Annual Report of the Directors and

Financial Statements for the Year Ended 31st March 2023

for

EMPOWER HOUSING ASSOCIATION LIMITED

Contents of the Financial Statements
for the Year Ended 31st March 2023

Company Information
for the Year Ended 31st March 2023

DIRECTORS:	Mr Robert Paul Wakefield Mr Mark Ian Dunford Mrs Stephanie Murphy Mr Marcus David Evans Mr John Clark (Appointed 28 September 2022) Mrs Tracy Woods (Resigned 25 April 2023)
SECRETARY:	Mrs Sara Sharrock (Appointed 7 November 2022) Mr Lee Sugden (Resigned 7 November 2022)
EXECUTIVE MANAGEMENT:	CEO - Mrs Sara Sharrock (Appointed 7 November 2022) Interim CEO - Mr Lee Sugden (Resigned 7 November 2022) Operations Director - Mrs Michelle Lee
REGISTERED OFFICE:	33-35 Hollinshead Street Chorley Lancashire PR7 1EP
REGISTERED NUMBERS:	04874816 Companies House (England and Wales) 9097 - Financial Conduct Authority – from 1 July 2023 4663 – Regulator of Social Housing
SENIOR STATUTORY AUDITOR:	Andrew Carl Caunce FCCA
EXTERNAL AUDITORS:	Abrams Ashton-Chorley Limited Statutory Auditor Chartered Certified Accountants 41 St Thomas's Road Chorley Lancashire PR7 1JE
INTERNAL AUDITORS:	TIAA Ltd Artillery House Fort Fareham Newgate Lane Fareham PO14 1AH
PRINCIPAL BANKERS:	HSBC 26 Market Street Chorley Lancashire PR7 2RX

EMPOWER HOUSING ASSOCIATION LIMITED

Report of the Directors for the Year Ended 31st March 2023

The directors present their report with the financial statements of the company for the year ended 31st March 2023.

The company is classed as a Public Benefit Entity. The statements have been prepared in accordance with SORP 2018 and UK GAAP including FRS102.

LEGAL STATUS

Empower Housing Association Limited (Empower) converted to a Charitable Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014 on 1 July 2023 and is registered with the Financial Conduct Authority registered number 9097, and is a Registered Provider of social housing, registration no. 4663. Empower was previously a company limited by guarantee registered under the Companies Act 2006, company no. 04874816.

PRINCIPAL ACTIVITY

The principal activity of Empower continues to be the management and maintenance of properties for the purpose of supported housing rentals.

REVIEW OF BUSINESS

Empower Housing Association was established in 2003 and registered as a not-for-profit provider of social housing in 2011. Empower specialises in providing homes across England and Scotland for adults with supported housing needs, and being experts in this field allows us to focus on empowering our tenants to live as independently as possible. We pride ourselves in putting people at the heart of all we do.

This year has once again been challenging for us all, and particularly for some of our tenants. We are adapting to life post Covid, and are living in increasingly difficult economic times with increasing food and fuel costs and the continued increase of material costs and supply chain issues. Our colleagues have again worked tirelessly to continue to provide excellent services to ensure we can continue to deliver the best possible services for our tenants.

We launched our Corporate Plan in 2022, defining our Purpose, Values and Priorities across 3 key themes of our services, our homes and our business, we reviewed and updated our plan in 2023 and extended this to 2026. Each of our priorities is underpinned by actions and measures to determine whether we succeed. We will continue to develop our plan ensuring that it encompasses the recommendations from the Better Social Housing Review and updated Consumer Regulation. We will monitor and report performance against our priorities to Board and in our Annual Report.

<table>
<tr><th colspan="3">Corporate Plan 2022</th></tr>
<tr><th colspan="3">Our Purpose</th></tr>
<tr><td colspan="3">To provide specialised housing solutions that allow people to live independently, enabling their ability to thrive.</td></tr>
<tr><th colspan="3">Our Values</th></tr>
<tr><th>We are Caring</th><th>We are Supportive</th><th>We are Inclusive</th></tr>
<tr><td>We care passionately about what we do and have the utmost respect for people and their abilities.</td><td>We work with our partners to find creative and innovative solutions to tenants’ needs. We recognise the importance of our team and are committed to being an employer of choice.</td><td>We are instinctively honest and open. Our team are committed to the work we do and put the individual needs of our people at the heart of all we do.</td></tr>
<tr><th colspan="3">Our Objectives and Priorities</th></tr>
<tr><td colspan="3">1. High Quality Services
Providing a caring, high quality and efficient housing service</td></tr>
<tr><td colspan="3">Priorities:
1. Ensure we listen, understand and involve our tenants to help shape services.
2. Challenge the ways we work and strive to improve service quality and value for money.
3. Delivering high performing services</td></tr>
</table>

2. Safe and Sustainable Homes
Providing a safe and secure quality home for our tenants that delivers for the environment

Priorities:

1. **Complying with legal and Reguatory requirements as a minimum**
3. **Shape our investment strategy to deliver a reduced carbon footprint.**
4. **Providing homes for life**

3. Healthy Business
A well run, financially robust and compliant organisation that is a great place to work

Priorities:

1 **Financially resilient and well-governed to support future growth.**
2 **Provide a great place for people to work.**
3 **Be recognised as a leader in the provision of Supported Housing**

During the year we acquired a further 12 bedspaces, at the end of March 2023 we provided homes for 440 tenants, 27 of which are owned, this growth is in line with our strategic and financial plan.

CUSTOMER SERVICE AND TENANT INVOLVEMENT
Empower is committed to providing excellent customer service in all that we do. We work with our partners and tenants to find creative and innovative solutions to meet our tenants needs now and in the future. We provide an out of hours call service which is managed by our colleagues and ensures we are accessible 24/7/365, our properties are maintained by our inhouse maintenance team and our external partner contractors. Our overall tenant satisfaction during 2022/23 was 94%.

We have developed a Tenant involvement strategy and action plan during 2022/23 and will develop this in conjunction with the Better Social Housing Review (BSHR) and new Consumer Regulation.

BUILDING SAFETY
We have focused on building safety during the year particularly Fire Risk Assessments and Legionella Assessments and associated remedial works - all of which have been completed. We have introduced a policy on Damp Mould and Condensation, reviewed our systems, processes and reporting, provided training to all colleagues and worked with our tenants and care providers in identifying damp and mould and reducing condensation in their homes.

OUR COLLEAGUES
Recognising that our colleagues are our most valuable asset we have worked closely with colleagues during the year reviewing how we work and where we can improve to ensure we are an employer of choice, this has included supporting colleague development, training and wellbeing. We carried out our first colleague satisfaction survey in 2022 with 93% of colleagues reporting that they were happy or very happy with overall satisfaction with the job, and 93% saying that they were satisfied that opinions are listened to.

FINANCIAL OVERVIEW
Turnover has reduced by 2% during the year mainly as a result of re- negotiating leases and rents to ensure regulatory compliance. An exceptional one off item of other income is recorded during the year, this is not expected to reoccur. We spent £1m (£749k 21/22) on repairs and renewals at our properties, this includes component replacements in leased properties that are expensed via the income statement. Costs and interest payable have increased due to increasing inflation and Bank of England base rates, resulting in an overall surplus of £545k (21/22 £425k).

Report of the Directors
for the Year Ended 31st March 2023

TREASURY MANAGEMENT
At 31 March 2023, Empower had 3 loans with total loan facilities of £1.2m of which £1.13m. has been drawn. Empower is working to consolidate the 3 loans and increase the overall loan facility and improve on margins during 2023. 55% of the Association's housing properties were charged as loan security.
The March 2023 business plan does not require any additional funding throughout the life of the plan. Empower complied with all financial covenants.

At the year end, Empower held cash balances totalling £1.85m (21/22: £1.57m), an interest bearing deposit account has been put in place in 2023.

The reserves at 31 March 2023 totalled £3.99m (21/22: £3.45m). The financial business plan results in surpluses each year which are re-invested in existing homes, services and planned new developments with some provision for contingencies. The Board is satisfied that the reserves at 31 March 2023 are at a level that is appropriate for the business.

Empower implemented a Treasury Management and Investment policy in May 2022 to ensure the stability of the long-term financial position and to optimise returns while protecting the cash resources and minimise risk while borrowing funds. Empower is in the process of refinancing in 2023 to aid future growth and will update Policies as part of this exercise.

FUTURE DEVELOPMENTS
We plan to continue our programme of modest growth with existing and new partners and by acquiring our own properties. A series of service reviews are planned to ensure we are making best use of our resources including technology, ensuring the integrity of our data and maintaining regulatory and legal compliance. We launched a new 3 year Corporate Plan in 2023 ensuring that our customers remain at the heart of all that we do, this reflects the recommendations from the BSHR and new consumer Regulation along with developing tenant involvement and engagement.

COMPLIANCE WITH REGULATORY STANDARDS
Empower Housing Association is pleased to report that following a period of detailed working with the Regulator of Social Housing, it has now been confirmed as compliant with the Regulatory Standards, including the Governance and Financial Viability Standard, with the Regulator removing the Regulatory Notice in April 2023. The Notice was issued in September 2021 and set out a number of areas that required improvement to achieve compliance with the Regulator's Governance and Financial Viability Standard and the provision of further assurance in relation to compliance with the Rent Standard. The Board and Management Team have worked diligently throughout the year to deliver a Voluntary Undertaking and comprehensive action plan agreed with the Regulator, to address all aspects of regulatory compliance.

CODE OF GOVERNANCE
Empower has adopted the principles and provisions of the NHF Code of Governance 2020. An assessment of compliance with the Code is undertaken annually. The Board confirms that Empower is fully compliant with the 2020 Code of Governance.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st April 2022 to the date of this report.

Mr Robert Paul Wakefield
Mr Mark Ian Dunford
Mrs Stephanie Murphy
Mr Marcus David Evans

Other changes in directors holding office are as follows:

Mr John Clark - appointed 28th September 2022

Mrs Tracy Louise Woods ceased to be a director after 31st March 2023 but prior to the date of this report.

Report of the Directors
for the Year Ended 31st March 2023

GOVERNANCE ARRANGEMENTS
The Empower Board, detailed on page 1, is responsible for the strategic direction of the organisation and ensuring the achievement of the organisation's vision and the objectives set out in the Corporate Plan. To do this, the Board establishes the organisation's overall policy and strategy and monitors compliance with its values and performance targets within a clearly defined framework of delegation and system of control.

The Board appointed a Vice Chair during the year and reviewed its composition. In line with the NHF Code of Governance 2020, additional guidance for smaller organisations Board reviewed its structure and concluded that at the current time sub committees of the Board are not required. The Board has significant recent and relevant financial, governance and risk management experience ensuring a good understanding of current best practice and requirements and obtains assurance on key functions particularly audit & control, governance & risk and finance. This will be reviewed annually.

During 2022/23, the Board met on 6 occasions and held a formal Strategic Away Day to discuss the strategic direction of the organisation and key business risks.

The skills and knowledge of our members includes the areas of finance; VFM, risk; strategic management; governance and Regulation, equality, diversity and inclusion; asset and information management and specialist supported housing which helps to ensure that the Board is in a strong position to make informed and appropriate decisions for the organisation in the challenging environment we are working in.

Board members are very supportive of the organisation - this is reflected through involvement in discussion and decision making and good attendance (average 93% attendance at Board meetings during 2022/23).

Operational management is delegated to the Executive Team (detailed on page 1) who meet weekly and attend Board Meetings. The Executive Team have no financial interest in Empower.

Insurance policies are in place that indemnify Board members and the Executive Team and Officers against liability when acting on its behalf.

HEALTH AND SAFETY
The Board is aware of its responsibilities on all matters relating to health and safety. H&S consultants were appointed during the year to review health and safety management across all colleague functions, this includes comprehensive health and safety policies, procedures, risk assessments, training and advice. Our building quality, development and compliance team manage all building safety and compliance, supported by external expertise where required.

EQUALITY, DIVERSITY AND INCLUSION
Empower has an Equality, Diversity and Inclusion Policy which is fundamental to our core values. During the year we have been working towards meeting the key objectives of our EDI policy, which was approved in March 2022, one of which is to better understand the composition of our tenants, colleagues, and Board for each of the protected characteristics, and aim to reflect the communities we serve, provide accessible services and consider the needs of future tenants. We have also:

o Developed an EDI monitoring form which includes all 9 Protected Characteristics and information regarding caring responsibilities.
o Our Board have all completed the monitoring form and this has been used to inform the Board composition statement.
o Reviewed the data we collect and hold from our tenants and have expanded the protected characteristics to be captured as part of new tenant questionnaires that cover ethnicity, gender, disability and age.
o Requested that colleagues complete the EDI monitoring form
o Plan EDI retaining for all colleagues in 2023.

We will continue to review and develop our key objectives as we develop our action plan to address the issues raised in the BSHR.

Report of the Directors
for the Year Ended 31st March 2023

VALUE FOR MONEY (VFM)

Empower implemented a Value for Money Strategy and action plan and Procurement Strategy during 2022 to ensure that we are using our resources effectively, providing excellent services and delivering efficiencies where possible. We have identified efficiencies in setting our 2023/24 budget and will work to identifying a peer comparison group to benchmark our costs and monitor how we perform in delivering VFM.

VFM METRICS

The RSH value for money standard and code of practice outlines seven key financial metrics to be measured and reported against each year along with comparisons against our peer's performance. The table below shows our performance for 2022/23 compared to last year's performance, and our March 23 business plan targets for the next 5 years. It should be noted that the calculations below are based on the Regulators definition and may differ to our financial loan covenants.

VALUE FOR MONEY METRICS - SUMMARY	peer group *	EMPOWER						
	21/22	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	actual	budget	actual	budget	forecast	forecast	forecast	forecast
Metric 1 - Reinvestment %	6.3%	19.4%	11.5%	20.2%	19.0%	17.2%	14.3%	14.1%
Metric 2A) - New supply delivered % (Social housing units)	2.6%	1.5%	2.8%	1.4%	1.4%	1.3%	1.3%	1.3%
Metric 2B) - New supply delivered % (Non-social housing units)	0.01%	0%	0%	0%	0%	0%	0%	0%
Metric 3 - Gearing %	20%	0%	0%	0%	0%	0%	0%	0%
Metric 4 - EBITDA-MRI %	2405%	1438%	1840%	1349%	2517%	3951%	6109%	-
Metric 5 - Headline social housing cost per unit	£11,911	£15,660	£15,493	£15,899	£17,126	£17,733	£18,083	£18,676
Metric 6A) Operating Margin % (social housing lettings only)	11.1%	5.3%	9.8%	8.1%	8.0%	8.0%	8.2%	8.8%
Metric 6B) Operating Margin % (overall	9.1%	5.3%	9.8%	8.6%	8.4%	8.4%	8.6%	9.2%
Metric 7 Return on Capital Employed	5.0%	8.2%	15.3%	13.5%	12.7%	12.0%	11.9%	11.7%

The Association has benchmarked performance taken from the Global VFM Metrics 21/22 for organisations identifying as SH specialist in the published sub sector this amounted to 15 organisations >1000 units, the average results are reported. During 2024 we aim to work with smaller organisations determine a more specialist supported housing peer group to benchmark against.

Metric 1 - % reinvestment - investment in properties (existing stock and new supply) as a percentage of the net book value of total properties held.
For Empower this relates to new supply and owned properties. Investment into leased properties is expensed. This figure is below budget for 22/23 due to lower acquisitions than budget but is above the peer group.

Metric 2A - % new supply delivered (social) as a proportion of total social properties owned.
The metric relating to new social housing units shows we are performing above the peer group average during 22/23 and have measured growth plans longer term. 22/23 performance is above budget due to more leased properties than planned.

Metric 2B - % new supply delivered (non-social) as a proportion of total social properties owned.
We have no plans to deliver non social units.

Metric 3 - Gearing, debt as a proportion of the net book value of total properties held.
Our cash balances are greater than total debt and therefore gearing produces a negative figure and is therefore recorded as zero. A lower gearing ratio is healthy. It is difficult to draw comparisons to the peer average, but our results are well within the covenant limits expected of traditional loan covenants.

Metric 4 - % EBITDA - MRI, earnings before interest, tax, depreciation and amortisation including major repair improvement measured against interest costs. This is an indicator of our operating surplus in comparison to interest paid. This metric is positive and forecast to improve in the longer term.

Metric 5 - Headline social housing cost per unit
This metric is higher than the peer group average although the peer group headline cost per unit figures vary from £3,792 to £27,828. Further investigation will be undertaken in this area with organisations of a similar size and client group. As most of our properties are leased c 2/3 of our costs are payments to leaseholders in line with agreements.

Metric 6A and 6B - Operating margin (profitability of social housing activities and overall).
This metric was ahead of budget in 22/23 mainly due to other income and reduced operating costs, and is forecast to improve longer term. Performance is lower than peer group and will be reviewed once a more specialised peer group is established.

Metric 7 - Return on capital employed, operating surplus to total assets less current liabilities.
Improved operating surplus in 22/23 has resulted in performance exceeding budget. Performance reduces slightly over the years as we invest in more properties. Performance is ahead of the peer group.

OPERATIONAL PERFORMANCE AND COMPLIANCE
The Board consider operational KPI's at each meeting. Some of our key performance indicators for 2022/23 are noted below:

Rents collected for 22/23 was 94.1% v target of 100%. Target for 23/24 is set at 100%. We have reviewed our arrears process and procedures which should improve collection rates moving forwards.

During 2022/23 we received 19 complaints, mainly around tenant noise and behaviours and parking, of these 3 where from residents (or their advocates), 3 from care providers and 13 from neighbours. All the complaints were dealt with in the agreed timescales. We have reviewed our policy and procedures to make the complaints journey more transparent for tenants, and we are using feedback to improve the way we respond to complaints moving forwards and improve services.

We continue to work with our tenants, advocates and care providers to review and improve our services. Visiting our properties frequently allows us to maintain a personal approach, gather information on our services and obtain feedback and input from our tenants, and gives us the opportunity to inspect the condition of our properties. Overall tenant satisfaction in 2223 was 94% with satisfaction with repairs 95%. We have a dedicated workforce, committed to providing an excellent personalised service.

Our tenants continue to be at the forefront of our business and ensuring their safety is essential. Throughout the year we have continued to focus primarily on property safety to ensure all relevant compliance was up to date and recorded appropriately as detailed in the table below:

Area of compliance	**Target 22/23**	**Actual 22/23**	**Target 23/24**
Gas Certification	100%	100%	100%
Fire Risk Assessments	100%	100%	100%
Electrical Certification	100%	100%	100%
Asbestos Surveys	100%	100%	100%
Legionella Risk Assessments	100%	100%	100%
Portable Appliance Testing	100%	100%	100%
LOLER - passenger lifts	100%	100%	100%

All of our properties continue to meet the Decent Homes Standard. Repairs performance is noted below:

Area of compliance	Timeframe	Target 22/23	Actual 22/23	Target 23/24
Average time to complete emergency repairs.	24 Hours	100%	100%	100%
Average time to complete non- emergency repairs.	7 Days	95%	98.6%	95%
Average time to complete non- emergency repairs.	28 Days	95%	97.6%	95%

Whilst performance against these KPI's met targets we still encountered issues with:

- Access being denied by tenants.
- Contractor availability
- Delays in contractor materials

INTERNAL CONTROLS ASSURANCE AND RISK MANAGEMENT

The Board has ultimate responsibility for establishing and maintaining an effective system of internal control and risk management framework that is appropriate to the various business environments in which it operates, and for annually reviewing its effectiveness.

The system of internal control is designed to manage rather than eliminate risk of failure to achieve key business objectives and expected outcomes and provide reasonable but not absolute assurance against material misstatement or loss.

The Board has reviewed the effectiveness of the system of internal control. In particular it has reviewed and updated the risk management framework and risk appetite during the year. The Board reviews the strategic risks and associated controls as part of this framework at least every quarter and more frequently if the risk profile changes. Risk based stress testing of the financial business plan and review of risk mitigations also forms part of the internal control's assurance. An annual review of the Regulators Sector Risk Profile compared to Empowers risks is reported to Board along with a gap analysis.

The Senior Management Team are responsible for the identification and evaluation of key risks applicable to their areas of business and working closely with operational managers in the design and operation of suitable internal controls. The Chief Executive reports to the Board on significant changes in the business and the external environment, which affect key risks.

Financial control is carried out via annual budget planning feeding into the long-term financial business plan, coupled with regular, detailed monitoring reports to Board, and delegated authority levels to ensure appropriate expenditure control.

Key performance indicators (KPIs), both financial and non-financial, are reported to management and the Board. These KPIs are used to inform discussions at Management Team meetings and are used to help drive improvements to the internal control framework.

Empower has implemented a 3-year programme of internal audits which is discussed and approved by Board on an annual basis in line with new and emerging risks and delivered by an outsourced internal audit partner. Agreed recommendations for improvements are implemented by management and progress on recommendations is monitored by the Board and reviewed by the internal audit partner.

The internal auditors report directly to the Board and annually express an opinion, to give the Board assurance based on the reviews carried out on the organisation's framework of governance, risk management and control. Based on the work undertaken by TIAA during the year they reported TIAA is satisfied that, for the areas reviewed during the year, Empower Housing has reasonable and effective risk management, control and governance processes in place.

Report of the Directors
for the Year Ended 31st March 2023

The external auditor's management letter, which is required to report any material weaknesses in internal controls identified during their audit work, there were no such weaknesses identified.

Empower has Fraud and Corruption and Whistleblowing policies in place. There have been no reported actual frauds during the period.

Annual forward agendas for Board and sub committees are approved by Board to ensure that they have key information providing Board with the necessary assurance to ensure their governance, business planning, risk management and control framework is effective.

The Board have reviewed the effectiveness of the system of internal control, including risk management, for the year to 31 March 2023, and up to the date of signing these financial statements, based on the assurances provided by the key elements of the system of internal control, opinions of internal audit and external audit, and other assurance sources it has not identified any weaknesses which have resulted in material misstatement or loss which would require disclosure in the financial statements.

RISK MANAGEMENT

Our risk management policy (reviewed by the Board in July 2023), is in place to identify, evaluate and manage the significant risks faced by Empower, arising from our corporate priorities, wider Sector Risks and the economic operating environment. The key risks currently facing Empower include:

Risk Area	Key factors	Mitigations
Asset management - failure to meet H&S, DHS & property compliance	Appropriate investment to meet changing legislation, Increased repair dilapidations cost & availability of contractors – geographical spread Data quality and compliance monitoring/action Out of date SCS	Dedicated building quality and compliance teams / DMC Business plan includes stock condition programme Regular reporting of performance Asset management strategy Review SCS 23/24
Fail to deliver environmental management and energy efficiency	Fail to reach EPC C by 2030 and zero carbon by 2050. High installation cost, increased heat costs for tenants High number leased properties	59% at EPC C or above Further review 2324. Review & report on zero carbon planned 24/25
Unforeseen external changes - political/economic/ageing population/environmental / legislation	Economic – escalating inflation/political, availability of goods Social Housing Regulation Act, Supported Housing (Regulatory Oversight) Act BSHR Renters Reform Bill	Monitor & report to Board on national policy, external environment, impact on customers, stress test on business plan, review mitigation strategies, business strategy, working with contractors and suppliers.
Repairs & maintenance meet standards within agreed resources	Fail to deliver right first time quality service Increasing costs Tenant satisfaction	Regular monitoring & reporting In house DLO some cost mitigation Tender works Regular feedback and contact with tenants, care providers and families. Collection tenant characteristics & data 23/24. Transactional surveys introduced May 2023.
Health and safety obligations as a landlord, employer, developer and provider of support services (including safeguarding)	Ensure awareness, regular review, compliance with legislation & reporting / assurance to Board. Risk of harm to colleagues, partners, tenants	H&S advisor appointed Jan 23. H&S Policy approved July 23, gap analysis & action plan, Training, monitoring & reporting in place, tenancy flags in place. Care provider retains principal risk, although Empower by Association has a residual risk. PI insurance in place.

Risk Area	Key factors	Mitigations
Colleague retention / recruitment & skilled colleagues	Concentrated knowledge / small team. Difficulty recruiting to sector with required skills. Ensure flexibility to recruit/retain.	Learning & development policy to be developed. Review professionalism qualification in line with SH Regulation changes. Reviewing T&C's, develop remote working policy. Colleague empowerment, away days, open & inclusive culture
Charging the correct rents	Ensure correct rents are charged at rent review/change in tenancy to tenant and payment to leaseholder– data quality. Identifying suitable market rent properties to test – market rent levels outside our control. Change in support needs Assess support needs at each PRC HB refuse rent changes	Rent compliance and setting policies in place & reported to Board annually. Rent notice reviewed 2023. Lease provisions re HB restrictions. Review of rent procedures to be undertaken 23/24
Data security /GDPR / cybercrime	Data breach/unauthorised access, impact on individual, data control and retention Financial loss, risk to data/systems. Cyber risk of attack	Move away from paper records DPO in place, Data protection training 2023, Review of policies and systems planned 2023/24 Segregation of duties. IT services outsourced, review of security q1 2023, Pen testing to be undertaken 202324. Cyber insurance in place
Compliance with Regulatory standards	Ensure practices embedded and compliance maintained, changes to Standards are identified and implemented	Regular review and reporting to Board. Monitor and implement changes. Annual compliance review & report. Internal audit programme
Resilient long term plan Liquidity / refinancing risk/counterparty failure	Adequately funded long term plan, Increasing cost of funds and margins, availability of funds/timely refinancing	Relationship with funders – refinancing. Treasury Policy in place. Review Treasury strategy Update, stress test on business plan, review mitigation strategies. External treasury /BP advisor
Tenant involvement and engagement	Obtaining tenant/advocate feedback ability of tenants to engage directly or be involved	Enhanced engagement as part of PRC. Updated Tenant Involvement Strategy & Action plan approved Feb 23, further engagement where issues are raised. Collection tenant characteristics & data 23/24.

Report of the Directors
for the Year Ended 31st March 2023

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
Mr Mark Ian Dunford - Director

Date: ....

Statement of Directors' Responsibilities
for the Year Ended 31st March 2023

The directors are responsible for preparing the Report of the Directors 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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, and are in accordance with FRS 102, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2022. 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.

Report of the Independent Auditors to the Members of
Empower Housing Association Limited

Opinion

We have audited the financial statements of Empower Housing Association Limited (the 'company') for the year ended 31st March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 in the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
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 Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page twelve, 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 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge of the housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental regulations and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Regulator of Social Housing, and the company’s legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

Report of the Independent Auditors to the Members of Empower Housing Association Limited

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 a Report of the Auditors 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.

Andrew Carl Caunce FCCA (Senior Statutory Auditor)
for and on behalf of Abrams Ashton-Chorley Limited
Statutory Auditor
Chartered Certified Accountants
41 St Thomas's Road
Chorley
Lancashire
PR7 1JE

Date: 29 September 2023

Statement of Comprehensive Income for the Year Ended 31st March 2023

	Notes	31.3.23 £	31.3.22 £
TURNOVER	4	**7,050,463**	7,200,351
Administrative expenses		**6,817,111**	6,630,080
		233,352	570,271
Other operating income	5	**510,000**	3,160
OPERATING SURPLUS	7	**743,352**	573,431
Interest receivable and similar income	8	**437**	19
		743,789	573,450
Interest payable and similar expenses	9	**47,385**	33,431
SURPLUS BEFORE TAXATION		**696,404**	540,019
Tax on surplus	10	**151,562**	114,751
SURPLUS FOR THE FINANCIAL YEAR		**544,842**	425,268
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**544,842**	425,268

....
Mr Mark Ian Dunford – Director and Chair

....
Mr Marcus David Evans – Director and Vice Chair

....
Mrs Sara Sharrock – Company Secretary

The notes form part of these financial statements

Statement of Financial Position
31st March 2023

	Notes	31.3.23 £	31.3.23 £	31.3.22 £	31.3.22 £
FIXED ASSETS					
Tangible assets	12		**2,963,567**		2,701,135
CURRENT ASSETS					
Debtors	13	**398,060**		361,642	
Cash at bank and in hand		**1,845,509**		1,569,141	
		2,243,569		1,930,783	
CREDITORS					
Amounts falling due within one year	14	**731,146**		302,508	
NET CURRENT ASSETS			**1,512,423**		1,628,275
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,475,990**		4,329,410
CREDITORS					
Amounts falling due after more than one year	15		**(470,795)**		(877,772)
PROVISIONS FOR LIABILITIES	18		**(14,109)**		(5,394)
NET ASSETS			**3,991,086**		3,446,244
RESERVES					
Income and expenditure account	19		**3,991,086**		3,446,244
			3,991,086		3,446,244

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2023 and were signed on its behalf by:

....
Mr Mark Ian Dunford – Director and Chair

....
Mr Marcus David Evans – Director and Vice Chair

....
Mrs Sara Sharrock – Company Secretary

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31st March 2023

	Retained earnings £	Total equity £
Balance at 1st April 2021	3,020,976	3,020,976
Changes in equity		
Total comprehensive income	425,268	425,268
Balance at 31st March 2022	3,446,244	3,446,244
Changes in equity		
Total comprehensive income	544,842	544,842
Balance at 31st March 2023	3,991,086	3,991,086

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31st March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	**524,444**	526,162
Interest paid		**(47,385)**	(33,431)
Tax paid		**(116,668)**	(163,742)
Net cash from operating activities		**360,391**	328,989
Cash flows from investing activities			
Purchase of tangible fixed assets		**(66,466)**	(285,687)
Sale of tangible fixed assets		**6,080**	9,000
Interest received		**437**	19
Net cash from investing activities		**(59,949)**	(276,668)
Cash flows from financing activities			
Loan repayments in year		**(24,074)**	(35,570)
Net cash from financing activities		**(24,074)**	(35,570)
Increase in cash and cash equivalents		**276,368**	16,751
Cash and cash equivalents at beginning of year	2	**1,569,141**	1,552,390
Cash and cash equivalents at end of year	2	**1,845,509**	1,569,141

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31st March 2023

1. RECONCILIATION OF SURPLUS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	31.3.23	31.3.22
	£	£
Surplus for the financial year	**544,842**	425,268
Depreciation charges	**126,897**	79,078
Loss/(profit) on disposal of fixed assets	**1,057**	(1,984)
Income from non-cash transactions	**(330,000)**	-
Finance costs	**47,385**	33,431
Finance income	**(437)**	(19)
Taxation	**151,562**	114,751
	541,306	650,525
Increase in trade and other debtors	**(36,418)**	(81,352)
Increase/(decrease) in trade and other creditors	**19,556**	(43,011)
Cash generated from operations	**524,444**	526,162

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st March 2023

	31.3.23	**1.4.22**
	£	**£**
Cash and cash equivalents	**1,845,509**	**1,569,141**

Year ended 31st March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	1,569,141	1,552,390

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	**Cash flow**	**At 31.3.23**
	£	**£**	**£**
Net cash			
Cash at bank and in hand	**1,569,141**	**276,368**	**1,845,509**
	1,569,141	**276,368**	**1,845,509**
Debt			
Debts falling due within 1 year	**(36,022)**	**(382,903)**	**(418,925)**
Debts falling due after 1 year	**(877,772)**	**406,977**	**(470,795)**
	(913,794)	**24,074**	**(889,720)**
Total	**655,347**	**300,442**	**955,789**

Notes to the Financial Statements
for the Year Ended 31st March 2023

1. **STATUTORY INFORMATION**

Empower Housing Association Limited was a private company, limited by guarantee, registered in England and Wales, during the year ended 31 March 2023. The organisation's registered number and registered office address can be found on the Company Information page.

The company is a public benefit entity.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

Income and expenditure
Income represents rental and service charges (net of rent and service charge losses from voids) and other income. Income is recognised at the point which the company has fulfilled its contractual obligations to the customer. Income is recognised net of VAT, where applicable.

Expenses include VAT where applicable if the company cannot reclaim it.

Government grants
Government grants include grants receivable under the Coronavirus Job Retention Scheme. These grants are recognised in income over the same period as the expenditure to which they relate once reasonable assurance has been gained that the company will comply with the conditions and that the funds will be received.

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

 continued...

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold and freehold property	Component accounting - see below
Property improvements	Component accounting - see below
Equipment	20% reducing balance
Motor vehicles	25% reducing balance

Land is not depreciated.

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of an asset, and is credited or charged to surplus or deficit.

Depreciation of housing properties
The company separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value on a straight line basis over the following periods
Structure - 50 years
Kitchens - 7-10 years
Bathroom - 7-10 years
Central heating - 15 years
Disabled adaptations - 7-10 years

Impairment of fixed assets
At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, loans to common controlled companies and cash and bank balances, are initially measured at transaction price including transaction costs. They are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

All the company's financial assets fall to be classified as basic financial assets under Section 11 of FRS 102 and the company therefore holds no other financial assets.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

All the companies financial liabilities fall to be classified as basic financial liabilities under Section 11 of FRS 102 and the company therefore has no other financial instruments.

 continued...

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company'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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the directors there are no critical accounting estimates. The directors have considered the company's properties in light of FRS102 and do not consider that any properties meet the definition of an investment property as all are used in the company's trading activities.

4. TURNOVER

The turnover and surplus before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.3.23	31.3.22
	£	£
Gross rents receivable	**6,972,564**	7,101,960
Service charges receivable	**77,899**	98,391
	7,050,463	7,200,351

5. OTHER OPERATING INCOME

	31.3.23	31.3.22
	£	£
Other income	**510,000**	-
Government grants	**-**	3,160
	510,000	3,160

Included within Other Income is an exceptional one off item which is not expected to reoccur.

Government grants were received under the government's Coronavirus Job Retention Scheme, in respect of employees placed on temporary furlough due to the Covid-19 pandemic.

6. EMPLOYEES AND BOARD DIRECTORS

	31.3.23	31.3.22
	£	£
Wages and salaries	**690,404**	765,403
Social security costs	**68,268**	90,254
Other pension costs	**28,289**	25,112
	786,961	880,769

continued...

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

6. EMPLOYEES AND BOARD DIRECTORS - continued

The average number of employees during the year was as follows:

	31.3.23	31.3.22
Management	1	2
Development	1	2
Housing management	5	6
Maintenance & compliance	9	6
Administration	1	1
Finance	2	-
	19	17

	31.3.23	31.3.22
	£	£
Board Directors' remuneration	18,625	1,417

The remuneration for the highest paid board director was £4,000 (2022: £333).

No expenses were paid to any board director in the current or prior year.

The number of staff who received remuneration (including employer pension contributions) greater than £60,000 was as follows:

	2023	2022
	No.	No.
£90,001 to £100,000	1	-
£140,001 to £150,000	-	1
£160,001 to £170,000	-	1
	1	2

The emoluments paid to the highest paid executive, excluding pension contributions, were £95,168 (2022: £160,572).

During the year, a total of key management personnel (board directors and executive team) compensation of £268,553 (2022: £365,804) was paid.

The executive team are ordinary members of the company pension scheme and no special or enhanced terms apply to their pension contributions. The company does not make any further contribution to an individual pension arrangement for key management personnel.

7. OPERATING SURPLUS

The operating surplus is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Other operating leases	4,293,852	4,436,442
Depreciation - owned assets	126,897	79,078
Loss/(profit) on disposal of fixed assets	1,057	(1,984)
Auditors' remuneration	12,550	10,860
Auditors' remuneration for non-audit services	2,587	2,850

continued...

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.23	31.3.22
	£	£
Interest on bank deposits	**437**	19

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Bank loan interest	**47,385**	33,431

10. TAXATION

Analysis of the tax charge
The tax charge on the surplus for the year was as follows:

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	**142,847**	116,668
Deferred tax	**8,715**	(1,917)
Tax on surplus	**151,562**	114,751

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23	31.3.22
	£	£
Surplus before tax	**696,404**	540,019
Surplus multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	**132,317**	102,604
Effects of:		
Depreciation in excess of capital allowances corporation tax rate	**19,465**	12,367
Other tax allowances	**(220)**	(220)
Total tax charge	**151,562**	114,751

Empower Housing Association Limited has been granted charitable status by HMRC following its conversion to a Community Benefit Society. As at the date of approving these financial statements, it has been deemed that this status will only take effect from 1 July 2023, therefore having no impact on the taxation charge recognised for the year ended 31 March 2023. Should any revision to this be granted by HMRC then an adjustment will be made in the financial statements for the year ending 31 March 2024.

continued...

Notes to the Financial Statements - continued for the Year Ended 31st March 2023

11. ACCOMODATION IN MANAGEMENT AND DEVELOPMENT

	31.3.23 Units	31.3.22 Units
General needs housing	**207**	210

As at 31 March 2023, Empower Housing Association Limited provided 440 bed spaces (2022: 444).

12. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Equipment £	Motor vehicles £	Totals £
COST					
At 1st April 2022	**2,987,147**	**1,850**	**126,738**	**92,789**	**3,208,524**
Additions	**330,000**	**-**	**11,921**	**54,545**	**396,466**
Disposals	**(1,475)**	**-**	**(250)**	**(14,730)**	**(16,455)**
At 31st March 2023	**3,315,672**	**1,850**	**138,409**	**132,604**	**3,588,535**
DEPRECIATION					
At 1st April 2022	**337,205**	**428**	**102,561**	**67,195**	**507,389**
Charge for year	**104,539**	**38**	**6,074**	**16,246**	**126,897**
Eliminated on disposal	**(29)**	**-**	**(191)**	**(9,098)**	**(9,318)**
At 31st March 2023	**441,715**	**466**	**108,444**	**74,343**	**624,968**
NET BOOK VALUE					
At 31st March 2023	**2,873,957**	**1,384**	**29,965**	**58,261**	**2,963,567**
At 31st March 2022	2,649,942	1,422	24,177	25,594	2,701,135

The directors consider there to be no significant change in property valuations in this financial year which would result in an impairment loss being recognised.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Trade debtors	**2,657**	-
Other debtors	**358,301**	323,643
Prepayments	**37,102**	37,999
	398,060	361,642

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23 £	31.3.22 £
Bank loans and overdrafts (see note 16)	**418,925**	36,022
Trade creditors	**121,554**	116,819
Tax	**142,847**	116,668
Social security and other taxes	**17,493**	10,120
Other creditors	**6,705**	-
Accruals and deferred income	**23,622**	22,879
	731,146	302,508

continued...

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

	31.3.23	31.3.22
	£	£
Bank loans (see note 16)	**470,795**	877,772

16. LOANS

The long-term bank loans are secured by a fixed and floating charge over the properties of the company to which they relate.

The rate of interest payable is between 3 - 7 % on the long term bank loans.

The bank loans are repayable by instalments and the amount of instalments due in more than 5 years is £Nil (2022: £Nil).

17. LEASING AGREEMENTS

Lessee

At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31.3.23	31.3.22
	£	£
Within one year	**3,523,339**	3,475,889
Between one and five years	**12,877,646**	10,047,440
In more than five years	**16,681,585**	17,521,931
	33,082,570	31,045,260

Lessor

At the reporting date the company had contracted with tenants for the following minimum lease payments:

	31.3.23	31.3.22
	£	£
Within one year	**5,619,115**	5,678,360
Between one and five years	**20,686,298**	16,795,170
In more than five years	**26,897,621**	28,246,158
	53,203,034	50,719,688

18. PROVISIONS FOR LIABILITIES

	31.3.23	31.3.22
	£	£
Deferred tax	**14,109**	5,394

	Deferred tax
	£
Balance at 1st April 2022	**5,394**
Charge to Statement of Comprehensive Income during year	**8,715**
Balance at 31st March 2023	**14,109**

continued...

19. RESERVES

	Income and expenditure account £
At 1st April 2022	**3,446,244**
Surplus for the year	**544,842**
At 31st March 2023	**3,991,086**

20. RELATED PARTY DISCLOSURES

The company retains a register of directors' interest. During the year there were no interests in related parties that are required to be declared.

The company considers the key management personnel to be the Board and the Executive Team. Disclosures in relation to key management personnel are included in note 6.

21. POST BALANCE SHEET EVENTS

On 1 July 2023, Empower Housing Association Limited completed a conversion from a limited company to a Community Benefit Society (CBS) and is now registered with the Financial Conduct Authority (FCA). Empower Housing Association continues to be a not for profit housing provider, registered with the Regulator of Social Housing.

22. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes	**31.3.23 £**	31.3.22 £
Charge to profit or loss in respect of defined contribution schemes	**28,289**	25,112

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered scheme.

23. MEMBERS' LIABILITY

During the year ended 31 March 2023 Empower Housing Association was a company limited by guarantee, not having a share capital and consequently the liability of members was limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

From 1 July 2023, the organisation converted to a Community Benefit Society. Each member has provided an undertaking to contribute such amounts that may be required not exceeding £1 upon any future winding up of the society.