supply.

We're reporting a negative gearing percentage at Metric 3, because the amount of cash held at the year-end exceeded the loan facility.

Metric 4, interest cover is lower than in previous years, but still above the comparator average. This is because we have a reduced operating margin and have interest payments for our new loan facility, as well as pension finance costs.

Metric 5 indicates that our cost per unit is higher than the sector average for our cohort, due to high void costs and increased maintenance costs for both planned and responsive works.

The operating margin for social housing lettings at Metric 6 is very low against the sector average as well as past performance. This is due to a combination of high voids mainly as a result of the pandemic as well as high maintenance costs. The overall operating margin is lower for the same reasons.

The return on capital employed at Metric 7 is lower than the sector average and past performance because of the reduced operating surplus as described above.

We have an annual plan that includes a range of objectives designed to meet our strategic commitments and a suite of key performance indicators to demonstrate our performance. These are summarised in the table below.

Table 2. Key performance indicators

	2019-20	2020-21	2021-22	Target 2021-22	2021-22 Performance against target
Property utilisation	92%	92.4%	93.6%	97%	⇩
Current personal rent arrears	2.6%	3.2%	2.7%	2.5%	⇧
Former client rent arrears	3.1%	2.2%	2.7%	3.0%	⇩
Gas servicing compliance	100%	100%	100%	100%	⇔
Repairs completed in target time	100%	92.43%	100%	98%	⇧
Staff turnover	30.3%	26.3%	36.3%	30%	⇩

Three of the six performance indicators did not achieve target in 2021-22. Property utilisation was 93.6% for the year against a target of 97%. Many services reported slow referrals and increased abandonments during and after the pandemic. Maintenance was also delayed by lockdown restrictions, increasing turnaround times. Current personal arrears rose above target but improved on the 3.2% performance in 2020/21. Staff turnover has been and continues to be a challenge because of the impact of a competitive market affected by COVID and Brexit.

Our quality and performance – client satisfaction

As part of our drive to continually improve services, we seek feedback from clients through our annual client questionnaire. Clients' responses help to inform us as to where we need to make changes in our services. The outcomes from the client questionnaire carried out in January 2021 show the following:

- 95% (2021: 95%) of clients feel able to access staff and support when they need it.
- 90% (2021: 90%) of clients feel that their support plan reflects their goals and they receive support to achieve them

- 83% (2021: 86%) of clients say that their support worker has discussed move on and support options for the future
- 89% (2021: 86%) of clients feel the support they receive has helped them become a more independent person

Strategic targets

Our business strategy is updated every year and covers a rolling three year period. There are three strategic commitments which are to:

- Provide safe, flexible and reliable client led housing and support services
- Develop our people
- Develop our organisation

We have a 5 and 30 year financial plan that demonstrates our ability to meet the strategic commitments. The plan indicates capacity to grow and sets our medium and long term financial targets. It includes our commitment to:

- Invest £4.3m in our buildings over the next 5 years
- Acquire or develop 103 new bed spaces either in buildings we already operate in or to replace leased buildings with owned assets
- Maintain cash reserves above £2m
- Generate overall surplus of £3.6m over the next 5 years which is 3.8% of turnover to be used to achieve investment and acquisition targets and maintain financial health

The potential effects of the pandemic and rapidly increasing inflation on our financial sustainability and service delivery have been assessed on an ongoing basis by our board and executive team. While the cost of living crisis affects our surplus in the short term, there is no reduction in the need to support and house vulnerable people and our financial viability remains strong.

By order of the board

Julie Toben

Chair

Date: 16 August 2022

evelyn
PARTNERS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWO SAINTS LIMITED

Opinion

We have audited the financial statements of Two Saints Limited (the 'association') for the year ended 31 March 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the Annual Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board's Responsibilities set out on page 4, 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 controls as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the association's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the association's industry and regulation.

We understand that the association complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board and the Audit and Risk Committee;
- An annual assessment of compliance with regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing; and
- The Board's close oversight through regular board meetings and compliance reporting

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the association's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Association:

- FRS 102, the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, in respect of the preparation and presentation of the financial statements;
- Health and safety regulations; and
- Regulatory standards as applied to Registered Providers and enforced by the Regulator of Social Housing.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations; and
- Reviewed any correspondence between the Regulator of Social Housing and the association.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the association's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the association's processes and controls surrounding manual journal entries; and
- reviewing and challenging estimates made by management; and
- substantive work on revenue transactions.

A further description of our responsibilities is available 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 association's members, as a body, in accordance with section 87 of 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 association's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

[Date] 22/8/22

Cumberland House
15-17 Cumberland Place
Southampton
Hants
SO15 2BG

TWO SAINTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000s	2021 £'000s
Turnover	2	16,661	15,426
Other income		283	280
Operating expenditure		(16,497)	(14,543)
Operating surplus	3	447	1,163
Interest receivable and similar income		1	2
Interest payable and similar charges	4	(61)	(23)
Surplus on ordinary activities for the year		387	1,142
Other comprehensive income			
Actuarial gain/(loss) in respect of pension scheme	12	136	(1,456)
Total comprehensive income/(expenditure) for the year		523	(314)

TWO SAINTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 £'000s	2021 £'000s
Fixed assets			
Housing properties	5	14,173	10,957
Other fixed assets	5	274	84
		14,447	11,041
Current assets			
Debtors	6	1,929	1,176
Cash at bank and in hand		4,150	4,516
		6,079	5,692
Creditors			
Amounts falling due within one year	7	(2,501)	(1,962)
Net current assets		3,578	3,730
Total assets less current liabilities		18,025	14,771
Creditors: amount falling due after one year	8	(10,022)	(6,903)
Provision for liabilities and charges	11	(106)	(44)
Pension – defined benefit liability	12	(1,818)	(2,268)
Net assets		6,079	5,556
Represented by:			
Capital and reserves			
Non-equity share capital	13	-	-
Revenue reserve		6,079	5,556
		6,079	5,556

The financial statements on pages 16 - 36 were approved and authorised by the board on 16 August 2022 and were signed on its behalf by:

Julie Toben **Chair**	**Simon Rose** **Board member**	**Steve Benson** **Secretary**
Julie Toben		Steve Ben

TWO SAINTS LIMITED

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Income and expenditure reserve	Total capital and reserves
	£000s	£000s	£000s
Balance at 31 March 2020	-	5,870	5,870
Surplus for the year	-	1,142	1,142
Other comprehensive expenditure for the year	-	(1,456)	(1,456)
Total comprehensive expenditure for the year	-	(314)	(314)
Balance at 31 March 2021	-	5,556	5,556

	Share capital	Income and expenditure reserve	Total capital and reserves
	£000s	£000s	£000s
Balance at 31 March 2021	-	5,556	5,556
Surplus for the year	-	387	387
Other comprehensive income for the year	-	136	136
Total comprehensive income for the year	-	523	523
Balance at 31 March 2022	-	6,079	6,079

TWO SAINTS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000s	2021 £'000s
Net cash generated from operating activities	I		
Cash flow from investing activities		237	1,252
Acquisition, construction and works to housing properties		(3,531)	(352)
Grants received		217	-
Purchase of other assets		(264)	(52)
Interest received		1	2
Net cash (used) in investing activities			
Cash flow from financing activities		(3,577)	(402)
Repayment of HP/finance debt		(10)	(10)
Interest payable and similar charges		(16)	-
Bank loan		3,000	-
Net cash inflow/(used) in financing activities		2,974	(10)
(Decrease)/increase in cash and cash equivalents		(366)	840
Cash and cash equivalents at beginning of year		4,516	3,676
Cash and cash equivalents at end of year	I	4,150	4,516

TWO SAINTS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £'000s	2021 £'000s
I: Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus for the year	447	1,163
Depreciation	346	309
Loss on disposal of fixed assets	43	30
Amortisation of government grants	(88)	(88)
(Increase)/decrease in debtors	(753)	72
Increase in creditors	539	89
Increase in provisions	62	29
(Decrease) in pension provision	(359)	(352)
Net cash generated from operating activities	237	1,252

Cash and cash equivalents	2022 £'000s	2021 £'000s
Cash at bank and in hand	4,150	4,516

II : Analysis of changes in net debt

	At 1st April 2021 £000s	Cash flows £000s	At 31st March 2022 £000s
Cash and cash equivalents			
Cash	4,516	(366)	4,150
Borrowings:			
Due within one year	-	-	-
Due after one year	-	(3,000)	(3,000)
Finance leases	(19)	10	(9)
Net debt	4,497	(3,356)	1,141

1. PRINCIPAL ACCOUNTING POLICIES

Two Saints Limited is registered in England and Wales as a society under the Co-operative and Community Benefit Societies Act 2014 no. 26511R and is registered with the Regulator of Social Housing no. LH3904. The registered office is 69 High Street, Fareham, Hampshire, PO16 7BB.

Basis of accounting

The financial statements have been prepared in accordance with UK Generally Accepted 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. These financial statements are prepared under the historic cost convention.

The association meets the definition of a public benefit entity under FRS 102.

The principal accounting policies of the association are set out below.

Going concern

The financial statements are prepared on a going concern basis.

The UK wide coronavirus lockdown began on 23 March 2020. The Board have considered the financial impact of coronavirus on any estimations included within these financial statements. As the impact of the coronavirus pandemic evolves the Board will continue to review the potential risks to Two Saints and implement any actions needed to minimise them. After making enquiries, the Board has a reasonable expectation that Two Saints has adequate resources to continue in operational existence for the foreseeable future, being a period of 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 estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements and estimation uncertainty

Defined benefit pension scheme

The Association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. With advice from the scheme actuary, management estimate these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

Arrears and other debtor recoverability

The rent arrears balance of £627k recorded in the association's statement of financial position comprise a relatively large number of small balances. A full line by line review of rent arrears is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Because of the nature of the clients we house, most of the rent debts are settled directly by Housing Benefit and thus do not incur problem debts. In relation to debt due directly from tenants, we review the debtors ledger each month for any debt we might consider doubtful. Because of the supported housing nature of our business, we have a good knowledge of each and every client and can make judgements concerning the likelihood or otherwise of collecting any non-current debt. We identify any specific problem rent debts and categorise them as high risk, in which case we provide 100% of the debt. Former tenant debts are included in this category as experience tells us these are very difficult to recover. The total amount of the provision at the year-end is £400k (2021: £349k).

Tangible fixed assets

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

Turnover

Turnover represents rental and service charges income in respect of the year net of rent and service charge losses from voids, housing support contract income in respect of the year, revenue grants from local authorities and Homes England in respect of the year and grants received for housing properties recognised in income on a systematic basis.

Operating surplus

Operating surplus is the surplus generated from our operations and excludes interest and pension re-measurement.

Contracts for housing support

Income and expenditure relating to housing support contracts at our services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

Fixed assets and depreciation

Housing properties

Housing properties are principally properties available for rent.

The cost of properties is their purchase price and construction costs together with capitalised repairs and incidental costs of acquisition and construction directly attributable to property, including interest payable during the period of construction.

Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed.

Expenditure on schemes that are subsequently aborted is written off in the year in which it is recognised that the scheme will not be completed.

Completed housing properties have been split between their land and structure costs and a specific set of major components that require periodic replacement.

Refurbishment or replacement of such a component is capitalised and then depreciated over the estimated useful life of the component as follows:

Structure	100 years	Boilers	15 years
Kitchen – domestic	10 years	Heating system (excluding boiler)	30 years
Kitchen – commercial	15 years	Windows and door	20 years
Bathrooms	15 years	Roofs	40 years
		Electrical systems	40 years

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs, or result in a significant extension of the useful economic life of the property.

Leasehold offices, land and buildings are amortised over the period of the leases. Freehold land is not depreciated.

Other tangible assets are stated at cost. Depreciation is charged on a straight-line basis over the expected useful economic lives of the assets as follows:

Office and computer equipment	3 years
Infrastructure information technology equipment	5 years
Motor vehicles	5 years

The useful economic lives of all tangible fixed assets are reviewed annually.

Our policy is not to capitalise assets with a value of less than £1,000.

Impairment

Reviews for impairment of housing properties are carried out when an indicator of impairment arises and any impairment in an income generating unit is recognised by a charge to the statement of comprehensive income. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. An income generating unit could be a single property, but it is normally a group of properties whose income and expenditure can be separately identified.

Social housing grant

Government grants include grants receivable 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 on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred capital grant in creditors.

Social housing grant received for items of cost written off in the Income Statement are matched against those costs as part of turnover.

Social housing grant can be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the grant can be used for projects approved by Homes England. However, grant may have to be repaid if certain conditions are not met.

In certain circumstances, grant may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Grants (COVID 19 related)

Government grants and receipts under the Job Retention Scheme receivable in respect of the Coronavirus are recognised in other income in the SOCI on an accruals basis.

Dilapidations

Provision is made for all dilapidations on leasehold properties where Two Saints Limited has a contractual obligation to bear these costs. Movement on the provision is included in the expense headings to which the provision relates.

Leased assets

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 association. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to income and expenditure on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Retirement benefits

Social Housing Pension Scheme – Defined Benefit

Two Saints participates in the Social Housing Pension Scheme administered by The Pensions Trust Retirement Solutions. This is a multi-employer defined benefit scheme. Two Saints has closed new membership admissions for all staff.

The assets of the schemes are held and managed separately from those of the Association. The pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme deficits are recognised in full.

The movement in the scheme surpluses/deficits is split between operating charges, finance items and actuarial gains and losses. Where a scheme is in deficit the Association recognises its liability for this obligation.

The fair value of the pension liability has been affected by the inflation and interest rates used to calculate the discount rate at 31 March 2022.

Social Housing Pension Scheme – Defined Contribution

Two Saints participates in a defined contribution scheme provided by The Pensions Trust Retirement Solutions.

This scheme is open to new members and is the preferred vehicle for auto enrolment. The accounting charge for the period represents the employer contribution payable.

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the association becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the association will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the association's cash management.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets.

Interest bearing loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate.

2. SOCIAL HOUSING INCOME AND EXPENDITURE

	2022	2021
	£000s	£000s
Rents receivable net of identifiable service charges	3,237	2,997
Service charge income	4,317	3,974
Revenue, capital grants, contract and other income	8,286	7,714
Total income from social housing activities	15,840	14,685
Social housing activities expenditure	(15,838)	(12,354)
Operating surplus from social housing activities	2	2,331
Rent losses from voids	834	492

The operating surplus from social housing activities includes abortive costs for social housing development of £106k (2021: £7k).

3. SURPLUS FOR THE YEAR

	2022 £000s	2021 £000s
Surplus for the year is stated after charging:		
Auditor's remuneration including expenses, (excluding VAT)		
• in their capacity as auditors	15	15
Depreciation of housing properties	272	240
Depreciation of other fixed assets	74	69
Loss on disposal of fixed assets	43	30
Operating lease rentals	854	701

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £000s	2021 £000s
Loan Interest payable	16	-
Pension Net interest expense (note 12)	45	23
	61	23

5. TANGIBLE FIXED ASSETS

	Housing properties under construction £000s	Housing properties for letting completed £000s	Non-social housing properties £000s	**Housing properties sub total £000s**	Computer and other equipment £000s	**Other fixed assets subtotal £000s**	**Total £000s**
Cost							
Cost at start of the year	174	12,939	649	**13,762**	591	**591**	**14,353**
Additions	1,724	1,721	86	**3,531**	264	**264**	**3,795**
Disposals	-	88	34	**122**	375	**375**	**497**
At end of year	1,898	14,572	701	**17,171**	480	**480**	**17,651**
Depreciation							
Depreciation at start of the year	-	2,643	162	**2,805**	507	**507**	**3,312**
Charge for the year	-	246	26	**272**	74	**74**	**346**
Disposals	-	56	23	**79**	375	**375**	**454**
At end of year	-	2,833	165	**2,998**	206	**206**	**3,204**
Net book value at end of the year	1,898	11,739	536	**14,173**	274	**274**	**14,447**
Net book value at start of the year	174	10,296	487	**10,957**	84	**84**	**11,041**

The net book value of assets held under finance and HP leases amounted to £0k (2021: £0k), with a depreciation charge of £0k (2021: £14k).

5. TANGIBLE FIXED ASSETS (continued)

Housing properties (cost less depreciation) comprise:

	2022 £000s	2021 £000s
Freehold	8,525	8,330
Long leasehold	3,750	2,453
Properties under construction	1,898	174
	14,173	10,957

6. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000s	2021 £000s
Rent arrears	627	555
Less provision for bad debt and doubtful debts	(400)	(349)
Net rents due	227	206
Other debtors	907	462
Accrued income	329	203
Prepayments	466	305
	1,929	1,176

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000s	2021 £000s
Rent paid in advance	175	208
Trade creditors	59	30
Accruals	1,111	684
Social Security costs payable	188	172
Pension contributions payable	74	73
Deferred income	367	390
Other creditors	429	307
Amounts payable under HP and finance leases	9	10
Deferred capital grant (note 10)	89	88
	2,501	1,962

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

	2022 £000s	2021 £000s
Bank Loans (note 9)	3,000	-
Deferred capital grant (note 10)	7,022	6,894
Amounts payable under HP and finance leases	-	9
	10,022	6,903

AMOUNTS OWING UNDER HP AND FINANCE LEASES

	2022 £000s	2021 £000s
Amounts owing in less than one year	9	10
Amounts owing in 2 – 5 years	-	9
	9	19

9. BANK LOAN

	2022 £000s	2021 £000s
Amounts owing in less than one year	-	-
Amounts owing in 2 – 5 years	341	-
After five years	2,659	-
	3,000	-

A bank loan for £3m was taken out in January 2022, for a term of 24 years and six months, with capital repayments commencing August 2023. The interest rate is fixed for the duration of the loan at 3.28% and is secured over 10 properties.

10. DEFERRED CAPITAL GRANT

	2022 £000s	2021 £000s
At 1 April	6,982	7,070
Grant received in year	217	-
Released to income in the year	(88)	(88)
At 31 March	7,111	6,982

	2022 £000s	2021 £000s
Amounts to be released within one year	89	88
Amounts to be released in more than one year	7,022	6,894
	7,111	6,982

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £000s	2021 £000s
Provision for estimated end of lease liabilities on certain properties:		
At start of year	44	15
Charge to income statement	63	39
Expenditure charge against provision	-	(7)
Released accumulated liability to income statement	(1)	(3)
	106	44

12. PENSION OBLIGATIONS

Until 1 April 2014 Two Saints participated in a defined benefit scheme for salaried staff, the Pensions Trust - Social Housing Pension Scheme (the scheme). From April 2014 staff enrolled on the scheme transferred into a defined contribution scheme also operated by The Pensions Trust. This vehicle is now used for auto-enrolment for all staff.

Social Housing Pension Scheme

The company 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 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

We have been notified by the Trustees of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

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

	2022 £000s	2021 £000s
Fair value of plan assets	11,286	11,533
Present value of defined benefit obligation	(13,104)	(13,801)
Defined benefit (liability) to be recognised	(1,818)	(2,268)

Reconciliation of opening and closing balances of the defined benefit obligation

	2022 £000s	2021 £000s
Defined benefit obligation at start of period	13,801	11,500
Expenses	15	15
Interest expense	291	271
Actuarial losses/(gains) due to scheme experience	456	(137)
Actuarial (gains)/losses due to changes in demographic assumptions	(227)	55
Actuarial (gains)/losses due to changes in financial assumptions	(830)	2,456
Benefits paid and expenses	(402)	(359)
Defined benefit obligation at end of period	13,104	13,801

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

	2022 £000s	2021 £000s
Fair value of plan assets at start of period	11,533	10,359
Interest income	246	248
Experience on plan assets (excluding amounts included in interest income) – (loss)/gain	(465)	918
Contributions by the employer	374	367
Benefits paid and expenses	(402)	(359)
	11,286	11,533

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £(219,000), (2021: £1,166,000).

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	2022 £000s	2021 £000s
Expenses	15	15
Net interest expense	45	23
Defined benefit costs recognised in statement of comprehensive income (SoCI))	60	38

Defined benefit costs recognised in other comprehensive income

	2022 £000s	2021 £000s
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(465)	918
Experience gains and losses arising on the plan liabilities – (loss)/gain	(456)	137
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	227	(55)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	830	(2,456)
Total amount recognised in other comprehensive income – gain/(loss)	136	(1,456)

Key assumptions

	2022 % per annum	2021 % per annum
Discount rate	2.79%	2.14%
Inflation (RPI)	3.66%	3.30%
Inflation (CPI)	3.23%	2.85%
Salary growth	4.23%	3.85%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

13. NON-EQUITY SHARE CAPITAL

	2022 £	2021 £
Allotted, issued and fully paid		
Shares at start of the year	10	9
Cancelled during the year	(3)	-
Issued during the year	2	1
Shares at end of the year	9	10

All members hold one share of £1. As at 31 March 2022 there were 9 members. The shares are non-transferable and non-redeemable, and carry no rights to received either income or capital repayments. Each share has full voting rights.

14. DIRECTORS' EMOLUMENTS

Emoluments were paid to twelve non-executive directors (2021: ten) amounting to £27,583 in the year (2021: £28,784).

	2022 £000s	2021 £000s
The aggregate emoluments paid to or receivable by executive directors (including pensions of £13k (2021: £16k))	313	351
The emoluments paid to the highest paid director excluding pension contributions	88	81

The chief executive is an ordinary member of the pension scheme. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Two Saints of £7,272 (2021: £4,192) was paid in the year.

Directors are defined as the members of the board of management, the chief executive and members of the executive team. These persons comprise the key management personnel and their emoluments are disclosed above.

In addition, Employer's National Insurance payable in relation to the above individuals totalled £36k (2021: £40k).

15. EMPLOYEE INFORMATION

	2022	2021
	No	No
The monthly average number of persons employed during the year in full time equivalents (37 hours per week) was:	280	256
	£000s	£000s
Wages and salaries	8,113	7,668
Social Security costs	668	613
Other pension costs	199	186
	8,980	8,467

	No	No
Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:		
£60,000 - £70,000	2	1
£70,000 - £80,000	1	1
£80,000 - £90,000	1	1

16. OPERATING LEASES

Some properties and equipment are held under non-cancellable operating leases. The association had outstanding commitments for future minimum payments under non-cancellable operating leases as follows:

	2022	2021
	£000s	£000s
Leases on land and buildings:		
Within the next year	798	819
In the second to fifth year	1,539	1,713
Greater than 5 years	369	525
Other leases:		
Within the next year	12	34
In the second to fifth year	31	40
Greater than 5 years	-	3
	2,749	3,134

17. TAXATION

The association has charitable status under its registration with Her Majesty's Revenue & Customs and is therefore exempt from liability to taxation under Section 505 of the Income and Corporation Taxes Act 1988 on its charitable activities. The association's HMRC exemption reference is XR56079.

18. BEDSPACES

The number of units of accommodation owned and managed by the association at the year-end was as follows:

	2022	2021
	£000s	£000s
Supported housing - owned		
Direct access hostels	241	184
Move on accommodation	234	230
Move on accommodation - at affordable rent	85	86
Mental health accommodation	90	63
Supported housing - managed		
Direct access hostels	0	57
Move on accommodation	8	13
	658	633

The movement in the bed spaces for mental health accommodation is due to the successful tender for Portsmouth Services.

The association had contracts to provide support for 1,340 (2021: 1,297) clients not living in accommodation managed by the association.

The association owned 26 bed spaces (2021: 34) managed by other entities at the year-end.

19. SUBSIDIARY UNDERTAKINGS

The Society of St Dismas Limited

The Society of St Dismas Limited, a registered charity (number 222681) and a company limited by guarantee (number 735356), was a wholly owned subsidiary of Two Saints Limited.

Since 2001 The Society of St Dismas Limited existed solely to raise money to enable it to undertake its charitable activities. Two Saints Limited is the only organisation to have benefited from these activities.

The assets and liabilities of The Society of St Dismas were transferred to Two Saints Limited following the merger on the 4th January 2022.

On the 5th April 2022 The Society of St Dismas Limited was dissolved at Companies House.

20. RELATED PARTIES

Transactions between Two Saints Limited and The Society of St Dismas Limited during 2021/22 include:

- Two Saints Limited raised an invoice to cover the costs of the audit fees paid on The Society of St Dismas Limited behalf for the past year amounting to £nil (2021: £1,188)
- The Society of St Dismas Limited gifted £51,473 (2021: £nil) to Two Saints Limited

A board member, who stood down from the board in May 2021, is a councillor at Basingstoke and Deane Borough Council, for which Two Saints Limited has provided services totalling £430,000 (2021: £414,575) in the year. At the year-end there was a debtor of £0 (2021: £5,275).

Details of key management personnel are included in note 14.