

Registered company number 4548803

# **BERNESLAI HOMES LIMITED**

(A Company Limited by Guarantee)

**Report and Accounts for the year ended 31 March 2022**

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## Board of Directors

Sinéad Butters  
Chair of the Board

Gary Ellis  
Independent Member

Mark Johnson  
Independent Member

Richard Fryer  
Independent Member

Jo Sudgen  
Independent Member

Liana Khachatryan  
Tenant Member

Adriana Rrustemi  
Tenant Member

Councillor Caroline Makinson  
(Date of resignation 31.05.22)

Councillor Sarah Tattersall

## Executive Officers

Amanda Garrard  
Chief Executive

Alison Rusdale  
Executive Director of  
Corporate Services  
(Date resigned 31.05.22)

Kulvinder Sihota  
Acting Executive Director  
of Corporate Services  
(Date of appointment 30.05.22)

Dave Fullen  
Executive Director of Customer  
and Estates Services

Arturo Gulla  
Executive Director of  
Property Services

Lee Winterbottom  
Managing Director  
Construction Services

Samantha Roebuck  
Company Secretary  
(Date appointed 01.10.21)

## Auditor

BDO LLP  
6<sup>th</sup> Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

## Bankers

Barclays Bank PLC  
10 – 18 Queen Street  
Barnsley  
S70 1SJ

## Solicitors

Walker Morris LLP  
33 Wellington Street  
Leeds  
LS1 4DL

## Registered Office

10<sup>th</sup> Floor  
Gateway Plaza  
Off Sackville Street  
Barnsley  
S70 2RD

### Statement from the Chair

Berneslai Homes, like others in our Sector, has seen continued challenge in delivering services to thousands of customers during a global pandemic. Despite these challenges, the Berneslai Team have continued to deliver high quality housing and responsive maintenance services, supporting tenants into work, and transitioned the business through pandemic to endemic. I am very proud of our Teams on the ground delivering against this challenging backdrop, and grateful for the hard work of all our colleagues in helping to deliver our ambitions for a modern forward looking, technology enabled Berneslai Homes. In progressing these plans, we have transformed our former Head Office into an agile working hub, supporting our move to an agile culture, which in turn will help transform and improve our services for the people that matter – Berneslai customers and tenants.

We move into year two of a 10-year contract with Barnsley Metropolitan Borough Council, providing housing management and maintenance services across the council housing stock. The council is a crucial partner for Berneslai and by building on this successful relationship we can drive improvements in the delivery of housing services. This partnership will ensure that we keep customers at the heart of everything we do. A key aspect of the Board has been the work to reshape our 10-year strategic plan, to ensure alignment with the Council's 2030 Plan. I am excited by the impact our social housing business can have on jobs, skills, and training and this is something our Board are keen to support going forward, with the launch of our new Employment and skills Plan. As part of our work on our strategic plan we also launched our new company values, Customer First, Can Do and Curious. These values are the fundamental principles on which Berneslai is based and which reflect our ethics and culture.

We plan to implement significant improvements to strengthen assurance around building and fire safety. This is a key area for us as we improve compliance in this area to ensure we can meet the requirements of the Building Safety Act and keep our tenants safe. The Board has greater visibility of delivery of safety actions and will provide a strong level of scrutiny as we look to deliver our ambitions in our Strategic Plan.

Our Tenant Voice Panel and Scrutiny Panel have worked closely with us to make sure that we are in a strong position as the Regulator for Social Housing develops their proactive framework for both setting high standards for tenants and measuring how landlords deliver against those standards. We have listened harder than ever to our tenant feedback through their, social media posts, opinions at meetings, views in surveys and mapped out their experiences of the service we deliver day in and day out. Most importantly we have developed a new service improvement framework which will deliver those on the ground and practical changes that our tenants deserve.

As we move into this new regulatory era, we are strengthening our partnership with tenants, supporting our Tenants and Resident Associations in their communities, involving tenants openly in our governance and assurance arrangements, co-designing services, and supporting tenants as they test and inspect our service.

I would like to thank all of my fellow members of the Board for their hard work and dedication throughout the year. In particular to Gary Ellis, Chair of Audit and former interim chair, Councillor Caroline Makinson and Liana Khachatryan who have all worked tirelessly for Berneslai Homes, and all stand down in September 2022. I would also like to welcome, Eric Smith our new Tenant Board member and Adam Hutchinson, our new Chair of Audit. We look forward to working with you!

And finally, On behalf of the Board, I would also like to thank all members of staff for their continued hard work and commitment to Berneslai Homes. I am looking forward to working with you all as we deliver on our new Berneslai Homes strategy and live our values as we deliver high quality services, keep our tenants safe, support people into work and invest in our neighbourhoods.



Sinéad Butters  
Chair  
29<sup>th</sup> September 2022

## Strategic Report

### Activities of the Company

Berneslai Homes Limited is a wholly owned and controlled Company of Barnsley Metropolitan Borough Council (BMBC) and is limited by guarantee. The Company manages and maintains the Housing stock and other Housing Revenue Account assets on behalf of the Council.

### Business review

The financial year 2021/22 was again a challenging year for the housing sector following on from the global pandemic.

The new Property Repairs and Improvement Partnership (PRIP) contract began its second year with Construction Services (CS) responsible for delivering two thirds of the contract. The financial year saw the PRIP contract operating as intended, moving away from the arrangement of the previous year where actual cost was charged and no profit, due to disruption around the pandemic. CS began operating for the first time, in the new PRIP contract, against the pricing structures of the commercial sector partner, Wates. The outturn for the year was the strongest in CS's existence, turning over just under £25M, with a surplus of £904K. An allowance was earmarked for disallowed costs of £315K. This is a form of risk pricing for where the pricing caps have been breached. The pricing cap breaches tend to be linked to pricing rates that are unachievable and market conditions relating to inflationary increases on material and from suppliers.

Berneslai Homes staff responded positively to the challenges and the Company has now embedded agile working arrangements. The head office refurbishment was completed and work commenced on the refurbishment of Carlton Depot to provide more locations for agile working. As lockdowns lifted and staff were able to return to the office environment year end sickness figures returned to pre-pandemic norms at 11.1 days.

Performance in relation to compliance has been a key focus during the year. A revised reporting framework is now in place and reviewed regularly by the Board, SMT, the Council and verified independently by third party auditors.

The Arm's Length Management Organisation continues to deliver for tenants, the Council and the communities we serve. Despite the pandemic overall tenant satisfaction with the services we deliver remains high at 85% (20/21 88%).

Rent collection performance remained strong with a 96.37% collection rate exceeding the target of 96%. There has been a continued focus on supporting customers in financial crisis. The number of tenants receiving Universal Credit (UC) has increased to almost 30% (26% 20/21) but the arrears for this group account for 71% of all arrears. Through our tenant support team and the Money Advice Worker we fund at Citizen Advice we have secured £811,770 benefit gain/grants for tenants. Performance on re-letting void properties saw a recovery in this area which was severely impacted by the pandemic reporting 40.26 days at the end of 2020/21. Void turnaround time in 2021/22 reduced to 31.02 days. A focus on more difficult to let properties being brought back into use resulted in only 125 properties being void at the end of the year, achieving lower levels than in the 3 preceding years.

The pandemic has had a big impact on the repairs and maintenance service due to the effect of lockdowns and increasing no access issues as a result of tenants self isolating. We quickly implemented covid safe working practices and responded to customer demand for repairs and continued wherever possible our planned programmes of work.

Our benchmarking club continues to evidence that we are high performing and low cost with high levels of satisfaction.

### Principal risks and uncertainties

Risk is a key consideration throughout our business planning process and the Risk Management Framework Strategy is an important component of Berneslai Homes' assurance framework. The Board and the Chief Executive have overall responsibility for risk management. The Head of Governance and Strategy, supported by the Risk & Governance Manager, is responsible for the organisation and promotion of risk management within Berneslai Homes.

The strategic risks, issues and concerns register is reviewed quarterly by the Executive Management Team (EMT), by Audit and Risk Committee and the Board. Every two years, a complete review of the corporate issues and concerns is also undertaken, during which a brainstorming session is undertaken providing an opportunity for everyone to discuss the significant areas of concern. A zero-based review of the strategic issues and concerns will be undertaken in 2022 by EMT and Board Members.

Each Directorate has a separate issues and concerns register, which assesses the concerns at an operational level. Operational concerns, the day-to-day issues arising whilst managing a service, are the responsibility of managers. They are monitored and reviewed quarterly by the respective senior manager and departmental managers. Each Directorate also undertakes two-yearly register reviews, which follow the same format as the strategic review. These reviews are also due in 2022.

EMT monitor the red (critical response) concerns from each of the operational registers. The process involves evaluating the critical response assessment and deciding whether it has been assessed correctly. If it remains critical, EMT will decide whether to accept the concern or whether to recommend further controls to mitigate it.

### Key current issues and concerns

There are currently 20 active strategic issues and concerns, of which five have been identified as requiring a Critical (Red) Response, which ensures they are given priority.

### Financial Performance for the year

The Board reports a deficit of £5,418k for the year (2021: deficit £5,870k). The deficit principally arose from expenses in relation to the company's share of the Local Government Pension Scheme to which it contributes, excluding such expenses the company made a surplus of £1,294K (2021: deficit of £714K). The Company had net liabilities of £14.3m (2021: net liabilities £27.8m) after accounting for net pension liabilities of £25.7m (2021: £39.6m). Turnover for the Company was £38.3m (2021: £32.9m).

### Key performance indicators

Performance management is linked to the aims and objectives of the Company and is central to ensuring the delivery of key business and service priorities.

The following key performance indicators are part of a suite of indicators reported quarterly to the Board and our shareholder Barnsley Metropolitan Borough Council.

## Berneslai Homes Limited

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Table of key performance indicators.

Indicator	2020/21 Target	2020/21 Performance	2021/22 Target	2021/22 Performance
The percentage of all tenants satisfied with the overall service provided	87-93%	88% (Unweighted 89%)	86 - 92%	85%
The percentage of tenants satisfied with the repairs and maintenance service	83-89%	80% (Unweighted 83%)	86 – 92%	79%
The proportion of local authority dwellings which are non-decent dwellings	4.00%	1.09%	0.00%	0.29%
Average time to re-let local authority housing (calendar days)	23	40.28	23	31.02
Rent collected by the local authority as a proportion of rents owed on HRA dwellings	96.00%	97.18%	96.00%	96.37%

Note : Performance during 2020/21 not achieving targets due to the impact of Covid restrictions.

*S. S. Roebuck*

Samantha Roebuck  
Company Secretary  
29<sup>th</sup> September 2022

## Directors' Report

The directors present their report and accounts for the year ended 31 March 2022.

### Activities of the Company

The activities of the Company are shown in the Strategic Report.

### Board Members and Executive Directors

The Board members and the Executive Officers of the Company are set out on page 1. The Board comprises an Independent Chair, 2 tenant representatives, 2 BMBC nominees and 4 independents.

The Executive Officers are the Chief Executive and the Functional Directors. All Executive Officers served throughout the year. A new Company Secretary was appointed in October 2020. The Board Members and Executive Officers have no financial interest in the Company.

### Employee Involvement and Development

It is recognised that the commitment of every employee is critical for the success of the Company. Employees are kept well informed by a variety of methods including team briefings, key messages, 1-2-1s, toolbox talks and focus groups to examine and consult upon specific issues. Berneslai Homes also has its own intranet site. We constantly seek feedback from our employees, using a variety of methods which include annual employee satisfaction surveys, regular pulse surveys and the Performance and Development Review (PDR) Process.

We recognise a number of trade unions and have a well-established consultation framework. We also utilise the Berneslai Involvement Group (BIG), which provides a forum for employees to generate ideas and oversee the development and implementation of plans to improve employee engagement, wellbeing and satisfaction across the organisation.

In 2020, the Company has successfully been re-accredited with the Investor in People (IIP) Gold Award. The IIP standard sets out the criteria for high performance through people. It is a framework to benchmark the effectiveness of leadership and management practices. The 3 year full assessment confirmed that we had improved and now have 6 areas all at the advanced level and 3 at the high performing level. The company was also assessed against Health and Wellbeing good practice award under the new generation 6 framework and achieved advanced level in all 3 areas. Our next full 3 year assessment is due March 2023.

We reviewed our Leadership training in 2021 and developed/launched our new cohesive Leadership model. Procurement of training providers has commenced, and briefing sessions provided to existing, new and potential leaders to encourage them to utilise these opportunities. We also developed a Coaching Culture model that includes Managers mandatory training and opportunities for those that wish to become accredited coaches.

Training needs are identified through the annual Learning and Development Plan and Performance and Development Reviews for all employees. This captures all training and development undertaken in the previous year together with evaluations, business outcomes and costs to ensure value for money.

Development is not limited to attending courses and conferences and we encourage our employees to job shadow, undertake back to the floor days, networking with other internal and external colleagues and organisations to maximise their potential.

### Employees with Disabilities

It is our policy that people with disabilities should have full and fair consideration for all vacancies, and those who meet the essential criteria are guaranteed an interview. In employment we ensure that reasonable adjustments are made for disabled employees and we have a Supporting Disabled

People at Work Policy. The policy ensures a consistent approach to the implementation of adjustments.

Those employees who become disabled during their employment are provided with support where possible to enable them to remain in their existing roles. The number of employees who have disabilities over the last few years has been stable at around 6%.

We have achieved repeated accreditation with Job Centre Plus through their Disability Confident Scheme. We have an “improving skills improving neighbourhoods” programme which provides work experience for disabled people, in addition to others who have been excluded from the workforce for some time, such as young offenders. We also target young disabled people to apply for our Office Apprenticeships and we successfully recruited young disabled people in our recruitment campaigns, some of whom have gained full time permanent employment with us. In 2020 we were successful in our application for employing 30 kickstart placements and already seeing positive outcomes with the majority who have already completed their programme gaining employment.

### Equality, Diversity and Inclusion

Berneslai Homes is committed to equality and inclusion, previously holding the accreditation at Excellent Level under the Social Housing Equality Framework and Equality being cited as a strength by Tenants Participation Advisory Service (TPAS) and IIP assessors. We have just recently been awarded the HDN ED&I accreditation with 10 distinctions.

We see equality and inclusion as core business values, which are embedded in our services, policies and procedures; from recruitment and selection, through to training and development, from service delivery that meets customers’ needs to involvement and engagement of diverse customers. Our 3 year Equality and Inclusion Strategy and action plan received Board approval in 2021 and Board will review the action plan and progress made on an annual basis.

The Company recognises that equality is an integral part of delivering a first class service. It is our policy to promote equality of opportunity for all, in an environment free from discrimination, harassment and victimisation. We embrace and promote diversity, recognising the benefits that it will bring in terms of culture, employee retention and recruitment, and business excellence. The EDI training provision was reviewed in 2021 and a more comprehensive and mandatory EDI training model has been approved and currently being implemented.

We continue to be a key partner in Your Voice Barnsley which supports all the equality forums, including the Lesbian, Gay, Bisexual and Transgender (LGBT), Black and Minority Ethnicity (BME), Gender and Disability forums. Support includes modest financial assistance and in-kind resources. We are a key partner in the Hate and Harassment Strategic Board and have a well-tested and robust approach to all forms of hate and harassment. .

### Internal Controls Assurance

The Board is accountable for the Company’s management and internal control system. The Chief Executive has responsibility for maintaining a sound system of control which supports the achievement of the organisation’s aims and objectives. The systems are designed to manage rather than eliminate the risk of failure to achieve these objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Chief Executive has reviewed the Internal Control framework developed by the Executive Team and taken account of comments made by Internal and External Audit, the IIP External Accreditation Report, and the Audit & Risk Committee and has confirmed that adequate procedures are in place. She is satisfied that there is sufficient evidence to confirm adequate systems of internal control

## Berneslai Homes Limited

existed and were operated throughout the year to ensure the proper management of significant risks facing the Company. No weaknesses were identified which have resulted in material misstatement or loss, which would have required disclosure in the financial statements.

### Financial Instruments

The Company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Company has no borrowings and the policy is to finance working capital from the retained cash surplus.

The Company does not actively use financial instruments as part of its financial risk management.

### Going Concern

The Company's balance sheet shows a net liability due to the inclusion of pension liabilities required under FRS 102. Berneslai Homes Limited does not have sufficient reserves to offset the pension liability and therefore the parent organisation, the Council, has undertaken to provide continuing financial support to enable the financial statements of Berneslai Homes Limited to be prepared on a going concern basis.

The Company's Construction Services PRIP contract with BMBC covers the period from 2020/21 to 2029/30. The management service contract is for a 10 year period from 2021/22 to 2030/31, thereby securing the Company's income streams for the foreseeable future. Together with cash and short term cash equivalents amounting to £10.7m as at 31 March 2022, the directors are therefore satisfied that the Company is a viable going concern for at least the next 12 months from the date of approval of these financial statements, which have thus been prepared on a going concern basis.

The Company has been closely monitoring rising inflation figures and the potential impact this may have on budgets and the delivery of repairs and maintenance jobs. Keeping the Board informed and liaising with BMBC with regards to the Housing Revenue Account and the allocation of funds.

### Directors Qualifying Indemnity Provision

The Directors benefited from qualifying third party indemnity provisions in place during the year and at the date of this report.

### Modern Slavery Act – Transparency Statement

Berneslai Homes is committed to eliminate as far as possible the risk of modern slavery and human trafficking in our organisation and in our supply chain. Our turnover for the year ended the 31 March 2022 is in excess of £38m, therefore we are now legally obliged to publish a Modern Slavery Statement each financial year which can be obtained by writing to the Company.

### Auditor

A resolution to reappoint BDO LLP as auditor of the Company will be agreed at the Annual General Meeting on 29<sup>th</sup> September 2022.

### Information Given to Auditors

So far as each of the Directors are aware at the time the report is approved:

- There is no relevant audit information of which the Company's auditors are unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Directors and signed on behalf of the Board on 29 September 2022.



Samantha, Roebuck, Company Secretary  
29<sup>th</sup> September 2022

## **Statement of Directors' Responsibilities**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

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

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

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## **Independent Auditor's Report to the Members of Berneslai Homes Limited**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Berneslai Homes Limited ("the Company") for the year ended 31 March 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

### **Other Companies Act 2006 reporting**

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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

### **Responsibilities of Directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

Based on our understanding of the Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Company's compliance

with Companies Act and tax legislation and we considered the extent to which non-compliance might have a material effect on the Financial Statements or the Company's continued operation.

We evaluated management's incentives for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and revenue cut off around year end.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in particular in relation to the estimation of the defined pension liability.
- Identifying and testing unusual journal entries, in particular any journal entries posted with certain key words.
- In respect of income from contracts and projects, agreement to support providing evidence of delivery and timing of delivery.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

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

DocuSigned by:  
  
6C315CA33A8C4C6...

Matthew Whitehouse

For and on behalf of BDO LLP, statutory auditor

Manchester

Date: 29 September 2022

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

## Income statement for the year ended 31 March 2022

	Notes	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
<b>Turnover</b>	4	38,344	32,859
Other operating income	7	933	408
Operating Costs		<u>(43,828)</u>	<u>(38,395)</u>
<b>Operating deficit</b>	6	<b>(4,551)</b>	<b>(5,128)</b>
Other finance costs	12	(875)	(752)
Interest receivable	8	<u>8</u>	<u>10</u>
<b>Deficit on ordinary activities before taxation</b>		<b>(5,418)</b>	<b>(5,870)</b>
Taxation on deficit on ordinary activities	13	-	-
<b>Retained deficit for the year</b>		<b><u>(5,418)</u></b>	<b><u>(5,870)</u></b>

All activities are continuing.

The notes on page 18 to 29 form part of these financial statements.

**Statement of comprehensive income  
for the year ended 31 March 2022**

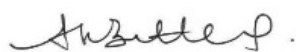
	Notes	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
Deficit for the financial year		(5,418)	(5,870)
Actuarial gain/(loss) on defined benefit pension scheme	12	18,921	(3,922)
<b>Total comprehensive income/(expenditure) for year</b>		<b>13,503</b>	<b>(9,792)</b>

The notes on page 18 to 29 form part of these financial statements.

## Statement of financial position at 31 March 2022

	Notes	£'000	As at 31 March 22 £'000	£'000	As at 31 March 21 £'000
<b>Fixed assets</b>					
Tangible assets	14	135		165	
Intangible assets	15	-		-	
			135		165
<b>Current assets</b>					
Stock	17	614		565	
Debtors	16	4,309		6,433	
Short Term Investments		9,300		8,142	
Cash at bank and in hand		1,415		266	
		15,638		15,406	
<b>Creditors:</b> amounts falling due within one year	18	(4,360)		(3,752)	
<b>Net current assets</b>			11,278		11,654
<b>Total assets less current liabilities</b>			11,413		11,819
<b>Creditors:</b> amounts falling due after more than one year	19		-		0
<b>Pension liabilities</b>	12		(25,716)		(39,626)
<b>Net liabilities</b>			<u>(14,303)</u>		<u>(27,807)</u>
<b>Capital and reserves</b>					
Retained surplus (excluding pension liability)			11,413		11,819
Pension reserve			(25,716)		(39,626)
<b>Retained deficit</b>			<u>(14,303)</u>		<u>(27,807)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 29 September 2022.



Sinéad Butters  
Chair Berneslai Homes Board



Mark Johnson  
Board Member

The notes on page 18 to 29 form part of these financial statements.

**Statement of changes in equity  
for the year ended 31 March 2022**

	Notes	Pension Reserve £'000	Retained Surplus £'000	Total Equity £'000
<b>Comprehensive (deficit)/income brought forward at 1 April 2021</b>		(39,626)	11,819	(27,807)
<b>Deficit for the year</b>		<u>-</u>	<u>(5,418)</u>	<u>(5,418)</u>
Current service cost of pension scheme	12	(5,837)	5,837	-
Actuarial Gain on pension scheme	12	18,921	-	18,921
Employer contributions to pension scheme	12	1,701	(1,701)	-
Past service cost of pension scheme	12	-	-	-
Net interest from pension scheme	12	(875)	875	-
<b>Other comprehensive income for the year</b>		<u>13,910</u>	<u>5,011</u>	<u>18,921</u>
<b>Comprehensive (deficit)/ income carried forward at 31 March 2022</b>		<u><u>(25,716)</u></u>	<u><u>11,413</u></u>	<u><u>(14,303)</u></u>

	Notes	Pension Reserve £'000	Retained Surplus £'000	Total Equity £'000
<b>Comprehensive (deficit)/income brought forward at 1 April 2020</b>		(32,101)	14,086	(18,015)
<b>Deficit for the year</b>		<u>-</u>	<u>(5,870)</u>	<u>(5,870)</u>
Current service cost of pension scheme	12	(4,228)	4,228	-
Actuarial loss on pension scheme	12	(3,922)	-	(3,922)
Employer contributions to pension scheme	12	1,553	(1,553)	-
Effect of curtailments	12	(176)	176	-
Net interest from pension scheme	12	(752)	752	-
<b>Other comprehensive (expenditure)/income for the year</b>		<u>(7,525)</u>	<u>3,603</u>	<u>(3,922)</u>
<b>Comprehensive (deficit)/ income carried forward at 31 March 2021</b>		<u><u>(39,626)</u></u>	<u><u>11,819</u></u>	<u><u>(27,807)</u></u>

The pension reserve forms part of the Company's Retained Surplus but is disclosed separately to show separately the movements in relation to the Company's Pension Scheme.

The notes on page 18 to 29 form part of these financial statements.

**Statement of cash flows for the year ended 31 March 2022**

	Notes	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
<b>Cash flows from operating activities</b>			
<b>Deficit for the financial year</b>		(5,418)	(5,870)
Adjustments for:			
Depreciation of tangible assets		38	36
Amortisation of intangible assets		-	21
Increase in stocks		(49)	(91)
Decrease/(increase) in debtors		2,124	(2,925)
Increase/(decrease) in creditors		608	(26)
Tax expense		-	-
Net interest receivable		(8)	(10)
Other costs		875	752
Difference between net pension expenses and cash contribution		4,136	2,851
		<u>2,306</u>	<u>(5,262)</u>
<b>Cash from operations</b>			
Taxation paid	13	-	-
<b>Net cash generated from/(absorbed by) operating activities</b>		<u>2,306</u>	<u>(5,262)</u>
<b>Cash flows from investing activities</b>			
Interest received	8	8	10
Purchases of tangible assets	14	(7)	(57)
<b>Net cash generated from investing activities</b>		<u>1</u>	<u>(47)</u>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>2,307</b>	<b>(5,309)</b>
Cash and cash equivalents at beginning of year		8,408	13,717
<b>Cash and cash equivalents at end of year</b>		<b><u>10,715</u></b>	<b><u>8,408</u></b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		1,415	266
Short term investments		9,300	8,142
		<b><u>10,715</u></b>	<b><u>8,408</u></b>

The notes on page 18 to 29 form part of these financial statements.

## Notes to the Accounts

### 1 Company Status and Parent Undertaking

Berneslai Homes Limited is a company 100% owned by Barnsley Metropolitan Borough Council (BMBC). The Company is limited by guarantee. The guarantors are listed in the Company's Register of Members. The liability in respect of the guarantee as set out in the memorandum, is limited to £1 per member of the Company.

### 2 Accounting Policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3). The following principle accounting policies have been applied:

#### Going Concern

The Company's balance sheet shows a net liability due to the inclusion of pension liabilities required under FRS 102. Berneslai Homes Limited does not have sufficient reserves to offset the pension liability and therefore the parent organisation, the Council, has undertaken to provide continuing financial support to enable the financial statements of Berneslai Homes Limited to be prepared on a going concern basis.

The Company's Construction Services arm secured the PRIP contract with BMBC, covering the period from 2020/21 to 2029/30, and the Company has also agreed a new management service agreement. The new management service contract is for a 10 year period from 2021/22 to 2030/31, thereby securing the Company's income streams for the foreseeable future. Together with cash and short term cash equivalents amounting to £10.7m as at March 2022, the directors are therefore satisfied that the Company is a viable going concern for at least 12 months from the date of approval of these financial statements, which have thus been prepared on a going concern basis.

#### Tangible fixed assets and depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives.

The principal annual rates used are:

Long leasehold improvements	over the term of the lease
Fixtures and fittings	20 - 33%

Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

#### Intangible assets and depreciation

Development costs for computer software are amortised over their estimated useful live of 5 years.

#### Stocks

Stock comprise costs incurred on Programme Maintenance Jobs, net of amounts transferred to cost of sales after deducting foreseeable losses and related payments on account.

### Accounting Policies continued:

#### **Stocks (cont.)**

Costs include all direct material and labour costs incurred in bringing a contract to its state of completion at the year end including an appropriate proportion of indirect expenses. Provisions for estimated losses on contract are made in the period in which such losses are foreseen. Programme Maintenance Jobs balances do not include attributable profit.

The excess of payments received over amounts recorded as turnover is classified under creditors due within one year. Amounts recoverable on contracts, being the amount by which recorded turnover is in excess of payments on account is classified under debtors.

Other stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Deferred Taxation**

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **Deferred Income**

Deferred Income is received for a specific activity which is to be delivered in the following financial year.

#### **Pension Costs**

The company participates in a funded defined benefit scheme, the South Yorkshire Local Government Pension Scheme (LGPS). Triennial actuarial valuations of the pension scheme are performed by an independent, professionally qualified actuary, using the projected unit method.

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 deficit is recognised in full and presented on the face of the statement of financial position. The movement in the scheme deficit is split between operating charges, financing items and, in the statement of comprehensive income, actuarial gains and losses in accordance with FRS 102.

#### **Holiday Pay Accrual**

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

#### **Short Term Investment Policy**

The company's treasury management strategy for 2021/22 is to use financial institutions with a minimum credit rating of A-. Money Market funds need a rating of "AAA".

Short term investments comprise money market funds and other short term deposit investments.

### Accounting Policies continued:

#### Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from other third parties and loans to related parties.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3 Judgements in applying accounting policies and key sources of estimated uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

#### Pensions

The critical underlying assumptions in relation to the estimates of the pension defined benefit scheme obligation include standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability or asset recorded and annual defined benefit expense.

#### Stocks

Stock is assessed annually and an impairment charge made where it is considered that the net realisable value is less than the carrying value.

### 4 Turnover

Turnover represents amounts invoiced to Barnsley Metropolitan Borough Council (BMBC) for the provision of housing management and construction services excluding value added tax during the year.

The management fee is agreed annually and received on a monthly basis. Construction Services invoice monthly for works undertaken under the Property, Repair and Improvement Partnership (PRIP) contract.

### 5 Government Grants (Other Operating Income)

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met.

Other operating income includes a financial contribution from BMBC for the implementation of a new IT repairs system.

## 6 Operating Deficit

This is stated after charging:

	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
Depreciation of tangible assets	38	36
Amortisation of intangible assets	-	21
Contribution to BMBC Housing Growth Programme	1,184	2,160
<i>Auditor's remuneration:</i>		
Fees payable to the company's auditor for the audit of the financial statements	19	17
Fees payable to the company's auditor for other services		
-services relating to tax	7	5
Inventory recognised as an expense	<u>2,149</u>	<u>2,057</u>

## 7 Other Operating Income

Other operating income comprises of the following Government Grants received in 2021/22 and BMBC Contribution to new IT Repairs System

	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
Education and Skills Grant	9	3
European Social Fund (ESF) - Tenants First Project	2	16
Kickstart Scheme	112	35
Job Retention Scheme (Furlough Payments)	-	354
BMBC Contribution	810	-
	<u>933</u>	<u>408</u>

## 8 Interest Receivable

	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
Cash deposits held with the Bank and Money Market Funds	<u>8</u>	<u>10</u>
	<u>8</u>	<u>10</u>

## 9 Staff Costs

	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
Wages and salaries	15,458	14,002
Social security costs	1,479	1,352
Other pension costs	1,702	1,493
	<u>18,639</u>	<u>16,847</u>

**9 Staff Costs continued:**

Average number of employees during the year:

	<b>Year ended 31 March 22</b>	<b>Year ended 31 March 21</b>
	<b>No.</b>	<b>No.</b>
Customer & Estate Services	140	136
Assets & Regeneration	49	51
Construction Services	248	229
Senior Management and Corporate Services	66	46
	<u>503</u>	<u>462</u>

**10 Directors' Emoluments**

	<b>Year ended 31 March 22</b>	<b>Year ended 31 March 21</b>
	<b>£'000</b>	<b>£'000</b>
Directors' emoluments	40	37
Total non executive directors' expenses in respect of qualifying services	<u>-</u>	<u>-</u>

There were no executive directors.

Emoluments disclosed above include £11,733 (2021:£8,219) paid to the highest paid director.

The Company did not make any contributions under pension arrangements on behalf of any directors (2021:nil).

**11 Executive Officers Emoluments**

	<b>Year ended 31 March 22</b>	<b>Year ended 31 March 21</b>
	<b>£'000</b>	<b>£'000</b>
Executive Officers' emoluments	<u>633</u>	<u>619</u>

The executive officers are considered to be key management personnel under FRS 102.

**12 Pension Obligations****Local Government Pension Scheme**

Berneslai Homes Limited is a scheduled employer of the South Yorkshire Local Government Pension Scheme (LGPS) a funded defined benefit pension scheme. The Company entered into the scheme upon TUPE transfer of its staff from the Council. Under the guidance issued by the ODPM, the pension liabilities accrued at the time of the TUPE transfer of staff will remain with the Council.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 March 2022 was £2,303,146 (2021:£2,352,593) of which employers contributions totalled £1,414,504 and employees' contributions totalled £888,642.

### Local Government Pension Scheme continued:

The disclosures required under FRS 102 have been calculated by a qualified independent actuary, Hymans Robertson LLP. The date of the last full actuarial valuation was 31 March 2019.

The actuaries estimate that the net pension liability as at 31 March 2022 is £25,716,000 (31 March 2021 : £39,626,000). It is Berneslai Homes' intention to continue to contribute towards the scheme at the recommended contribution rate in future years. Berneslai Homes have no additional plans to actively address the current net pension liability.

The financial assumptions used for the purpose of the FRS 102 calculation as at 31 March 2022 were as follows:

	At 31 March 2022	At 31 March 2021
Pension increase rate (CPI)	3.2%	2.8%
Salary increase rate	4.20%	3.95%
Discount rate	2.7%	2.1%

*\*An adjustment has been made for short term pay restraint in line with the latest actuarial valuation*

### Mortality assumptions

The post-retirement mortality assumptions used to value the benefit obligation at March 2021 and March 2022 are based on the S2PA series projected to calendar year 2042 for non-pensioners.

Within the past three years, investigations have been carried out by the scheme actuaries into the mortality experience of the company's scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates.

### The assumed life expectations on retirement at age 65 are:

	2022 No. of years	2021 No. of years
<b>Retiring today:</b>		
Males	22.6	22.5
Females	25.4	25.3
<b>Retiring in 20 years:</b>		
Males	24.1	24.0
Females	27.3	27.2

## Berneslai Homes Limited

### Local Government Pension Scheme continued:

#### Amounts recognised in the balance sheet:

	2022 £'000	2021 £'000
Present value of funded obligations	(177,216)	(177,942)
Present value of unfunded obligations	(594)	(620)
Fair value of plan assets	152,094	138,936
	<u>(25,716)</u>	<u>(39,626)</u>
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Deficit	<u>(25,716)</u>	<u>(39,626)</u>
Related deferred tax asset	-	-
Net liability	<u><u>(25,716)</u></u>	<u><u>(39,626)</u></u>

#### Analysis of the amount charged to income and expenditure account:

	2022 £'000	2021 £'000
Current service cost	(5,837)	(4,228)
Net Interest cost	(875)	(752)
Administration expenses	-	(68)
Past Service cost	-	-
Effect of curtailments	-	(108)
Total operating charge	<u><u>(6,712)</u></u>	<u><u>(5,156)</u></u>

£5,837k charged (2021: £4,228k charged) to the operating surplus and £875k credited (2021: £752k credited) to other finance income and costs.

#### Amounts recognised in the statement of total recognised surpluses and deficits

	2022 £'000	2021 £'000
Actuarial gains/(losses) relating to pensions	<u>18,921</u>	<u>(3,922)</u>

The company expects to contribute £1,698k to its defined benefit pension scheme in 2022/23.

#### Changes in present value of defined benefit obligation:

	2022 £'000	2021 £'000
Opening defined benefit obligation	(39,626)	(32,101)
Service cost	(5,837)	(4,296)
Interest cost	(875)	(752)
Past service (cost)/gain	-	-
Effect of curtailments	-	(108)
Actuarial (losses)/gains	18,921	(3,922)
Employer contributions	1,701	1,553
Closing defined benefit obligation	<u><u>(25,716)</u></u>	<u><u>(39,626)</u></u>

## Berneslai Homes Limited

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### Local Government Pension Scheme continued:

#### Major categories of plan assets as a percentage of total plan assets:

	2022	2021
Equities	66%	69%
Bonds	24%	21%
Property	9%	9%
Cash	1%	1%

#### Amounts for current and previous four periods are as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Present value of defined benefit obligation	(177,810)	(178,562)	(148,289)	(153,262)	(136,407)
Fair value of scheme assets	152,094	138,936	116,188	118,931	112,438
Deficit on scheme	(25,716)	(39,626)	(32,101)	(34,331)	(23,969)
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

### 13 Tax on ordinary activities

Berneslai Homes Limited has been granted non trading status by HM Revenue & Customs. The directors have prepared the accounts based on this assumption.

#### (a) Analysis of charge in period

	Year ended 31 March 22 £'000	Year ended 31 March 21 £'000
<b>Current Tax:</b>		
UK corporation tax on deficit for period	-	-
Adjustments in respect of prior periods	-	-
<b>Total current tax (note 13b)</b>	-	-

#### 13(a) Analysis of charge in period

<b>Deferred Tax</b>		
Origination & reversal of timing differences	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax on deficit on ordinary activities</b>	-	-

## Berneslai Homes Limited

### Tax on ordinary activities continued:

#### (b) Factors affecting tax charge for period

The tax assessed is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Deficit on ordinary activities before tax	<u>(5,418)</u>	<u>(5,870)</u>

#### 13(b) Factors affecting tax charge for period

Deficit on ordinary activities multiplied by the standard rate of corporation tax 19% (2021: 19%)	(1,029)	(1,115)
Effects of:		
Expenses not deductible for tax purposes	8,443	7,399
Deferred tax not recognised	2	7
Income not taxable	(7,421)	(6,302)
Fixed asset differences	7	11
Remeasurement of deferred tax for changes in tax rate	(2)	-
	<u>-</u>	<u>-</u>

#### Provision for Deferred Tax

There is a potential deferred tax asset of £5K (2021: £11K) which is not provided for in these accounts as the directors do not believe that it is likely to reverse in the foreseeable future.

#### 14 Tangible Assets

	<b>Leasehold Improvements £'000</b>	<b>Fixtures + Fittings £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>			
At 1 April 2021	719	186	905
Transfers	-	-	-
Additions	-	7	7
At 31 March 2022	<u>719</u>	<u>193</u>	<u>912</u>
<b>Depreciation</b>			
At 1 April 2021	619	121	740
Transfers	-	-	-
Charged in year	16	22	38
At 31 March 2022	<u>635</u>	<u>143</u>	<u>778</u>
<b>Net book value</b>			
At 31 March 2022	<u>84</u>	<u>50</u>	<u>134</u>
At 31 March 2021	<u>100</u>	<u>65</u>	<u>165</u>

## Berneslai Homes Limited

### 15 Intangible Assets

	Development Costs £'000
<b>Cost or valuation</b>	
At 1 April 2021	249
Additions	-
Disposals	-
At 31 March 2022	<u>249</u>
<b>Amortisation</b>	
At 1 April 2021	249
Charged in year	-
Disposals	-
At 31 March 2022	<u>249</u>
<b>Net book value</b>	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>-</u>

### 16 Debtors

	As at 31 March 22 £'000	As at 31 March 21 £'000
Trade debtors	45	22
BMBC debtors	3,703	6,001
Other debtors	498	325
Prepayments & accrued income	64	89
Less provision for bad debts	(1)	(4)
	<u>4,309</u>	<u>6,433</u>

The gain recognised in the deficit for the period in respect of bad and doubtful trade debtors was £2,964 (2021 gain of £3,305).

The BMBC debtors are interest free and repayable on demand.

### 17 Stock

	As at 31 March 22 £'000	As at 31 March 21 £'000
Raw materials	614	565
	<u>614</u>	<u>565</u>

## Berneslai Homes Limited

### 18 Creditors: amounts falling due within one year

	As at 31 March 22 £'000	As at 31 March 21 £'000
Trade creditors	1,405	1,421
BMBC creditors	709	389
Corporation tax	-	-
VAT	596	474
Other tax and social security	449	337
Other creditors	369	294
Accruals & deferred income	832	837
	<u>4,360</u>	<u>3,752</u>

The BMBC creditors are interest free and repayable on demand.

### 19 Creditors: amounts falling due after one year

	As at 31 March 22 £'000	As at 31 March 21 £'000
Other creditors	-	-
	<u>-</u>	<u>-</u>

### 20 Financial instruments

	As at 31 March 22 £'000	As at 31 March 21 £'000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>14,566</u>	<u>14,539</u>
<b>Financial liabilities</b>		
Financial liabilities that are debt instruments measured at amortised cost	<u>3,315</u>	<u>2,940</u>

Financial assets measured at amortised cost comprise cash and debtors (excluding corporation tax and prepayments).

Financial liabilities measured at amortised cost comprise creditors (excluding corporation tax, VAT, social security and deferred income).

## Berneslai Homes Limited

### 21 Financial commitments

#### Operating lease commitments

The total payments which the company is committed to make under operating leases are as follows:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Equipment, leases expiring:		
within one year	320	9
one to five years	1,554	-
beyond five years	1,243	-
	<u>3,117</u>	<u>9</u>

### 22 Related parties transactions

Board members Liana Khachatryan and Adriana Rustemi are residents in properties owned and maintained by the parent undertaking, Barnsley Metropolitan Borough Council. These residents have a standard tenancy agreement and are required to fulfill the same obligations and receive the same benefits as other tenants.

The Company leases its Head Office based at Gateway Plaza from its parent Company and pays a rental charge of £310,796 per annum.

### 23 Parent undertaking

The company is a wholly owned subsidiary of Barnsley Metropolitan Borough Council, which is the largest and smallest group for which consolidated accounts are prepared. In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party. Consolidated accounts are available from Barnsley Metropolitan Borough Council's website.