



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Co-operative and Community Benefit Society Registration No. 26219R

Regulator of Social Housing Registration No. LH3796

WESTWAY HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS	PAGE
Board Members, Executive Officers, Advisors and Bankers	1
Report of the Board	2-9
Report of the Independent Auditors	10 - 12
Statement of Comprehensive Income	13
Statement of Changes in Reserves	14
Statement of Financial Position	15
Statement of Cash Flows	16
Notes to the Financial Statements	17-34

WESTWAY HOUSING ASSOCIATION LIMITED
BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS
FOR THE YEAR ENDED 31 MARCH 2022

Board of Management

The Board members who have served from 1 April 2021 up to the date of approval of these financial statements were as follows:

Chair	Robert Greene (Retired 25 September 2021) Meera Bedi (Appointed 25 September 2021)
Vice Chair	Chinyere Ugwu (Retired 25 September 2021)
Treasurer	Debra Redhead-Allen
Other Members	Meera Bedi (Promoted to Chair on 25 September 2021) Addy Olubajo Adeleye Agbede Somayeh Tosi Samuel Aligbe Darren Alexander (Appointed 25 September 2021) Hayley Mongan (Co-optee) Leroy McKenzie (Co-optee)

Executive Management Team	Ricky Scipio - Chief Executive & Company Secretary Leonard Brown - Head of Housing Previn Tailor - Finance Director
----------------------------------	---

Registered Office	292B Kensal Road North Kensington London W10 5BE
--------------------------	---

Statutory Auditor	Seever and Struthers 15 Bunhill Row London EC1Y 8LP
--------------------------	--

Principal Solicitor	Devonshires Salisbury House London Wall London EC2M 5QY
----------------------------	---

Principal Banker	Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP
-------------------------	---

WESTWAY HOUSING ASSOCIATION LIMITED
BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Board of Westway Housing Association Limited is delighted to present its annual report and audited financial statements for the year ended 31 March 2022.

Principal Activity

Westway Housing Association Limited is a public benefit entity administered by a Board of Management. It is an exempt Charity registered under the Co-operative and Community Benefit Societies Act 2014 and registered with the Regulator of Social Housing as a Provider of Social Housing.

The principal activity of the Association is the provision of affordable rented accommodation to people who are most in need of housing and who can least afford private rented accommodation.

Westway is a community-based housing association which has been providing homes to people in need since 1987. The Association currently manages 559 affordable homes, which includes a 17-bedspace hostel for homeless persons, 23-bedspace scheme for rough sleepers and 19 shared ownership flats.

The Association is based in north Kensington, west London, and operates in the boroughs of Barnet, Brent, Ealing, Enfield, Hammersmith & Fulham, Hillingdon, Hounslow, Kensington & Chelsea and Westminster. In partnership with these local authorities and other agencies, the Association provides affordable homes to those in greatest need.

Review of Results

The first half of 2021 saw the country move to a more positive place in terms of the Covid-19 pandemic, with the vaccination programme underway and fewer imposed restrictions. However, the end of the pandemic is not yet in sight and the uncertainty this causes has dragged on with new variants emerging.

Our Board of Management has led this organisation through a challenging period, and this has allowed us to carry on making a positive difference to lives, homes and communities. Our staff have kept services running smoothly, support residents and safeguard our financial strength.

Despite the impact of the pandemic, we continue to deliver against our strategic plan. The Association enjoyed another successful year delivered a record surplus of £1,568,852 (2021: £756,931) which exceeded our budget and further boosted our finances. The business remains financially strong and robust.

Financial strength continue to underpin everything we do, helping us to invest in what matters most to our customers. Our focus remains on delivering high quality services, investing in new and existing homes and generating efficiencies.

Our surplus has been achieved by strong budgetary management and keeping an iron grip on rent arrears and voids. Our focus on Value for Money (VfM) has remained a key part of our lean and agile business model.

All our income is invested in support of our charitable and social value objectives. These include building new affordable homes, letting and maintaining our existing homes, improving our customer service, and supporting our most vulnerable customers and local communities.

Turnover for the year increased by 14.3% to £5,961,324 (2021: £5,217,137) due to first tranche sales of shared ownership properties, annual regulated inflationary rent increases and rents from new properties. Expenditure increased by 18.6% to £4,533,537 (2021: £3,821,072) reflecting corresponding costs associated with shared ownership sales. Overall operating surplus at £1,847,463 (2021: £1,396,065) and margin of 31.0% (2021: 26.8%) was better than target due to a windfall from a property disposal. Net surplus for the year was £1,568,852 (2021: £756,931) and includes net gain of £108,000 (2021: £293,000 loss) in respect of movements in the defined benefit pension scheme.

The Association has benefited from a continuing climate of relatively lower interest rates. Robust treasury management and cash flow planning has minimised our loan interest costs. During the year, the Association secured a new £10 million loan facility to fund growth of our affordable housing stock.

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

Our financial strength remains pivotal to us and underpins our ability to grow, be resilient to external events and deliver our social objectives. Total reserves increased to £13,042,924 (2021: £11,474,072) at the financial year end allowing the Association to continue re-investing in improving service delivery, maintaining and improving existing properties in order to ensure our residents enjoy good quality homes and fund future growth.

The turbulent macro-economic environment, with factors such as rising inflation, as well as the impact of the cost of living on our customers, will inevitably frame our future decisions. However, debt recovery work and proactive arrears management remain high priorities for the Association.

We look forward to the coming year with confidence and believe that the Association has a business model that is sufficiently resilient to manage challenges from the external environment.

Value for Money

With inflation currently at its highest level for decades, the need to deliver Value for Money (VfM) is greater than ever and it continues to be a core element of our culture, with a focus on quality first, and then a critical analysis of how costs can be kept as low as possible for that level of quality. Where monetary efficiency gains are made, these are reinvested in the business and targeted at improving service outcomes to customers or creating capacity for investment and growth.

The Association's VfM Strategy lays down the principles in this area and the fundamental belief is that VfM is the responsibility of all board members and staff. Staff are actively encouraged to question, review and propose change, with VfM an integral part of employee induction and team meetings. VfM is embedded in our budget setting and business planning processes to ensure that our resources and assets are used in the most appropriate way to deliver corporate objectives.

We have continued to invest in, and leverage, technology to improve communications and empower our residents. This includes allowing them on-line access through our new website, enabling them to view their rent account and report and monitor repairs. We have collaborated with a third party and started to install fibre Infrastructure in some of our communal areas at no cost to the Association nor its residents. This will improve the value of our stock and provide residents with good broadband connectivity. Our electronic invoicing system enables budget holders to review and authorise invoices electronically. This has significantly reduced paperwork and released valuable resources otherwise taken up by filing, storage and administration work.

During the year, we participated in the Government funded 'Klckstart' programme, which helped two trainees gain valuable work experience in the housing sector, develop transferable skills and improve their employability. Both of these trainees subsequently moved on to secure permanent employment.

The pandemic has had an extensive impact on the nation, particularly disproportionately affecting those from the BME communities and low incomes. We have acted quickly to support residents by checking on their wellbeing, particularly those vulnerable, or signposting them to agencies and help them secure additional benefits and get back on track.

Westway's main assets are the homes that our residents live in. Investing in these homes is therefore a fundamental part of our business as it not only ensures that we have quality homes available to rent but it maintains the value of the assets against which finance may be raised to build new homes. This year we invested £223,841 (2021: £223,714) on major repairs consisting of boiler replacements, new windows and kitchens. We commissioned Savills, to further improve our understanding of the financial and social performance of our homes and invested in Asset Performance Evaluation model. APE is a tool that enables us to explore and report on properties performance at a granular level thus enabling us to make more informed decisions about where and when to invest in our assets.

All our homes are in the London area with high property values. Our residents living in these homes pay significantly less than market rents, making them genuinely affordable for people on lower incomes and enabling them to continue to live in communities that they would have otherwise found difficult to afford.

As part of continuous improvements, some of the service areas earmarked for improvements in the new financial year include migration of our IT system to 'cloud', upgrade of systems software and refresh our stock condition survey.

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

Performance and Benchmarking

The Value for Money Standard, issued by the Regulator of Social Housing in 2018, sets out specific requirements for registered providers to publish evidence within their statutory accounts of its value for money targets and metrics, as well as setting out how performance compares to that of peers. The set of metrics required by the regulator under this regime are included in the table below under "Value for Money Metrics".

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

It should be noted that a significant amount of the return on our assets does not end up as value on our bottom line. Instead, it makes people's lives better and therefore, society as a whole.

DESCRIPTION	Westway 2021/22	Target 2021/22	*Benchmark 2020/21	1/V: ..Y 2020/21
Operational Performance				
Rent arrears	2.6%	3.0%	4.0%	2.0%
Rent collection	100.0%	100.0%	100.0%	100.0%
Void average re-let time (GN)	44.0 days	28.0 days	40.0 days	35.0 days
Void losses	0.6%	0.7%	0.8%	0.4%
Emergency repairs completed within target	92.0%	100.0%	96.0%	100.0%
Urgent repairs completed within target	83.0%	98.0%	94.2%	90.0%
Routine repairs completed within target	76.0%	98.0%	93.8%	93.0%
Repairs completed on first visit	97.0%	95.0%	84.6%	93.7%
Gas safety certificate (LGSR)	100.0%	100.0%	100.0%	99.2%
Residents satisfied with repairs	90.0%	95.0%	86.2%	90.3%
Value for Money Metrics				
Reinvestment	12.4%	14.1%	1.3%	1.5%
New supply delivered (Social housing units)	3.0%	0.8%	0.0%	0.6%
New supply delivered (Non-social housing units)	0.0%	0.0%	0.0%	0.0%
Gearing	21.5%	25.0%	16.2%	17.5%
EBIIDA MRI Interest Cover	383.6%	203.1%	223.0%	419.8%
Headline Social Housing Cost Per Unit	£5,385	£6,095	£5,982	£5,356
Operating Margin (Overall)	24.0%	19.6%	14.0%	26.8%
Operating Margin (Social housing lettings)	26.2%	19.6%	14.7%	29.2%
Return On Capital employed (ROCE)	3.3%	2.2%	2.1%	2.7%
Financial Comparators				
Ratio of responsive repairs to planned maintenance	0.5	0.4	0.8	0.6
Management cost per unit	£1,734	£1,543	£1,200	£1,726
Maintenance cost per unit	£2,067	£2,329	£1,157	£1,875
Major repairs cost per unit	£414	£701	£833	£425
Debt per unit owned	£30,388	£32,289	N/A	£26,007

** Benchmarking information provided by Acuity*

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

In 2021/22, we achieved or exceeded most of our key financial performance targets against own and peer group indicators, whereas operational performance in housing was broadly in line with peer group but below our own targets.

We have outperformed our peer group and own targets as measured under the RSH's VfM metrics for the sector. In particular, our operating margin on social housing lettings and interest cover was higher whilst headline housing cost per unit was lower due to tighter budgetary management, innovative working and focus on VfM across the organisation. Our return on assets was better than target and peer group due to strong financial performance.

Rent arrears were also better than target and benchmark. However, voids re-lets and performance on repairs were generally below target and benchmark. In particular, we experienced challenges around contractor capacity and supply chain issues caused by the pandemic.

We are using our strong finances to increase supply of affordable housing, having boosted our stock in the year by three properties funded from our reserves. We have plans for further growth in the coming year.

As a Board, we monitor performance against our corporate plan throughout the year and continually challenge performance, considering changes in our operating environment and any current and anticipated risks that might affect the business.

BME London Group

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

The group has already demonstrated success by working in collaboration to deliver ground-breaking procurement, leadership development and employment projects.

BME London, in partnership with L&Q, continue to unlock smaller housing associations' development capacity and bring forward a range of new high quality affordable homes. In doing so we are leveraging L&Q's development capacity and expect to deliver more social homes than BME London HA's might achieve alone. This means we can achieve greater economies of scale, ensure better risk management and realise greater value for money savings.

Development

Westway HA has got strong finances and, in addition to investing in our existing housing stock, capacity to deliver its growth plans through properties acquisitions and developments. The Association is generating healthy surpluses and has a robust balance sheet with capacity to take on more debt, and further maximise the use of our asset base to deliver high quality housing.

Our strategic plan assumes organic growth, consisting of a mixture of new developments, stock transfers and acquisitions. We have set aside a specific budget to help explore development opportunities and vigorously pursue our growth strategy.

During the year, we increased our housing stock by sixteen homes in Ealing. We achieved this by working in collaboration with a large housing association, L&Q, under their Build London Partnership. The development comprised of twelve shared ownership flats, further boosting our shared ownership portfolio. We continue to explore other opportunities with the aim of increasing our housing stock and provide the much needed affordable housing in the capital.

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

Statement of Board Responsibilities

The Co-operative and Communities 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 Association and of the income and expenditure for the period of account.

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 Association 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. The Board has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities. The Board has undertaken an assessment of the Regulator of Social Housing's Governance and Financial Viability Standard and certifies it has complied with the regulation.

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

Corporate Governance

The Association is controlled by a Board that is committed to achieving the highest standards of corporate governance in its oversight of the delivery of the Association's strategies, risk management, values and ethics.

All members of the Board are non-executive, and for legal purposes, are regarded as Directors. Each member of the Board holds one fully paid share of £1 in the Association, which is cancelled on cessation as a member, and have the right to cast one vote each. The current Board members and the executive management team are set out on page 1 of the financial statements.

At every annual general meeting, board members who have served their fixed term of three years retire from office and are eligible for re-election. Any board member who has completed nine years' continuous service is not eligible for re-election.

We are pleased to have promoted Meera Bedi as our new chair, replacing Robert Greene who retired after serving his maximum term on the board. Robert was joined by Chinyere Ugwu who also retired after serving her maximum three terms. The board expresses their thanks to Robert and Chinyere for their valuable contribution and nine years of great service to Westway HA. We welcome Darren Alexander to the board. Darren brings strong housing experience to the Association, as well as real commitment to our vision and values.

The Board and its committees have terms of reference and clear statements of members' roles and responsibilities, which form a key element in the Board structure. The Board has adopted the principles of the National Housing Federation (NHF) Code of Governance 2020 and considers compliance with the provisions of this code.

Members work collaboratively to guide the Association in the achievement of the stated aims and objectives. This includes overseeing finances, agreeing policies, monitoring performance, making strategic decisions and generally ensuring that all matters are conducted properly.

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Board continue to strive for excellence in governance and a key part of this is the assessment of performance. This includes a robust annual appraisal process conducted by the Chair to assess further improvements or training needs for members.

Responsibility for the Association's day-to-day operations and implementation of the agreed strategies is delegated to the chief executive and the executive officers.

Progress against corporate priorities is reviewed quarterly by the Board with the executive officers in attendance to present strategic, operational and financial updates which also embraces new challenges and opportunities. In addition, the Board hold two Strategic Planning Away-Days which are usually held early in the new calendar year and autumn of each year. The autumn meeting, usually in September/October, is preceded by the Association's Annual General Meeting (AGM) where members are elected.

Scrutiny Function

The Tenants Committee, a wholly tenant led function, is the main consultative body and conduit between the Board and tenants and has a pivotal role to enhance and further develop tenant involvement and empowerment.

Tenant involvement is crucial to the success of the Association and we are very grateful to our active Committee members for all the work they do with us. The Committee normally meets six times a year, and arrange ad-hoc meetings as it sees fit. Up to four members of the Tenants Committee form a separate scrutiny panel to undertake an in depth service review each year.

Executive Management Team

The Association is managed by the executive management team currently comprising of the following executive officers:

Ricky Scipio	Chief Executive & Company Secretary
Leonard Brown	Head of Housing
Previn Tailor	Finance Director

The executive officers hold no interest in the Association's share capital and act within the delegated authority given to them by the Board. The detailed scrutiny of performance, the development of policies and procedures and expenditure approvals within budget are carried out by the executive management team.

Directors' Indemnities

Directors and officers liability insurance cover was in force during 2021/22, and remains in force, for all directors and officers to provide indemnity for the cost of claims of alleged mismanagement of the organisation. The liability insurance provides reimbursement to the organisation in such circumstances.

Employees

The Board recognises that the strength of the Association lies in the quality and commitment of its employees. Our ability to meet our objectives and commitments to our customers in an efficient and effective manner depends on the contribution of employees throughout the Association.

The Association continues to provide information on objectives, progress and activities through regular team meetings, appraisals and various other forms of communications. Focused training programmes are provided to continually enhance knowledge, skills base and teamwork necessary to deliver the objectives.

Our Investors in People standard, with Gold Status, is testimony to the work undertaken on the Association's People Strategy, which aims to ensure that the Association remains a great place to work and employees continue to be encouraged, involved, empowered and motivated to maximise their potential.

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

Equal Opportunities

Westway is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement. It is our policy to promote an environment free from discrimination, harassment and victimisation. All decisions relating to employment practices will be objective, free from bias and based solely on the work criteria and individual merit.

Internal Control

The Board recognises that it has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board also recognises that no system of control can provide absolute assurance. This system of internal control is designed to be an important part of the control and management of risk and to provide reasonable assurance against material misstatement or loss.

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

Key elements of the internal control framework are:

- an organisational structure with clearly defined lines of responsibility and delegation of authority;
- Formal policies and procedures are in place, including the documentation of key systems and rules, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain and improve standards of performance;
- Forecasts and budgets are prepared which allow the Board and senior staff to monitor the key business risks and objectives and progress towards achieving financial plans set for the year and the medium term;
- Quarterly management accounts are prepared promptly, providing relevant, reliable, up-to-date financial information, highlighting significant variances from budgets which are investigated as appropriate. Reports include cash flow projections, compliance with funding covenants, Value for Money metrics and key performance indicators to identify trends in current financial and non-financial data;
- A 30-year financial plan is presented to Board and reviewed at least annually to ensure that the Association can meet all its financial commitments. Key components of the plan are stress testing through scenario planning and mitigating strategies;
- A risk management system embedded throughout the Association;
- Regulatory returns are prepared, authorised and submitted on a timely basis to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant committees comprising Board Members and others;
- The Board receive reports from internal auditor who provide independent assurance to a risk based plan. The internal auditor provides a rolling programme of audits covering key areas of the Association's operations. The Auditor report directly to the Board.

WESTWAY HOUSING ASSOCIATION LIMITED
BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2022

The annual review of the effectiveness of the system of internal control is undertaken by the Board, which has received the annual report from the chief executive for the year ended 31 March 2022.

The Board confirms that no weaknesses have been found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements. Where weaknesses in internal controls are identified, appropriate remedial action is taken.

These arrangements are considered appropriate to the scale and range of the Association's activities.

Auditors

Beaver and Struthers have expressed their willingness to continue as statutory auditor and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

Approved on behalf of the Board

Meera Bedi
Chair

Date: 27 July 2022

**REPORT OF THE INDEPENDENT AUDITORS TO
WESTWAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

Opinion

We have audited the financial statements of Westway Housing Association Limited (the 'Association') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cashflows, and notes to the financial statements, including a summary of significant accounting policies in Note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 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 Report of the Board of Management, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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

**REPORT OF THE INDEPENDENT AUDITORS TO
WESTWAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities in Respect of the Financial Statements set out on page 6, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 intends 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO
WESTWAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

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

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

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our Report

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

**Beever and Struthers
Chartered Accountants
Statutory Auditor**

15 Bunhill Row
London
EC1Y 8LP

Date: 8 August 2022

WESTWAY HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		£	£
TURNOVER	2	5,961,324	5,217,137
Cost of Sales	2	(1,083,241)	(593,774)
Operating expenditure	2	(3,450,296)	(3,227,298)
Gain on disposal of housing properties	2	419,676	
OPERATING SURPLUS	2	1,847,463	1,396,065
Interest receivable		500	220
Interest and financing costs	6	(387,111)	(346,354)
Surplus before tax		1,460,852	1,049,931
Taxation			
Surplus for the year after tax		1,460,852	1,049,931
Other comprehensive income:			
Actuarial gains/ (losses) in respect of pension scheme	22	108,000	(293,000)
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,568,852	756,931

The financial statements on pages 13 to 34 were approved and authorised for issue by the Board on 27 July 2022 and were signed on its behalf by:

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 17 to 34 form an integral part of these financial statements.

WESTWAY HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2022

	Revenue Reserves £
Balance at 1 April 2020	10,717,141
Surplus for the year	756,931
Balance at 31 March 2021	11,474,072
Surplus for the year	1,568,852
Balance at 31 March 2022	13,042,924

The notes on pages 17 to 34 form an integral part of these financial statements.

WESTWAY HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing land and buildings - gross cost	9		63,037,074		58,182,998
- depreciation	9		(9,640,044)		(9,159,559)
			<u>53,397,030</u>		<u>49,023,439</u>
Other fixed assets	10		18,899		21,415
			<u>53,415,929</u>		<u>49,044,854</u>
CURRENT ASSETS					
Stock	11a	597,571		93,456	
Trade and other debtors	11b	268,427		246,018	
Cash at bank and in hand	11c	4,434,178		4,697,377	
			<u>5,300,176</u>		<u>5,036,851</u>
CREDITORS					
Amounts falling due within one year	12	(3,129,516)		(3,154,601)	
NET CURRENT ASSETS/ (LIABILITIES)			<u>2,170,660</u>		<u>1,882,250</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>55,586,589</u>		<u>50,927,104</u>
CREDITORS: amounts falling due after more than one year	13	(42,191,646)		(38,970,014)	
Provision for liabilities					
Defined benefit pension liability	22		(352,000)		(483,000)
TOTAL NET ASSETS			<u>13,042,943</u>		<u>11,474,090</u>
RESERVES					
Share capital	17		19		18
Revenue reserves			<u>13,042,924</u>		<u>11,474,072</u>
TOTAL RESERVES			<u>13,042,943</u>		<u>11,474,090</u>

The financial statements on pages 13 to 34 were approved and authorised for issue by the Board on 27 July 2022

The notes on pages 17 to 34 form an integral part of these financial statements.

WESTWAY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£	£	£	£
Net cash generated from operating activities (see below Note i)		<u>1,437,067</u>		<u>2,350,677</u>
Cash flow from Investing activities:				
Property acquisitions	(6,389,948)		(528,229)	
Component replacements	(223,841)		(223,714)	
Purchase of other tangible fixed assets	(7,213)		(5,608)	
Grants received	836,000			
Proceeds from sales of tangible fixed assets	1,838,714			
Interest received	<u>500</u>		<u>220</u>	
Net cash outflow from Investing activities		(3,945,788)		(757,331)
Cash flow from financing activities				
Interest paid	(338,179)		(359,170)	
Repayment of borrowings	(1,287,777)		(586,388)	
New secured loans	4,000,000		2,000,000	
Loan issue costs	(128,523)		(38,385)	
Issued share capital	<u>1</u>		<u>3</u>	
Net cash inflow/(outflow) from financing activities		<u>2,245,522</u>		<u>1,016,060</u>
Net change in cash and cash equivalents		(263,199)		2,609,406
Cash and cash equivalents at beginning of the year		4,697,377		2,087,971
Cash and cash equivalents at end of the year		<u>4,434,178</u>		<u>4,697,377</u>
Note i		2022		2021
		£		£
Cash flow from operating activities		1,568,852		756,931
Adjustments for non-cash items:				
Depreciation of tangible fixed assets		633,001		625,458
(Increase) In debtors		(22,409)		(9,886)
Increase in creditors		151,000		126,767
Increase in provisions		138,474		18,162
Pension costs less contributions payable		(142,338)		258,990
(Increase)/ Decrease in stock		(504,116)		572,093
Government grants utilised in the year		(352,332.)		(343,972)
Surplus on sale of tangible fixed assets		(419,676)		
Adjustments for investing or financing activities:				
Interest and financing costs		387,111		346,354
Interest received		(500)		(220)
Net cash generated from operating activities		<u>1,437,067</u>		<u>2,350,677</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES

Legal Status

Westway Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 292B Kensal Road, North Kensington, London W10 5BE.

Basis of accounting

The Association's financial statements have been prepared in compliance with FRS 102. The Association transitioned from previous UK GAAP to FRS 102 as at 1 January 2014 and subsequently adopted the Housing SORP: 2018 update - Statement of Recommended Practice for registered social housing providers as at 1 January 2019.

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. The financial statements are prepared on the historical cost basis of accounting and are presented in Sterling (£).

The Association's financial statements have been prepared in compliance with FRS 102. As a public benefit entity, Westway Housing Association has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Going concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

From March 2021, the coronavirus pandemic affected the UK. Social isolating measures were introduced by the UK Government to protect the public and to help prevent the spread of the virus. The Association activated its business continuity plan and continually reviewed and revised our services as the public health emergency progressed.

The board have reviewed and considered relevant information, including the forecasts and future cash flows in making their assessment. In particular, in response to the coronavirus, the board have tested the cash flow analysis to take into account the impact on the Association of possible scenarios brought on by the impact of coronavirus, alongside the measures that they can take to mitigate the impact.

Based on these assessments, the board has a reasonable expectation that the Association will continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Turnover

Turnover comprises of rental and service charge income receivable, income from shared ownership first tranche sales, fees and revenue grants receivable from local authorities and amortised government grants received for housing properties.

Rental and service charges income is recognised when the property is available for let, net of voids. Income from first tranche sales is recognised at the point of legal completion of the sale.

Tangible fixed assets and depreciation

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Where the Association has a mixed tenure development which has more than one element, the Association allocates the cost of the land to each element of the scheme to reflect the respective values of the land for differing tenure types.

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

Depreciation is charged on the historic cost of the property components. Freehold land is not depreciated. Leasehold properties are depreciated over the shorter of the period of the lease or 100 years.

The Association depreciates the major components of its housing properties on a straight line basis over the component's expected economic useful life as follows:

Land	Not depreciated
Structure	100
Roof	100
Windows	30
Heating	20
Electrical	40
Kitchen	20
Bathroom	30
Lift	50

Housing properties in the course of construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

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

If housing properties have suffered impairment in value, the fall in value is recognised after taking account of any related capital grant.

Shared ownership properties

Under shared ownership arrangements, the Association disposes of a long lease to the occupier; the initial lease premium paid for the first tranche is typically for between 25 per cent and 75 per cent of the value. The occupier has the right to purchase further proportions. A shared ownership property comprises two assets: that to be disposed of in the first tranche, which is recorded as stock within current assets; and that retained by the Association, which is recorded as tangible fixed assets in the same manner as general needs housing properties. Proceeds of sale for first tranches are accounted for as revenue in the Income Statement, with apportioned cost being shown as cost of sales within operating results. Subsequent tranches sold (staircasing) are reflected as surpluses or deficits on sale of housing properties, shown within other gains and losses on the Income Statement.

The Association does not depreciate Shared ownership properties on the expectation that the net realisable value at the time of disposal will be in excess of the historic cost. Net residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Impairment

Housing properties are reviewed for impairment indicators at each reporting date. If such an indicator exists an assessment is carried out to determine if an impairment is required. Any impairment in an income generating unit is recognised by a charge to the Statement of Comprehensive Income. An impairment loss occurs when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is taken to be the higher of the fair value, less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets, or cash generating units concerned, or the present value of future cash flows to be derived from them, appropriately adjusted to account for any restrictions on their use. Cash generating units are defined as schemes except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger cash generating units

Other fixed assets and depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided, at rates calculated to write off the assets to their estimated residual values, on a straight-line basis over the expected economic useful lives of the assets as follows:

Office equipment - computers	25%
Office equipment - others	25%
Property fixtures and fittings	25%

Social Housing and other government grants

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

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

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

Capitalisation of Interest and development administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Stock and properties held for sale

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised is recognised immediately in the Statement of Comprehensive Income.

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Loan finance issue costs

Loan issue costs reflect arrangement fees payable in respect of loan facilities. Such costs are amortised over the term of the respective loan facility and offset against loan balances within creditors.

Leases

Operating lease rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Holiday pay accrual

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

Retirement benefits

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

Termination benefits

The cost of termination benefits are recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions

The Association only provides for contractual or legal liabilities that exist at the balance sheet date.

Value Added Tax

The Association is not registered for VAT and therefore all costs incurred where applicable are inclusive of VAT.

Financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. The term 'financial instrument' covers both financial assets and financial liabilities, and is recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financial transaction, the debtor is initially and subsequently measured at the present value of future receipts discounted at a market rate of Interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of contract.

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial liabilities

Trade creditors payable within one year that do not constitute financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial assets and liabilities

Financial assets are derecognised only where the contractual rights to cash flows from the asset expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Significant judgements and estimates

In the application of the Association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of estimation means that actual outcomes could differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The items in the financial statements where significant judgements and estimates have been made include:

- The Association participates in a multi-employer pension scheme (SHPS) which is in deficit. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the net liability and the annual defined benefit expenses (as analysed in Note 22).
- the housing properties and their components is based on the expected utility of the assets and a National Housing Federation matrix of property components; however, by their nature, component life cannot be determined with absolute certainty.
- Trade and rental debtors are included at undiscounted cost, net of a provision for bad debts made to offset potentially uncollectable amounts. Actual collection may vary from the amounts included.
- The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return.

WESTWAY HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

		2022				2021			
	Note	Turnover	Cost of Sales	Operating Costs	Operating Surplus	Turnover	Cost of Sales	Operating Costs	Operating Surplus
		£	£	£	£	£	£	£	£
SOCIAL HOUSING LETTINGS									
General needs	3	4,090,265	-	(2,902,917)	1,187,348	4,008,861	-	(2,697,120)	1,311,741
Supported housing	3	513,916	-	(466,044)	47,872	521,873	-	(487,925)	33,948
Shared Ownership	3	55,508	-	(68,919)	(13,411)	26,403	-	(42,253)	(15,850)
Total (note 3)		4,659,689	-	(3,437,880)	1,221,809	4,557,137	-	(3,227,298)	1,329,839
OTHER SOCIAL HOUSING ACTIVITIES									
First Tranche Shared Ownership Sales	3	1,291,625	(1,083,241)	-	208,384	660,000	(593,774)	-	66,226
Gain on disposal	25	-	-	-	419,676	-	-	-	-
Other income	3	10,010	-	(12,416)	(2,406)	-	-	-	-
Total		5,961,324	(1,083,241)	(3,450,296)	1,847,463	5,217,137	(593,774)	(3,227,298)	1,396,065

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Needs Housing	Supported Housing	Shared Ownership	Total 2022	Total 2021
	£	£	£	£	£
INCOME					
Rent receivable net of voids and Identifiable service charges	3,290,607	467,266	43,277	3,801,150	3,759,404
Service income	418,079	35,401	7,671	461,151	438,320
Amortised government grants	337,238	10,534	4,560	352,332	343,972
Net rental income	4,045,924	513,201	55,508	4,614,633	4,541,696
Other income	44,341	715		45,056	15,441
Turnover from Social Housing Lettings	4,090,265	513,916	55,508	4,659,689	4,557,137
OPERATING EXPENDITURE					
Management	698,251	225,642	45,374	969,267	907,968
Services	432,104	94,332	21,992	548,428	586,632
Routine maintenance	385,972	58,646	1,553	446,171	451,810
Planned maintenance	628,624	43,208		671,832	534,566
Major repairs expenditure					
Bad debts	19,857	20,603		40,460	17,828
Depreciation of housing properties	599,660	23,613		623,273	615,672
Other costs	138,449			138,449	112,822
Operating expenditure on Social Housing Lettings	2,902,917	466,044	68,919	3,437,880	3,221,298
Operating surplus on Social Housing Lettings	1,187,348	47,872	(13,411)	1,221,809	1,329,839
Rent loss due to voids	(21,215)	(10,514)		(31,729)	(17,057)

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4. DIRECTORS' EMOLUMENTS

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

	2022	2021
	£	£
The aggregate emoluments paid to non-executive Directors	12,250	11,500
The aggregate emoluments paid to executive Directors	248,454	256,421
The emoluments of the highest paid Director (Chief Executive), excluding pension contributions	97,205	102,836

The Chief Executive is an ordinary member of the Social Housing Pension Scheme. No enhancement or special terms apply and the Association makes no contribution to any individual pension arrangement. The employer's contribution for the financial year was £10,109 (2021: £9,989).

The Board of Management remuneration in the year was £12,250 (2021: £11,500) of which annual payments to the Chair are £3,000, Vice Chair and Treasurer £1,500 each, and £1,000 each to rest of the Board members.

5. EMPLOYEE INFORMATION

The *average* number of employees (including executive officers) during the year was:

	2022	2021
	Number	Number
Office staff	11	10
Wardens, caretakers and cleaners	4	5
	15	15

Full time equivalents (based on a 35 hour week)

Office staff	10.3	10.3
Wardens, caretakers and cleaners	4.0	4.2
	14.3	14.5

Staff costs (for the above persons)

	2022	2021
	£	£
Wages and salaries	629,246	643,309
Social Security costs	58,839	62,007
Pension costs	33,190	33,491
Termination benefits		9,169
	721,275	747,976

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:

£60,000 - £70,000		
£70,001 - £80,000		
£80,001 - £90,000		
£90,001 - £100,000		
£100,001 - £110,000		
£110,001 - £120,000		

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6. INTEREST PAYABLE AND FINANCING COSTS

	2022	2021
	£	£
On financial liabilities measured at amortised cost:		
On loans repayable wholly or partly in more than five years	377,102	341,354
RCGF accrued interest	9	
On defined benefit pension scheme:		
Expected return on plan assets	(46,000)	(44,000)
Interest on scheme liabilities	56,000	49,000
	387,111	346,354

7. SURPLUS ON ORDINARY ACTIVITIES

	2022	2021
	£	£
The operating surplus is stated after charging:		
Depreciation of housing properties	623,273	615,672
Depreciation of other fixed assets	9,729	9,785
Auditors' remuneration (excluding VAT):		
- In their capacity as auditors	9,015	8,595
- In respect of other services		
Operating lease payments	65,468	85,725

8. TAXATION

The Association is an exempt charity and is not liable to corporation tax on its income and gains to the extent that these are applied for charitable purposes.

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. TANGIBLE FIXED ASSETS - HOUSING

	Completed Housing Properties Held For Lettings	Completed Shared Ownership Properties	Total 2022	Total 2021
	£	£	£	£
COST				
At 1 April	57,039,989	1,143,009	58,182,998	57,628,452
Property acquisitions	1,351,604	5,038,344	6,389,948	528,229
Transfer to current assets - stock		(597,571)	(597,571)	(93,456)
Capitalised interest				
Component additions to existing properties	223,841		223,841	223,714
Disposals	(244,311)	(917,831)	(1,162,142)	(103,941)
At 31 March	58,371,123	4,665,951	63,037,074	58,182,998
DEPRECIATION				
At 1 April	9,159,559		9,159,559	8,647,828
Charge for year	623,273		623,273	615,672
Disposals	(142,788)		(142,788)	(103,941)
At 31 March	9,640,044		9,640,044	9,159,559
Net book value				
At 31 March	48,731,079	4,665,951	53,397,030	49,023,439
Housing properties comprises:				
Freehold properties			46,765,074	41,835,162
Long leasehold properties			16,271,999	16,347,836
			63,037,073	58,182,998

The Association had properties with a net book value of £30,352,398 (2021: £29,982,110) pledged as security for liabilities at 31 March 2022.

Works to existing properties in the year:	2022	2021
	£	£
Components capitalised	223,841	223,714
Amounts charged to expenditure	772,174	649,380

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10. OTHER FIXED ASSETS

	Office Equipment	Furniture and Fittings	Total 2022	Total 2021
COST	£	£	£	£
At 1 April	251,032	37,074	288,106	282,498
Additions	7,213		7,213	5,608
Disposals				
At 31 March	258,245	37,074	295,319	288,106
DEPRECIATION				
At 1 April	229,617	37,074	266,691	256,906
Charge for year	9,729		9,729	9,785
Disposals				
At 31 March	239,346	37,074	276,420	266,691
Net book value				
At 31 March	18,899		18,899	21,415

11. CURRENT ASSETS**11a. STOCK**

	2022	2021
	£	£
First tranche shared ownership properties	597,571	93,456

11b. TRADE AND OTHER DEBTORS

	2022	2021
	£	£
Amounts receivable within one year:		
Rents and service charge arrears	250,132	209,820
Less: provision for bad debts	(111,133)	(88,727)
	138,999	121,093
Prepayments & accrued income	122,970	122,376
Staff loans		
Other debtors	6,458	2,549
	268,427	246,018

	2022	2021
	£	£
11c. CASH AT BANK AND IN HAND	4,434,178	4,697,377

12. CREDITORS

	2022	2021
	£	£
Amounts falling due within one year:		
Housing loans instalments due (note 14)	1,111,693	1,287,777
Deferred capital grant (note 15)	351,832	343,972
Taxation and social security costs	10,774	28,313
Trade creditors	365,307	270,833
Rents and service charges paid in advance	286,422	266,548
Recycled Capital Grant Fund (note 24)	50,009	
Accruals and other deferred income	953,479	957,158
	3,129,516	3,154,601

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

13. CREDITORS

	2022	2021
	£	£
Amounts falling due after more than one year:		
Housing loans (note 14)	14,793,058	12,009,814
Deferred capital grant (note 15)	27,398,588	26,960,200
	42,191,646	38,970,014

14. HOUSING LOANS

Housing loans from lending institutions are secured by specific charges on the Association's housing properties. The loans are repayable by monthly/quarterly/half-yearly instalments of principle and interest, the final instalments of which fall to be repaid in the period 2025 to 2031. The loans bear interest at variable and fixed rates of between 1.66% and 10.23%.

Based on the lender's earliest repayment date, the loans are repayable as follows:

	2022	2021
	£	£
Housing loans repayable by instalments:		
Between one and two years	1,140,884	1,111,693
Between two and five years	2,019,837	2,577,388
In five years or more	11,833,334	8,416,667
	14,994,055	12,105,748
Less:		
Loan issue costs	(200,997)	(95,934)
	14,793,058	12,009,814
In one year or less	1,111,693	1,287,777
	15,904,751	13,297,591

15. DEFERRED CAPITAL GRANT

	2022	2021
	£	£
At 1st April	27,304,172	27,648,144
Grant received in the year	836,000	
Released to income	(352,332)	(343,972)
Recycled on disposal	(50,000)	
Released to disposal	12,580	
At 31 March	27,750,420	27,304,172
Amount due to be released < 1 year	351,832	343,972
Amount due to be released > 1 year	27,398,588	26,960,200
At 31 March	27,750,420	27,304,172

The total accumulated government grant received or receivable is £35,233,200 (2021: £34,397,200).

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16. FINANCIAL INSTRUMENTS

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

	2022	2021
	£	£
<u>Financial Assets</u>		
Financial assets measured at cost		
Cash and cash equivalents	4,434,178	4,697,377
Financial assets measured at amortised cost		
Rental debtors	250,132	209,820
Other debtors	6,458	2,549
Total Financial Assets	4,690,768	4,909,746
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost		
Trade creditors	365,307	270,833
Rents and service charges paid in advance	286,422	266,548
other creditors	1,003,488	957,158
Housing loans payable	15,904,751	13,297,591
Total Financial Liabilities	17,559,968	14,792,130

17. SHARE CAPITAL

	2022	2021
	£	£
Shares of £1 each issued and fully paid:		
At 1 April	18	15
Issued during the year	1	3
Cancelled during the year		
At 31 March	19	18

The share capital of the Association consists of shares with a nominal value of £1 each which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member the shares are cancelled.

18. ANALYSIS OF CHANGES IN NET DEBT

	Net Debt at Beginning of the Year	Cash Flows	Non-Cash Movements	Net Debt at End of the Year
	£	£	£	£
Cash	4,697,377	(263,199)		4,434,178
Housing loans due in one year	(1,287,777)		176,085	(1,111,692)
Housing loans due after one year	(12,009,814)	(2,607,160)	(176,085)	(14,793,059)
Total	(8,600,214)	(2,870,359)		(11,470,573)

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

19. CAPITAL COMMITMENTS

	2022	2021
	£	£
Capital expenditure which has been contracted for but not provided for in these financial statements		105,230
Capital expenditure which has been authorised by the Board but not contracted for	<u>3,264,204</u>	6,608,154
	3,264,204	6,713,384
The Association expects to finance the above commitments by:		
Social Housing Grant receivable	219,876	1,055,876
Loan Received	3,044,328	3,657,508
Cash Reserves		2,000,000
	<u>3,264,204</u>	<u>6,713,384</u>

There are no performance conditions attached to the above commitments.

20. OPERATING LEASES

At the end of the year the Association had the following commitments of future minimum lease payments relating to the head office in Kensal Road:

	2022	2021
	£	£
In one year or less	79,468	79,157
Between one and two years	79,787	79,468
Between two and five years		79,787
	<u>159,255</u>	<u>238,412</u>

21. ACCOMMODATION OWNED AND MANAGED

	2022	2021
	Number	Number
Social Housing Accommodation		
Owned properties under management at end of year:		
General needs housing social rent	457	458
General needs housing affordable rent	14	9
Supported housing	40	40
Shared ownership	19	5
	<u>530</u>	<u>512</u>
Managed on behalf of others at end of year:		
General needs social rent	11	11
General needs affordable rent	<u>18</u>	
	29	11
	<u>559</u>	<u>526</u>
Total homes in management at end of year	559	526

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. PENSION OBLIGATIONS

SCHEME: The Pensions Trust - Social Housing Pension Scheme

The Association participates in the Social Housing Pension Scheme ('SHPS'), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions ('TPT'). The accounting policy in relation to SHPS is set out on page 20.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 30 September 2020, updated to 31 March 2022 by a qualified independent actuary.

	31 March 2022	31 March 2021
	%per annum	%per annum
Discount Rate	2.79%	2.17%
Inflation (RPI)	3.59%	3.28%
Inflation (CPI)	3.20%	2.86%
Salary Growth	4.20%	3.86%
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

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. PENSION OBLIGATIONS (continued)

	2022	2021
	£	£
Analysis of amounts charged to expenditure		
Employer contributions	31,000	22,000
SHPS expenses	3,000	3,000
Employer service cost	10,000	5,000
	44,000	30,000
Analysis of pension finance income/ (costs)		
Expected return on pension scheme assets	(46,000)	(44,000)
Interest on pension liabilities	56,000	49,000
	10,000	5,000
Amounts charged to finance costs		
Amount of gains and losses recognised in the Statement of Comprehensive income		
Actuarial gains on pension scheme assets	68,000	157,000
Actuarial gains/ (losses) on scheme liabilities	40,000	(450,000)
	108,000	(293,000)
Movement in surplus/ (deficit) during year		
	£	£
Movement in year:		
Past service pension deficit liability as at 1 April de-recognised		
Employer service cost	(41,000)	(27,000)
SHPS expenses	(3,000)	(3,000)
Net interest/return on assets	(10,000)	(5,000)
Actuarial gains/ (losses) recognised	108,000	(363,000)
	54,000	(398,000)
Net gains/ (losses) at 31 March	54,000	(398,000)

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. PENSION OBLIGATIONS (continued)

Asset and Liability Reconciliation

	2022 £	2021 £
Reconciliation of liabilities		
Liabilities at start of period	2,565,302	2,040,712
Service cost	41,000	27,000
Interest cost	56,000	49,000
Employee contributions	22,538	21,590
SHPS expenses	3,000	3,000
Remeasurements	(40,000)	450,000
Benefits paid	(13,000)	(26,000)
	2,634,840	2,565,302
Reconciliation of assets		
Assets at start of period	2,082,302	1,809,712
Return on plan assets	46,000	44,000
Remeasurements	68,000	157,000
Employer contributions	77,000	76,000
Employee contributions	22,538	21,590
Benefits paid	(13,000)	(26,000)
	2,282,840	2,082,302
Net defined liability in scheme at 31 March	(352,000)	(483,000)

23. RELATED PARTIES

At 31 March 2022, there were two tenants of the Association serving on the Board as co-optees, Mr Leroy McKenzie and Miss Hayley Mongan.

Total rent charged in the year relating to co-opted members was £15,318 (2021: £14,269) and the total rent balance relating to the serving co-optees at 31 March 2022 was £1,621 prepaid (2021: £1,309 prepaid)

Co-opted members that are tenants of the Association have tenancies that are on the Association's normal commercial terms and they cannot use their position to their advantage.

24. RECYCLED GRANT FUND

	2022 £	2021 £
Opening balance		
Grants recycled	50,000	
Interest accrued	9	

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Closing balance

50,009

WESTWAY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

25. GAIN / (LOSS) ON DISPOSALS

	2022	2021
	£	£
Proceeds of sales	547,089	
Carrying value of fixed assets	(101,524)	
Grant amortised	(12,581)	
Selling costs	(13,308)	
	<u>419,676</u>	<u> </u>
Net gain on sale of fixed assets	419,676	

26. CONTINGENT LIABILITY - SOCIAL HOUSING PENSION SCHEME

We have been notified by the Trustee 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.